Golden Birch Resources Inc.

Management's Discussion and Analysis

For the Year Ended December 31, 2019

April 29, 2020

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of Golden Birch Resources Inc. ("Golden Birch" or the "Company") has been prepared by management as of April 29, 2020, and should be read in conjunction with the audited financial statements of the Company for the years ended December 31, 2019 and December 31, 2018 (the "Financial Statements") and related notes. This MD&A is dated April 29, 2020. The Company's public filings can be viewed on the SEDAR website (www.sedar.com), and on the Company's website (www.goldenbirchresources.ca)

The Financial Statements, including comparative, and the related notes have been prepared in accordance and compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All amounts are expressed in Canadian dollars unless otherwise stated. Other information contained in this document have also been prepared by management, and is consistent with the data contained in the Financial Statements.

The Company's certifying officers are responsible for ensuring that the Financial Statements and MD&A do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's certifying officers certify that the Financial Statements together with the other financial information included in the filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company as of the date of and for the periods presented in the filings.

The Company's Audit Committee and the Board of Directors provide an oversight role with respect to all public financial disclosures by the Company. The Board of Directors approves the Financial Statements and MD&A after the completion of its review and recommendation for approval by the Audit Committee, which meets periodically to review all financial reports, prior to filing.

Forward-Looking Statements

Certain statements contained in this document constitute "forward-looking statements". All statements other than statements of historical fact contained in this MD&A, including, without limitation, those regarding the Company's future financial position and results of operations, strategy, proposed acquisitions, plans, objectives, goals and targets, and any statements preceded by, followed by or that include the words "believe", "expect", "aim", "intend", "plan", "continue", "will", "may", "would", "anticipate", "estimate", "forecast", "predict", "project", "seek", "should", or similar expressions or the negative thereof, are forward-looking statements. These statements are not historical facts; but instead, represent only the Company's expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to risks associated with: geological risks; limited operating history; inability to generate earnings or pay dividends for the foreseeable future; no current assets other than cash; uncertain ability to raise additional funds when required; reliance on a small number of key managers lacking backup; potential conflicts of interest among directors and officers of the Company; lack of liquidity for shareholders of the Company; ability to secure needed permits; ability to physically access and work the Company's property assets; availability of skilled labour; timing and amount of capital expenditures; future currency exchange and interest rates; and market risk consisting of fluctuations in the Company's share price, metal prices, credit market conditions and investor appetite for early stage exploration companies. See "Risks and Uncertainties".

Management provides forward-looking statements because they believe such statements deliver useful guidance and information to readers when considering their investment objectives. Though management believes such statements to be as accurate as possible in the context of the information available to management at the time in which they are made, management cautions readers that the guidance and information contained in such statements may rapidly be superseded by subsequent events. Consequently, all of the forward-looking statements made in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments suggested by such forward-looking statement will be realized or, even if substantially realized, that they will have the expected results, or effects upon, the Company. These forward-looking statements are made as of the date of this MD&A, and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

The forward-looking statements in this MD&A are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future, including assumptions regarding business and operating strategies.

Description of the Business

Golden Birch was incorporated on October 4, 2017 under the Canada Business Corporations Act (the "Act"). The principal business of the Company is the acquisition, exploration and development of mineral property interests in Papua New Guinea. The Company is a public company incorporated in Canada with limited liability under the legislation of Canada. The Company's portfolio is comprised of an option to acquire an 85% interest in two mineral concessions located in Papua New Guinea, known as the Keveri Project (the "Keveri Project").

Both the registered and head office of the Company are located at 140 Cook's Lake Road, Timmins, ON P4R 0B7.

Pursuant to an option and joint venture agreement (the "Option Agreement") with Papuan Mineral Pty Ltd. ("PMPL") and its wholly owned subsidiary Papuan Miners Ltd. ("PML") dated August 28, 2018, the Company acquired options to acquire 85% of the issued and outstanding shares of PML. PML is the legal and beneficial owner of 100% of the licenses which encompass the Keveri Project in Papua New Guinea.

The Company is in the exploration stage and is subject to the same risks and challenges as other companies in a comparable stage of development. These risks include, but are not limited to, the dependence on key individuals, successful exploration, and the ability to secure adequate financing to meet the minimum capital required to successfully complete its planned work programs on mineral properties. The financial statements for the year ended December 31, 2019, have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. The business of mining and exploring for minerals involves a high degree of risk, and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves and the Company's ability to dispose of its interests on an advantageous basis.

