GOLD HUNTER
RESOURCES INC

Management's Discussion and Analysis

For the six months ended February 29, 2024

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") for Gold Hunter Resource Inc., ("Gold Hunter" or "the Company") for the six months ended February 29, 2024, has been prepared by management, in accordance with the requirements of National Instrument 51-102 *Continuous Disclosure Obligations*.

This MD&A supplements but does not form part of the condensed consolidated interim financial statements of the Company and notes and schedules thereto for the three and six months ended February 29, 2024 and February 28, 2023 (the "financial statements"), and consequently should be read in conjunction with the afore-mentioned financial statements. The following MD&A is current as of April 12, 2024.

All amounts both in the Company's financial statements and this MD&A are expressed in Canadian dollars.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian legislation, operations and financial performance and condition of the Company. All statements, other than statements of historical fact, included herein including, without limitation, management's expectations regarding the Company's growth, results of operations, estimated future revenues, future demand for and prices of gold and precious metals, business prospects and opportunities, future capital expenditures and financings (including the amount and nature thereof), anticipated content, commencement, and cost of exploration programs in respect of the Company's projects and mineral properties, anticipated exploration program results from exploration activities, the discovery and delineation of mineral deposits, resources and/or reserves on the Company's projects and mineral properties, and the anticipated business plans and timing of future activities of the Company, are forward-looking statements. In making the forward-looking statements in this MD&A, the Company has applied several material assumptions, including without limitation, that there will be investor interest in future financings, market fundamentals will result in sustained precious metals demand and prices, the receipt of any necessary permits, licenses and regulatory approvals in connection with the future exploration and development of the Company's projects in a timely manner, the availability of financing on suitable terms for the exploration and development of the Company's projects and the Company's ability to comply with environmental, health and safety laws. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct.

Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "may", "will", "budget", "scheduled", "estimates", "forecasts", "predicts", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative or grammatical variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved.

Forward looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. Such risks and other factors include, among others:

- general business, economic, competitive, political and social uncertainties;
- the Company's strategies and objectives, both generally and in respect of its specific mineral properties or exploration and evaluation assets;
- the ability of the Company to obtain sufficient financing to fund its business activities and plans on an ongoing basis;
- operating and technical difficulties in connection with mineral exploration for the Company's projects generally, including the geological mapping, prospecting, drilling and sampling programs for the Company's projects;
- accuracy of probability simulations prepared to predict prospective mineral resources;
- actual results of exploration activities, including exploration results, the estimation or realization of mineral resources and mineral reserves, the timing and amount of estimated future production,

costs of production, capital expenditures, and the costs and timing of the development of new deposits;

- changes in project parameters as plans continue to be refined;
- possible variations in ore grade or recovery rates, possible failures of plants, equipment or processes to operate as anticipated, accidents, labour disputes and other risks of the mining industry;
- delays in obtaining governmental and regulatory approvals, permits or financing or in the completion of development or construction activities;
- changes in laws, regulations and policies affecting mining operations, hedging practices, currency fluctuations, title disputes or claims limitations on insurance coverage and the timing and possible outcome of pending litigation, environmental issues and liabilities, risks related to joint venture operations, and risks related to the integration of acquisitions;
- requirements for additional capital, future prices of precious metals, changes in general economic conditions, changes in the financial markets and in the demand and market price for commodities;
- risks relating to epidemics or pandemics such as COVID–19, including the impact of COVID–19 on the Company's business, financial condition and results of operations; and
- those factors discussed under the headings "Risk and Uncertainties" and "Financial Instruments and Risk Management" in this MD&A and other filings of the Company with the Canadian Securities Authorities, copies of which can be found under the Company's profile on the SEDAR website at www.sedarplus.ca.

These factors should be carefully considered and readers are cautioned not to place undue reliance on forward-looking statements. Although the forward-looking information contained in this MD&A is based upon what management believes to be reasonable assumptions, there can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Such forward-looking information is made as of the date of this MD&A and, other than as required by law, the Company assumes no obligation to update or revise such forward-looking information to reflect new events or circumstances.

