E-POWER RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended September 30, 2023

NOTE TO READERS

The following is management's discussion in respect of the results of operations and financial position of E-Power Resources Inc. (the "Company" or "E-Power"), for the year ended September 30, 2023.

FORWARD LOOKING STATEMENT

The information presented in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, "forward–looking statements" or "forward-looking information" (collectively "forward-looking statements") as those terms are used in the Private Securities Litigation Reform Act of 1995 and similar Canadian laws.

Such forward–looking statements, including but not limited to those with respect to the price of metals, the timing and amount of estimated future mineralization and economic viability of properties, capital expenditures, costs and timing of exploration projects, permitting timelines, title to properties, the timing and possible outcome of pending exploration projects and other factors and events described in this MD&A involve known and unknown risks, uncertainties and other factors such as general economic and business conditions, change in foreign currency exchange rates, and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward–looking statements. Since forward looking statements address future events and conditions, by their nature, they involve inherent risks and uncertainties. Readers should verify all claims and do their own due diligence before investing in any securities mentioned or implied in this document. Investing in securities is speculative and carries a high degree of risk.

These statements are based on management's current expectations and are subject to a number of uncertainties and risks that could cause actual results to differ materially from those described in the forward-looking statements. Forward-looking statements are based on management's current plans, estimates, projections, beliefs, and opinions and we do not intend nor do we undertake any obligation to update or revise any forward-looking statements whether written or oral that may be made by or on the Company's behalf should the assumptions related to these plans, estimates, projections, beliefs and opinions change, except as required by securities law. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forwarding looking statements	***Assumptions***	***Risk factors***
Management intends to further eliminate the working capital deficiency and to finance its operating costs with loans from related parties and or private placement of common shares.	*Based on the past history of the Company, the Company was able to raise funds when needed through either private placement or debt financing*	*Change in interest rate, support by related parties, change in condition of capital market*

DATE OF REPORT

The information in this report is presented as of January 30, 2023.

ABOUT E-POWER RESOURCES INC.

E-Power Resources Inc. (the "Company") was incorporated on October 18, 2018. The corporate head office is located at Suite 400, 3 Place Ville-Marie, Montreal, Quebec, Canada. Effective January 16, 2023, the Company trades on the Canadian Securities Exchange (the "CSE") under the symbol EPR.

The principal business activity of the Company is the exploration for mineral resources in the province of Quebec, Canada. Exploration activities consist of searching for resources suitable for commercial exploitation by researching and analyzing an area's historic exploration data, by conducting topographical, geological, geochemical and geophysical studies, and by exploratory drilling, trenching and sampling.

CORPORATE OVERVIEW AND OVERALL PERFORMANCE

Corporate Overview

E-Power Resources Inc. is a public Québec Corporation based in Montréal and focused on the delineation of graphite resources in Quebec. The Company has 2 properties namely Tetepisca and Turgeon. The focus for the Company is flake graphite exploration and delineation on the Tetepisca property. The Company has evaluated the flake graphite potential of the Turgeon property and concludes that there is little potential to develop an economically viable flake graphite deposit on the property. The Company has no intention of completing further work on the Turgeon property and the Turgeon property is a non-core asset.

Tetepisca Property

Tetepisca, Quebec, Canada (the "Tetepisca Property"), our Flagship property, is located in the North Shore region of the province approximately 225 kilometers north of the town of Baie-Comeau. Our target on the Tetepisca property is flake graphite. The Tetepisca Property consists of 230 claims covering a total area of 12,620 hectares located in the Tetepisca Graphite District ("TGD"). Graphite resources in the TGD include the Lac Gueret deposit, the Lac Gueret Extension deposit, and the Lac Tetepisca deposit.

The Company acquired its original position in the TGD through a purchase agreement with local prospectors during the winter of 2019. The Company completed a program of prospecting, trenching, and sampling on the claims during the summer of 2019. During 2019 and 2020, the Company identified prospective claims in the TGD and acquired these claims directly by staking.

