QNB METALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Six months ended October 31, 2022

Index

This management discussion and analysis (”MD&A”) of QNB Metals Inc., (“QNB Metals” or “QNB” or the “Company”) provides information that management believes is relevant to the assessment and understanding of the Company's results of operation and financial condition for six months ended October 31, 2022.

This MD&A complements the unaudited condensed interim financial statements for the three months ended October 31, 2022 which were prepared in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). This MD&A should be read in conjunction with the Company's audited financial statements and corresponding notes for the year ended April 30, 2022. This MD&A is prepared as at December 7, 2022.

The financial statements and this MD&A have been reviewed by the Audit Committee and approved by the Board of Directors on December 7, 2022.

All figures are in Canadian dollars unless otherwise stated. Additional information relating to the Company can be found on SEDAR at www.sedar.com.

The shares of QNB Metals are listed on the Canadian Securities Exchange (“CSE”) under the symbol "TIM".

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business, the mining industry in general and the economic environment in which it operates as of the date of the MD&A. To the extent that any statements in this document contain information that is not historical, the statements are essentially forward-looking and are often identified by words such as "anticipate", "expect", "estimate", "intend", "project", "plan" and "believe". In the interest of providing shareholders and potential investors with information regarding Canadian Metals, including management's assessment of future plans and operations, certain statements in this MD&A are forward-looking and are subject to the risks, uncertainties and other important factors that could cause the Company's actual performance to differ materially from that expressed in or implied by such statements. Such factors include, but are not limited to: volatility and sensitivity to market metal prices, impact of change in foreign currency exchange rates and interest rates, imprecision in reserve estimates, environmental risks including increased regulatory burdens, unexpected geological conditions, adverse mining conditions, changes in government regulations and policies, including laws and policies; and failure to obtain necessary permits and approvals from government authorities, and other development and operating risks. The preliminary assessments contained in the Technical Report referred to in this MD&A, and the estimates contained therein to date are preliminary in nature and are based on a number of assumptions, any one of which, if incorrect, could materially change the projected outcome.

Although the Company believes that the expectations conveyed by the forward-looking statements are based upon information available on the date that such statements were made, there can be no assurance that such expectations will prove to be correct. The reader is cautioned not to rely on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements unless required to do so by applicable Securities laws. All subsequent forward-looking statements, whether written or orally attributable to the Company or persons acting on its behalf, are expressly qualified in their entirety by these cautionary statements.

NATURE OF ACTIVITIES:

QNB Metals Inc. was incorporated under the Canada Business Corporations Act on October 19, 2020. The Company was incorporated as the target company for certain assets that are to be spun out from Canadian Metals Inc. ("CME"). The Company is a wholly owned subsidiary of CME. The address of its head office, which is also the main establishment, is located at 866 3e Avenue, Val-d'Or, Quebec, Canada, J9P 1T1. The Company's shares are currently traded on the Canadian Securities Exchange under the symbol "TIM".

CME has also completed a Plan of Arrangement under the Canada Business Corporations Act with the Company, whereby CME's Lac La Chesnaye Property was spun out to the Company in accordance with the Plan of Arrangement.

QNB is engaged in the business of exploration of the Lac La Chesnaye Property, a mineral property located 11km north of Baie-Comeau, in the province of Québec, Canada. The property covers a total area of 448 Ha and comprises of 8 claims that are in the process of being granted and one claim that was previously acquired from SiO2 Canada Ltd. These claims are 100% held by the Company. QNB is an exploration stage company, owns no developing or producing properties and, consequently, has no operating income or cash flow from the property it holds.

