

JNC RESOURCES INC.

(the "Company" or "JNC")

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2020

Introduction

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited financial statements of JNC Resources Inc. (the "Company") for the year ended December 31, 2020. The audited financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and include the operating results of the Company. The date of this Management Discussion and Analysis is April 29, 2021.

In January 2021, the Company split its share capital on a 3 to 1 basis. All share and per share amounts have been restated to reflect the share split.

Company Overview

On April 1, 2019, JNC Resources Inc. ("JNC" or the "Company") was incorporated under the laws of the province of British Columbia. The Company's principal business activity is the exploration for mineral resources in British Columbia, Canada.

The Company's head office address is Suite 615 – 800 West Pender Street, Vancouver, BC, V6C 2V6. The registered and records office address is 2110 28th Street, West Vancouver, BC, V7V 4M3.

On April 13, 2020, the Company closed its Initial Public Offering (the "IPO"), by issuing 9,099,000 common shares of the Company \$0.033 per share for gross proceeds of \$303,300. The Company's common shares were listed on the Canadian Securities Exchange (the "CSE") on April 9, 2020 and immediately halted pending closing of the IPO. Following the closing of the IPO, trading in the Company's common shares resumed at market open on April 14, 2020 under the symbol "JNC".

Pursuant to the agency agreement dated January 13, 2020, Mackie Research Capital Corporation (the "Agent") acted as agent for the Company in connection with the IPO and received a work fee, and a cash commission equal to 10% of the gross proceeds of the IPO. The Company also granted the Agent and members of its selling group non-transferrable warrants to purchase up to an aggregate of 909,900 common shares of the Company at a price of \$0.033 per share until April 13, 2022.

Mineral Property

Triple 9 Property, British Columbia

On April 22, 2019, the Company entered into an Option Agreement (the “Agreement”) with Guy Delorme and Christopher Delorme (“the Optionors”) pursuant to which the Company has the sole and exclusive option to acquire 100% of the rights and interests in the Triple 9 Copper/Gold Project in British Columbia subject to a 2% net smelter return (“NSR”).

The Company’s option to acquire the rights and interests in the Triple 9 Project was exercisable by issuing a total of 6,150,000 common shares and making aggregate cash payments of \$1,035,000.

The share issuances and cash payments schedule were as follows:

- i. \$35,000 within five days of signing the Agreement (paid);
- ii. 450,000 common shares within 14 days of the Agreement date (issued);
- iii. \$100,000 and 900,000 common shares on or before April 13, 2021;
- iv. \$300,000 and 1,800,000 common shares on or before April 13, 2022;
- v. \$600,000 and 3,000,000 common shares on or before April 13, 2023.

The Company had the right to buyback 1% of the NSR by paying the Optionors \$1,000,000.

During 2020, the Company was unable to access the property due to restrictions imposed by the local First Nations due to Covid. Because of this, the Company could not complete the planned geophysics program which would have provided the Company with the data to decide whether to proceed with a drill program. In the first few months of 2021, the Company attempted to negotiate an extension of the share and cash payments due to the Optionors on April 13, 2021 with no success. The Company therefore decided not to make the cash and shares payment due on April 13, 2021 which essentially terminated the Agreement. The capitalized cost of \$38,750 was written off in 2020.

Imperial Property, Nevada

On June 15, 2020, the Company signed an option agreement (the “Imperial Agreement”) with Great Basin Resources (“Great Basin”) pursuant to which the Company has the sole and exclusive option to acquire 100% of the rights and interests in the Imperial Gold Project in Nevada subject to a 3% net smelter return (“NSR”).

The Company's option to acquire the rights and interests in the Imperial Project is exercisable by making aggregate cash payments of US \$270,000 over seven years and by incurring minimum exploration expenditures totaling US \$4,300,000 over seven years.