The Company has compiled, reviewed, and interpreted all historical exploration data and information covering the claims and has prioritized 5 targets areas for follow-up exploration. The targets at the Tetepisca property have been chosen based on strong electromagnetic response coupled with lower total magnetic intensity and supported by positive historical drilling and sampling results.

Exploration work completed during Q1 2022 ended December 31, 2021 included geological mapping and sampling and ground electromagnetic ("EM") surveys. The geological mapping and sampling was completed during October and covered parts 4 of the prioritized target areas. Grab samples taken ranged from less than detection limit (.025% Cg) to 47.6% Cg. The work confirmed the presence of flake graphite at the selected targets. The ground EM survey was completed over the period October 18 to November 15, 2021. The survey consisted of a total of 18.4 line kilometers of horizontal loop EM surveying covering part of 4 of the priority target areas. The ground results provide higher resolution of the position and orientation of the conductors relative to the historical airborne survey.

During Q2 2022, a high resolution airborne magnetic and electromagnetic survey was completed over approximately three quarters of the Tetepisca property. The Company is currently planning a drill program. The Company did not have any field operations at Tetepisca during Q1 2023.

Turgeon Property

The Turgeon Property is located in the Abitibi region of western Québec. The primary targets on the Turgeon Property are Copper-Zinc massive sulphide mineralization and orogenic Lode gold mineralization. The Turgeon property consists of 331 claims covering 18,366 hectares located in the Abitibi region of western Quebec. The Property was originally acquired through on-line staking in December 2018 and claims were added through on-line staking in 2020 and 2021. During the winter of 2019 E-Power completed an exploration program that included ground geophysics (electromagnetics) and diamond drilling. During the fall of 2021, E-Power commissioned an airborne magnetic and time-domain electromagnetic survey. Based on the results of this survey, the company acquired additional claims extending the property position to the east and south.

The Company has assessed all historical data compiled on the Turgeon property and has evaluated all the exploration data generated in 2019 and in 2021 and the Company concludes that there is very little potential for the discovery and delineation of an economically viable flake graphite deposit on the property. The Company has no intention of completing further work on the Turgeon property and the Turgeon property is a non-core asset.

The Turgeon property is located in a geological domain referred to as the Abitibi Greenstone Belt ("AGB"). The AGB extends in an east-west direction across the Ontario-Quebec border for approximately 500 km and in a north-south direction for a distance of approximately 350 km. The AGB has been, and continues to be, an extremely important mining district for base and precious metals. Historical gold production from the AGB in in excess of 200 million ounces and base metal massive sulphide production totals more than 775 million tons. The Turgeon property borders the property of Agnico Eagle Detour Lake Mine, located to the northwest, and is approximately 15 kilometers north of the Casa Berardi Gold Mine.

The Qualified Person responsible for this MD&A has not verified the information on the adjacent properties and the information is not necessarily indicative of the mineralization on the property.

On February 2, 2022, the Company signed an option agreement with Rival Technologies Inc. ("Rival" OTCBB RVTI) on the Turgeon property. Under the terms of the option agreement, the Company would grant Rival the exclusive right and option (the "Option") to acquire a 100% interest in 84 claims covering the southern part of the Turgeon property. As consideration for the grant of the Option, and in order to exercise the Option, Rival shall complete the following individual cash payments, stock issuances, and work programs on or before the dates indicated:

Date	**Cash**	**Stock**	**Work on Claims**
March 31/2022	$ 25,000	300,000	N/43-101 Technical Report
February 28/2023			$100,000
September 30/2023 to 2027 And warrant issue/2% royalty	$650,000	4,000,000	$2,000,000
Total:	**$675,000**	**4,300,000**	**$2,100,000 plus technical report**

The Option was terminated on March 1, 2023 because of the Optionee failing to meet the February 28, 2023 deadline to do work on the Claims in the amount of $100,000 by February 28, 2023 resulting in an unrealized agreed term and the termination of the Option, with the claims remaining the property of the Company. All amounts earned cannot be claimed back by the Optionee, and neither party will have any further obligation or liability regarding the Option agreement.