BUSINESS DEVELOPMENT HIGHLIGHTS – INCLUDING SUBSEQUENT EVENTS:

Board of Directors - Management:
During September 2021, QNB constituted it's Board and Management as follows:

Name	Designation	Appointment Date
Stephane Leblanc -	President and CEO and Chairman of the Board	30-Apr-21
Michel Gagnon	Director	30-Apr-21
Maxime Lemieux	Director	30-Apr-21
Arnab De	Chief Financial Officer	04-Aug-21

MINING PROPERTIES – DESCRIPTION:

The La Chesnaye Lake Silica Property:

The La Chesnaye Lake Silica Property is located 11km north of Baie-Comeau, in the province of Québec, Canada. The property covers a total area of 448 ha and comprises of 10 claims that are in the process of beinggranted and one claim that was previously acquired from SiO2 Canada Ltd. These claims are 100% held by the Company.

An exploration campaign consisting of 15 diamond drill holes (565 m) and 4 trenches was conducted by North Shore Paper Co. between 1952 and 1957. Ressources Vogues Inc. conducted another exploration campaign in 1994 and obtained an average grade of 99.18% SiO_2 for the property's silica. NI 43-101 non-compliant reserves of 3.5 Mt were published in the 20/10/1985 edition of the Northern Miner Magazine (GM #54172).

The historical drilling presents a zone of interest of 300 meters long by 60m by width by 30m depth. The quartzite is within a paragneiss in the geological province of Greenville of the Paleoproterozoic era and mappedas part of the de Bourdon complex. The quartzite grain size varies from medium to coarse and show colorlessmaterial with glass look and conchoidal fractures. In some places micas and hematite are observed. The silicadeposit is oriented Nord 45.

EXPLORATION HIGHLIGHTS:

No material exploration activities were conducted during the six months ended October 31, 2022 and subsequently up to the date of this MD&A – December 7, 2022.

FINANCIAL CONDITION:

SELECTED FINANCIAL INFORMATION FOR THE SIX-MONTHS ENDED OCTOBER 31, 2022:

The following discussion of the Corporation's financial performance is based on the Unaudited Condensed Interim Financial Statements as of October 31, 2022 ("Financial Statements") set forth herein.

	6 months ended October, 2022	6 months ended October 31, 2021
Statements of comprehensive loss		
Operating expenses (income)	144,906	151,807
Net loss (income)	144,906	151,807
Loss per share Basic and diluted	0.02	0.06

	October 31, 2022	April 30, 2022
Statements of financial position		
Cash	46,892	233,045
Accounts Receivables & Prepaid Expenses	29,798	19,174
Total assets	76,689	252,219
Total liabilities	75,157	105,781
Equity	1,533	146,438

FINANCIAL CONDITION (CONTINUED):

SELECTED FINANCIAL INFORMATION FOR THE SIX-MONTHS ENDED OCTOBER 31, 2022 (CONTINUED):

The basic and diluted loss per share during the six months ended October 31, 2022 is $0.02 ($0.02 during 6 months ended October 31,2021). During the six months ended October 31, 2022 the Company realized a net income and comprehensive loss of $144,906 as compared to a net loss and comprehensive loss of $151,807 for the six months ended October 31, 2021 (a decrease of $6,901 compared to 2021). The main reasons behind the increase are:

a) Decrease professional fees including legal and audit expenses amounting to $22,537;
b) Increase in management fees amounting to $30,001 mainly due to incurrence of managerial remuneration that was not incident during the previous period;
c) Decrease in Filing fees amounting to $7,137;
d) Increase in Insurance amounted to $6,250.
e) Decrease in geological expenses amounting to $13,000.

Management is required to make estimates and assumptions that effect the reported amounts of assets and liabilities at the date of the financial statements and revenue and expenses for the period then ended. The unaudited condensed interim financial statements as at October 31, 2022 indicates Cash and Cash Equivalents of $46,892 (April 30, 2021: $233,045); Sales Tax Receivable of $29,798 (April 30, 2021: $12,924); and Prepaid expenses of $Nil (April 30,2021: $6,250) resulting in total current assets of $76,689, a decrease of $175,530 from April 30, 2021 balance of $252,219.

