Annual Management's Discussion and Analysis –
For the three- and nine-months period ended September 30, 2022

SCOPE OF THIS MANAGEMENT'S DISCUSSION AND ANALYSIS AND NOTICE TO INVESTORS

This management's discussion and analysis of financial position and results of operations ("**MD&A**"), is prepared as of November 25th, 2022, and complements the interim financial statements of Prime Drink Group Corp., ("**Prime**" or the "**Company**"), formerly Dominion Water Reserves Corp., for the for the three- and nine-month period ended September 30, 2022, and should be read in conjunction with the accompanying audited annual financial statements and related notes for the years ended on December 31, 2021 and 2020.

All financial information has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and all amounts are in Canadian dollars unless otherwise indicated. Additional information is provided in the Consolidated Interim Financial Statements.

The consolidated interim financial statements and the MD&A have been reviewed and approved by the Company's Board of Directors on November 25th 2022.

Unless otherwise indicated, the reporting currency for figures in this document is the Canadian dollar.

Forward-Looking Statements and Use of Estimates

Any statement contained in this report that does not constitute a historical fact may be deemed a forward-looking statement. Verbs such as "believe," "expect," "estimate" and other similar expressions, in addition to the negative forms of these terms or any variations thereof, appearing in this report generally indicate forward-looking statements. These forward-looking statements do not provide guarantees as to the future performance of Prime Drink Group Corp., formerly Dominion Water Reserves Corp., and are subject to risks, both known and unknown, as well as uncertainties that may cause the outlook, profitability and actual results of Prime Drink Group Corp., formerly Dominion Water Reserves Corp. to differ significantly from the profitability or future results stated or implied by these statements. Detailed information on risks and uncertainties is provided in the "Uncertainties and Principal Risk Factors" section of this MD&A.

In preparing Consolidated Financial Statements in accordance with IFRS, management must exercise judgment when applying accounting policies and use assumptions and estimates that have an impact on the amounts of assets, liabilities, revenues and expenses reported and on the contingent liabilities and contingent assets information provided.

The main accounting judgments and estimates used by management and are described in Note 4 of the December 31, 2021 audited financial statements are as follows:

- Going concern
- Impairment of Water Rights
- Share-Based Compensation
- Warrants
- Recovery of deferred tax assets
- Classification of financial instruments

Because the use of assumptions and estimates is inherent to the financial reporting process, the actual results of items subject to assumptions and estimates may differ from these assumptions and estimates.

CORPORATE PROFILE

PRIME STORY

On November 23, 2022, the Company changed its name to “Prime Drink Group Corp.” and its symbol on the Canadian Securities Exchange to “PRME”. This name change was done to reflect the Company’s intent of diversifying its investment portfolio beyond the water industry.

Prime was formed in October 2015 under the laws of Canada, by environment conscious entrepreneurs aiming at consolidating the natural spring water market in the Province of Quebec, while preserving and respecting this resource by taking a leadership role in this industry.

The initial primary objective of Prime was to establish contact with well owners and permit developers to secure initial water rights that would serve as a cornerstone to the overall value proposition of Prime.

Over the past year, Prime has developed a unique business model that allows the group to develop and take a leading stand in consolidating the spring water market in Quebec and beyond. The Prime team is working to develop innovative solutions, products and partnerships to promote and create value for this resource today and mainly for the future.

Prime has six wholly-owned subsidiaries: 6305768 Canada Inc., Centre Piscicole Duhamel Inc., 11973002 Canada Inc., Source Sainte-Cécile Inc., 3932095 Canada Inc. and Société Alto 2000 Inc.

CORE BUSINESS

Prime’s core business is the acquisition and management of natural spring water sources in the Province of Quebec. By combining, an acquisition program targeting long-term asset play with a recurring cash flow to reach a critical mass in terms of capacity and geography, and developing, with a focus on prioritizing sustainability and environmental consciousness, groundwater collection, water withdrawal and water pumping for the purpose of selling or distributing spring water, the Company goal is planning to secure a leadership role in Quebec spring water market. Prime’s water rights represent access to over 3 billion litres of spring water per year.

VISION

Prime will acquire more freshwater assets at a critical mass in terms of capacity and geography securing a leadership role in North America’s spring water market. By consolidating the spring water market in Quebec, the company eventually seeks to provide solutions to problems arising from the considerable imbalance between supply and demand of fresh water. Through acquisitions in operations, Prime will ensure the profitability of its operations.