The Company is seeking to further option or sell the Turgeon property and has no intention of completing any further work on the Turgeon property. All monies derived from sale of the Turgeon property will be used to advance flake graphite exploration and development at the Tetepisca property. The Turgeon property is not a core asset. As consideration for the first option payment from Rival, the Company received cash and marketable shares amounting to $137,464. Since then, the market value of the shares has deteriorated significantly and are recorded at fluctuating market values in the financial statements. The Company evaluates that the balance of the investment in the Turgeon property will be fully recovered from future options or sales considerations. Consequently, no devaluation of the Turgeon property in the books is required.

Material Components of Exploration Expenditures

The following table provides a break down of capitalized exploration expenditures presented on a property-by-property basis.

Period	Property	Property Acquisitions	Claims Staking	Geology and Exploration	Drilling	Geophysics	Other	Total Tetepisca	Total Turgeon	Total Quatre Miles East
		$	$	$	$	$	$	$	$	
FY Sept 30, 2020	Tetepisca		2,871	342			(1,125)	2,088		
	Turgeon		2,385	13,971			(5,725)		10,631	
FY Sept 30, 2021	Tetepisca					183,730	1,125	184,855		
	Turgeon					328,800	5,690		334,490	
FY Sept 30, 2022	Tetepisca			95,652				95,652		
	Turgeon			(137,464)*		30,030			(107,434)	
	Quatre Miles East						(131)			(131)
FY Sept 30, 2023	Tetepisca			398,560	483,518		(99,542)**	782,536		
	Turgeon			7,350			(172,691)**		(165,341)	

* Option disposal for 84 of the 338 claims

**Mining property tax credits earned and received are applied as reduction of the related asset

The following table provides a break down of expensed exploration expenditures presented on a property-by-property basis.

Tetepisca. During 2019, the Company completed a surface exploration program that included geological mapping, prospecting, and sampling. No work was completed at Tetepisca due to Covid 19 during 2020. During the 4th quarter of 2021 and the 1st and 2nd quarters of 2022 the Company completed geological mapping and prospecting, a ground geophysical survey over selected targets on the property, and an airborne geophysical survey covering approximately 80% of the property. Since completion of this work management has completed compilation and interpretation of all data, historical and collected by the Company, on the property. Management is of the opinion that the Tetepisca property provides an opportunity for discovery and delineation of a flake graphite resource and anticipates advancing quickly through the Phase 1 exploration program recommended in the technical report to Phase 2 drilling.

Turgeon. During 2019, the Company completed a detailed compilation of historical data from the Turgeon property followed by a ground geophysical survey and a diamond drill program. No work was completed on the property during 2020 due to Covid 19. During Q4 2021 the Company completed an airborne geophysical survey over the complete property. During Q1 of 2022 the Company, with the assistance of geological and geophysical consultants, evaluated the new and historical data for the Turgeon property and concluded that there is little scope for the discovery of an economically viable flake graphite resource on the property. As a result, Company no longer considers the Turgeon property as a core asset. The plans for the Turgeon property have been outlined above.

Company Strategy

A typical single electric vehicle battery requires 50-100 kg of graphite. About 80% of graphite comes from China (U.S. Geological Survey, Mineral Commodity Summaries, January 2022). The Company is developing local sources of graphite for the Quebec and North American Electric Vehicle Industry.

- **Conduct Research** – To identify graphite exploration and resource development opportunities
- **Secure** – Land positions with graphite exploration and resource development potential
- **Delineate and Develop** – Graphite resources by determining tonnage, grade, flake size and mine ability
- **Enhance Project Viability and Reduce Project Risk** – To ensure graphite products are optimized and attractive to battery manufacturers and material suppliers requiring flake graphite
- **Monetise Projects** – Through option agreements, merger & acquisitions, joint ventures, and trade sales

SELECTED ANNUAL INFORMATION

	2023	2022	2021
	$	$	$
Revenue (Loss)	(7,843)	(66,232)	430
Operating Expenses	1,037,459	686,752	376,418
Net loss and comprehensive loss	1,045,302	752,984	375,988
Total assets	2,151,575	1,297,439	1,994,115
Total long-term liabilities	-	-	-
Net loss per share (basic and diluted)	0.04	0.03	0.02

