MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE QUARTER ENDED MARCH 31, 2022

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited financial statements and notes thereto for the period ended March 31, 2022 of Max Power Mining Corp. (the "Company"). Such financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

DATE

This MD&A is prepared as of May 20, 2022.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this report. These assumptions, which include management's current expectations, estimates and assumptions about current mineral property interests, the global economic environment, the market price and demand for commodities and our ability to manage our property interests and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) a decreased demand or price of precious and base metals, (3) delays in the start of projects with respect to our property interests, (4) inability to locate and acquire additional property interests, (5) the uncertainty of government regulation and politics in the province of Ontario regarding mining and mineral exploration, (6) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (7) other factors beyond our control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

DESCRIPTION OF BUSINESS

The Company was incorporated under the laws of the province of British Columbia on March 8, 2021. The Company is a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource properties and has recently focused on the acquisition of interests in, and exploration for, Nickel, Cobalt, Copper, Platinum Group Elements ("PGE") in the province of Ontario, Canada. The Company completed an initial public offering ("IPO") on February 15, 2022 and the Company's common shares began trading on the Canadian Securities Exchange (the "Exchange") on February 16, 2022 under the symbol MAXX.

The Company currently has one exploration property, consisting of the Nicobat nickel-cobalt-copper-PGE property (the "Nicobat Property") located in the Rainy River area of Ontario, Canada, the details of which are set out below. The Company has not yet determined whether its property interests contain reserves that are economically recoverable. The recoverability of amounts shown for resource properties and related deferred exploration expenditures are dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development of the resource property and upon future profitable production or proceeds from the disposition thereof.

MINERAL PROPERTY

NICOBAT PROPERTY – RAINY RIVER REGION, ONTARIO, CANADA

On April 23, 2021, the Company entered into an option agreement, (the "Nicobat Option Agreement"), between the Company and Sassy Resources Corporation ("Sassy"), a publicly listed exploration company based in Vancouver, BC, whereby the Company was granted the sole and exclusive right and option to acquire an undivided 100% right, title and interest in all of the mineral claims making up the "Nicobat Property". Pursuant to the Nicobat Option Agreement, the Company has been granted the exclusive right and option to acquire an undivided 100% right, title and interest in and to the Nicobat Property by issuing Sassy 5,000,000 common shares and 1,000,000 warrants exercisable at $0.25 for 36 months, and by incurring aggregate cumulative expenditures on the Nicobat Property of $1,000,000 by April 23, 2025. The common shares and warrants were issued on February 14, 2022.

The Nicobat Property is subject to a 2% net smelter return royalty ("NSR") from the sale of mineral products from the Nicobat Property following the commencement of commercial production less allowable deductions, to be vested in Sassy upon the exercise of the option contemplated in the Nicobat Option Agreement. The NSR is subject to a right of repurchase by the Company to repurchase the NSR for $1,000,000 on the terms and conditions set out in a written notice which will be delivered 30 days prior to the intended date of acquisition.

To exercise its option to acquire a 100% interest in the Nicobat Property, the Issuer is required to (i) issue, within two business days of the date of listing on the CSE (the "Listing Date"), 5,000,000 common shares and 1,000,000 warrants to the Optionor exercisable at $0.25 to purchase an additional 1,000,000 shares in the Issuer for a period of 36 months following the Listing Date (common shares and warrants have been issued), (ii) incur expenditures on the Nicobat Property as follows:

(i) $100,000 on or before the 12-month anniversary of the effective date of the Property Option Agreement (completed);

(ii) an additional $200,000 on or before the 24-month anniversary of the effective date of the Property Option Agreement;

(iii) an additional $300,000 on or before the 36-month anniversary of the effective date of the Property Option Agreement; and

(iv) an additional $400,000 on or before the 48-month anniversary of the effective date of the Property Option Agreement.

