HI-VIEW RESOURCES INC.

MANAGEMENT DISCUSSION AND ANALYSIS

For the nine months ended June 30, 2024

The following MD&A of Hi-View Resources Inc. (the "Issuer") has been prepared by management, in accordance with the requirements of NI 51-102 as of August 27, 2024 and should be read in conjunction with the audited financial statements for the year ended September 30, 2023 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Issuer. The Issuer is not a "Venture Issuer" as defined in NI 51-102.

All financial information in this MD&A has been prepared in accordance with IFRS. All monetary amounts are expressed in Canadian dollars, the presentation and functional currency of the Issuer, unless otherwise indicated.

Overview

The Issuer was incorporated in the Province of British Columbia on June 15, 2021 under the name of "Hi-View Resources Inc." The Issuer is in the process of exploring mining claims which are held under option and has not yet determined whether or not the optioned properties will contain economically recoverable reserves.

As at June 30, 2024, the Issuer reported working capital of $9,758 and may require financing from outside participation to continue exploration and subsequent development of its mining claims under the options and to be able to make payments required under the option agreements. As at June 30, 2024 the Issuer had not yet achieved profitable operations, has accumulated losses of $813,019 since its inception and expects to incur further losses in the development of its business, all of which casts doubt about the Issuer's ability to continue as a going concern. The Issuer's ability to continue as a going concern is dependent on continued financial support from its shareholders, the ability of the Issuer to raise equity financing, the attainment of profitable operations and external financings.

Exploration Activities

<u>Area and Location</u>

Zeal Exploration Inc. Acquisition

On April 26, 2023, the Company completed the acquisition of Zeal Exploration Inc ("Zeal"). Pursuant to the terms and conditions of the Share Purchase Agreement, the Company issued the following securities to the former Zeal securityholders:

- an aggregate of 8,650,000 common shares in the capital of the Company at a deemed price of $0.09 per share; and
- an aggregate of 500,000 replacement warrants exercisable into common shares in the capital of the Company for a price of $0.20 for a period up to and including July 14, 2025. All previously outstanding unexercised warrants to acquire common shares in the capital of Zeal were cancelled upon closing of the Acquisition.
- The Company also issued 250,000 common shares to an arm's length finder ("Finder") as consideration for the Finder introducing Zeal and the acquisition to the Company.

Lawyers Property

Pursuant to an option agreement with Musk Metals Inc. (the "Lawyers Option") dated May 27, 2022 and amended June 5, 2023, Zeal has an option to acquire a 100% interest in the Lawyers Group Mineral Property (the "Lawyers Property") located in the Golden Triangle of northern British Columbia, free and clear of all liens, charges, encumbrances, claims, rights or interest of any person.

Zeal earned the initial 50% interest in the Lawyers Property in May 2024 and now holds the 50% interest directly.

Golden Stranger Property

Pursuant to an option agreement (the "Golden Stranger Agreement") dated July 14, 2022 and amended April 11, 2023 July 12, 2023, May 27, 2024 and June 18, 2024, Zeal has an option to acquire a 100% interest in the Golden Stranger Property located in the Golden Horseshoe, Toodoggone Gold District of British Columbia, free and clear of all liens, charges, encumbrances, claims, rights or interest of any person.

A continuity of the Company's exploration and evaluation asset is as follows:

	Ket 28	**Lawyers**	**Golden**	**Total**
	$	**$**	**$**	$
Acquisition costs:				
Balance, September 30, 2022	40,000	-	-	5,000
Additions	5,000	26,000	89,193	120,193
Acquisition of Zeal	-	40,000	803,528	843,528
Write-off of exploration and evaluation costs	(45,000)	-	-	(45,000)
Balance, September 30, 2023	-	66,000	892,721	958,721
Additions	-	58,500	40,000	98,500
Balance, June 30, 2024	-	124,500	932,721	1,057,221
Deferred exploration expenditures:				
Balance, September 30, 2022	114,423	-	-	-
Geological	29,429	-	30,120	59,549
Mining permits	-	-	32,765	32,765
Transportation	-	-	12,506	12,506
Cost recovery – BCMETC	(34,327)	-	-	(34,327)
Write-off exploration and evaluation costs	(109,525)	-	-	(109,525)
Balance, September 30, 2023	-	-	75,391	75,391
Geological	-	-	7,038	7,038
Balance, June 30, 2024	-	-	82,429	82,429
Total exploration and evaluation assets, September 30, 2023	**-**	**66,000**	**968,112**	**1,034,112**
Total exploration and evaluation assets, June 30, 2024	**-**	**124,500**	**1,015,150**	**1,139,650**

Results of Operations - For the three months ended June 30, 2024:

Revenues

Due to the Issuer's status as an exploration stage mineral resource Issuer and a lack of commercial production from its properties, the Issuer currently does not have any revenues from its operations.