SELECTED QUARTERLY INFORMATION

The Company has not had any operating revenue from inception. The Company's past result of operations was not subject to seasonality. Management expects it will be difficult for the Company to obtain further equity or debt financing in the near future given that the current Canadian capital market is in a downturn for junior mining companies. The current resources on hand are not adequate for the Company to meet its long-term business objective or to conduct any significant explorative activities to the existing mineral properties. The Company's information of the latest nine quarters is summarized as follows:

	2023				2022			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	$	$	$	$	$	$	$	$
Total Asset	2,151,575	1,890,945	2,137,730	1,145,751	1,297,439	1,529,374	1,694,553)	1,832,770
Net income (loss) and comprehensive income (loss)	(291,315)	(395,578)	(168,981)	(189,428)	(329,659)	(134,195)	(144,799)	(144,331)
Earnings (loss) per share, basic and diluted	(0.01)	(0.0157)	(0.0073)	(0.0082)	(0.00)	(0.02)	(0.00)	(0.00)

RESULTS OF OPERATIONS

Year Ended September 30, 2023 (‘‘2023 YE’’) and 2022 (‘‘2022 YE’’)

During 2023 YE, the Company had a net comprehensive loss of $1,045,302 compared to the net comprehensive loss of $752,984 in 2022 YE. The Company earned interest income of $26,914 (2022 YE – $4,780), incurred $1,037,459 of operating expenses (2022 YE – $686,752), and incurred an unrealized loss on the fair market value of marketable securities of $34,757 (2022 YE – a loss of $70,881).

The main components of the operating expenses in 2023 YE comprise the exploration expenses and mining fees of $20,273, (2022 YE - $1,393), listing and filing fees of $62,968 (2022 YE $11,740), professional fees of $265,881 (2022 YE - $262,720), management and consulting fees of $489,790 (2022 YE - $391,736), and miscellaneous office and travel expenses of $115,168 (2022 YE - $18,914).

The increase in professional fees in 2023 YE versus 2022 YE was mainly due to the additional work related to the CSE listing and the production of the required documentation.

Three Months Ended September 30, 2023 (‘‘2023 Q4’’) and 2022 (‘‘2022 Q4’’)

During 2023 Q4, the Company had a net comprehensive loss of $291,315 compared to the net comprehensive loss of $329,659 in 2023 Q4. The Company earned interest income of $11,185 (2022 Q4 – $2,714), incurred $297,425 of operating expenses (2022 Q4 – $219,325), and incurred an unrealized loss on the fair market value of marketable securities of $5,097 (2022 Q4 – $112,917).

The operating expenses in 2023 Q4 comprise the exploration disbursements of $7,844 incurred within the renunciation portion of the Flow-through program (none in prior years since the flow-through program started in 2023 Q2), professional fees recovery of $40,150 (2022 Q4 - $150,993), management and consulting fees of $152,852 (2022 Q4 – $75,688), as well as office and miscellaneous expenses of $78,689 (2022 Q4 - $8,772).

The increase in management and consulting fees in 2023 Q4 versus 2022 Q4 was mainly due to additional work on the Company’s mineral properties, strategy and advertising and related marketing and management expenses.

LIQUIDITY AND CAPITAL RESOURCES

Financing of operations has been achieved by equity and debt financing. As at September 30, 2023, the Company had a cash balance of $627,222 and working capital of $98,386. The Company has no operations that generate cash inflows.

Management intends to finance its operating costs with non-current loans from related parties and private placements of common shares. While the Company has a history of financing its operations through debt or equity financing, readers are cautioned that there are no guarantees that the Company can do so in the future.

The Company had cash inflows of $1,307,763 from its financing activities during the 2023 YE due to shares issued for cash considerations, net of share issue costs.

The Company had cash outflows of $1,014,894 for its operating activities during the 2023 YE which was mainly spent on management and consulting fees, and legal and professional fees, CSE listing fees and exploration expenses as detailed previously.

