VITAL BATTERY METALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED AUGUST 31, 2022
(Expressed in Canadian dollars)

Introduction

The following management discussion and analysis ("MD&A"), dated January 27, 2023, should be read in conjunction with audited financial statements of Vital Battery Metals Inc. (the "Company" or "Vital") and the accompanying notes for the period from the date of incorporation on October 4, 2021 to February 28, 2022 and unaudited condensed interim financial statements for the nine months ended September 30, 2022. The financial statements for the period ended February 28, 2022 and November 30, 2022, have been prepared in accordance with International Financial Reporting Standards. Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars. For further information on the Company reference should be made to the Company's public filings which are available on SEDAR.

Going Concern

The Company's financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuation as a going concern is dependent on its ability to generate future cash flows and/or obtain additional financing. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with, loans from directors and companies controlled by directors and/or private placements of common share. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from the novel coronavirus (COVID-19). While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in the next 12 months. As of the date of these financial statements, COVID-19 has had no impact on the Company's ability to access and explore its current properties but may impact the Company's ability to raise funding or explore its properties should travel restrictions related to COVID-19 be extended or expanded in scope.

Description of Business

The Company was incorporated under the Business Corporations Act (British Columbia) on October 4, 2021. The Company changed its name from 1326985 B.C. Ltd. to Infinity West Capital Corp. on November 3, 2021 and further changed its name to Vital Battery Metals Inc. on January 7, 2022. The Company's shares are listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "VBAM", the Frankfurt Stock Exchange under the symbol CO0 and in the US on the OTC market, under the symbol, BAMF. The Company's principal business activities include the acquisition and exploration of mineral property assets in Canada. The Company's registered and records office moved during the period and is now located at Suite 700, 838 West Hastings Street, Vancouver, BC.

Vent Copper Property

On December 14, 2021, the Company entered into a property option agreement ("Option Agreement") to acquire the right to earn up to 100% interest in and to two contiguous mineral claims located in the Vancouver Island, B.C. known as the Vent Copper Property (the "Property"). Pursuant to the Option Agreement, the Company must satisfy the following:

(a) Paying an aggregate of $165,000 in cash as follows:

   a. $50,000 on or before the date that is ten calendar days after December 14, 2021 ("Effective Date") (paid);
   b. $35,000 on or before the date that is eight months after the Effective Date, or before the date that is ten calendar days after the date that the Company is publicly listed on an exchange (the "Listing Date"), whichever is earlier (paid);
   c. $30,000 on or before the date that is one calendar year after the Listing Date; and
   d. $50,000 on or before the date that is two calendar years after the Listing Date;

(b) Issuing an aggregate of 800,000 common shares of the Company as follows:
   a. 250,000 common shares on or before the date that is ten calendar days after the Listing Date (issued);
   b. 250,000 common shares on or before the date that is one calendar year after the Listing Date; and
   c. 300,000 common shares on or before the date that is two calendar years after the Listing Date.

(c) Incurring an aggregate expenditure of $360,000 as follows:
   a. $110,000 on or before the date that is one calendar year after the Listing Date; and
   b. $250,000 on or before the date that is two calendar years after the Listing Date.

The Property is subject to 3% Net Smelter Returns royalty.

Sting Copper Project

On August 22, 2022, the Company entered into a property option agreement ("Option Agreement") to acquire the right to earn up to 100% interest in Sting Copper Property located 14km south of the town of Trout River in Newfoundland. Pursuant to the Option Agreement, the Company must satisfy the following:

(a) Paying an aggregate of $90,000 in cash as follows:

   a. $40,000 upon signing of the agreement (paid); and
   b. $50,000 on or before the one-year anniversary of the signing of the agreement.

(b) Issuing an aggregate of 5,000,000 common shares of the Company as follows:
   a. 2,500,000 common shares upon signing of the agreement (issued); and
   b. 2,500,000 common shares on or before the one-year anniversary of the signing of the agreement.

(c) Incurring an aggregate expenditure of $625,000 as follows:
   a. $250,000 on or before the one-year anniversary of the signing of the agreement; and
   b. Additional expenditures of $375,000 on or before the two-year anniversary of the signing of the agreement.

The optionee retain the right at any time to purchase one-half (1/2) of the 2% Net Smelter Returns royalty, in consideration of the payment of $1,500,000, thereby leaving the optionor with a one percent (1%) Net Smelter Return royalty.

On January 4, 2023, the Company announced initial exploration project results at its Sting Copper Project. The objective of the project was to confirm the previously reported high copper grades in mineralization at Jumbo Lode Prospect ("Jumbo") and prospect for adjacent mineralized zones. The exploration program confirmed the very high copper grade of the massive sulfide at Jumbo as well as demonstrating the anomalous gold values associated with the mineralization. A mineralized zone was located 1 km northeast of Jumbo exposed on Gregory River with high gold values and elevated silver and zinc.