For the period from March 8, 2021 (date of incorporation) to March 31, 2022, the Company incurred $254,516 in exploration expenses related to the Nicobat property. Expenses included a site visit to the property and updating the technical report by a qualified geologist.

RESULTS OF OPERATIONS

Three-month period ended March 31, 2022

During the quarter ended March 31, 2022, the Company incurred expenses of $413,396. During the period from March 8, 2021 to March 31, 2021, the Company incurred expenses of $4,339. Expenses were comprised primarily of exploration costs of $236,168 (2021 - $nil). Exploration costs were all related to the Nicobat property and consisted of drilling, consulting, and technical reports. Consulting fees were $52,500 (2021 - $nil), which included payments to officers, directors, and external consultants. Transfer agent and filing fees were $25,152 (2021 - $nil), which included fees to the Canadian Securities Exchange, SEDAR filing fees, securities commission fees, and transfer agent costs. Professional fees (legal & Accounting) were $1,176 (2021 - $4,339). Office and miscellaneous expenses were $7,922 (2021 - $nil). Travel related expenses for the quarter ended March 31, 2022 were $4,476 (2021 - $nil). The fair value of stock options granted during the period ended March 31, 2022 was $86,002, which was recorded as stock-based compensation. There were no stock options granted during the period ended March 31, 2021. Net loss for the quarter ended March 31, 2022 was $413,396. Net loss for the period from March 8, 2021 to March 31, 2021, was $4,339.

SUMMARY OF QUARTERLY RESULTS

As the Company was incorporated on March 8, 2021, there are no quarterly financial results to report prior to the period ended March 31, 2021. A summary of the Company's financial results for the last four quarters and the period from March 8, 2021 to March 31, 2021 are as follows:

	Period Ended March 31, 2022 $	Quarter Ended December 31, 2021 $	Quarter Ended September 30, 2021 $	Quarter Ended June 30, 2021 $	Period Ended March 31, 2021 $
Revenue	Nil	Nil	Nil	Nil	Nil
Net income (loss)	(413,396)	16,416	(52,880)	(122,647)	(4,339)
Loss per share, basic and diluted	(0.02)	(0.00)	(0.00)	(0.01)	(0.00)

On a quarter-by-quarter basis the loss can fluctuate significantly due to exploration costs and the timing of stock option grants. The net loss for the period ended March 31, 2021, is significantly lower because it only covers the period from March 8, 2021 (the date of incorporation) to March 31, 2021. The $4,339 is all related to legal fees. During the quarter ended June 31, 2021, the company granted 1,675,000 stock options with a fair value of $83,570, which was estimated using the Black-Scholes pricing model. During the quarter ended December 31, 2021, the Company reallocated $77,613 in legal fees to deferred transaction costs, which were all related to the IPO prospectus offering. The adjustment resulted in a gain of $16,416 for the quarter ended December 31, 2021. During the quarter ended March 31, 2022, the company completed its IPO, initiated a drilling program on the Nicobat property and began paying related parties for consulting services. Exploration costs for the quarter ended March 31, 2022 were $236,168. During the quarter ended March 31, 2022, the Company granted 375,000 stock options with a fair value of $86,002, which was estimated using the Black-Scholes pricing model.

Management anticipates expenditures to increase slightly or remain similar to the last quarter, with exception of the share-based compensation expenses. Exploration costs and consulting fees may increase slightly. Share-based payments are expected to decrease over the next few quarters if additional stock options are not issued. Other expenditures should remain relatively stable going forward as management does not anticipate additional costs related to the Company's activities.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2022, the Company had a working capital of $1,291,755 and as at March 31, 2021 the Company had working capital of $28,161.