Expenses

During the three months ended June 30, 2024, the Issuer recorded a loss of $84,932. Some of the significant charges to operations are as follows:

- Director fees of $7,500
- Listing, filing and transfer agent fees of $13,777.
- Management fees of $15,000.
- Operating, general and administrative of $13,669.
- Professional fees of 1,800.
- Stock-based compensation of $33,299.

Results of Operations - For the nine months ended June 30, 2024:

Revenues

Due to the Issuer's status as an exploration stage mineral resource Issuer and a lack of commercial production from its properties, the Issuer currently does not have any revenues from its operations.

Expenses

During the nine months ended June 30, 2024, the Issuer recorded a loss of $173,590. Some of the significant charges to operations are as follows:

- Director fees of $22,500
- Listing, filing and transfer agent fees of $24,302.
- Management fees of $45,000.
- Operating, general and administrative of $17,916.
- Professional fees of $13,926.
- Stock-based compensation of $43,490.

Summary of Quarterly Results

	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
	$	$	$	$
Revenue	Nil	Nil	Nil	Nil
Loss for the period	(84,932)	(38,483)	(50,282)	(275,471)
Deficit	(813,019)	(728,087)	(689,711)	(639,429)
Loss Per Share (Basic & Diluted)	(0.00)	(0.00)	(0.00)	(0.03)
Current assets	110,915	67,317	97,008	152,561
Total assets	1,250,565	1,147,855	1,177,263	1,186,673
Total liabilities	101,157	87,744	81,332	117,157

	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
	$	$	$	
Revenue	Nil	Nil	Nil	Nil
Loss for the period	(107,321)	(40,328)	(23,274)	(18,464)
Deficit	(363,957)	(262,770)	(216,308)	(193,034)
Loss Per Share (Basic & Diluted)	(0.00)	(0.00)	(0.00)	(0.00)
Current assets	117,220	186,796	255,578	291,872
Total assets	965,202	375,648	430,953	446,295
Total liabilities	96,175	15,663	24,506	16,574

Liquidity and Capital Resources

As at June 30, 2024, the Issuer had working capital of $9,758 and an accumulated deficit of $813,019. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on an ongoing basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The continuation of the Issuer is dependent upon the financial support of creditors and stockholders, refinancing debts payable, obtaining additional long-term debt or equity financing, as well as achieving and maintaining a profitable level of operations. The Issuer believes it will require additional working capital to meet operating and exploration costs for the upcoming year.

During the nine months ended June 30, 2024, the Issuer completed the following transactions:

On June 25, 2024, the Company issued 750,000 common shares at a fair value of $0.025 per share pursuant to the Golden Stranger Property Option Agreement.

On June 11, 2024, the Company issued 750,000 units (the "Units") at $0.022 per unit for proceeds of $16,500. The Units consist of one common share of the Company and one common share purchase warrant ("Warrant"). The Warrants issued entitle the holder to purchase one additional common share of the Company at $0.05 per share on or before June 11, 2026

On May 27, 2024, the Company issued 200,000 common shares at a fair value of $0.022 per share pursuant to the Lawyers Property Option Agreement.

On May 27, 2024, the Company issued 4,841,454 units (the "Units") at $0.022 per unit for proceeds of $106,512. The Units consist of one common share of the Company and one common share purchase warrant ("Warrant"). The Warrants issued entitle the holder to purchase one additional common share of the Company at $0.05 per share on or before May 24, 2026. The Company paid a cash finder's fees of $6,832 to a qualified finder. The Company also issued 310,545 warrants to the finder. The Warrants issued entitle the holder to purchase one additional common share of the Company at $0.05 per share on or before May 24, 2026.

On November 30, 2023, the Company issued 856,250 common shares at $0.05 per share for a total of $42,812 relating to the termination of several consulting, management and related agreements and settlement of the related debt and other debts.

On December 19, 2023, the Company issued 250,000 common shares at a fair value of $0.035 per share pursuant to the Golden Stranger Property Option Agreement.

On December 20, 2023, the Company issued 500,000 common shares at a fair value of $0.035 per share pursuant to the Lawyers Property Option Agreement.

Cash Flow Analysis

<u>Operating Activities</u>

During the nine months ended June 30, 2024, cash used in operating activities was $48,415.

<u>Financing Activities</u>

During the nine months ended June 30, 2024, cash generated by financing activities was $116,180.

<u>Investing Activities</u>

During the nine months ended June 30, 2024, cash used in investing activities was $54,500. The Issuer spent $57,151 on exploration and evaluation assets.