BUSINESS OVERVIEW

The Company is engaged in the acquisition, exploration, and development of mineral property assets in Canada. The Company's objective is to locate and develop economic precious and base metal properties of merit and to conduct exploration programs on its projects.

The Company was incorporated on October 30, 2019 under the laws of British Columbia and its common shares are listed on the Canadian Securities Exchange (the "CSE") under the symbol "HUNT". The head office of the Company is located at 75 - 8050 204th Street, Langley BC, V2Y 0X1 and the registered office is located at 3200 - 650 W Georgia, Vancouver, BC, V6B 4P7.

Description of Properties

Cameron Lake East Property

In January 2020, the Company entered into an option agreement (the "Agreement") to acquire the mineral claims known as Cameron Lake East Property located in the Kenora Mining Division of Ontario. The Agreement is pursuant to an underlying option agreement (the "Head Option Agreement") between the Optionor and the original claim holder ("Claim Holder"). To exercise the option and acquire the claims, the Company must pay the Optionor $66,000 and issued 1,000,000 common shares of the Company as follows:

a. pay $20,000 on signing of the Agreement (paid);
b. pay an additional $10,000 and issue 500,000 common shares on the earlier of (i) listing of the the Company's common shares on the Canadian Securities Exchange, and (ii) March 15, 2021 (paid and issued);
c. pay an additional $12,000 on January 15, 2022 (paid);

d. pay an additional $12,000 and issue an additional 500,000 common shares on January 15, 2023 (paid and issued); and
e. pay an additional $12,000 on January 15, 2024.

In addition, under the Head Option Agreement, the Optionor must pay the Claim Holder $48,000 (all of which has been paid) by September 20, 2023. Upon exercise by the Optionor of its option under the Head Option Agreement, the Claim Holder will be entitled to a 1.5% net smelter returns royalty (the "Claim Holder's NSR"), subject to the Optionor's right to purchase a one-half interest in the Claim Holder's NSR in accordance with the Head Option Agreement. Under the Agreement, the Claims are subject to the reservation by the Optionor of a 1.5% net smelter returns royalty (the “Optionor’s NSR”) to be paid by the Company upon exercise of the option in full.

Following the exercise of the Option, the Company will have the right to purchase the Optionor's NSR at any time for $1,000,000. For greater certainty, in the event the Company purchases the Optionor’s NSR, the Claims would be subject only to the Claim Holder's NSR (1.5%) of which the Optionor will hold an option to purchase a one-half interest (0.75%) in accordance with the terms of the Head Option Agreement.

Rambler and Tilt Cove Properties

In January 2022, the Company entered into one option agreement and one purchase agreement to acquire the Rambler and Tilt Cove Projects and six other projects in the Province of Newfoundland and Labrador, collectively known as the Rambler and Tilt Cove Properties. In December 2023, the option agreement was amended in connection with the proposed sale of the Ramble and Tilt Cove Properties. If the sale does not close by July 1, 2024, the option agreement will revert back to its original form (see below).

Under the original January 2022 option agreement, to exercise the option and acquire the claims, the Company must pay the optionors $1,695,000, issue 10,300,000 common shares, and incur $2,500,000 of exploration expenditures on the claims as follows:

a. pay $15,000 upon signing of the option agreement (paid);
b. pay an additional $25,000 on or before December 1, 2022 (paid);
c. pay an additional $50,000 on or before December 1, 2023 (paid);
d. issue 1,500,000 common shares and incur $800,000 of property expenditures on or before July 1, 2024;
e. pay an additional $190,000 and issue an additional 2,000,000 common shares on or before December 1, 2024;
f. pay an additional $415,000 and issue an additional 2,800,000 common shares on or before December 1, 2025; and
g. pay an additional $1,000,000, issue an additional 4,000,000 common shares, and incur an additional $1,700,000 of property expenditures on or before December 1, 2026.