During the quarter ended March 31, 2022, the Company had the following share issuances:

a) On February 14, 2022, the Company issued 5,000,000 common shares pursuant to the Nicobat property option agreement. The Company issued 2,000,000 common shares as a finder's fee for the property option. The shares were issued at a deemed price of $0.25 per common share and capitalized under exploration and evaluation assets.

b) On February 15, 2022, the Company completed its IPO by issuing 6,000,000 common shares at a price of $0.25 per share for gross proceeds of $1,500,000. In connection with the IPO, the Company paid $150,000 in cash commissions and issued 540,000 broker warrants, exercisable at $0.25 for a period of 18 months. Corporate finance fees paid to Leede Jones Gable Inc. were $30,000.

During the period from March 8, 2021 to December 31, 2021, the Company had the following share issuances:

a) The Company issued 6,500,000 common shares at $0.005 per share for gross proceeds of $32,500.

b) The Company issued 2,000,000 common shares at $0.02 per share for gross proceeds of $40,000.

c) The Company issued 8,250,000 common shares at $0.05 per share for gross proceeds of $412,500.

d) On October 14, 2021, the Company cancelled 2,625,000 common shares in exchange for the issuance of 656,250 common shares. Of the shares cancelled, 2,125,000 were related party shares and of the shares issued, 531,250 were related party shares. The adjustment resulted in the CEO cancelling 1,000,000 common shares at $0.005 and subscribing for 250,000 common shares at $0.02, the CFO cancelling 1,000,000 common shares at $0.005 and subscribing for 250,000 common shares at $0.02, and an independent director, William deJong, cancelling 125,000 common shares at $0.005 and subscribing for 31,250 common shares at $0.02.

Cash and Cash Equivalents

The Company's cash balances are deposited with major financial institutions in Canada.

Sources and Uses of Cash

The Company's ability to continue operations and fund its development expenditures is dependent on management's ability to secure additional financing. Management is actively pursuing such additional sources of financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

The following are the Company's cash flows from operating, investing and financing activities for the quarter ended March 31, 2022:

Operating Activities

The Company used net cash of $119,824 in operating activities during the quarter ended March 31, 2022 and $4,000 for the period from March 8, 2021 to March 31, 2021.

Financing Activities

The Company received net cash of $1,214,029 from financing activities during the quarter ended March 31, 2022 and received net cash of $16,000 during the period from March 8, 2021 to March 31, 2021.

Investing Activities

The Company used cash of $nil in investing activities during the quarter ended March 31, 2022 and during the period from March 8, 2021 to March 31, 2021.

Contractual Obligations and Commitments Excluding Provisions

The Company does not have any contractual obligations or commitments other than trade accounts payable due within one-year.

Off-balance sheet arrangements

The Company does not have off-balance sheet arrangements including any arrangements that would affect the liquidity, capital resources, market risk support and credit risk support or other benefits.

Capital Management

There were no changes in the Company's approach to capital management during the period ended March 31, 2022.

In managing liquidity, the Company's primary objective is to ensure the entity can continue as a going concern while raising additional funding to meet its obligations as they come due. The Company's operations to date have been funded by issuing equity. The Company expects to improve the working capital position by securing additional financing.

The Company's investment policy is to invest excess cash in very low risk financial instruments such as term deposits or by holding funds in high yield savings accounts with major Canadian banks. Financial instruments are exposed to certain financial risks, which may include currency risk, credit risk, liquidity risk and interest rate risk.

The Company's mineral property interests are all in the exploration stage, as such the Company is dependent on external financing to fund its exploration activities and administrative costs. Management continues to assess the merits of mineral properties on an ongoing basis and may seek to acquire new properties or to increase ownership interests if it believes there is sufficient geologic and economic potential.

Management mitigates the risk and uncertainty associated with raising additional capital in current economic conditions through cost control measures that minimizes discretionary disbursements and reduces exploration expenditures that are deemed of limited strategic value.

The Company manages the capital structure (consisting of shareholders' deficiency) on an ongoing basis and adjusts in response to changes in economic conditions and risks characteristics of its underlying assets. Adjustments to the Company's capital structure may involve the issuance of new shares, assumption of new debt, acquisition or disposition of assets, or adjustments to the amounts held in cash, cash equivalents and short-term investments.