Contractual Obligations

<u>Lawyers Property</u>

Zeal is subject to certain contractual obligations associated with the Lawyers Option to purchase an initial 50% undivided interest. In order to exercise the option under the Lawyers Option, Zeal shall pay to the Owner of the Property the aggregate sum of $55,000 and issue a total of 1,300,000 common shares in instalments, and complete minimum expenditures on the Property equalling $25,000. As of June 30, 2024, the Zeal and the Company have paid $55,000 and issued 1,300,000 common shares under the Lawyers Option. No exploration expenditures have been incurred.

Should the Lawyers Property achieve an estimate of mineral resources (a "Resource Estimate") in the measured and indicated category with 250,000-1,000,000 ounces of gold, and provided the Zeal has exercised the Second Option, Zeal will pay to the Optionor $1.00 CAD per ounce of gold in cash, shares or a combination of cash and shares at the Company's election within 180 days of completion of the Resource Estimate up to a maximum aggregate payment $1,000,000 in cash and/or shares.

Upon earning its initial 50% interest in the Lawyers Property, Zeal may earn an additional 50% undivided interest in the Lawyers Property, to bring its total interest to 100% by making an additional cash payment of $90,000 and issuing an additional 800,000 common shares of the Company. Upon earning a 100% interest in the Lawyers Property, the Lawyers Property will be subject to a 2% Net Smelter Royalty ("NSR") with 1% of the NSR purchasable by the Company for a cash payment of $1,000,000 to the optionor.

At any time after earning its initial 50% undivided interest in the Lawyers Property, Zeal may elect in writing not to exercise its option to acquire the additional 50% undivided interest in the Lawyers Property. In such case, a joint venture shall deemed to be formed between Zeal and the optionor, the terms of which shall be finalized in a joint venture agreement pursuant to provisions of the initial Lawyers Option.

<u>Golden Stranger Property</u>

Zeal is subject to certain contractual obligations associated with the Golden Stranger. In order to exercise the option under the Golden Stranger Agreement, Zeal shall pay to the Owner of the Property the aggregate sum of $135,000, and issue a total of 3,250,000 common shares of the Issuer in instalments. As of June

30, 2024, Zeal and the Company have paid $65,000 and issued 2,750,000 common shares under the Golden Stranger Agreement.

Related Party Transactions

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Issuer as a whole. The Issuer has determined that key management personnel consist of members of the Issuer's Board of Directors and corporate officers. The remuneration of directors and key management personnel for the nine months ended June 30, 2024 was as follows:

	Three months ended		**Nine months ended**	
	June 30, 2024	**June 30, 2023**	**June 30, 2024**	**June 30, 2023**
	$	**$**		$
Directors fees paid to a company controlled by a director	7,500	-	22,500	-
Management fees paid to a company controlled by the CEO	7,500	7,550	22,500	22,600
Management fees paid to a company controlled by the CFO	7,500	7,550	22,500	22,600
Share-based compensation paid to directors	24,700	-	30,800	-
	47,200	**15,100**	**98,300**	**45,200**

Risks and Uncertainties

The Issuer is engaged in the acquisition and exploration of mining claims. These activities involve significant risks which careful evaluation, experience and knowledge may not, in some cases eliminate the risk involved. The commercial viability of any material deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure. Government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a mineral deposit.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Annual losses are expected to continue until the Issuer has an interest in a mineral property that produces revenues. The Issuer’s ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. The Issuer’s financial statements do not give effect to any adjustments which would be necessary should the Issuer be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the consolidated financial statements.

Any forward-looking information in this MD&A is based on the conclusions of management. The Issuer cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Issuer’s operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the Issuer and other factors.

Capital risk management

The Issuer's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Issuer includes shareholders' equity, comprised of issued share capital, contributed surplus and deficit, in the definition of capital.

The Issuer's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to further exploration on its properties. To secure the additional capital necessary to pursue these plans, the Issuer will attempt to raise additional funds through the issuance of equity, debt or by securing strategic partners.

The Issuer is not subject to externally imposed capital requirements. The Issuer's financial instruments and risk exposures are summarized below.

Currency risk

Foreign exchange risk arises from purchase transactions as well as recognized financial assets and liabilities denominated in foreign currencies. The Issuer's functional and presentation currency is the Canadian dollar.

Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Issuer is exposed to credit risk with respect to its cash. The Issuer reduces its credit risk by maintaining its primary bank accounts at large financial institutions.

Liquidity risk

Liquidity risk is the risk that the Issuer will not be able to meet its obligations as they fall due. The Issuer manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. Senior management is also actively involved in the review and approval of planned expenditures.

As at June 30, 2024, the Issuer had working capital of $9,758.

The Issuer has liquidity risk and is dependent on raising additional capital to fund exploration and operations.

Fair Value risk

Fair value represents the amounts at which a financial instrument could be exchanged between willing parties, based on current markets for instruments with the same risk, principal and remaining maturity. Fair value estimates are based on quoted market values and other valuation methods.

The carrying values of cash, and accounts payable and accrued liabilities approximate fair values due to the relatively short-term maturities of these instruments.