The Company's current liabilities as at October 31, 2022 are its trade accounts payable and accrued liabilities of $26,268 which is a decrease of $30,624 from April 30, 2022 balance of $56,892. The Company also recorded a payable to a related company amounting to $48,889 (April 30, 2022: $48,889). Equity attributable to shareholders of the Company is $1,533, a decrease of $144,906 from April 30, 2022 balance of $146,438, and is comprised of share capital of $708,511 (Previous Year: $708,511), Warrants Reserve $107,308 (Previous Year: $107,308), less the deficit of $814,287 (Previous Year: $669,381).
All costs associated with mineral properties have been charged in the profit and loss account.

SELECTED QUARTERLY FINANCIAL INFORMATION:

QNB anticipates that the quarterly and annual results of operations will primarily be impacted for the near future by several factors, including the timing and efforts of the exploration's expenditures and efforts related to the development of the Company. Due to these fluctuations, the Company believes that the quarter to quarter and the year-to-year comparisons of the operating results may not be a good indication of its future performance.

The following selected quarterly financial information is derived from our financial statements for each of the two most recently completed financial years. The Company had no operations prior to quarter ended April 30 2021. The 6 months ended October 31, 2022 is denoted below as Q2 2023.

SELECTED QUARTERLY FINANCIAL INFORMATION (CONTINUED):

	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4
							$
Statements of comprehensive loss							
Operating expenses (income)	**77,342**	67,534	428,069	75,483	146,807	5,000	14,022
Net finance expense (income)	**-**	-	-	-	-	-	-
Net loss (income)	**77,342**	67,534	428,069	75483	146,807	5,000	14,022
Loss per share Basic and diluted	**0.01**	0.01	0.01	0.01	0.02	0.9	140.22

	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4
							$
Statements of financial position							
Cash	**46,892**	112,986	233,045	247,032	359,399	481,741	1
Accounts Receivables & Prepaid Expenses	**29,798**	26,856	19,174	28,529	19,292	-	-
Advance to related parties	**-**	22,000	-	25,295	-	-	-
Mineral Properties	**-**	-	-	344,000	344,000	-	-
Total assets	**76,689**	161,842	252,219	644,856	722,691	481,741	1
Total liabilities	**75,157**	82,937	105,780	60,438	62,790	19,032	14,022
Equity	**1,533**	78,904	146,438	584,418	659,901	462,709	14,021

The net loss of $77,342 for Q2 2023 is mainly on account of expenses towards Management fees, $41,001, Legal and Audit expense of $25,277. The other small expenses includes Insurance of $3,125 and Filing fees of $7,800.

The net loss of $428,069 for Q4-2022 is mainly attributed to the impact of the change in accounting policy whereby with effect from the fourth quarter of 2022, the Corporation expensed all acquisition costs of mineral properties and exploration expenses as incurred. Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital

Working Capital is a non- GAAP financial information being the difference between Current Assets and Current Liabilities. Working Capital at October 31, 2022 of $1,533 represents a decrease of $144,905 from the levels of April 30, 2022 total of $146,438. This decrease in working capital is mainly due to payments towards liabilities and the advance given to a related party.

Capital Resources

Equity attributable to shareholders of the Company is $1,533, a decrease of $144,906 from April 30, 2022 balance of $146,438and is comprised of share capital of $708,511 (Previous Year: $708,511), Warrants Reserve $107,308 (Previous Year: $107,308), less the deficit of $814,287 (Previous Year: $669,381).

RELATED PARTY TRANSACTIONS:

Transactions with key management

Key management personnel ("KMP")of the Company comprise of the members of the board of directors, as well as the President and Chief Executive Officer and the Chief Financial Officer.

The remuneration of key management personnel includes the following expenses:

	October 31, 2022 $
President and chief executive officer	66,000
Chief financial officer	16,002

In addition to the related party transactions presented elsewhere in these financial statements, the following is a summary of other transactions:

As at October 31, 2022, trade accounts payable and accrued liabilities include $nil payable to KMP.

Professional fees expensed to a legal firm which employs a director amounted to $5,861. The amounts owed by the Company to this firm amounts to $Nil as at October 31, 2022 (April 30, 2022: $13,716).