Selected Financial Data - Summary of Quarterly Results

The following is a summary of certain financial information of the Company since its inception:

	Three months ended November 30, 2022 $	Three months ended August 31, 2022 $	Three months ended May 31, 2022 $	From the Date of Incorporation October 4, 2021 to February 28, 2022 $
Net loss and comprehensive loss	(155,619)	(75,551)	(55,727)	(30,786)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Working capital	2,684,575	633,381	782,732	838,559
Total assets	3,681,859	1,605,570	864,347	929,529
Total liabilities	6,772	19,689	31,615	40,970

Nine months ended November 30, 2022

During the nine months ended November 30, 2022, the Company incurred net loss and comprehensive loss of $286,897.

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Consulting fees	51,997
Management fees	52,700
Office and miscellaneous	12,692
Professional fees	95,531
Regulatory fees	64,822
Transfer agent and filing fees	9,155
Net loss and comprehensive loss	(286,897)
Loss per common share – basic and diluted	(0.01)

These costs are due to the incorporation and initial operations of the business, including the Company's public listing on the Canadian Securities Exchange, Frankfurt Stock Exchange and the US OTC Market.

Three months ended November 30, 2022

During the three months ended November 30, 2022, the Company incurred net loss and comprehensive loss of $151,619.

The significant operating expenses consists of consulting fees of $48,320, professional fees of $23,422, regulatory fees of $30,341 and transfer agent and filing fees of $2,444 mainly related to the Company's public listing on the Canadian Securities Exchange, Frankfurt Stock Exchange and the US OTC Market. In addition, management fees of $39,000 were paid/accrued to the Chief Executive Officer and Chief Financial Officer of the Company for CEO and accounting services, respectively.

Liquidity and Capital Resources

At November 30, 2022, the Company had a net working capital of $2,684,575 and cash of $2,670,693.

Net cash used in operating activities during the nine months ended November 30, 2022 was $329,949. The cash used in operating activities for the period consists primarily of the operating loss and changes in working capital items.

Financings

During the period from inception on October 4, 2021 to November 30, 2022, the Company issued the following shares:

- On October 4, 2021, the Company issued 2 common shares to the incorporators which shares were subsequently repurchased by the Company for cancellation.

- On November 23, 2021, the Company issued 4,500,000 common shares at $0.005 per share for total proceeds of $22,500.

- On December 13, 2021, the Company issued 12,100,000 common shares at $0.02 per share for total proceeds of $242,000.

- On January 7, 2022, the Company issued 6,300,000 units at $0.05 per share for total proceeds of $315,000. Each unit consists of one common share and one warrant. Each warrant is exercisable into one common share at a price of $0.10 per share for a period of three years following the issuance date.

- On July 21, 2022, 3,397,450 special warrants of the Company were converted into one unit of the Company, without additional payment, pursuant to the Company's shares trading on the Canadian Securities Exchange. Each unit consist of one common share of the Company and one share purchase warrant exercisable at an exercise price of $0.20 for two years.
- On July 28, 2022, the Company issued 250,000 common shares valued at $77,500 pursuant to the Vent Copper Property.

- On August 25, 2022, the Company issued 3,000 common shares pursuant to the exercise of 3,000 share purchase warrants at an exercise price of $0.20 per share for proceeds of $600.

- On August 30, 2022, the Company issued 2,500,000 common shares valued at $750,000 pursuant to the Sting Property Option Agreement.

- On September 27, 2022, the Company issued 3,000 common shares pursuant to the exercise of 3,000 share purchase warrants at an exercise price of $0.20 per share for proceeds of $600.

- On October 12, 2022, the Company issued 10,000 common shares pursuant to the exercise of 3,000 share purchase warrants at an exercise price of $0.20 per share for proceeds of $2,000.

- On October 14, 2022, the Company issued 3,000 common shares pursuant to the exercise of 3,000 share purchase warrants at an exercise price of $0.20 per share for proceeds of $600.

- On November 9, 2022, the Company issued 9,200,000 units at $0.25 per share for total proceeds of $2,300,000. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant is exercisable into one common share at a price of $0.35 per share for a period of 24 months following the issuance date.

- On November 15, 2022, the Company issued 3,000 common shares pursuant to the exercise of 3,000 share purchase warrants at an exercise price of $0.20 per share for proceeds of $600.

- On December 12, 2022, the Company issued 25,000 common shares pursuant to the exercise of 25,000 share purchase warrants at an exercise price of $0.20 per share for proceeds of $5,000.

- On December 15, 2022, the Company issued 25,000 common shares pursuant to the exercise of 25,000 share purchase warrants at an exercise price of $0.20 per share for proceeds of $5,000.