Golden Birch is at an early stage of operating, developing, exploring and acquiring gold properties and as is common with many small companies, it raises financing for its exploration and acquisition activities in discrete tranches. The Company has working capital of $1,566,480 at December 31, 2019 (2018 - $534,674). For the year ended December 31, 2019, the Company had a net loss and comprehensive loss of $(3,374,981) (2018 - $(1,002,366)), and had cash outflows from operations of $(2,801,159) (2018 - cash outflows of $(544,030)). These circumstances cast significant doubt about the Company's ability to continue as a going concern and, accordingly, the ultimate use of accounting principles applicable to a going concern.

The Company's ability to continue as a going concern is dependent upon obtaining additional financing and eventually achieving profitable production in the future. The Company is currently evaluating various options in order to address its financing needs. There can be no assurance that the Company's financing activities will continue to be successful or sufficient.

Longer term, the Company may pursue opportunities to raise additional capital through equity markets; however, there can be no assurance it will be able to raise funds in the future. The ultimate ability of the Company to remain a going concern and complete exploration and development of properties, if properties are proven successful, is dependent upon successfully raising additional capital.

Highlights – Q4 December 31, 2019

During the Q4 period, no exploration was undertaken by the company on the Keveri Property, as management focused on preparation of deliverables to prepare for planned listing on the Canadian Securities Exchange.

Overall Performance

The Keveri Project is at an early stage of exploration. As such, the Company's only source of funds is derived from the issuance of equity, plus whatever interest it may earn from cash balances and the investment of that portion of the proceeds of such equity issuances not otherwise immediately required for exploration purposes, in short-term investments and money market instruments.

SELECTED ANNUAL INFORMATION

Selected Annual and Year to Date Information

Year ended	**2019** **$**	**2018** **$**	**2017** **$**
Net loss	(3,374,981)	(1,002,366)	(44,876)
Loss per share			
- Basic	(0.07)	(0.12)	(0.00)
- Diluted	(0.07)	(0.12)	(0.00)
Total assets	1,692,856	801,100	320
Long Term Liabilities	Nil	Nil	Nil

SELECTED QUARTERLY INFORMATION
Summary of Quarterly Results

For the three-month period ended

	December 31, 2019 **$**	**September 30, 2019** **$**	**June 30, 2019** **$**	**March 31, 2019** **$**
Net loss	(444,273)	(875,832)	(1,411,768)	(643,108)
Loss per share				
- Basic	(0.01)	(0.01)	(0.03)	(0.01)
- Diluted	(0.01)	(0.01)	(0.03)	(0.01)
Total assets	1,692,856	1,674,114	2,185,696	419,244

For the three-month period ended

	December 31, 2018 $	September 30, 2018 $	June 30, 2018 $	March 31, 2018 $
Net loss	(604,390)	(276,756)	(113,041)	(8,179)
Loss per share				
- Basic	(0.01)	(0.06)	(0.03)	(0.00)
- Diluted	(0.01)	(0.06)	(0.03)	(0.00)
Total assets	801,100	924,540	9,081	11,041

Selected Quarterly Financial Information

The following is a summary of exploration expenditures of the Keveri Project for the year ended December 31, 2019 and 2018:

Category	Year ended December 31,	
	2019 $	2018 $
Accommodations	51,599	13,921
Accounting services	25,494	3,257
Administration	6,891	4,914
Assays	54,627	19,177
Communications	21,120	2,234
Compensation	3,819	Nil
Field supplies	73,523	31,953
Geologists	246,900	75,567
Geophysics services	289,376	nil
Helicopter chartering	361,477	95,924
In-country logistics	132,838	18,463
Option payments	279,115	124,068
Other	40,828	829
Professional fees	19,243	nil
Sampling	33,325	nil
Site meal services	47,678	13,630
Technical report	56,956	nil
Travel	56,760	24,215
Wages	333,351	33,789
TOTAL	**2,134,920**	**461,941**

The Company commenced exploration on the Keveri property in late August 2018, therefore comparative figures reflect four months of activity.

Results of Operations

Year ended December 31, 2019 compared to year ended December 31, 2018:

Total operating expenses and net loss were $(3,374,981) for the year ended December 31, 2019, compared to $(1,002,366) in the year ended December 31, 2018, an increase of $2,372,615.

The following is a summary of general and administrative expenses of the Company for the years ended December 31, 2019 and 2018:

Category	Year ended December 31,	
	2019 $	2018 $
Management fees	425,520	327,658
Foreign exchange loss	29,883	nil
Professional fees	366,307	50,465
Share based payments	281,341	117,000
Travel	49,925	14,797
All others	87,085	30,505
TOTAL	1,240,061	540,425

Management fees increased due to the fact that the company entered into the Keveri property agreement in August of 2018; and therefore, the 2018 figures only reflect four nine months of activity.