In connection with the original January 2022 option agreement, the Company must pay finders’ fees of $135,600 and issue 824,000 common shares as follows:

a. pay $1,200 upon signing of the option agreement (paid);
b. pay an additional $2,000 on or before December 1, 2022 (paid);
c. pay an additional $4,000 on or before December 1, 2023;
d. issue 120,000 common shares on or before July 1, 2024;
e. pay an additional $15,200 and issue an additional 160,000 common shares on or before December 1, 2024;
f. pay an additional $33,200 and issue an additional 224,000 common shares on or before December 1, 2025; and
g. pay an additional $80,000 and issue an additional 320,000 common shares on or before December 1, 2026.

In connection with the purchase agreement, the Company paid $250,000 and issued 4,000,000 common shares to acquire the claims. The Company also paid a finders' fee of $15,000 and 240,000 shares in respect of the purchase agreement. A portion of the claims is subject to a 2% net smelter returns royalty and a portion is subject to a 2.5% net smelter returns royalty of which the Company may purchase 50% at any time for $1,000,000 and 60% at any time for $2,000,000, respectively.

In June 2023, the Company sold 100% interest in the six other projects acquired as part of the Rambler and Tilt Cove Projects for $50,000 and 1,000,000 common shares of Sorrento Resources Ltd. with a fair value of $300,000, determined using quoted market prices on the closing date of the transaction. The Company retained a 1% net smelter returns royalty which the purchaser has the right to buy back 50% at any time for $1,000,000. Pursuant the sale transaction, the Company recorded a loss on sale of exploration and evaluation assets of $1,271,090.

In July 2023, the Company purchased five additional properties adjacent to the Rambler Project in the Baie Verte Peninsula, Newfoundland. The Company paid $37,500 and issued 2,275,000 common shares on the closing date of the transaction. In addition, the Company issued $77,500 of non-interest bearing promissory notes with a term of 90 days and issued 250,000 common shares as finders' fee. The Company will also issue an additional 800,000 common shares on the date that is 4 months and a day from the closing date and recorded a reserve for an obligation to issue the remaining common shares with a fair value of $200,000. The five properties are each subject to a 2% net smelter returns royalty of which the Company may purchase 50% at any time for an aggregate total of $5,500,000.

In November 2023, the Company issued the remaining 800,000 common shares, reclassified the $200,000 reserve to share capital, and fully repaid the $77,500 promissory notes.

In December 2023, the Company entered into share purchase and sale agreement with Firefly Metals Ltd. ("Firefly"). Under the Agreement, Firefly will acquire all of the common shares of 1451366 B.C. Ltd. (the "Subsidiary"), a wholly owned subsidiary of the Company, in exchange for the issuance to the Company of 30,290,624 common shares of Firefly at a deemed issue price of CDN$0.498 per Firefly share representing an amount equal to CDN$15,000,000 (the "Transaction"). Prior to closing the Transaction, the Subsidiary will hold all its mineral claims and assets in Newfoundland & Labrador, Canada comprised of the mineral claims on the Company's Rambler Property and on the Company's Tilt Cove Property. Upon the Closing, the Subsidiary will become a wholly owned subsidiary of Firefly and Firefly will assume all related obligations and liabilities regarding the claims and any royalties on the claims.

In December 2023, the Company amended the mineral property option agreement, dated in January 2022, in regards to the Rambler and Tilt Cove Properties. As per the amendment, the Company can fully exercise the option and acquire a 100% interest in the claims upon the issuance of 6,000,000 common shares of the Company, to be issued on or before January 4, 2023. The shares will be held in escrow by the Company and will be released upon the closing of the Transaction. In the event that the Transaction does not close by July 1, 2024, the shares will be cancelled immediately, and the option agreement will revert back to its original form. Additionally, there's an agreed cash payment of $500,000 to be paid no later than August 1, 2024. However, if the Company (or its Subsidiary) disposes of the optioned claims, the cash payment will be due within 30 days of the disposition of the optioned claims. In addition, the amended option agreement removes one claim that was duplicated and was part of the claims subsequently acquired by the Company in the purchase agreement, dated in July 2023.