The Company had cash outflow of $129,311 from its investing activities during the 2023 YE mainly due to exploration expenditures less mining tax credits refunds from the government related to the evaluation and exploration assets.

The Company is not subject to external capital requirements and does not have capital commitment.

FLOW-THROUGH AND NON FLOW-THROUGH PRIVATE PLACEMENTS

On March 31, 2023, the Company completed a $866,016 private placement consisting of a combination of (i) 590,000 units of the Company issued on a non-flow-through basis at a price of $0.40 per non-flow-through unit for gross proceeds of $236,000, and (ii) 1,369,600 units of the Company issued on a flow-through basis at a price of $0.46 per flow-through unit for gross proceeds of $630,016. Each flow-through unit and each non-flow-through unit consists of one common share and one common share purchase warrant, with an exercisable price of $0.60 per share for a period of 2 years from the closing date.

On April 26, 2023, the Company closed a private placement of 84,495 units for gross proceeds of $33,798 at a price of $0.40 per unit. Each unit is comprised of one common share and one warrant exercisable into a common share for $0.60 per share for a period of 2 years from the closing date.

On June 13, 2023, the Company completed a $476,550 private placement consisting of a combination of (i) 313,437 units of the Company issued on a non-flow-through basis at a price of $0.32 per non-flow-through unit for gross proceeds of $100,300, and (ii) 1,075,000 units of the Company issued on a flow-through basis at a price of $0.35 per flow-through unit for gross proceeds of $376,250. Each flow-through and each non-flow-through unit consists of one common share and one common share purchase warrant, with an exercisable price of $0.48 per share for a period of 2 years from the closing date.

In connection with the private placements completed during the year ended September 30, 2023, the Company paid finders' fees of $68,601 cash and issued a total of 150,918 finders' warrants. Of this total amount, 80,087 finders' warrants are exercisable at $0.60 per share for a period of 2 years and 70,831 finders' warrants are exercisable at $0.48 per share for a period of 2 years.

On November 22, 2023, the Company announced that it has closed a first tranche of the private placement previously announced on November 16, 2023. An aggregate of 3,601,833 units of the Company were issued in the non-flow through portion of the private placement at a price of $0.06 per Unit for gross proceeds of $216,110, each Unit being comprised of one common share in the capital of the Company and one common share purchase warrant entitling its holder thereof to acquire one additional common share at a price of $0.10 per Warrant Share for a period of 60 months from the closing date. Net proceeds from the Offering will be used by the Company for general working capital purposes. No insiders of the Company participated in the private placement. The Company paid a finders' fee to a shareholder who received a cash commission of $10,710 as well as 178,500 broker warrants, with each broker warrant entitling its holder thereof to purchase one common share of the Company at a price of $0.10 and expiring in 24 months.

On December 22, 2023, the Company announced that it has closed a second tranche of the private placement previously announced on November 16, 2023. An aggregate of 3,176,634 units of the Company were issued at a price of $0.06 per Unit for gross proceeds of $190,598, each Unit being comprised of one common share in the capital of the Company (each a "Common Share") and one common share purchase warrant (each a "Warrant"), each Warrant entitling its holder thereof to acquire one additional common share (each a "Warrant Share") at a price of $0.10 per Warrant Share for a period of 60 months from the closing date. (the "Offering"). Net proceeds from the Offering will be used by the Company for general working capital purposes. No Insiders of the Company participated in the Private Placement. The Company paid finders' fee to Pieter Danielsson, who received a cash commission of $2,310. In addition, he received 38,500 broker warrants, with each broker warrant entitling its holder thereof to purchase one common share of the Company at a price of $0.10 and expiring in 24 months.