The Company is not subject to any externally imposed capital requirements.

The Company has capital commitments in connection with its exploration property. The Company has an expenditure commitment of $1,000,000 on the Nicobat Property over a 48 month period. The Company will be required to raise additional funds in order to meet the capital requirements and to complete the option agreement.

TRANSACTIONS WITH RELATED PARTIES

Parties are related if one party has the direct or indirect ability to control or exercise significant influence over the other party in making operating and financial decisions. Parties are also related if they are subject to common control or common significant influence. A transaction is considered to be a related party transaction when there is a transfer of economic resources or financial obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the fair value.

Related parties include companies controlled by key management personnel. Key management personnel are composed of the board of directors, Chief Executive Officer and Chief Financial Officer of the Company (being Ravinder Mlait, CEO and director, Bryan Loree, CFO and director, William (Bill) deJong, director, Thomas Clarke, director, and Mark Scott, director).

During the quarter ended March 31, 2022, the Company granted 375,000 stock options with a fair value of $86,002 to a director of the Company.

During the quarter ended March 31, 2022, directors and officers subscribed for and were issued nil common shares. During the period from March 8, 2021 to March 31, 2021, directors and officers subscribed for and were issued 4,500,000 common shares for proceeds of $22,500.

During the quarter ended March 31, 2022, the Company incurred consulting fees of $30,000 (2021 $nil) to officers of the Company.

During the quarter ended the Company incurred exploration consulting costs of $1,100 (2021 - $nil) to a director of the Company.

SUBSEQUENT EVENTS

On April 8, 2022, the Company completed a non-brokered private placement by issuing 5,537,500 units at $0.40 per unit for gross proceeds of $2,215,000. Each unit consisted of one common share and one half of one common share purchase warrant. Each whole warrant is exercisable at $0.60 for a period of 12 months. In connection with the offering the Company paid cash finder's fees of $133,980 and issued 382,725 finder's warrants to arm's-length parties, with each finder's warrant entitling the holder to purchase one common share for a period of 12 months at a price of CAD $0.60.

Subsequent to March 31, 2022, the Company issued 83,466 common shares pursuant to the exercise of warrants for gross proceeds of $20,867.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash, amounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

During the periods ended March 31, 2021 and 2022, the Company incurred the following expenses:

	Quarter Ended March 31, 2022	**Period Ended March 31, 2021**
Exploration expenses	$236,168	–
General and administrative costs	$177,228	$4,339

An analysis of material components of the Company's general and administrative expenses is disclosed in the unaudited financial statements for the period ended March 31, 2022 to which this MD&A relates.

DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares

The Company's common shares are not currently listed on a stock exchange. The Company's authorized share capital consists of an unlimited number of common shares without par value.

As at March 31, 2022, the Company had 27,781,250 common shares issued and outstanding and at May 20, 2022 the Company had 33,402,216 common shares issued and outstanding.

Share Purchase Warrants

As at March 31, 2022, there were 1,000,000 warrants outstanding. As at May 20, 2022, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price $	Expiry date
1,000,000	0.25	February 14, 2025
2,768,750	0.60	April 8, 2023
3,768,750		

Agent's Warrants

As at March 31, 2022, there were 540,000 agent's warrants outstanding. As at May 20, 2022, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price $	Expiry date
456,534	0.25	August 15, 2024
382,725	0.60	April 8, 2023
839,259		

Stock Options

As at March 31, 2022, there were 2,050,000 stock options outstanding. As at May 20, 2022, the Company had 2,050,000 stock options outstanding which had the following characteristics:

Number of Options	Exercise Price	Expiry Date
1,675,000	$0.10	May 1, 2031
375,000	$0.25	February 15, 2025

CRITICAL ACCOUNTING ESTIMATES

To prepare financial statements in conformity with IFRS, the Company must make estimates, judgements and assumptions concerning the future that affect the carrying values of assets and liabilities as of the date of the financial statements and the reported values of revenues and expenses during the reporting period. By their nature, these are uncertain and actual outcomes could differ from the estimates, judgments and assumptions.