In January 2024, the Company amended the finders' agreement to reflect the terms of the amended option agreement. The finders' fee shall consist of $40,000 and 480,000 common shares and shall be paid and issued upon closing of the Transaction. In the event that the Transaction does not close by July 1, 2024, the finders' agreement will revert back to its original form.

In January 2024, the Company issued 6,000,000 shares with a fair value $1,590,000 of in respect of the mineral property option amendment.

In March 2024, the Company closed the Transaction. The fair value of the 30,290,624 common shares of Firefly received was determined to be $18,280,392 using quoted market prices on the closing date of the Transaction.

In April 2024, the Company issued 480,000 shares with a fair value of $136,800 in respect of the mineral property option finders' amendment.

SUMMARY OF RESULTS

Overview

Second Quarter Results

During the second quarter of its 2024 financial year, the Company had a net loss of $190,967. This represents an increase of $82,667 from the $108,300 loss in the same quarter last year. The increase was caused by a $44,697 increase in professional fees, a $14,250 increase in consulting fees, a $9,000 increase in management fees, a $6,232 increase in listing and filing fees, a $4,500 increase in investor relations costs, a $2,039 increase in travel and accommodation, and a $1,949 increase in office expense.

Six-Month Results

During the first half of the Company's financial year, the Company had a net loss of $390,820, a $ 179,716 increase over the $211,104 loss during the same period last year. The increase was caused by a $51,471 increase in professional fees, a $44,646 increase in consulting fees, a $33,000 increase in management fees, a $26,292 increase in financing fees, a $14,500 increase in investor relations costs, $9,199 increase in listing and filing fees, and a $1,006 increase in travel and accommodation.

Summary of unaudited quarterly results

Below is a summary of the Company's last eight quarterly results, selected from financial statements prepared under International Financial Reporting Standards:

	2024		2023				2022	
	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter
	$	$	$	$	$	$	$	$
Loss for the year	(190,967)	(199,853)	(1,485,034)	(115,903)	(108,300)	(102,804)	(117,439)	(137,628)
Loss per share	(0.01)	(0.01)	(0.07)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)
Comprehensive loss	(185,967)	(259,853)	(1,595,034)	(115,903)	(108,300)	(102,804)	(117,439)	(137,628)

The variability of net loss during the quarterly results is mainly due to an increase or decrease in exploration and business activity.

During the fourth quarter of 2023, the Company recorded a loss on sale of exploration and evaluation assets of $1,271,090.

LIQUIDITY AND CAPITAL RESOURCES

The Company had cash at February 29, 2024, in the amount of $20,365 and negative working capital of $127,660. During the six months ended February 29, 2024 the Company had the following changes in cash flow:

Cash used in Operating Activities

The Company's cash used in operating activities for the six months ended February 29, 2024 was $510,502 compared to the Company's cash flows used in operating activities for the six months ended February 28, 2023 of $278,929, an increase of $231,573, primarily due to the increase in net loss and the changes in non-cash working capital balances.

Cash used in Investing Activities

The Company's cash used in investing activities for the six months ended February 29, 2024 was $93,412 compared to the Company's cash used in investing activities for the six months ended February 28, 2023 of $41,798, an increase of $51,614, primarily due to an increase in acquisition and exploration payments.

Cash provided by Financing Activities

The Company's cash provided by financing activities for the six months ended February 29, 2024 was $553,500 compared to the Company's cash provided by financing activities for the six months ended February 28, 2023 of $69,907, an increase of $483,593, primarily due to the proceeds from the issuance of shares and warrants offset by the repayment of loans and notes payable.

The Company does not generate cash flows from operations and accordingly, the Company will need to raise additional funds through the issuance of shares. When acquiring an interest in mineral properties through purchase or option the Company will sometimes issue common shares to the vendor or optionee of the property as partial or full consideration for the property interest to conserve its cash. Although, the Company has been successful in raising funds in the past there can be no assurance that the Company will be able to raise sufficient funds in the future, in which case the Company may be unable to meet obligations in the normal course of business. These factors may cast significant doubt regarding the Company's ability to continue as a going concern. Should the Company be unable to discharge liabilities in the normal course of business, the net realizable value of the Company's assets may be materially less than amounts on the statement of financial position.