As at October 31, 2022, the extent pf expenditures paid by Canadian Metals Inc., a company having common shareholders and directors, were $48,889 (April 30, 2022: $48,889).

These transactions, entered into the normal course of operations, are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

CONTINGENCIES:

Governmental laws and regulations regarding environmental protection regulate the Company's operations. The environmental consequences are not easily identifiable, either in terms of results, the impacts or the expiration date. Currently, and to the best knowledge of its management, the Company is in conformity with current laws and regulations.

FUNCTIONAL AND PRESENTATION CURRENCY:

The selected annual financial information selected quarterly financial information and other financial information are presented in Canadian dollars, the Company's functional currency.

OFF-FINANCIAL POSITION ARRANGEMENTS:

As at October 31, 2022, the Company does not have any off-financial position arrangements.

ADOPTION OF STANDARDS

At the date of authorization of these consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Company. Management anticipates that all of the pronouncements will be adopted in the Company's accounting policy for the first period beginning after the effective date of each pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's consolidated financial statements. In May 2020, the IASB issued a package of narrow-scope amendments to three standards (IFRS 3 "Business Combinations", IAS 16 "Property, Plant and Equipment" and IAS 37 "Provisions, Contingent Liabilities and Contingent Assets") as well as the IASB's Annual Improvements to IFRS Standards 2018 - 2020. These amendments to existing IFRS standards are to clarify guidance and wording, or to correct for relatively minor unintended consequences, conflicts or oversights. These amendments are effective for annual periods beginning on or after January 1, 2022. The Company is assessing the potential impact of these narrow-scope amendments.

GOING CONCERN ASSUMPTION:

The Company's business involves a high degree of risk and there is no assurance that the Company will be successful in discovering economically recoverable deposits on its mineral properties. Furthermore, the Company has not yet generated any income or cash flows from its operations and there is no assurance that the business will be profitable in the future.

	6 months ended October 31, 2022 $	Year ended April 30, 2022 $
Net Loss and Comprehensive Loss for the period	**144,906**	**655,359**
Deficit	**(814,287)**	**(669,381)**
Working Capital Surplus / (Deficiency)	**1,533**	**146,438**

Although the Company was able to raise $471,818 (net) during the year ended April 30, 2022, there still exist material uncertainties that cast significant doubt regarding the Company's ability to continue as a going concern. The carrying amounts of assets, liabilities and expenses presented in the financial statements and the classification used in the financial statements have not been adjusted as would be required if the going concern assumption was not appropriate. Those adjustments could be material. Management routinely plans future activities including forecasting cash flows. Management has reviewed their plan with the Directors and has collectively formed a judgment that the Company has adequate resources to continue as a going concern for the foreseeable future, which Management and the Directors have defined as being at least the next 12 months from the date of the financial position.

CHANGES IN SIGNIFICANT ACCOUNTING POLICIES:

The Company followed the following policy until January 31, 2022:

Exploration and evaluation expenditures are costs incurred in the course of initial search for mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Costs incurred before the legal right to undertake exploration and evaluation activities are recognized in profit or loss when they are incurred.

Once the legal right to undertake exploration and evaluation activities has been obtained, all costs of acquiring mineral rights or options to acquire such rights (option agreement), expenses related to the exploration and evaluation of mining properties, less refundable tax credits related to these expenses, are recognized as exploration and evaluation assets.

Whenever a mining property is considered no longer viable, or is abandoned, the capitalized amounts are written down to their recoverable amounts; the difference is then immediately recognized in profit or loss.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets related to the mining property are transferred to property and equipment in Mining assets under construction. Before the reclassification, exploration and evaluation assets are tested for impairment and any impairment loss is recognized in profit or loss before reclassification.

Although the Company has taken steps to verify title to the mining properties in which it hold an interest in accordance with industry practices for the current stage of exploration and development of such properties, these procedures do not guarantee the validity of the Company's titles. Title to property may be subject to unregistered prior agreements and noncompliance with regulatory requirements.