The cash payments and minimum exploration expenditures (the "expenditures") schedule is as follows:

- i. US \$10,000 within five days of signing the Imperial Agreement (paid);
- ii. US \$20,000 and US \$50,000 expenditures on or before June 15, 2021;
- iii. US \$20,000 and US \$150,000 expenditures on or before June 15, 2022;
- iv. US \$30,000 and US \$250,000 expenditures on or before June 15, 2023;
- v. US \$40,000 and US \$350,000 expenditures on or before June 15, 2024;
- vi. US \$50,000 and US \$500,000 expenditures on or before June 15, 2025;
- vii. US \$50,000 and US \$1,000,000 expenditures on or before June 15, 2026;
- viii. US \$50,000 and US \$2,000,000 expenditures on or before June 15, 2027.

Any accumulated excess expenditures in a given year shall be credited to the subsequent year and so on, and the Company may accelerate such expenditures at its discretion.

The Imperial Property is located in Esmeralda County, Nevada, which has been a prolific mining area in the state. The Property is in close proximity to the town of Goldfields, where gold production occurred in the early part of the 20th century.

Based on exploration data provided by Great Basin and reviewed by the Company's chief geologist, the Imperial Project presents three major, predominantly gold, targets for exploration. The first target, along the Imperial Fault, contains high grade veins and lower grade decalcified rock in the area of previous mining. The second target is an IP anomaly which has no previous drilling. The third target is a zone where the favorable host rock has dipped under other units, but jasperoids at surface show fluids have flowed through the favorable host at depth. There is potential for both high grade veins and Carlin style mineralization in this area, which has also never been drilled. Also of interest are the high copper values found in the eastern portion of the project area, where some porphyry copper exploration was done in the 1960's. An intrusive at depth could have Battle Mountain style (Fortitude) gold deposits surrounding it.

Due to Covid 19 related travel restrictions, the Company has retained Great Basin as the operator of the initial drill program. In preparation for the upcoming drill program, six grab samples were recently taken, five of which were in the immediate area of the upcoming drill program. An additional sample was obtained further to the northeast in an area of previous drilling with good surface alteration. Four of the samples represented sampling of the main Imperial vein, while two were of surface alteration that represents different, but related veins. All of the samples taken were heavily limonite stained and silicified, with much of the material also being brecciated. Quartz after calcite replacement textures were also noted in the sample material. Grades as high as 16.65 g/t Au were found along the main, southeast trending

Imperial fault structure, with up to 2.25 g/t Au seen on a northeast trending structure. The lowest result was from the sample taken from a prospect pit on a color anomaly across the canyon, which yielded 0.98 g/t Au.

Below is a chart of the assay results and their approximate locations:

Name	Au (g/t)	Ag (g/t)	Location
ISN-1	2.25	12	Jasperoid on NE trending structure roughly 700m east of post mineral fault
ISN-2	5.78	<5	Vein material roughly 200 meters east of post mineral fault on Imperial structure
ISN-3	9.95	14	Vein material roughly 100 meters east of post mineral fault on Imperial structure
ISN-4	16.65	14	Vein material roughly 70 meters east of post mineral fault on Imperial structure
ISN-5	3.37	14	Vein material roughly 50 meters west of post mineral fault on Imperial structure
ISN-6	0.98	<5	Sample of color anomaly on hillside 65 meters south of main Imperial structure

Please note: Rock samples are selective by nature and may not represent the true grade of style of mineralization across the property

The sites for the initial four holes have been selected. The first three holes will retest historic drill holes to confirm the Imperial vein. The fourth hole will test an identified gold anomaly south of the main Imperial structure. Minimal site construction work will be needed for the drill program, some of which was completed in 2020. The sites will be post-marked in preparation of the drill program, by the end of the week. Three of the four holes are already accessible via an existing road. The fourth site will require the construction of a short stretch of road of less than 100 meters. The Company hopes to complete the drill program prior to the June 15, 2021, which is the due date for the next cash payment and exploration expenditures per the schedule above. Completion of the drill program will depend on funding and the availability of a drill contractor.