SHARE CAPITAL

As at February 29, 2024; the Company has the following outstanding securities:

(i) Common Shares: 38,992,000
(ii) Stock options: 600,000
(iii) Warrants: 3,236,000

As at the date hereof; the Company has the following outstanding securities:

(i) Common Shares: 39,472,000
(ii) Stock options: 600,000
(iii) Warrants: 3,236,000

The Company has obtained its capital funding through equity financings and bridge loans.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management includes directors and key officers of the Company, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

The Company had incurred the following key management personnel cost from related parties:

	2024	**2023**
	$	$
Management fees	94,000	66,000

During the six-month period ended February 29, 2024, the Company paid management fees of $94,000 (February 28, 2023 - $66,000) to a company controlled by the CEO, the former CEO, and CFO of the Company. In addition, the Company issued 100,000 Bonus Warrants with a fair value of $8,764 to a company controlled by the CEO in connection with a loan agreement and the CFO of the Company participated in the private placement and purchased 40,000 units with the warrants having a fair value of $400 using the residual value method.

As at February 29, 2024, $49,480 (February 28, 2023 - $Nil) was due to key management personnel and management entities and is included in accounts payable and accrued liabilities on the Condensed Consolidated Interim Statements of Financial Position. The amount payable are unsecured, non-interest bearing and due on demand.

CRITICAL ACCCOUNTING ESTIMATES

Please refer to the February 29, 2024 unaudited condensed consolidated interim financial statements on www.sedarplus.ca for critical accounting estimates.

FINANCIAL INSTRUMENTS

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk, the Company places these instruments with a high-quality financial institution.

Interest Rate Risk

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short- term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

Liquidity risk

In the management of liquidity risk, the Company maintains a balance between continuity of funding and flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

ADDITIONAL INFORMATION

Commitments and Contingencies

The Company has no material or significant commitments or contingencies other than certain cash payments, common share issuances and exploration expenditures related to the Cameron East Mineral Property.

Off Balance Sheet Transactions

The Company has no off-balance-sheet transactions.

Additional Information as specified by National Instrument 51-102

Additional information, including the Company's most recent Annual Information Form, is available on SEDAR at www.sedarplus.ca.

Venture Issuer Without Significant Revenue

This MD&A supports information disclosed in the Company's financial statements. More information regarding the Company's mineral right interests can be found under Note 6 of the Company's financial statements for the current reporting period.

Internal Controls Over Financial Reporting ("ICFR")

There were no changes in the Company's internal control over financial reporting during the period ended February 29, 2024 that have materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting.

RISK FACTORS

Due to the nature of the Company's business and the present stage of exploration of its mineral properties the following risk factors, among others, will apply:

Resource Industry is Intensely Competitive

The resource industry is intensely competitive, and the Company will compete with other companies that have far greater resources.

Resource Exploration and Development is Generally a Speculative Business

Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting both from the failure to discover mineral deposits and from finding mineral deposits which, though present, are insufficient in size and grade at the then prevailing market conditions to return a profit from production. The marketability of natural resources which may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, 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.

Fluctuation of Prices

Even if commercial quantities of resource deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the product produced. Factors beyond the control of the Company may affect the marketability of any substances discovered. Commodity prices have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved exploration and production methods. The supply of commodities is affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any commodities will be such that any of the properties in which the Company has, or has the right to acquire, an interest may be mined at a profit.

Permits and Licenses

The operations of the Company will require consents, approvals, licenses and/or permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary consents, approvals, licenses and permits that may be required to carry out exploration, development and production operations at its projects.