The increase in the foreign exchange loss reflects the fact that the company commenced working on the Keveri property in August of 2018; and therefore, the 2018 figures reflect only four months of activity.

Professional fees increased in 2019 due to the company's work to seek a listing for the company's shares.

Share based payments represent the Black-Scholes value of the options granted in 2019. Fewer options were granted in the year ended December 31, 2018.

Travel costs increased in the twelve month period ended December 31, 2019 compared with the same period in 2018 as the company entered into the Keveri property agreement in August of 2018; and therefore, the 2018 figures reflect only four months of activity.

Three months ended December 31, 2019 compared to three months ended December 31, 2018:

General and administrative expenses totaled $306,711 in the fourth quarter of 2019, compared to $283,506 in the prior year period. The following is a summary of general and administrative expenses of the Company for the three months ended December 31, 2019 and 2018:

Category	Three months ended December 31,	
	2019 $	2018 $
Management fees	93,214	108,455
Professional fees	139,624	18,539
Share-based payment	47,341	117,000
Travel	1,978	11,312
All others	24,644	28,200
TOTAL	306,801	283,506

Management fees decreased in the three months ended December 31, 2019, compared with the same period in 2018, due to changes in the company's executive officer compensation packages.

Professional fees increased in 2019 due to the company's work to seek a listing for the company's shares.

Travel costs decreased in the three-month period ended December 31, 2019 compared with the same period in 2018 as the company reduced its level of activity on the Keveri property in anticipation of seeking a listing for the company's shares.

Related Party Transactions

Golden Birch entered into the following transactions with related parties during the twelve month periods ended December 31, 2019 and December 31, 2018:

With Directors of the Company:	2019 $	2018 $
Property acquisition payments paid to a corporation whose directors are directors of the Company	279,115	124,068
Management fees paid to directors of the Company	378,590	327,300
Share-based payments made to the Company's directors	204,527	105,300
Salary paid to Company's CAO	46,930	Nil
Rent paid to a person related to a Company director	3,000	Nil
Accounting services paid to a partnership in which an officer of the Company is a partner	83.838	2,788
Exploration and evaluation expenses paid to the Company's CEO	72,000	32,100

Accounts payable and accrued liabilities as at December 31, 2019, include amounts owing to directors and officers in the amount of $12,574 (December 31, 2018 - $226,845). These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

Accounts receivable as at December 31, 2019, include amounts owing from a related corporation in the amount of $20,000 (December 31, 2018 - nil). The company is related through common management. The amount receivable is unsecured, non-interest bearing and have no fixed terms of repayment.

In the April 4, 2018 non-brokered private placement described in note 7(ii) to the financial statements, directors subscribed for 833,333 Class A shares for gross proceeds of $25,000.

In the October 25, 2018 non-brokered private placement described in note 7(ii) to the financial statements, a director subscribed for 2,700,000 Class A shares for gross proceeds of $137,700.

Directors subscribed for all of the shares in the March 27, 2018 and August 14, 2018 non- brokered private placements described in note 7(ii) to the financial statements in exchange for the extinguishment of accounts payable totalling $130,990.

Directors subscribed for all of the shares in the June 30, 2019 non-brokered private placement described in note 7(ii) to the financial statements in exchange for extinguishment of accounts payable totalling $398,955 and cash consideration of $30,000.

Directors subscribed for all of the shares in the October 21, 2019 non-brokered private placements described in note 7(ii) to the financial statements in exchange for the extinguishment of accounts payable totalling $70,500.

The directors of the company are the chairman of the board, Mr. David Drinkwater, the chief executive officer, Mr. Alan Martin, the chief administrative officer, Mr. Iain Martin, the director, David Lindley, and the director, Andrew Morris.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including directors (executive or non-executive) of the Company.

Liquidity, Capital Resources, and Outlook

The Company is an exploration-stage company and does not generate revenues. As such, it finances all of its operations and the exploration of its mineral properties entirely through the issuance of share capital. Although Golden Birch has been successful in its attempts to raise capital, there can be no assurance that its future efforts will likewise be successful. The mineral exploration business is high risk and the vast majority of exploration projects will not result in producing mines. The success of future financings will depend on a variety of factors including geological success – i.e. obtaining superior results from exploration; a positive investment climate encompassing strong metal prices, solid stock market conditions, and a "risk-on" appetite among investors; and the Company's track record and the ability and experience of management. If such financing is unavailable, Golden Birch may be unable to retain its mineral interests and execute its business plans.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2019, the Company had a cash and term deposit balance of $1,638,012 (December 31, 2018 - $789,216) to settle current liabilities of $105,738 (December 31, 2018 - $266,426). The Company's accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms.

Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements as at December 31, 2019.

Critical Accounting Estimates and Policies

The Company's significant accounting policies and the adoption of new accounting policies are disclosed in Notes 2(b) and 3 to the annual audited financial statements prepared for the year ended December 31, 2019.

Critical accounting estimates used in the preparation of the financial statements include the Company's estimate of the value of stock-based compensation and income tax accounts. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

The factors affecting stock-based compensation include estimates of when stock options and compensation warrants might be exercised and stock price volatility. The timing for exercise of options is out of the Company's control and will depend on a variety of factors, including the market value of the Company's shares and financial objectives of the share- based instrument holders. The Company used historical data to determine volatility in accordance with the Black-Scholes option pricing model. However, the future volatility is uncertain and the model has its limitations.

The Company's recoverability of its recorded value of its mineral exploration properties and associated deferred exploration and evaluation expenses is based on current market conditions for minerals, underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale. The Company operates in an industry that is dependent on a number of factors including environmental, legal and political risks, the existence of economically recoverable reserves, and the ability of the Company to obtain necessary financing to complete the development, and future profitable production or the proceeds of disposition thereof.

Future Accounting Changes

The Company has not yet adopted certain new International Financial Reporting Standards ("IFRS") standards, amendments and interpretations to existing standards, which have been published but are only effective for its annual periods beginning on or after January 1, 2020. These include:

IAS 1 – *Presentation of Financial Statements* ("IAS 1") and IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors* ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020.

IFRS 3 – *Business Combinations* ("IFRS 3") was amended in October 2018 to clarify the definition of a business. This amended definition states that a business must include inputs and a process and clarified that the process must be substantive and the inputs and process must together significantly contribute to operating outputs. In addition, it narrows the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs and added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets. The amendments are effective for annual reporting periods beginning on or after January 1, 2020.

New IFRS standards adopted:

During 2019, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements to existing standards. These included IFRS 16, Leases, and IFRIC 23, Uncertainty over Income Tax Treatments. These new standards and changes did not have any material impact on the Company's financial statements.

Financial Instruments & Risk

The Company's financial instruments consist of cash, accrued liabilities and accrued liabilities and share subscriptions.

The Company's activities expose it to a variety of financial risks: liquidity risk, market risk (including interest rate, foreign exchange rate and price risk) and credit risk.

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash has been invested with reputable financial institutions from which management believes the risk of loss to be remote.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2019, the Company had a cash balance of $1,638,012 (December 31, 2018 - $789,216) to settle current liabilities of $105,738 (December 31, 2018 - $266,426). The Company's accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms.

Interest Rate Risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company is sensitive to changes in the interest rates through interest income earned on its cash balance.

Price Risk

Price risk with respect to commodity prices is remote since the Company is not a producing entity.

Foreign Currency Risk

The Company is subject to foreign exchange risk as some of its operating and investing activities are transacted in currencies other than the Canadian dollar, including the Australian dollar and the Papua New Guinea kina. The Company is therefore subject to losses due to fluctuations in these currencies relative to the Canadian dollar.

As at December 31, 2019, the Company held approximately $9,369 (December 31, 2018 - $36,071) of cash balances denominated in Papua New Guinea kinas. As at December 31, 2019, the Company had accounts payable and accrued liabilities denominated in US dollars of $nil (December 31, 2018 - $27,090), Australian dollars of $7,040 (December 31, 2018 - $nil), and Papua New Guinea kinas of 58,796 (December 31, 2018 - $nil). A 10% change in the value of the Canadian dollar compared to the other foreign currencies in which the Company transacts would result in a corresponding foreign exchange gain/loss of approximately $1,900 based on the balance of monetary assets and liabilities at December 31, 2019 (2018 - $1,500).

Commodity price risk

The ability of the Company to develop its properties and the future profitability of the Company is directly related to fluctuations in the market price of certain minerals.

Commitments and Contingencies

As of October 1, 2019, the Company is party to consulting contract agreements with its Chief Executive Officer and an employment contract with its Chief Administrative Officer. The contracts provide for monthly cash payments of $14,583 each.

These arrangements may be terminated by the Company without specifying any cause, at any time upon providing the party thereto with the greater of twelve (12) months' notice or pay in lieu, plus one (1) month's notice or pay in lieu for each completed year of service under the Consulting Agreement to a combined maximum of twenty-four (24) months, or the minimum amount of notice or pay in lieu required by *Employment Standards Act* (Ontario).