The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods when the revision affects both current and future periods. Significant accounting judgments, estimates and assumptions are reviewed on an ongoing basis.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could have an effect on the amounts recognized in the condensed consolidated interim financial statements relate to the following:

Going concern

The preparation of the consolidated financial statements requires management to make judgments regarding the ability to continue as a going concern.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

RISK FACTORS

Much of the information included in this report includes or is based upon estimates, projections or other forward-looking statements. Such forward-looking statements include any projections or estimates made by the Company and its management in connection with the Company's business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect the Company's current judgment regarding the direction of its business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. Except as required by law, the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of such statements.

Such estimates, projections or other forward-looking statements involve various risks and uncertainties as outlined below. The Company cautions readers of this report that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other forward-looking statements. In evaluating the Company, its business and any investment in its business, readers should carefully consider the following factors:

Risks Related to the Company's Business

Because of the unique difficulties and uncertainties inherent in mineral exploration ventures, the Company faces a high risk of business failure.

Potential investors should be aware of the difficulties normally encountered by mineral exploration companies and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration program that the Company intends to undertake on its properties and any additional properties that the Company may acquire. These potential problems include unanticipated problems relating to exploration, and additional costs and expenses that may exceed current estimates. The expenditures to be made by the Company in the exploration of its properties may not result in the discovery of mineral deposits. Any expenditures that the Company may make in the exploration of any other mineral property that it may acquire may not result in the discovery of any commercially exploitable mineral deposits. Problems such as unusual or unexpected geological formations and other conditions are involved in all mineral exploration and often result in unsuccessful exploration efforts. If the results of the Company's exploration do not reveal viable commercial mineralization, the Company may decide to abandon some or all of its property interests.

Loss of Interest in Properties

The Company's ability to maintain an interest in the properties optioned by the Company will be dependent on its ability to raise additional funds by equity financing. Failure to obtain additional financing may result in the Company being unable to make the periodic payments required to keep the property interests in good standing and could result in the delay or postponement of further exploration and or the partial or total loss of the Company's interest in the properties optioned by the Company, including the Qualifying Property.

Because of the speculative nature of the exploration of mineral properties, there is no assurance that the Company's exploration activities will result in the discovery of any quantities of mineral deposits on its current properties or any other additional properties the Company may acquire.

The Company intends at this time to continue exploration on its current properties and the Company may or may not acquire additional interests in other mineral properties. The search for mineral deposits as a business is extremely risky. The Company can provide investors with no assurance that exploration on its current properties, or any other property that the Company may acquire, will establish that any commercially exploitable quantities of mineral deposits exist. Additional potential problems may prevent the Company from discovering any mineral deposits. These potential problems include unanticipated problems relating to exploration and additional costs and expenses that may exceed current estimates. If the Company is unable to establish the presence of mineral deposits on its properties, its ability to fund future exploration activities will be impeded, the Company will not be able to operate profitably and investors may lose all of their investment in the Company.

The potential profitability of mineral ventures depends in part upon factors beyond the control of the Company and even if the Company discovers and exploits mineral deposits, the Company may never become commercially viable and the Company may be forced to cease operations.

The commercial feasibility of an exploration program on a mineral property is dependent upon many factors beyond the Company's control, including the existence and size of mineral deposits in the properties the Company explores the proximity and capacity of processing equipment, market fluctuations of prices, taxes, royalties, land tenure, allowable production and environmental regulation. These factors cannot be accurately predicted and any one or a combination of these factors may result in the Company not receiving an adequate return on invested capital. These factors may have material and negative effects on the Company's financial performance and its ability to continue operations.