No Assurance of Profitability

The Company has no history of earnings and due to the nature of its business there can be no assurance that the Company will ever be profitable. The Company has not paid dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is from the sale of its common shares or, possibly, from the sale or optioning of a portion of its interest in its resource properties. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether a commercial deposit exists. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there can be no assurance that any such funds will be available on favorable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

Uninsured or Uninsurable Risks

The Company may become subject to liability for pollution or hazards against which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

Government Regulations and Political Climate

Mineral exploration on the Company's properties are affected to varying degrees by: (i) government regulations relating to such matters as environmental protection, health, safety and labour; (ii) mining law reform; (iii) tax laws; (iv) restrictions on production, price controls, and tax increases; (v) maintenance of claims; (vi) tenure; and (vii) expropriation of property through nationalization, requisition or confiscation. Any mineral exploration activities conducted by the Company, including commencement of production, require permits from governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in development and/or production and other schedules as a result of the need to comply with applicable laws, regulations and permits. All permits required for the conduct of exploration, development and mining operations, including the construction of mining facilities, may not be obtainable by the Company on reasonable terms, which would have an adverse effect on any mining project the Company might undertake. Additionally, failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, 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 exploration, development or 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.

To the best of the Company's knowledge, the Company is and will continue to operate in compliance with applicable legal and environmental regulations and social requirements. However, amendments to current governmental laws and regulations affecting mining companies, or the more stringent application thereof, or shifts in political conditions or attitudes could adversely affect the Company's operations including the potential to curtail or cease exploration programs or to preclude entirely the economic viability of a mineral property. The extent of future changes to governmental laws and regulations cannot be predicted or quantified, but it should be assumed that such laws and regulations will become more stringent in the future. Generally, new laws and regulations will result in increased compliance costs, including costs and time and effort for obtaining permits, and increased delays or fines resulting from loss of permits or failure to comply with the new requirements.

General Economic Conditions

The recent unprecedented events in global financial markets have had a profound impact on the global economy. Many industries, including the gold and base metal mining industry, are impacted by these market conditions. Some of the key impacts of the recent financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company's growth and profitability. Specifically:

- global credit or liquidity crisis's could impact the cost and availability of financing and the Company's overall liquidity;
- the volatility of commodity prices may impact the Company's future revenues, profits and cash flow;
- volatile energy prices, commodity and consumables prices and currency exchange rates impact potential production costs; and
- the devaluation and volatility of global stock markets impacts the valuation of the Common Shares, which may impact the Company's ability to raise funds through the issuance of Common Shares.

These factors could have a material adverse effect on the Company's financial condition and results of operations.

Exploration and Mining Risks

Fires, power outages, labor disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labor are other risks involved in the operation of mines and the conduct of exploration programs. Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of gold or other minerals produced, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Short term factors, such as the need for orderly development of ore bodies or the processing of new or different grades, may have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in geological resources, grades, stripping ratios or recovery rates may affect the economic viability of projects.

No Known Mineral Reserves

The Company's mineral properties are in the exploration stage and it is without known mineral reserves. Although the Company may discover mineral reserves through its exploration programs, commercial production may not be warranted due to insufficient quantities or unfavourable economic conditions. In the event a mineral reserve is discovered, substantial expenditures are required to develop the mineral reserve for production including facilities for mining, processing, infrastructure and transportation. The marketability of any minerals discovered may be affected by numerous factors which are beyond the Company's control and which cannot be accurately predicted, such as global economic conditions, mineral markets and mineral pricing, global smelting and refining availability, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Depending on the price of minerals produced, the Company may determine that it is not warranted to commence or continue commercial production.

Environmental Matters

Existing and possible future environmental legislation, regulations and actions could cause significant expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted, and which may well be beyond the capacity of the Company to fund. The Company's right to exploit any resource property is and will continue to be subject to various reporting requirements and to obtaining certain government approvals and there can be no assurance that such approvals, including environment approvals, will be obtained without inordinate delay or at all. There are numerous historic excavations, prospect pits, and shafts within the Gold Hunter Project area, as well as a number of associated waste rock dumps, access roads, and tailings dumps. It is uncertain at present if the historic workings pose a potential environmental liability to the Project, nor if or to what extent the Company might be responsible for their reclamation.