Minimum commitments under these contracts total $350,000 and are due within one year.

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Capital Management

The capital of the Company consists of common shares, treasury shares, warrants and options. The Company manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of its exploration and evaluation assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, seek debt financing, or acquire or dispose of assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is not subject to any externally imposed capital requirements. Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable. There have been no significant changes in the risks, objectives, policies and procedures in 2018 or 2019.

The Company's Keveri Project is in the exploration stage and it has neither revenues nor profits. As such the Company is wholly dependent on external financing to fund its planned exploration programs and administration costs. The Company will therefore spend its existing working capital and raise additional amounts when conditions permit it to do so.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

(i) ensuring cost-effective deployment of existing funds, generally through competitive bidding;
(ii) avoiding project "overstretch" – i.e. too many properties and projects, and too many commitments;
(iii) minimizing discretionary disbursements;
(iv) reducing or eliminating exploration expenditures that are of limited value;
(v) maintaining a liquidity cushion in order to address any potential disruptions or industry downturns; and
(vi) exploring alternative sources of liquidity.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate.

The Company is not presently subject to any capital requirements imposed by a regulator or lending institution body. The Company expects that its current capital resources are sufficient to discharge its liabilities as at December 31, 2019.

Disclosure of Outstanding Share Data (as at April 29, 2020)

The following is a description of the outstanding equity securities and convertible securities previously issued by the Company:

Common Shares

Authorized: Unlimited number of common shares. Outstanding: 73,796,746 common shares.

Options

A summary of the Company's options outstanding and exercisable at April 29, 2020 is presented below:

Exercise price	Options outstanding	Options exercisable	Expiry date
$0.10	3,000,000	3,000,000	October 3, 2022
$0.25	3,154,995	3,154,995	June 30, 2023
$0.15	714,965	714,965	October 21, 2023
$0.15	900,000	225,000	February 13, 2025
Total	**7,769,960**	**7,094,960**	

Subsequent Events

(a) Keveri Property

Subsequent to December 31, 2019, the Keveri Option and Joint Venture Agreement, as disclosed in note 5, was amended to provide the Company with a period of 19 months from the execution date of the agreement, August 24, 2018, to have the shares of the Company listed on a recognized stock exchange. All other terms of the agreement remain unchanged.

Subsequent to December 31, 2019 the Company made the payment of $150,000 AU required pursuant to the Keveri Option and Joint Venture Agreement, as disclosed in note 5 to the financial statements.

(b) Public trading

Effective January 28, 2020, the Company shareholders approved the removal of the trading restriction as set out in the by-laws of the Company.
Effective March 2, 2020 the Company commenced trading on the Canadian Securities Exchange ("CSE").

(c) Covid-19

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could 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.

Risks and Uncertainties

The Company's securities should be considered high risk and highly speculative due to the nature of its business.

Substantial Number of Authorized but Unissued Shares

The Company has an unlimited number of Common Shares that may be issued by the Board without further action or approval of the Company's shareholders. While the Board is required to fulfill its fiduciary obligations in connection with the issuance of such shares, the shares may be issued in transactions with which not all shareholders agree, and the issuance of such shares will cause dilution to the ownership interests of the Company's shareholders.

Dilution

The financial risk of the Company's future activities will be borne to a significant degree by purchasers of the Common Shares. If the Company issues Common Shares from its treasury for financing purposes, control of the Company may change and purchasers may suffer additional dilution.

Negative Cash Flow from Operating Activities

The Company has no history of earnings and had negative cash flow from operating activities since inception. The Keveri Property is in the exploration stage and there are no known mineral resources or reserves and the proposed exploration program on the Keveri Property is exploratory in nature. Significant capital investment will be required to achieve commercial production from the Company's existing projects. There is no assurance that the Keveri Property will generate earnings, operate profitably or provide a return on investment in the future. Accordingly, the Company will be required to obtain additional financing in order to meet its future cash commitments.

Current Market Volatility

The securities markets in the United States and Canada have recently experienced a high level of price and volume volatility, and the market prices of securities of many companies 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. It may be anticipated that any market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company. The value of the Common Shares distributed hereunder will be affected by such volatility.

Use of Funds

The Company has prepared a detailed budget setting out the way in which it proposes to expend the funds. However, the quantum and timing of expenditure will be dependent upon receiving positive results from the Company's exploration activities on the Keveri Property. As the Company conducts its exploration program, it is possible that results and circumstances may dictate a departure from the pre-existing budget. Further, the Company may, from time to time as opportunities arise, utilise part of its financial resources to participate in additional opportunities that arise and fit within the Company's broader objectives, as a means of advancing shareholder value.