Prime will prioritize sustainability and environmental consciousness.

PROPERTIES

Prime water rights comprise six primary water sources: (i) Duhamel; (ii) Notre-Dame-du- Laus; (iii) Coloraine; (iv) Sainte-Cécile-de-Whitton; (v) Saint-Élie-de-Caxton; and (vi) St-Siméon.

The following table contains certain technical information pertaining to each source:

Water Rights	Volume (in litres/ year)	Production Capacity (litres) (m3*1000*365)	Land Acres	% Volume under Permit in QC	Ownership
Duhamel	2,007,500,000	5500*1000*365	45	19%	100%
Notre-Dame-du-Laus	993,530,000	2722*1000*365	204	9.5%	100%
St-Joseph de Coloraine	71,481,000	195*1000*365	5	0.7%	100%
Sainte-Cécile-de-Whitton	76,285,000	209*1000*365	7	0.7%	100%
Saint-Élie-de-Caxton	71,481,000	195*1000*365	5	0.7%	100%
Source St-Siméon	131,400,000	360*1000*365	25	1.3%	100%
TOTAL:	**3,351,677,000**		**291**	**31.9%**	

Duhamel

Duhamel constitutes the largest volume spring in in Province of Quebec with over 2B litres per year of overflow. The Company is pursuing its development pursuant to the authorization from the MDDELCC under the Environment Quality Act (CQLR c Q-2), dated December 15, 2006 (renewed January 9, 2017), authorizing Centre Piscicole Duhamel Inc. to withdraw groundwater intended for sale or distribution as bottled water, subject to compliance with the following obligations:

- withdrawing a maximum daily volume of water of 5,500 m^3; and
- bottling water in containers of 20 litres or less.

Notre-Dame-du-Laus

Notre-Dame-du-Laus is a rare esker (1 of only 2 in Province of Quebec), a glacial formation that provides a unique water quality. The Company is pursuing its development pursuant to the authorization from the MDDELCC under the *Environment Quality Act* (CQLR c Q-2), dated July 25, 2018, authorizing 6305768 Canada Inc. to:

- withdraw groundwater intended for sale or distribution as spring water, for use as such in the manufacture, preservation or treatment of products within the meaning of the Food Products Act (CQLR c P-29);
- Withdraw groundwater daily volume of water of 2,722 m^3; and
- withdraw groundwater from the withdrawal site PP-01-03 on lot 38 of Range II in the township of Bigelow, Municipality of Notre-Dame-du-Laus, Regional County Municipality of Antoine-Labelle.

St-Joseph-de-Coloraine

St-Joseph-de-Coloraine holds a spring in Province of Quebec with over 71 M litres per year of overflow. The Company is pursuing its development pursuant to the authorization from the MDDELCC under the Environment Quality Act (CQLR c Q-2), dated March 5, 2014, authorizing Ivan Bouffard to withdraw groundwater intended for sale or distribution as bottled water, subject to compliance with the following obligations:

- withdrawing a maximum daily volume of water of 195,8 m3; and
- bottling water in containers of 20 litres or less.

The authorization initially granted to Ivan Bouffard was transferred to 11973002 Canada Inc on April 20, 2020.

Sainte-Cécile

Authorization was granted from the Ministère de l'Environnement (now the MDDELCC) under the Environment Quality Act (CQLR c Q-2), dated November 29, 2001, authorizing Sainte-Cécile Inc. to establish a well for intake of untreated water prior to its commercial distribution for human consumption and to connect such well to a bottled water plant or plant for the preparation of other beverage products by way of an aqueduct; and the daily maximum to pump is 209 m^3 ;

The Sainte-Cécile-de-Witton Spring is located on five acres in the south eastern part of the Province of Quebec. The Saint-Cecille Spring has a permitted volume of 76,285,000 litres per year and the Spring does not currently have any bottling facilities.

Saint-Élie-de-Caxton

Authorization was granted of the Ministère du Développement Durable, de l'Environnement et des Parcs dated (now the MDDELCC) under the Groundwater Catchment Regulations (CQLR c Q-2, r 6) (replaced by the Water Withdrawal and Protection Regulation (CQLR c Q-2, r 35.2) in 2014), and the Environment Quality Act (CQLR c Q-2), dated October 7, 2008, authorizing 3932095 Canada Inc. to:

Les Sources St-Élie Inc., subject to an obligation to pump a maximum volume of 195 m^3 of water per day from these wells.