Insufficient Financial Resources

The Company does not presently have sufficient financial resources to undertake by itself the exploration and development of all of its significant exploration and development programs. The development of the Company's properties will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public financing, or other means. There can be no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its interest in its properties.

Financing Risks

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under any applicable agreements. There can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

Dilution to the Company's Existing Shareholders

The Company assesses various options for financing; however, the Company may need to continue its reliance on the sale of securities for future financing. The Company may issue securities on less than favorable terms to raise sufficient capital to fund its business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective holders of common shares. The amount of additional funds required will depend largely on the success of the Company's exploration programs.

Increased Costs

Management anticipates that costs at the Company's projects will frequently be subject to variation from one year to the next due to a number of factors, such as the results of ongoing exploration activities (positive or negative), changes in the nature of mineralization encountered, and revisions to exploration programs, if any, in response to the foregoing. In addition, exploration program costs are affected by the price of commodities such as fuel, rubber and electricity and the availability (or otherwise) of consultants and drilling contractors. Increases in the prices of such commodities or a scarcity of consultants or drilling contractors could render the costs of exploration programs to increase significantly over those budgeted. A material increase in costs for any significant exploration programs could have a significant effect on the Company's operating funds and ability to continue its planned exploration programs.

Dependence Upon Others and Key Personnel

The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability to design and carry out appropriate exploration programs on its resource properties; (ii) the ability to produce resources from any resource deposits that may be located; (iii) the ability to attract and retain additional key personnel in exploration, marketing, mine development and finance; and (iv) the ability and the operating resources to develop and maintain the properties held by the Company. These and other factors will require the use of outside suppliers as well as the talents and efforts of the Company and its consultants and employees. There can be no assurance of success with any or all of these factors on which the Company's operations will depend, or that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities. This is especially true as the competition for qualified geological, technical personnel and consultants is particularly intense in the current marketplace.

Conflicts of Interest

Certain directors of the Company also serve as directors and/or officers of other companies involved in other business ventures. 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.

Cyber Security Risk

Cyber security risk is the risk of negative impact on the operations and financial affairs of the Company due to cyber-attacks, destruction or corruption of data, and breaches of its electronic systems. Management believes that it has taken reasonable and adequate steps to mitigate the risk of potential damage to the Company from such risks. The Company also relies on third-party service providers for the storage and processing of various data. A cyber security incident against the Company or its contractors and service providers could result in the loss of business sensitive, confidential or personal information as well as violation of privacy and security laws, litigation and regulatory enforcement and costs. The Company has not experienced any material losses relating to cyber-attacks or other information security breaches, however there can be no assurance that it will not incur such losses in the future.

Price Fluctuations and Share Price Volatility

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual and extreme fluctuations in price will not occur. Additionally, the current COVID-19 pandemic and efforts to contain it, including restrictions on travel and other advisories issued may have a significant effect on metal prices. Recent vaccine breakthroughs have the potential to mitigate some of the economic disruption caused by the COVID-19 pandemic, but the risks of economic uncertainty and market volatility are expected to remain for the foreseeable future. The Company cannot predict how successful the vaccines will be against COVID-19 or any of its variants, if there will be significant adverse side effects from vaccines, how quickly the vaccines will be available and rolled out to the general population, the willingness of people to get vaccinated and how long it will take for economies to stabilize if and when the vaccines prove to be effective in reducing the spread of COVID-19.

Surface Rights and Access

Although the Company acquires the rights to some or all of the resources in the ground subject to the tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its resource tenures. In such cases, applicable laws usually provide for rights of access to the surface for the purpose of carrying on exploration activities, however, the enforcement of such rights can be costly and time consuming. In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access. However, in areas where there are local populations or land owners, it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the right at law to access the surface and carry on exploration activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out exploration activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction.

Title

Although the Company has taken steps to verify the title to the resource properties in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title. Title to resource properties may be subject to unregistered prior agreements or transfers and may also be affected by undetected defects or the rights of indigenous peoples.