No Production History

The Keveri Property is not a producing property and its ultimate success will depend on its operating ability to generate cash flow from producing properties in the future. The Company has not generated any revenue to date and there is no assurance that it will do so in the future. The Company's business operations are at an early stage of development and its success will be largely dependent upon the outcome of the exploration programs that the Company proposes to undertake.

Limited Operating History

The Company has no properties producing positive cash flow and its ultimate success will depend on its ability to generate cash flow from producing properties in the future. The Company has not earned profits to date and there is no assurance that it will do so in the future. Significant capital investment will be required to achieve commercial production from the Company's existing projects. There is no assurance that the Company will be able to raise the required funds to continue these activities.

Exploration, Mining and Operational Risks

The business of exploring for and mining minerals involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At present, the Keveri Property does not have any known mineral resources or reserves, and the proposed exploration and drilling programs are an exploratory search for such mineral resources or reserves.

The Company's operations are subject to all the hazards and risks normally associated with the exploration, development and mining of minerals, any of which could result in risk to life, to property, or to the environment. The Company's operations may be subject to disruptions caused by unusual or unexpected formations, formation pressures, fires, power failures and labour disputes, flooding, explosions, cave-ins, landslides, the inability to obtain suitable or adequate equipment, machinery, labour or adverse weather conditions. The availability of insurance for such hazards and risks is extremely limited or uneconomical at this time.

In the event the Company is fortunate enough to discover a mineral deposit, the economics of commercial production depend on many factors, including the cost of operations, the size and quality of the mineral deposit, proximity to infrastructure, financing costs and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting minerals and environmental protection. The effects of these factors cannot be accurately predicted, but any combination of these factors could adversely affect the economics of commencement or continuation of commercial mineral production.

Mining Claims

The operations of the Company will require licenses and permits from various governmental authorities in Papua New Guinea ("PNG"). There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out the exploration and development of its projects in a timely manner or at all.

The activities of the Company will be subject to government approvals, various laws governing prospecting, development, land resumptions, production taxes, a gold export license, labour standards and occupational health, mine safety, toxic substances and other matters. Although the Company intends to carry out its activities in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

The Company's operations will also be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties.

There are several permits required for mining operations in PNG, including:

- License to keep, store or possess explosives;
- Permit for persons using explosives;
- Conveyance of explosives and dangerous goods;
- License to keep, or register premises to store inflammable liquids;
- Approval to recruit non-citizens;
- Gold export license;
- Export consignment form;
- Establishing foreign bank accounts to meet exchange control requirements;
- Tax clearance certificates for transfer of funds out of PNG.

The Company does not have any of these permits in a current or useable form, and will be required to apply for and obtain all necessary permits as required to mine, process and sell product. There is no guarantee the Company will be able to obtain the necessary permits in a timely manner or at all. Delays in obtaining permits could materially delay the Company's operations, and failure to obtain any necessary permit could materially restrict the Company's future operations.

Country Risks

The Company's mineral properties are located in and its activities will be conducted in PNG; and as such, the Company will be exposed to various levels of political, economic and other risks and uncertainties associated with carrying on business in PNG. These risks include; but are not limited to, political instability, an unpredictable legal system, civil unrest, inconsistent and unsophisticated land tenure system, government land policy and government ownership of or participation in mining projects, high levels of corruption, significant delays in permitting and approvals, fluctuations in currency exchange rates, high rates of inflation, excessive import duties and taxes on the importation of equipment, expropriation and nationalization, restrictions on foreign ownership, possible future restrictions on foreign exchange and repatriation, changes in taxation, labour and mining regulations and policies, and changing political conditions, currency controls, and government regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ local citizens.

Changes, if any, in mining or investment policies, or shifts in political attitude in PNG, may adversely affect the Company's operations or profitability. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications, and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

One potential cost of care and maintenance to be incurred by the Company will be for security personnel. The Company will have to maintain a minimum level of security to protect its assets and personnel; however, there is no guarantee that such measures will provide an adequate level of protection for the Company.

Corruption and Bribery

The Company must comply with anti-corruption and anti-bribery laws, including the Canadian Corruption of Foreign Public Officials Act, as well as similar laws in the countries in which the Company conducts its business. Such laws apply to all directors, officers, employees, consultants and agents of the Company. 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, which may have a material adverse effect on it.