Source St-Siméon

On April 8, 2021 the Company has acquired a 100% interest in the Saint-Siméon Water Rights, through acquisition of a volume of 131,400,000 litres to withdraw a maximum daily volume of water of 360 m^3.

OVERALL PERFORMANCE

- Acquisition of sources

All the sources are strategically located for efficiency and low transportation costs. Our portfolio shows acquisitions at a very low cost per litre. However, additional CapEx will be required to put these assets into production.

- Management of the Property Portfolio

The objective for 2022 continues to be to advance and enhance the quality and quantity of the Company's portfolio properties. The Company will require significant capital in order to fund its operating commitments as the Company has no revenues and is reliant upon equity financing to fund all of its requirements.

- Corporate Developments

In February 2019, Jean Gosselin assumed the position of interim President / CEO until July 2019, following the resignation of Michel Pelletier as President / CEO.

In July 2019, Mrs. Marie-Claude Bourgie was appointed President/CEO and Mr. Gosselin, Secretary/Treasurer. Prime entered into an arm's length agreement in principal with Mr. Germain Turpin, a key player in the spring water industry in Quebec, to purchase the Prime Water Rights. Prime management then toured the province looking at potentially interesting springs for the Prime portfolio. In parallel, a consultant expert in the food marketing industry, carried out a market study and supported Prime with the revision of its income generation model, leading to a new business plan.

On December 31, 2019, an amended and restated agreement was reached to acquire the Prime Water Rights owned through 6305768 Canada Inc and Centre Piscicole Duhamel Inc. The wells of Duhamel, Notre-Dame-du-Laus are now 100% owned by Prime.

On December 18, 2019 the Company appointed; Mr. Germain Turpin as chair and Mr. Robert Dunn and Mrs. Marie-Claude Bourgie as directors.

In February 2020, due diligence was performed on the portfolio of assets of Prime. The Company continued discussions with owners of water rights and wells taking into consideration their geography, volume under license and their potential for generating income. These discussions provide an optimistic outlook that the Company can consolidate the market in the short term and cover its costs with revenues by the end of 2023.

In April 2020, the Company completed a consolidation of its share capital on the basis of three existing common shares of Prime for one new common share, thereby reducing the number of outstanding shares from 150,293,832 to 50,097,944.

On July 31, 2020, the Company completed an amalgamation with Tucker Acquisitions Inc. ("Tucker"), pursuant to an agreement signed on March 27, 2020. The Company and Tucker carried out a business combination by way of an amalgamation where the companies, both existing under the laws of Canada, amalgamated and formed one corporation under the provisions of the Canada Business Corporations Act and, upon the amalgamation taking effect, Company's shareholders and the Tucker's shareholders have received shares of the corporation continuing from the amalgamation. Immediately following the transaction, 84% of shares were owned by former shareholders of Prime and 16% were owned by the shareholders of Tucker. Under the terms of the Agreement, the shareholders of Prime Shares (the "Prime Shareholders") will receive one (1) Tucker common share (each whole share, a "Tucker Share") for every one (1) Prime Share (the "Exchange Ratio").

On October 16, 2020 the Company completed a non-brokered private placement offering of units of Prime (the "**Financing"**) for gross proceeds of $650,000, and (iii) settled an aggregate of $104,455 in trade payables to two arm's length parties through the issuance of common shares of Prime (the "**Debt Settlement**").

On December 14, 2020, the Company acquired 100% of the shares of 11973002 Canada Inc. pursuant to an arm's length acquisition offer dated October 26, 2020. Pursuant to this acquisition the Company agreed to a fair value consideration of $446,429, comprising of cash of $400,000 and the balance paid by the issuance of 714,286 shares at a fair value of $0.065 per share. The fair value of the shares was determined by the stock market price per share at the date of the transaction.

On February 26, 2021 the Company completed a non-brokered private placement offering of units of Prime (the "Financing") for gross proceeds of $1,175,000.

On March 1st, 2021, Mr. Michael Pesner has been appointed as a Director of the Corporation.