Exploration and exploitation activities are subject to comprehensive regulation which may cause substantial delays or require capital outlays in excess of those anticipated causing an adverse effect on the Company.

Exploration and exploitation activities are subject to federal, provincial, state and local laws, regulations and policies, including laws regulating the removal of natural resources from the ground and the discharge of materials into the environment. Exploration and exploitation activities are also subject to federal, provincial, state and local laws and regulations which seek to maintain health and safety standards by regulating the design and use of drilling methods and equipment.

Environmental and other legal standards imposed by federal, provincial, state or local authorities may be changed and any such changes may prevent the Company from conducting planned activities or may increase its costs of doing so, which would have material adverse effects on its business. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus causing an adverse effect on the Company. Additionally, the Company may be subject to liability for pollution or other environmental damages that the Company may not be able to or elect not to insure against due to prohibitive premium costs and other reasons. Any laws, regulations or policies of any government body or regulatory agency may be changed, applied or interpreted in a manner which will alter and negatively affect the Company's ability to carry on its business.

Title to mineral properties is a complex process and the Company may suffer a material adverse effect in the event one or more of its property interests are determined to have title deficiencies.

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has either staked property or entered into property option agreements or joint venture agreements on its existing Project interests, the Company cannot give an assurance that title to such property will not be challenged or impugned. Further, the Company cannot give an assurance that the existing description of mining titles will not be changed due to changes in policy, rulings, or law in the jurisdiction where the property is located. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company does not have title to one or more of its properties could cause the Company to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

The properties optioned by the Company may now or in the future be the subject of first nations land claims. The legal nature of aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Company's ownership interest in the properties optioned by the Company cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the area in which the properties optioned by the Company are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with first nations in order to facilitate exploration and development work on the properties optioned by the Company.

Because the Company's property interests may not contain mineral deposits and because it has never made a profit from its operations, the Company's securities are highly speculative and investors may lose all of their investment in the Company.

The Company's securities must be considered highly speculative, generally because of the nature of its business and its stage of operations. The Company currently has exploration stage property interests which may not contain mineral deposits. The Company may or may not acquire additional interests in other mineral properties but the Company does not have plans to acquire rights in any specific mineral properties as of the date of this report. Accordingly, the Company has not generated significant revenues nor has it realized a profit from its operations to date and there is little likelihood that the Company will generate any revenues or realize any profits in the short term. Any profitability in the future from the Company's business will be dependent upon locating and exploiting mineral deposits on the Company's current properties or mineral deposits on any additional properties that the Company may acquire. The likelihood that any mineral properties that the Company may acquire or have an interest in will contain commercially exploitable mineral deposits is extremely remote. The Company may never discover mineral deposits in respect to its current properties or any other area, or the Company may do so and still not be commercially successful if the Company is unable to exploit those mineral deposits profitably. The Company may not be able to operate profitably and may have to cease operations, the price of its securities may decline and investors may lose all of their investment in the Company.

As the Company faces intense competition in the mineral exploration and exploitation industry, the Company will have to compete with the Company's competitors for financing and for qualified managerial and technical employees.

The Company's competition includes large established mining companies with substantial capabilities and with greater financial and technical resources than the Company. As a result of this competition, the Company may have to compete for financing and be unable to acquire financing on terms it considers acceptable. The Company may also have to compete with the other mining companies for the recruitment and retention of qualified managerial and technical employees. If the Company is unable to successfully compete for financing or for qualified employees, the Company's exploration programs may be slowed down or suspended, which may cause the Company to cease operations as a company.

The Company's future is dependent upon its ability to obtain financing and if the Company does not obtain such financing, the Company may have to cease its exploration activities and investors could lose their entire investment.