However, with effect from February 1, 2022 the Company changed its Policy to give effect to the following with effect from May 1, 2021:

The Corporation expenses all acquisition costs of mineral properties and exploration expenses as incurred. Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

OUTSTANDING SHARE CAPITAL:

DISCLOSURE OF OUTSTANDING SHARE DATA (AS AT OCTOBER 31, 2022)

Outstanding common shares:	9,299,961
Outstanding warrants:	2,682,700

As at April 30, 2021, the Company issued 100 common shares at a price of $0.01
On July 30, 2021, the Company completed a private placement of 5,000,000 units at a price of $0.10 per shares. Each unit comprised of one share and one-half warrant. The company paid a finder's fee of $18,270 and issued 182,700 warrants in connection with this private placement valued at $7,308 were recorded as share issuance costs. Additionally, $9,911 incurred towards legal expenses were recorded as share issuance costs.
On September 9, 2021, the Canadian Metals Inc. spun out its Lac La Chesnaye Property located in Quebec in exchange of 4,299,961 common shares of QNB Metals Inc., for a fair value of $344,000. Consequent to the spin-off, the Company cancelled the shares issued to Canadian Metals Inc..
Of the above 1,712,750 shares are led in escrow.

WARRANTS:

As mentioned above, during July 2021, the Company issued 182,700 warrants as finders fee. Each warrant is exercisable into one common share at a price of $0.18 and shall expire in 2 years.
Pursuant to the private placement in July 2021, the Company issued 2,500,000 warrants. Each warrant is exercisable into one common share at a price of $0.18 and shall expire in 2 years.

The total warrants outstanding as at October 31, 2022 amounts to 2,682,700 with an exercise price of $0.18 and is valued at $0.04 as per Black Scholes model. Details of common share purchase warrants outstanding are as follows:

	6 months ended October 31, 2022	
	Number of outstanding warrants	**Weighted average exercise price**
		$
Outstanding at beginning	2,682,700	0.18
Granted	-	-
Expired	-	-
Outstanding at end	2,682,700	0.18

The following table provides outstanding warrants information as at October 31, 2022:

	Outstanding warrants		
Expiry date	**Number of outstanding warrants**	**Exercise price**	**Remaining life**
		$	**(years)**
July 2023	2,682,700	0.18	1.00
	2,682,700	0.18	1.00

USE OF ESTIMATES AND JUDGEMENTS: CRITICAL ESTIMATES:

The preparation of the financial statements requires management to use judgment and make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amount of expenses during the period. Actual results could materially differ from these estimates. Refer to note 3 of the Company's annual audited financial statements for the year ended April 30, 2022 for a more detailed discussion of the critical accounting estimates and judgments.

RISK AND UNCERTAINTIES:

An investment in the common shares of the QNB should be considered highly speculative. QNB Metals issubject to a variety of risks, some of which are described below. If any of the following risks occur, the business,results of operations or financial condition could be adversely affected in a material manner.

Credit risk

Credit risk is the risk that the other party to a financial instrument fails to honour one of its obligations and, therefore, causes the Company to incur a financial loss.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets at the reporting date.

The Company's management considers that all of the above financial assets that are not impaired or past due for each of the reporting dates are of good credit quality.

Credit risk of cash and is considered negligible, since the counterparty is a reputable bank with excellent external credit rating.

None of the Company's financial assets is secured by collateral or other credit enhancements.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources such as private and public investments for a sufficient amount.

Over the past and during the year, the Company has financed its acquisitions of mining rights, exploration costs and working capital needs through private financings (issuance of shares and convertible debentures).

Exploration and mining risks

The Company is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits of minerals. The Company's property interests are in the exploration and evaluation stage only. The business of mineral exploration involves a high degree of risk. Few properties that are explored are ultimately developed into production. Currently, there are no known bodies of commercial ore on the mineral properties of which the Company owns an interest. Accordingly, there is little likelihood that the Company will realize any profits in the short to medium term. Any profitability in the future from the Company's business will be dependent upon locating an economic deposit of minerals. However, there can be no assurance, even if an economic deposit of minerals is located, that it can be commercially mined.