On April 1, 2021 the Company has exercised its option to acquire a 100% interest in the Sources Sainte-Cécile and Saint-Élie de Caxton Water Rights, through the acquisition of all the issued and outstanding shares of 3932095 Canada Inc. and Source Sainte- Cécile Inc. (the "Target Companies") in consideration of the issuance of 4,720,000 common shares.

On April 8, 2021 the Company acquired 100% of the shares of a 100% interest in the Source Saint-Siméon water rights located in the Province of Québec, through the acquisition (the "Acquisition") of all the issued and outstanding shares of Société Alto 2000 Inc. in consideration of the issuance of 3,000,000 common shares (each a "Share") of the Corporation at a deemed price of $0.105 per share.

On July 5, 2022 and September 19, 2022 the Company completed a non-brokered private placement offering of units of Prime (the "Financing") for gross proceeds of $3,335,000. These units were acquired by directors of the Company.

On September 20, 2022, Mr. Olivier Primeau was elected as President, CEO and chairman of the Board and Mr. Germain Turpin has stepped down from his role of CEO, CFO and Chairman of the Board.

On November 23, 2022, the Company changed its name to "Prime Drink Group Corp." and its symbol on the Canadian Securities Exchange to "PRME".

SELECTED FINANCIAL INFORMATION

- Financial Condition Review

	As at September 30, 2022	As at December 31, 2021 (audited)
Cash	2,728,901	197,078
Property and equipment	529,487	382,206
Water rights	5,657,862	5,657,862
Total liabilities	64,995	115,788
Total Equity	8,924,965	6,204,176

- Assets

The Company ended the period of nine months ended September 30, 2022 with a cash balance of $2,728,901 compared to a cash balance of $197,078 as at December 31, 2021, an increase of $2,531,823 principally because of the financing of $3,335,000 closed during this period.

- Total liabilities and Equity

Total liabilities as at September 30, 2022 were $64,995 compared to $115,788, a decrease of $50,793 attributable to repayments of payables and accrued liabilities.

- Discussion and Results of Operations

	As at September 30, 2022	As at September 30, 2021
Operating Loss	**(469,805)**	(1,333,900)
Interest charges on lease liability	**(1,567)**	(1,762)
Net loss	**(471,372)**	(1,335,662)
Loss per share		
Basic and diluted loss per share	**(0.0048)**	(0.0147)
Weighted average number of common shares outstanding	**98,801,156**	90,863,112

The net loss for the period of nine months ended September 30, 2022 was $471,372 or $0.0048 loss per share compared to $1,335,662 or $0.0147 loss per share for the same period in 2021.

Operating expenses for the period of nine months ended September 30, 2022 are lower compared to the period of nine months ended September 30, 2021 mainly due to the fact that during the first nine months of 2022, the Company closed a financing and was working on a possible acquisition. The Company also had shared-based payments in 2021 vs none in 2022.

The Company has no revenues and is reliant upon equity financing to fund all of the requirements.

- Summary of quarterly results *(quarterly financial information post going public available only)*

	September 30, 2022	**June 30, 2022**	**March 31, 2022**	**December 31, 2021**	**September 30, 2021**	**June 30, 2021**	**March 31, 2021**	**December 31, 2020**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Revenue	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Operating expenses	**280,638**	**27,569**	**161,598**	**222,665**	**215,442**	**314,992**	**240,890**	**485,409**
Net loss and comprehensive loss	**(281,395)**	**(27,974)**	**(162,003)**	**(223,710)**	**(216,355)**	**(315,416)**	**(241,314)**	**(617,261)**
Basic and diluted loss per share	**(0.0027)**	**(0.0003)**	**(0.0017)**	**(0.0782)**	**(0.0023)**	**(0.0033)**	**(0.0030)**	**(0.0604)**

- Cash Flow review

	9 months ended	
	September 30, 2022	September 30, 2021
Cash provided by (used for) the following activities		
Operating activities		
Net loss and comprehensive loss for the period	**(471,372)**	(1,335,662)
Share-based payment	**-**	646,109
Depreciation of property and equipment	**519**	492
Depreciation of Right-to-Use asset	**19,080**	12,949
Interest charge on lease liability	**1,567**	1,762
Consultancy expenses settled through shares	**-**	4,375
Cancellation of shares against services	**(66,213)**	-
	(516,419)	(669,975)
Changes in working capital accounts		
Other receivable	**-**	1,980
Sales tax receivable	**3,117**	3,417
Prepaid expenses and deposits	**(13,089)**	46,667
Accounts payable and accrued liabilities	**(30,273)**	(112,038)
	(556,664)	(729,949)