Solomons and Malebo Concessions, New South Wales, Australia

In April 2021, the Company signed a share exchange agreement in which JNC acquired a 100% interest in Southern Precious Metals limited ("SPML") and their assets, the Malebo and Solomons properties in New South Wales (NSW) Australia. The Company paid a \$75,000 refundable deposit in December 2020 and issued 6,000,000 common shares. The SPML Shareholders have entered into undertakings wherein the Purchase Shares, which are otherwise free-trading, will be released as to 25% on closing (the "Closing"), 25% on October 23, 2021, an additional 25% on April 23, 2022 and the balance on October 23, 2022. The Purchase Shares are currently being held in escrow pending New South Wales ministerial approval ("Ministerial Approval") of the change in control of SPML. The Company has made application to the minister for such approval and provided prescribed due diligence information on the Company as part of such application process. Once Ministerial Approval is obtained, the

definitive Closing of the acquisition will occur and the escrow closing documents will be released from escrow.

Solomons Concession

Title

Exploration License No. 9110 (“EL 9110”) was filed on August 30, 2020 to the department of Regional NSW – Mining, Exploration and Geoscience (“MEG”).

The MEG has granted the concession on March 18, 2021

Additionally, SPML estimates that a minimum exploration expenditure and associated expenses of AUD \$25,000 in Year One and AUD \$50,000 in Year Two will be required, based on certain MEG requirements.

Technical Summary

Solomons (EL 9110) is located in the north-east of the New England Orogenic Terrane. The New England Orogenic Terrane comprises island-arc and continental-arc gold-mineralized belts, which host extensive alluvial gold fields and a number of economically important gold deposits. These include Mount Carrington (>0.5 Moz Ag Eq.), Hillgrove (2 Moz Au) and Bingara (0.5 Moz Au).

Solomons is located approximately 100 km to the north-east of Mount Carrington and covers 139 km². The license includes 12 historic gold mines and prospects which follow a large linear NE/SE trend — yet the license is largely under-explored. Historical records from small-scale production cite grades of up to 132 g/t Au and 1648 g/t Ag including:

- Gumboot Reef: comprises a small, historic exploration adit that was driving into a gossanous zone with quartz veinlets. Historic grades of up to 2 oz/t Au are reported.
- Solomons Mine: comprises several shallow shafts. Historic assay of up to 132 g/t Au and 1648 g/t Ag cited. Mineralization is considered to be of a vein type — possibly a low sulphidation epithermal.
- Dunbible Gold Mine: comprises a single shaft which was sunk to a depth of almost 20 m. Historic assays of up to 13 g/t Au cited.
- Rixons Gold Mine: comprised several shallow adits and shafts in an area of noted for reasonably sized gold nuggets. Further work required.

Field work will initially focus on field sampling of historic workings and prospects, in conjunction with soil geochemical sampling, in order to rapidly focus on the highest value drill targets. Access to the property is good.

Malebo Concession

Title

Exploration License No. 9122 (“EL 9122”) was filed on September 12, 2020 to the department of Regional NSW – Mining, Exploration and Geoscience (“MEG”).

The MEG has granted the concession on April 1, 2021

Additionally, SPML estimates that a minimum exploration expenditure and associated expenses of AUD \$25,000 in Year One and AUD \$50,000 in Year Two will be required, based on certain MEG requirements.

Technical Summary

Malebo (EL 9122) is located in the central-south of the Lachlan Orogenic belt. The Lachlan Orogen of New South Wales, Victoria and eastern Tasmania comprises a series of prolifically mineralized accretionary terranes which host a number of economically important mineralized deposits. In New South Wales these include world-class porphyry Cu-Au deposits and related skarn Cu-Au and epithermal Au deposits; small to large epigenetic and hydrothermal Au and Pb-Zn-Cu deposits; medium sized orogenic Au deposits and small to large VHMS style Pb-Zn-Ag-Au deposits.

Malebo is located approximately 60 km from the Moz My Adrah gold deposit. Gold mineralization throughout this part of the Lachlan Orogenic Belt is associated with several sub-parallel north-northeast trending regional scale faults.

Malebo is associated with the most westerly of these regional structures which extends at least 250 kilometers northwards from the Victorian border. The Malebo Exploration License straddles over 40 kilometers of this structure and hosts five historic gold mines and prospects including:

- Prospectors Reef: a historic gold mine associated with structurally controlled quartz veins. An historic bulk sample had a reported head-grade of 31 g/t Au.
- Egans Prospect: comprises a series of shallow historic shafts, drives, pits and costeans. Samples collected in 1974 assayed up to 270 ppm Au, 3500 ppm As and 840 ppm Pb — typical of orogenic gold mineralization throughout the region. Visible gold is noted.
- The Historic Malebo Mine: comprises several shallow exploration shafts. Samples collected in 1971 assayed up to 4.5ppm Au and 71 ppm Ag.