There is no assurance that the Company will operate profitably or will generate positive cash flow in the future. The Company requires additional financing in order to proceed with the exploration and development of its properties. The Company will also require additional financing for the fees it must pay to maintain its status in relation to the rights to the Company's properties and to pay the fees and expenses necessary to operate as a public company. The Company will also need more funds if the costs of the exploration of its mineral claims are greater than the Company has anticipated. The Company will require additional financing to sustain its business operations if it is not successful in earning revenues. The Company will also need further financing if it decides to obtain additional mineral properties. The Company currently does not have any arrangements for further financing and it may not be able to obtain financing when required. The Company's future is dependent upon its ability to obtain financing. If the Company does not obtain such financing, its business could fail and investors could lose their entire investment.

The Company's directors and officers are engaged in other business activities and accordingly may not devote sufficient time to the Company's business affairs, which may affect its ability to conduct operations and generate revenues.

The Company's directors and officers are involved in other business activities. As a result of their other business endeavours, the directors and officers may not be able to devote sufficient time to the Company's business affairs, which may negatively affect its ability to conduct its ongoing operations and its ability to generate revenues. In addition, the management of the Company may be periodically interrupted or delayed as a result of its officers' other business interests.

Risks Relating to the Company's Common Stock

A decline in the price of the Company's common stock could affect its ability to raise further working capital and adversely impact its ability to continue operations.

A prolonged decline in the price of the Company's common stock could result in a reduction in the liquidity of its common stock and a reduction in its ability to raise capital. Because a significant portion of the Company's operations have been and will be financed through the sale of equity securities, a decline in the price of its common stock could be especially detrimental to the Company's liquidity and its operations. Such reductions may force the Company to reallocate funds from other planned uses and may have a significant negative effect on the Company's business plan and operations, including its ability to develop new products and continue its current operations. If the Company's stock price declines, it can offer no assurance that the Company will be able to raise additional capital or generate funds from operations sufficient to meet its obligations. If the Company is unable to raise sufficient capital in the future, the Company may not be able to have the resources to continue its normal operations.

DIVIDENDS

The Company has neither declared nor paid any dividends on its Common Shares. The Company intends to retain its earnings, if any, to finance growth and expand its operations and does not anticipate paying any dividends on its common shares in the foreseeable future.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company has established procedures and internal control systems to ensure the timely and accurate preparation of financial, management and other reports. The Chief Executive Officer and Chief Financial Officer certify financial reports. Disclosure controls are in place to ensure all reporting meets statutory reporting requirements. The Company's management is responsible for establishing and maintaining adequate internal controls. These controls have been designed to provide reasonable, but not absolute, assurance with respect to the Company's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Internal controls, however well-conceived, will provide only reasonable and not absolute assurance that the objectives of the internal controls over financial reporting will be met. It should not be expected that the disclosure and internal controls and procedures would prevent all errors or fraud.

Due to the small size of the Company's finance department, there are a limited number of personnel handling accounting and financial matters and as a result, there is a lack of segregation of duties. Management believes that it has designed sufficient compensating internal controls to mitigate these limitations, including dual signatories on all cheques. Additional internal controls include audit committee and senior management review and oversight.

The Company's certifying officers, the Chief Executive Officer and the Chief Financial Officer, have reviewed the effectiveness of the design and operation of the Company's disclosure controls and procedures as a whole. Based on their review, including a review of the compensating controls relating to the lack of segregation of duties noted above, they have concluded that the Company's internal controls and procedures, as defined in National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Filings of the Canadian Securities Regulators, were effective overall.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable, but not absolute, assurance that all material information is obtained, analyzed and reported to senior management on a timely basis in order for management to make reasonable decisions regarding public disclosure.

The Company's certifying officers, the Chief Executive Officer and the Chief Financial Officer, have reviewed the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on their review, they have concluded that the Company's disclosure controls and procedures, as defined in National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Filings of the Canadian Securities Regulators, were effective and provide reasonable assurance that information required to be disclosed in interim, annual and special filings are submitted under Canadian securities laws and are recorded, processed, summarized and reported in a timely fashion.

BOARD APPROVAL

The board of directors of the Company has approved this MD&A.