- Financing Activities

	9 months ended	
	September 30, 2022	September 30, 2021
Proceeds from issuance of share capital	**3,335,000**	1,175,000
Payment of share issuance costs	**(125,376)**	(5,000)
Proceeds on exercise of stock options	**-**	15,000
Proceeds on exercise of warrants	**48,750**	12,250
Repayment of lease liability	**(22,087)**	(14,580)
	(3,236,287)	1,188,900

Investing activities included a $147,800 cash outflow in 2022 for the purchase of land and $175,000 cash outflow in 2021 for the purchase of water rights.

- Liquidity, Capital Resources and Sources of Financing

At September 30, 2022, Prime Drink Group Corp. has not yet achieved profitable operations, has significant losses from operations over the years and an accumulated deficit of $8,669,788 since inception and expects to incur further losses in the development of its business. Additionally, the Company incurred a net loss and comprehensive loss of $471,372 during the period of nine months ended September 30, 2022.

Although, the Company has been successful in attracting new investors and partners to fund the ongoing business, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on advantageous terms to the Company.

However, given the current cash position and forecast cash inflows and outflows in the next twelve months, management believes that sufficient cash is available to fund the Company's operating expenses at least for the next 12 months. As a result, the continuity of the Company depends to a significant extent on the willingness of (new or existing) shareholders and partners to invest in Prime Drink Group Corp. As such, there is a material uncertainty related to these events and conditions that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

- Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements as at September 30, 2022 or as at the date of this MD&A.

- Commitments

On November 20, 2020 , the company entered into a 25-year water sales contract with Acquanor with an obligation to supply water at a price of $0.005 per litre of water for the first five years, $0.010 from year 6 to 10 , $0.015 from year 11 to 15 and $0.02 from year 16 to 25, not exceeding 71 million litres for each year with no significant consequences in the event of breach.

The Company has also entered into a lease for its office expiring on January 31, 2023. The future minimum lease payments related to this lease are $8,346 for the rest of 2022 and $2,782 for 2023.

- Critical Accounting estimates

The critical accounting estimates are disclosed in Note 4 of Company's annual financial statements for the year ended December 31, 2021.

- Changes in accounting policies including Initial adoption.

The changes in accounting policies are disclosed in Note 3 of Company's annual audited financial statements for the year ended December 31, 2021.

- Subsequent events

On October 19, 2022, the Company announced its intention to change its name to "Prime Drink Group Corp." on the Canadian Securities Exchange and on other corporate materials, to reflect the Company's intent of diversifying its investment portfolio beyond the water industry. Following receipt of all regulatory approvals, the common shares of the Company started trading under its new name and new symbol "PRME" on November 23, 2022.

On October 28, 2022, the Company created a new subsidiary, 14488385 Canada Inc., and had its name changed to Dominion Water Reserves Corp. on November 23, 2022.

The following table sets out the number of common shares as of the date hereof:

	As at September 30, 2022
Common shares outstanding	137,592,396
Stock option exercisable	9,321,066
Warrants outstanding	22,418,750

i. On April 23, 2020, the Company completed a share consolidation on the basis of 1 post-consolidation common share for every 3 pre-consolidation shares.

ii. On April 29, 2020, a debt of Prime in the aggregate amount of $115,952 was settled in consideration of a cash payment of $60,000 and an aggregate of 100,000 common shares, resulting in a gain on settlement of debt of $48,452 as the fair value of the common Shares was determined to be $0.075 per share.

iii. On July 8, 2020, Prime settled the balance of its short-term convertible debt for an amount of $505,000 into 6,733,333 Prime common shares at a deemed price of $0.075 per common share. The equity component of short-term convertible debt of $45,565 was de-recognized to deficit.

iv. On July 31, 2020, in connection with the reverse takeover, Prime issued 10,775,286 common shares in consideration of Tucker's net assets.

v. On October 16, 2020, the Company issued 6,500,000 units which comprise one common share and one warrant at an agreed price of $0.10 per units for gross proceeds of $650,000. As part of the non-brokered private placement, Prime issued 325,000 common shares as finder's fees.