The relationship between a regional structure juxtaposing moderate grade metamorphic rocks, gold-bearing quartz veins, and gold-arsenic-silver-minor lead geochemistry, is consistent with an orogenic gold target type. These systems may have significant depth extension. Malebo has been largely under-explored due to a thin cover of recent sediments.

Field work will initially focus on field sampling of historic workings and prospects, in conjunction with extensive soil geochemical sampling, in order to rapidly focus on the highest value drill targets. Access to the property is good.

Results of Operations

Selected Annual Information

The following table summarizes selected information from the Company's audited financial statements for year ended December 31, 2020 and the period from incorporation on April 1, 2019 to December 31, 2019:

	For the Year Ended December 31, 2020 (Audited)	From incorporation on April 1, 2019 to December 31, 2019 (Audited)
Net revenues	\$Nil	\$Nil
Comprehensive loss	(\$276,196)	(\$222,956)
Total assets	\$212,806	\$187,160
Total long term liabilities	\$Nil	\$Nil
Dividends	\$Nil	\$Nil
Loss per share	\$0.00	\$0.00

Summary of Quarterly Results (unaudited)

The following are the results for the most recent quarters (periods) since the Company was incorporated and for which financial statements were prepared:

	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	30-Sep-19	30-Jun-19
Loss & comprehensive loss	\$ (110,267)	\$ (72,056)	\$ (67,080)	\$ (26,793)	\$ (58,204)	\$ (39,857)	\$ (124,895)
Loss per share	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Financial Results of Operations - For the year ended December 31, 2020

The 2019 amounts referred in this section are for the period from incorporation on April 1, 2019 to December 31, 2019.

The Company incurred a net loss of \$276,196 during the year ended December 31, 2020 (2019 - \$222,956). The increase was mainly due to higher professional fees to \$73,966 (2019 - \$40,705) which included consulting fees of \$41,093 (2019 - \$1,200) related to increasing the exposure of the Company in the investing community. The Company also incurred marketing and shareholder communication fees \$41,965 (2019 - \$Nil) related to a marketing awareness program and shareholder reporting. Transfer agent and filing fees also increased to \$33,201 (2019 - \$15,094) due to the Company becoming a publicly traded entity in 2020. Additionally, the Company wrote-off \$38,750 (2019 - \$Nil) in exploration and evaluation assets related to the Triple 9 project. These increases were offset by a decrease in exploration expenses to \$24,686

(2019 - \$111,386) which were lower due to the Covid-19 pandemic which affected access to the Triple 9 project and the availability of a drill rig to complete the planned Imperial property drill program. The 2020 expenses were comprised of the annual claim fees for the Imperial project in Nevada, an expense that the Company is required to pay per the terms of the Imperial Agreement and some work to prepare for the future drill program. The prior year included expense incurred on the Triple 9 project related to the completion of the NI 43-101 report completed for the IPO.

During the year ended December 31, 2020, cash used by operating activities was \$419,800 (2019 - \$178,221). This was mainly due to the operating loss of \$276,196 (2019 - \$222,956) which included the Triple 9 impairment charge of \$38,750, a non-cash expense, an increase in prepaid expenses of \$74,893 (2019 - \$5,000), a \$75,000 refundable deposit paid for the acquisition of SPML and the Solomon and Malebo concessions, and a decrease of \$32,488 (2019 – increase of \$51,366) in accounts payable and accrued liabilities. Prepaid expenses increased as the Company advanced funds to the operator of the Imperial property to prepare for the drilling program. Upon receipt of the funds from the completion of the IPO, the Company paid the accounts payable and accrued liabilities that had accumulated during the IPO process.

Cash used by investing activities was \$13,661 which was comprised of the initial option payment on the Imperial property of \$13,661.