On January 10, 2024, the Company had closed the third tranche of the private placement. An aggregate of 400,247 units of the Company were issued in the non-flow through portion of the private placement at a price of $0.06 per unit for gross proceeds of $190,598. Each unit comprises one common share in the capital of the Company and one common share purchase warrant entitling its holder thereof to acquire one common share at a price of $0.10 per warrant for a period of 60 months from the closing date.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company does not have any proposed transactions that have material impacts to the Company at the date of this MD&A.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company has 34,269,741 shares outstanding.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel consist of senior officers including the President and Chief Executive Officer and Chief Financial Officer and senior management. The Company paid or accrued amounts to key senior officers and management, or companies controlled by them, and to directors and shareholders or compagnies controlled by them, for consulting services rendered in the normal course of business in the areas of operational expertise, management, marketing and for financial and accounting services.

Refer to Note 11 of the Company's financial statements for the year ended September 30, 2023 and 2022.

CHANGES IN ACCOUNTING POLICIES

Refer to the Note 3 of the Company's financial statements for the year ended September 30, 2023 and 2022. There were no changes in accounting policies during those periods.

FINANCIAL INSTRUMENTS

Refer to the Note 12 of the Company's financial statements for the year ended September 30, 2023 and 2022.

RISK FACTORS

Risks of the Company's business include the following:

Mining Industry

The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection.

The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. Mining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of ore, including unusual and unexpected geology formations, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

The Company's mineral exploration activities are directed towards the search, evaluation and development of mineral deposits. There is no certainty that the expenditures to be made by the Company as described herein will result in discoveries of commercial quantities of ore. There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other interests, many of which have greater financial resources than it will have for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

Government Regulation

The exploration activities of the Company are subject to various federal, provincial and local laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substance and other matters. Exploration activities are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws mandate, among other things, the maintenance of air and water quality standards, and land reclamation. These laws also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste.

Although the Company's exploration activities are currently carried out 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. Amendments to current laws and regulations governing operations and activities of exploration, mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

Permits and Licenses

The exploitation and development of mineral properties may require the Company to obtain regulatory or other permits and licenses from various governmental licensing bodies. There can be no assurance that the Company will be able to obtain all necessary permits and licenses that may be required to carry out exploration, development and mining operations on its properties.

Environmental Risks and Hazards

All phases of the Company's mineral exploration operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present, which have been caused, by previous or existing owners or operators of the properties. The Company may become liable for such environmental hazards caused by previous owners and operators of the properties even where it has attempted to contractually limit its liability. Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent such approvals are required and not obtained; the Company may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties. Production of mineral properties may involve the use of dangerous and hazardous substances such as sodium cyanide. While all steps will be taken to prevent discharges of pollutants into the ground water the environment, the Company may become subject to liability for hazards that cannot be insured against.

Commodity Prices

The profitability of mining operations is significantly affected by changes in the market price of gold and other minerals. The level of interest rates, the rate of inflation, world supply of these minerals and stability of exchange rates can all cause significant fluctuations in prices of metal and minerals including graphite. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments.

Any figures for reserves presented by the Company will be estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Market fluctuations and the price of graphite and other minerals may render reserves uneconomical. Moreover, short-term operating factors relating to the reserves, such as the need for orderly development of the ore bodies or the processing of new or different grades of ore, may cause a mining operation to be unprofitable in any particular accounting period.

Uninsured Risks

The Company utilizes contractors and consultants to complete its field exploration programs and drilling programs and ensures that contractors used carry required insurance. Otherwise, the Company may elect to carry insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include environmental pollution or other hazards against which such corporations cannot insure or against which they may elect not to insure.

Conflicts of Interest

Certain of the directors of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

Property Title

Although the Company has obtained title opinions with respect to certain of its properties, there may still be undetected title defects affecting such properties. Accordingly, such properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects which could have a material adverse impact on the Company's operations.

Qualified Person

Jamie Lavigne, P.Geo., Chief Operating Officer and Director, is a Qualified Person as defined in National Instrument 43-101. Mr. Lavigne has verified the exploration data and information presented in this MD&A and has reviewed and approved the information contained in this MD&A.

OFFICERS AND DIRECTORS

James Cross	President and Chief Executive Officer
Jamie Lavigne	Chief Operating Officer and Director
Paul Haber	Chief Financial Officer
Michael Danielsson	Director
Thomas Langley	Director
Harvey Edgecombe	Director