vi. On October 16, 2020, two trade payables of Prime in the aggregate amount of $104,455 were settled in consideration of 994,809 common shares, at a deemed price of $0.115 per share, resulting in a loss on debt settlement of 9,948.

vii. As at December 14, 2020, 714,286 common shares at a price of $0.065 per share were approved and issued by the Company for a total amount of $46,429.

viii. On February 26, 2021, the Company issued 11,750,000 units which comprise one common share and one warrant at an agreed price of $0.10 per units for gross proceeds of $1,175,000.

ix. On March 12, 2021, a shareholder exercised 150,000 options at an agreed price of $0.10 per share for gross proceeds of $15,000.

x. On April 1, 2021, 4,720,000 common shares at a price of $0.105 per share were approved and issued by the Company for a total amount of $495,600, related to the acquisition of all the issued and outstanding shares of 3932095 Canada Inc and Source Sainte-Cécile Inc. This acquisition was done with a related party of the Company.

xi. On April 8, 2021, 3,000,000 common shares at a price of $0.105 per share were approved and issued by the Company for a total amount of $315,000, related to the acquisition of all the issued and outstanding shares of Société Alto 2000 Inc.

xii. On July 1, 2021 and September 1, 2021, 25,000 common shares at a price of $0.09 per share and 25,000 common shares at a price of $0.085 were approved and issued by the Company for a total amount of $4,375 in consideration of consulting fees.

xiii. On September 21, 2021 and September 23, 2021, a total of 245,000 common shares were issued by the Company upon warrants exercised at an exercise price of $0.05, for a gross amount of $12,250.

xiv. On April 14, 2022, a total of 575,762 common shares were cancelled by the Company following a settlement with a service provider. These shares were initially issued on October 16, 2020 at a deemed price of $0.115.

xv. On July 5, 2022 and September 19, 2022, the Company issued a total of 33,350 units which comprise one thousand two hundred and fifty (1,250) common share and one hundred and twenty-five (125) warrants at an agreed price of $100 per units for gross proceeds of $3,335,000. These units were acquired by directors of the Company.

xvi. On September 26, 2022, 325,000 common shares were issued by the Company upon warrants exercised at an exercise price of $0.15, for a gross amount of $48,750.

- Related Party Transactions

	9 months ended	
	September 30, 2022	September 30, 2021
Consulting fees paid to President and CEO	**90,000**	166,000
Consulting fees paid to the general manager	**63,000**	90,000
Directors' fees paid to three directors	**30,000**	-

- Risks and Uncertainties

An investment in the common shares of the Company involves a high degree of risk and must be considered highly speculative due to the financial and operational risks inherent to the nature of the Company's business and the present stage of development of its properties. These risks may affect the Company's eventual profitability and level of operating cash flow. Prospective buyers of the common shares of the Company should consider the following risk factors:

CLIMATE CHANGE

The Company has its properties in various regions of Quebec where environmental laws are evolving and where several government authorities have introduced or are considering regulatory changes in response to the potential impact of climate change, such as regulations relating to emission levels and the Company remain attentive to the changes to come.

ADDITIONAL FINANCING

Future development activities will require additional equity and debt financing. Failure to obtain such additional financing could result in delay or indefinite postponement of acquisition and development of the property interests of the Company.

STRESS IN THE GLOBAL ECONOMY AND FINANCIAL CONDITION

The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing. Adverse effects of coronavirus developments (COVID-19) on consumer confidence, market stability and public health creates uncertainties on macroeconomic conditions and may also result in closures, cancellations of, or reductions in operations or production on properties where the Company holds investments.

DEPENDENCE ON KEY INDIVIDUALS

The Company is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on the Company.

POLITICAL REGULATORY RISKS

Any changes in government policy may result in changes to laws affecting the Company's ability to undertake development activities in respect of present and future properties.

CONFLICTS OF INTEREST

Some of the directors and officers of the Company are also directors and officers of other companies, some of which are in the same business as the Company. This situation may result in conflicting legal obligations which may expose the Company to liability to others and impair its ability to achieve its business objectives.

INSURANCE

The Company will remain at risk and will be potentially subject to liability for hazards associated with commodity exploitation which it cannot insure against or which it has elected not to insure against because of premium costs, market uncertainty and inability to raise capital.