Cash provided by financing activities totaled \$344,330 which was comprised of \$246,830 which was the net proceeds from the IPO and \$97,500 received upon the exercise of share purchase warrants.

Financial Results of Operations - For the three months ended December 31, 2020

The Company incurred a net loss of \$110,267 (2019 – \$58,204) during the three months ended December 31, 2020. The increase was mainly due to the write-off of \$38,750 (2019 - \$Nil) in exploration and evaluation assets related to the Triple 9 project, an increase in professional fees to \$29,223 (2019 - \$23,500) and an increase in exploration expenses to \$14,935 (2019 - \$Nil) incurred on the Imperial property. These increases were offset by a decrease in transfer agent and filing fees to \$5,511 (2019 - \$15,054). The Company incurred higher transfer agent and filings fees in 2019 as it went through the IPO process.

Financing activity during the year ended December 31, 2020

- i. In April 2020, the Company completed its IPO, by issuing 9,099,000 common shares of the Company \$0.033 per share for gross proceeds of \$303,300. Pursuant to the agency agreement dated January 13, 2020, Mackie Research Capital Corporation (the “Agent”) acted as agent for the Company in connection with the IPO and received a work fee, and a cash commission equal to 10% of the gross proceeds of the IPO. The Company also granted the Agent and members of its selling group non-transferrable warrants to purchase up to an aggregate of 909,900 common shares of the Company at a price of \$0.033 per share until April 13, 2022; and
- ii. 2,925,000 share purchase warrants were exercised at \$0.033 during the year for gross proceeds of \$97,500.

Incentive Stock Options

At December 31, 2020, no incentive stock options were issued or outstanding.

Share Purchase Warrants

At December 31, 2020, the Company had the following share purchase warrants outstanding enabling holders to acquire the following common shares of the Company:

Number	Exercise Price	Expiry Date
36,075,000	\$0.033	July 17, 2024

Subsequent to December 31, 2020, 1,800,000 share purchase warrants were exercised at \$0.033 for gross proceeds of \$60,000.

Agents’ Warrants

At December 31, 2020, the Company had the following Agents’ warrants outstanding enabling holders to acquire the following common shares of the Company:

Number	Exercise Price	Expiry Date
909,900	\$0.033	April 13, 2022

Subsequent to December 31, 2020, 12,000 agents’ warrants were exercised at \$0.033 for gross proceeds of \$400.

Liquidity and Capital Resources

As at December 31, 2020, the Company had cash of \$42,648 and working capital surplus of \$180,267. There are 36,984,900 “in the money” share purchase warrants that, if exercised, would provide gross proceeds of \$1,232,830.

As the Company will not generate funds from operations for the foreseeable future, the Company is primarily reliant upon the sale of equity securities in order to fund operations. Since inception, the Company has funded limited operations through the issuance of equity securities on a private placement basis.

The Company is expected to experience negative cash flow indefinitely. The Company cannot offer any assurances that expenses will not exceed management's expectations. The Company will require additional funds and will be dependent upon its ability to secure equity and/or debt financing, the availability of which cannot be assured.

Contractual Obligations

The Company is subject to certain contractual obligations associated with the Imperial Agreement as described in the Mineral Property section above.

Related Party Transactions

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

The Company had the following transactions with related parties during the year ended December 31, 2020:

- i. Administration expenses of \$6,000 and management fees of \$12,000 (2019 - \$9,000 and \$13,500) were paid or accrued for accounting services to an officer of the Company;
- ii. Management fees of \$36,000 (2019 - \$36,000) and exploration expenditures of \$Nil (2019 - \$62,157) were paid or accrued to a company controlled by an officer of the Company; and
- iii. Professional fees of \$1,600 (2019 - \$Nil) and exploration expenditures of \$1,400 (2019 - \$12,363) were paid or accrued to a director of the Company.

The 2019 amounts above refer to the period from incorporation on April 1, 2019 to December 31, 2019.

At December 31, 2020, accounts payable and accrued liabilities included \$Nil (December 31, 2019 - \$38,640) owed to related parties of the Company.