FAIR VALUE HIERARCHY

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair values of cash are measured based on level 1 inputs of the fair value hierarchy.

Outstanding Shares, Stock Options and Warrants

As at the date of this MD&A, the Issuer had the following outstanding share data:

	Number	Exercise price	Expiry date
Common shares	31,428,204	Nil	Nil
Share purchase warrants	750,000	$0.05	September 30, 2025
	200,000	$0.05	September 30, 2025
	4,550,000	$0.05	September 30, 2025
	500,000	$0.05	September 30, 2025
	5,151,999	$0.05	May 24, 2026
	750,000	$0.05	June 11, 2026
Stock options	250,000	$0.10	November 27, 2025
	150,000	$0.10	February 20, 2026
	100,000	$0.05	May 8, 2026
	1,250,000	$0.05	June 18,2026
	650,000	$0.10	July 22, 2026
	150,000	$0.10	September 14, 2026

Off-Balance Sheet Arrangements

The Issuer has no off-balance sheet arrangements.

Proposed Transactions

The Issuer has no proposed transactions.

Significant Accounting Policies

<u>Restoration liabilities</u>

The Issuer recognizes the fair value of restoration liabilities related to statutory, contractual or legal obligations associated with the retirement of mining claims in the year in which it is incurred when a reasonable estimate of fair value can be made, in which case the carrying amount of the related mining claim is increased by the same amount as the net present value of the restoration liability. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. The Issuer's estimates of such costs could change as a result of changes in regulatory requirements and assumptions regarding the amount and timing of the future expenditures and changes in the net present value.

<u>Acquisition, exploration and evaluation expenditures</u>

The Issuer is in the exploration stage with respect to its investment in exploration properties and follows the practice of capitalizing all costs relating to the acquisition of its interest in properties excluding mining lease agreements. All exploration and development expenditures are expensed in the period incurred. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. The aggregate acquisition costs related to abandoned mineral properties are charged to income at the time of any abandonment or when it has been determined that there is evidence of permanent impairment.

An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farmout of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for interest in exploration properties is dependent upon the discovery of economically recoverable reserves, the ability of the Issuer to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Issuer recognizes in income costs recovered on exploration properties when amounts received or receivable are in excess of the carrying amount.

All capitalized acquisition costs of interests in properties are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that the capitalized acquisition cost is not expected to be recovered, it is charged to the results of operations. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

Share Capital

Common Shares are classified as equity. Transaction costs directly attributable to the issue of Common Shares and share options are recognized as a deduction from equity, net of any tax effects.

Income/Loss per share

The Issuer presents basic and diluted income/loss per share data for its Common Shares, calculated by dividing the income/loss attributed to common shareholders of the Issuer by the weighted average number of Common Shares outstanding during the period. Diluted income/loss per share does not adjust the income/loss attributed to the common shareholders or the weighted average number of Common Shares outstanding when the effect is anti-dilutive.

Provisions

A provision is recognized in the statements of financial position when the Issuer has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The Issuer has recorded no provisions at December 31, 2023.

Income Taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Issuer intends to settle its current tax assets and liabilities on a net basis.

Financial instruments

Financial instruments are accounted for in accordance with IFRS 9, “Financial Instruments: Classification and Measurement”. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVTOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVTOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Cash is measured at FVTPL.

Receivables are measured at amortized cost.

Impairment of financial assets

IFRS 9 uses the expected credit loss ("ECL") model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company's receivables.

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Trade payables are classified under other financial liabilities and carried on the statement of financial position fair value through profit or loss.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are generally recognized in profit and loss.

Foreign currency translation

Foreign currency transactions are initially recorded in the functional currency at the transaction date exchange rate. At closing date, monetary assets and monetary liabilities denominated in a foreign currency are translated into the functional currency at the closing date exchange rate.

Non-monetary items measured at historical cost are translated using the historical exchange rate. Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

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.

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual reports could differ from management's estimates.

Information regarding significant areas of estimation, uncertainty and critical judgements made in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are the following:

Share-based payments

Judgment is applied in determining the share price to be assigned to shares issued to enter into mining lease agreements.

Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the probability that the Issuer will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction.

Additionally, future changes in tax laws in the jurisdictions in which the Issuer operates could limit the ability of the Issuer to obtain tax deductions in future periods.

Determination of functional currency

In accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*, management determined that the functional currency of the Issuer and its subsidiary is the Canadian dollar.

Other significant accounting estimates include the amounts accrued for restoration liabilities.

Internal Controls Over Financial Reporting

Changes in Internal Control over Financial Reporting ("ICFR")

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Issuer will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective Management's Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

Management's Responsibility for Financial Statements

The information provided in this MD&A, including the financial statements, is the responsibility of management. In the preparation of financial statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.