Mining Decision

The Company may choose to initiate mining operations on any part of the Keveri Property without basing its production decision on a feasibility study, pre-feasibility study, preliminary economic assessment or mining study of mineral reserves demonstrating economic and technical viability, and therefore be subject to a higher risk of uncertainty. There is no assurance, given all of the known and potentially unknown risks associated with the Keveri Property that the Company will be able to profitably carry on mining operations. In addition, there is no assurance continued exploration of the Keveri Property will demonstrate adequate additional mineralization which can be mined economically, such that mining operations on the Keveri Property may not be sustainable beyond currently estimated resources.

Royalties

The PNG Mining Act 1992 provides that all minerals at or below the surface of any land are the property of the State. As a result, the tenements underlying the Keveri Property are subject to royalties and interests in favour of the government of PNG in accordance with that Act. The holder of a mining lease or a special mining lease under that Act is required to pay a royalty to the State equal to 2% of either: (i) the free on board value of the minerals, if they are exported without smelting or refining in PNG; or (ii) the net smelter return from the minerals, if they are smelted or refined in PNG. In addition to royalty costs, the PNG government also imposes a second cost on mining project in PNG in the form of a 0.25% levy of mine revenue.

State Participation Right

Generally, the PNG government has the right to participate in mining operations by acquiring up to a 30% interest in a mining licence. It is uncertain whether the PNG government will choose to exercise this right with regards to the Keveri Property; however, the risk remains that the government could seek to impose and exercise such right, which could result in, among other things, material and costly negotiations as to the fair market value of such right and the terms of payment. Upon exercise of the government's option, the state would fund its share of capital and ongoing costs and the Company repaid its share of sunk costs.

Foreign Enterprise Carrying on Business in PNG

Foreign companies carrying on business in PNG are required to obtain a certificate under the Investment Promotion Act (PNG) permitting such activity. Papuan Minerals Ltd. had the necessary certificate under that Act; however, there is a requirement for foreign companies to recertify in the event of a change in the ownership, shareholder or beneficial ownership or control of the foreign enterprise. The Company will be required to seek recertification under that Act upon exercise of the Company's option to acquire of 51% of the shares of Papuan Minerals Ltd. pursuant to the Keveri Option Agreement. There is no assurance such re-certifications will be granted, failure of which will adversely impact on, or may preclude, the Company's ability to carry on business in PNG.

Assurance of Title

The Company has taken all reasonable steps to attempt to ensure that proper title to the Keveri Property has been obtained and that all grants of such rights thereunder, if any, have been registered with the appropriate public offices. Despite the due diligence conducted by the Company, there is no guarantee that title to such Keveri Property will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or aboriginal land claims and title may be affected by undetected defects.

Possible Loss of Interests in Keveri Property

The Keveri Option Agreement pursuant to which the Company acquired its interest in the Keveri Property requires the Company to make a series of payments in cash and to issue Common Shares over certain time periods and expend certain minimum amounts on the exploration of the Keveri Property. If the Company fails to make such payments or expenditures within the prescribed time periods, the Company may lose its interest in the Keveri Property without any recourse.

Possible Failure to Obtain Mining Licenses

Even if the Company does complete the required exploration activities on the Keveri Property, it may not be able to obtain the necessary licences or permits to conduct mining operations, and thus, would realize no benefit from such exploration activities.

Competition

The Company competes with numerous other companies and individuals possessing greater financial resources and technical facilities than itself in the search for, and acquisition of, mineral claims, leases and other mineral interests, as well as the recruitment and retention of suitably qualified individuals.

Conflicts of Interest

Some of the Company's directors and officers act as directors and/or officers of other mineral exploration companies. As such, the Company's directors and officers may be faced with conflicts of interests when evaluating alternative mineral exploration opportunities. In addition, the Company's directors and officers may prioritize the business affairs of another Company over the affairs of the Company.

Personnel

The Company has a small management team and the loss of any key individual could affect the Company's business. Additionally, the Company will be required to secure other personnel to facilitate its exploration program on the Keveri Property. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Company.

Volatility of Commodity Prices

The market prices of commodities are volatile and are affected by numerous factors, which are beyond the Company's control. These factors include international supply and demand, consumer product demand, international economic trends, currency exchange rate fluctuations, interest rates, inflation, global or regional political events, as well as a range of other market forces. Sustained downward movements in commodity prices could render less economic, or uneconomic, some or all of the exploration activities to be undertaken by the Company.