Off Balance Sheet Arrangements

The Company has not entered into any off balance sheet arrangements, other than previously disclosed, that have, or are reasonably likely to have, an impact on the current or future results of operations or the financial condition of our Company.

Accounting Policies

The preparation of financial statements requires management to establish accounting policies, estimates and assumptions that affect the timing and reported amount of assets, liabilities, revenues and expenses. These estimates are based on historical experience and on various other assumptions that management believes to be reasonable under the circumstances and require judgement on matters which are inherently uncertain. Details of the significant accounting policies can be found in Note 3 of the audited financial statements for the year ended December 31, 2020.

Outstanding Share Data – as at April 29, 2021

	Number	Price	Weighted Average Remaining Life in Years
Common shares, issued and outstanding	68,286,000		
Share purchase warrants	34,275,000	\$0.033	3.22
Agents' warrants	897,900	\$0.033	0.95
Fully Diluted	103,458,900		

Prior to April 9, 2020, the date the Company's shares were listed on the Exchange (the "Listing Date"), 9,000,000 shares were held in escrow. 10% of these escrowed shares were released on the listing date with the balance to be released from escrow in equal blocks of 15% of at six month intervals over the 36 months following the Listing Date. As of the date of this report, 5,400,000 common shares remain held in escrow.

Additional Disclosure for Junior Issuers

Additional disclosure concerning the Company's general and administrative expenses is provided in the Company's prospectus and financial statements, which are available on SEDAR (www.sedar.com).

Risks and Uncertainties

The Company's principal activity is mineral exploration. As such, the Company is exposed to a number of risks, including the financial risks associated with the fact that it has no operating cash flow and must access the capital markets to finance its activities. There can be no assurances the Company will continue to be able to access the capital markets for the funding necessary to acquire and maintain exploration properties and to carry out its desired exploration programs.

Other risks include, but are not limited to, environmental, fluctuating metal prices, political and economical. Additionally, few exploration projects successfully achieve development due to

factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable.

The Company has a small management team and the loss of a key individual or the inability to attract suitably qualified personnel in the future could materially and adversely affect the Company's business.

Although the Company has taken steps to verify the title to its mineral property, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

The Company has no significant source of operating cash flow and no revenues from operations. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish ore reserves. The Company's mineral property is in the exploration stage only, and has no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. Exploration of the Company's mineral property may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company. The risks and uncertainties described in this section are not inclusive of all the risks and uncertainties the Company may be subject to.

The Company will be subject to normal market risks including fluctuations in foreign exchange rates. While the Company expects to manage its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

Approval

The Board of Directors of the Company has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

Going Concern of Operations

The Company has prepared its financial statements in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

As of December 31, 2020, the Company has not generated any revenues and has incurred losses of \$499,152 since incorporation on April 1, 2019. The Company’s continued existence and plans for future growth depend on its ability to obtain additional capital.

In March 2020, there was a global outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the regional economies in which the Company operates and could continue to result in negative impacts on the stock market, including trading prices of the Company’s shares, and the ability to raise capital and could impact the Company’s operations.

The above material uncertainties raise significant doubt about the Company’s ability to continue as a going concern. Although the Company’s financial statements have been prepared on a going concern basis, the Company’s continuing operations are dependent upon its ability to obtain adequate financing through debt or equity issuance.

Forward-Looking Statements

This report contains forward-looking statements, including statements regarding the future success of our business, exploration and development strategies and future opportunities. Forward-looking statements include, but are not limited to, statements concerning estimates of expected capital expenditures, statements relating to expected future production and cash flows, statements relating to the continued advancement of the Company’s exploration, and development projects, and other statements which are not historical facts. When used in this document, the words such as “could”, “plan”, “estimate”, “expect”, “intend”, “may”, “potential”, “should”, and similar expressions are forward-looking statements. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Important factors that can cause actual results to differ from these forward-looking statements include the potential that the Company’s projects will experience technological and mechanical problems, changes in political conditions, changes in the availability to obtain project financings and other risks. Forward-looking statements are based on the opinions and estimates of management at the date that the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in forward-looking statements. The Company undertakes no obligation to update forward-

looking statements if circumstances or management's estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking statements.