Unusual or unexpected formations, fires, power outages, labour disruptions, flooding, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs.

The economics of developing mineral properties is affected by many factors including the cost of operations, variation of the grade of ore mined and fluctuations in the price of any minerals produced. There are no underground or surface plants or equipment on the Company's mineral properties, nor any known body of commercial ore. Programs conducted on the Company's mineral property would be an exploratory search for ore.

RISK AND UNCERTAINTIES (CONTINUED):

Titles to property

While the Company has diligently investigated title to the various properties in which it has interest, and to the best of its knowledge, title to those properties are in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfer, or native or government land claims, and title may be affected by undetected defects.

According to the mining law and regulations of the Province of Québec, to renew its claims, the Company must incur a minimum of exploration expenditures and must pay the Québec government, a rent per claim, for every 2 years renewal period. Between the date of this MD&A and October 31, 2022, no claim will need to be renewed

for a negligible amount and will not require additional exploration expenditures because the Company has met the requirement.

Permits and licenses

The Company's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

Metal prices

Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect marketability of any minerals discovered. Metal prices have historically fluctuated widely and are affected by numerous factors beyond the Company's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.

Competition

The mining industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees.

Environmental regulations

The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require submissions to and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

RISK AND UNCERTAINTIES (CONTINUED):

Conflicts of interest

Certain directors or proposed directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Stage of development

The Company's properties are in the exploration stage and to date none of them has a proven ore body. The Company does not have a history of earnings or providing a return on investment, and in future, there is no assurance that it will produce revenue, operate profitably or provide areturn on investment.

Industry conditions

Mining and milling operations are subject to government regulations. Operations may be affected in varying degrees by government regulations such as restrictions on production, price controls, tax increases, expropriation of property, pollution controls or changes in conditions under which minerals may be mined, milled or marketed. The marketability of minerals may be affected by numerous factors beyond the control of the Company, such as government regulations. The effect of these factors cannot be accurately determined.

Uninsured risks

The Company's business is subject to a number of risks and hazards, including environmental conditions adverse, environmental regulations, political uncertainties, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, and natural phenomena such asinclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Capital needs

The exploration and evaluation, development, mining and processing of the Company's properties may require substantial additional financing. The only current source of future funds available to the Company is the sale of additional equity capital and the borrowings of funds. There is no assurance that such funding will be available to the Company or that it will be obtained on terms favourable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position.

In addition, any future equity financings by the Company may result in a substantial dilution of the existing shareholders. Failure to obtain sufficient financing may result in delaying or indefinite postponement of further exploration and evaluation, development or production on any or all of the Company's properties or even a loss of property interest.

RISK AND UNCERTAINTIES (CONTINUED):

Key employees

Management of the Company rests on a few key officers and members of the Board of Directors, the loss of any of whom could have a detrimental effect on its operations. The development of the Company's business is and will continue to be dependent on its ability to attract and retain highly qualified management and mining personnel. The Company faces competition for personnel from other employers.

Canada Revenue Agency

No assurance can be made that Canada Revenue Agency will agree with the Company's characterization of expenditures as Canadian exploration expenses or Canadian development expenses or the eligibility of such expenses as Canadian exploration expenses under the *Income Tax Act* (Canada).

ADDITIONAL INFORMATION:

The additional information on the Company is available through regular filings of quarterly financial statements and press releases on Sedar (www.sedar.com).

Officers

Stéphane Leblanc
President and CEO and Chairman of the Board

Arnab De
CFO

Directors

Michel Gagnon (Audit chair)
Maxime Lemieux
Stéphane Leblanc

Transfer agent

Computershare Canada
Montréal (Quebec)

Legal advisors

McMillan LLP
Montréal (Quebec)

Head office

866, 3ieme Avenue
Val-d'Or (Quebec) J9P 1T1
Tél : 819-825-0001

Auditor

MNP LLP
Montréal (Quebec)