Environmental Risks and Other Regulatory Requirements

Inherent with mining operations is an environmental risk. The current or future operations of the Company, including exploration and development activities and commencement of production on the Keveri Property, require permits from various governmental authorities. Such operations are governed by laws and regulations that govern prospecting, mining, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety, and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production as a result of needing to comply with applicable laws, regulations and permits. There can be no assurance that all permits that the Company requires for future, exploration, development, construction and operation of mining facilities and the conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on the operations of the Company.

The legal framework governing this area is constantly developing; therefore, the Company is unable to fully ascertain any future liability that may arise from the implementation of any new laws or regulations, although such laws and regulations are typically strict and may impose severe penalties (financial or otherwise). The proposed activities of the Company, as with any exploration, may have an environmental impact which may result in unbudgeted delays, damage, loss and other costs and obligations including, without limitation, rehabilitation and/or compensation. There is also a risk that the Company's operations and financial position may be adversely affected by the actions of environmental groups or any other group or person opposed in general to the Company's activities and, in particular, the proposed exploration and mining by the Company within the Republic of PNG.

Uninsured Risks

The Company, as a participant in exploration and mining programs, may become subject to liability for hazards such as unusual geological or unexpected operating conditions that cannot be insured against or against which it may elect not to be so insured because of high premium costs or other reasons. The Company is currently uninsured against all such risks as such insurance is either unavailable or uneconomic at this time. The Company also currently has no key man insurance or property insurance as such insurance is uneconomical at this time. The Company will obtain such insurance once it is available and, in the opinion of the Board, economical to do so. The Company may incur a liability to third parties (in excess of any insurance coverage) arising from pollution or other damage or injury.

The Company is not insured against most environmental risks. Insurance against environmental risks has not been generally available to companies within the mining and exploration industry. Without such insurance, and if the Company does become subject to environmental liabilities, the costs of such liabilities would reduce or eliminate the Company's available funds or could result in bankruptcy. Should the Company be unable to fully fund the remedial costs of an environmental problem, it may be required to enter into interim compliance measures pending completion of the required remedy.

Health and Safety Risks

A violation of health and safety laws, or the failure to comply with the instructions of relevant health and safety authorities, could lead to, among other things, a temporary cessation of activities on the Keveri Property or any part thereof, a loss of the right to prospect for minerals, or the imposition of costly compliance procedures. This could have a material adverse effect on the Company's operations and/or financial condition.

Tax Issues

Income tax consequences in relation to the securities offered will vary according to the circumstances of each purchaser. Prospective purchasers should seek independent advice from their own tax and legal advisers prior to subscribing for the securities.

Additional Requirements for Capital

Substantial additional financing will be required if the Company is to be successful in pursuing its ultimate strategy of discovering and extracting mineral resources. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future operations. Commodity prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses, geological results and the political environment are all factors which will have an impact on the amount of additional capital that may be required. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if 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, forfeit its interest in the Keveri Property, incur financial penalties, or reduce or terminate its operations.

Smaller Companies

The share price of publicly traded smaller companies can be highly volatile. The value of the Common Shares may go down as well as up and, in particular, the share price may be subject to sudden and large falls in value given the restricted marketability of the Common Shares.

Liquidity of the Common Shares

Listing on the Exchange should not be taken as implying that there will be a liquid market for the Common Shares. Thus, an investment in the Common Shares may be difficult to realise. Investors should be aware that the value of the Common Shares may be volatile. Investors may, on disposing of Common Shares, realise less than their original investment, or may lose their entire investment. The Common Shares, therefore, may not be suitable as a short-term investment.

The market price of the Common Shares may not reflect the underlying value of the Company's net assets. The price at which the Common Shares will be traded, and the price at which investors may realise their Common Shares, will be influenced by a large number of factors, some specific to the Company and its proposed operations, and some that may affect the sectors in which the Company operates. Such factors could include the performance of the Company's operations, large purchases or sales of the Common Shares, liquidity or the absence of liquidity in the Common Shares, legislative or regulatory changes relating to the business of the Company, and general market and economic conditions.

General

Although management believes that the above risks fairly and comprehensibly illustrate all material risks facing the Company, the risks noted above do not necessarily comprise all those potentially faced by the Company as it is impossible to foresee all possible risks.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the audited annual financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the audited annual financial statements and (ii) the audited annual financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the years presented.

The Company is not required to certify the design and evaluation of the Company's disclosure controls and procedures ("**DC&P**") or its internal control over financial reporting ("**ICFR**"). There are inherent limitations on the ability of the certifying officers of the Company to design and implement on a cost effective basis DC&P and ICFR for the Company, which may result in risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports required under applicable securities legislation."

Additional Information

Additional information relating to the Company will be available in the near future at www.goldenbirchresources.ca.