- On January 12, 2023, the Company issued 3,000 common shares pursuant to the exercise of 3,000 share purchase warrants at an exercise price of $0.20 per share for proceeds of $600.

During the period from inception on October 4, 2021 to November 30, 2022, the Company received a total of $339,745 related to 3,397,450 special warrants of the Company priced at $0.10 per special warrant.

Related Party Transactions

During the nine months ended November 30, 2022, the Company paid or accrued management fees of $40,000 to the Chief Executive Officer of the Company.

During the six months ended November 30, 2022, the Company paid or accrued management fees of $12,700 and professional fees of $12,700 to the former Chief Financial Officer of the Company.

During the period from incorporation on October 4, 2021 to February 28, 2022, there were no transactions with related parties.

Certain directors and/or officers participated in various private placements.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements as at November 30, 2022 or at the date of this MD&A.

Financial Instruments

(a) Categories of Financial Instruments and Fair Value Measurements

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. 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 value of the Company's financial instruments, approximates their carrying amount due to their short-term maturities.

The fair value of the Company's financial instruments has been classified within the fair value hierarchy as at November 30, 2022 and February 28, 2022 as follows:

November 30, 2022	Level 1	Level 2	Level 3	Total
Financial Instrument				
Cash	$ 2,670,693	-	-	$ 2,670,693

February 28, 2022	Level 1	Level 2	Level 3	Total
Financial Instrument				
Cash	$ 878,070	-	-	$ 878,070

(b) Management of Financial Risks

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company had no exposure to credit risk as the Company maintains all of its cash in a major bank. Accordingly, the Company has assessed credit risk as low.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's liquidity and operating results may be adversely affected if its access to the capital markets is hindered. The Company has no source of revenue and has obligations to meets its administrative overheads and to settle amounts payable to its creditors. At November 30, 2022, the Company had $2,670,693 (February 28, 2022 - $878,070) in cash to settle current liabilities of $6,772 (February 28, 2022 - $40,970) and, as such, assessed liquidity risk as low.

Foreign Exchange Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The main currency to which the Company has exposure is the US dollar. The Company is exposed to currency risk to the extent of its accounts payable and accrued liabilities that are denominated in US dollars. The Company does not hedge its exposure to fluctuations in the related foreign exchange rates. The Company's exposure to currency risk is currently considered insignificant.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as held-for-trading, available-for-sale and cause fluctuations in the fair value of future cash flows for assets or liabilities classified as held-to-maturity, loans or receivables and other financial liabilities. The Company is not exposed to significant interest rate risk as the Company has no variable interest bearing debt. The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in battery metal prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Capital Management

The Company defines its capital as working capital and shareholders' equity. The Company manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support future business opportunities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is dependent upon external financing. In order to carry future activities and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements. The Company did not institute any changes to its capital management strategy since inception.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

Outstanding Share Data

The Company has authorized an unlimited number of common shares with no par value.

Type of Equity Instruments	As of November 30, 2022	As of the date of this MD&A
Common shares	38,269,450	38,322,450
Warrants	12,575,450	12,522,450

Corporate Governance

The Company's Board of Directors substantially follows the recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The current Board of Directors is comprised of 4 individuals, Adrian Lamoureux, Mandeep Parmar, Paul Chung and Todd Hanas. Both Paul Chung and Todd Hanas are neither executive officers nor employees of the Company and are unrelated in that they are independent of management.

On December 14, 2022, the Company appointed Mandeep Sing Parmar as a director and VP Corporate Development.

On December 28, 2022, the Company appointed Bryce Clark as Chief Financial Officer.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements in this MD&A are forward-looking statements or forward-looking information (collectively "forward-looking statements") within the meaning of applicable securities legislation. We are hereby providing cautionary statements identifying important factors that could cause the actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable.

While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed.

Readers are cautioned that the foregoing lists of factors are not exhaustive.

The forward-looking statements in this MD&A are based on the reasonable beliefs, expectations and opinions of management on the date of this MD&A. Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information.

Risk Factors

An investment in the Company should be considered highly speculative, due to the Company's stage and the inherent uncertainty in resource exploration and development.

The Company is exposed to many risks and uncertainties including among other factors the following:

<u>Exploration and Development</u>

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production.

The Company's projects are at an early stage of exploration. There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of minerals, metals or resources of value. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration and development programs, which may be affected by a number of factors.

The business of exploration for minerals and mining involves a high degree of risk. Whether a mineral deposit can be commercially viable depends upon a number of factors, including the particular attributes of the deposit, including size, grade and proximity to infrastructure; metal and uranium prices, which can be highly variable; and government regulations, including environmental and reclamation obligations. Few properties that are explored are ultimately developed into profitable, producing mines.

Substantial expenditures are required to establish the continuity of mineralized zones through drilling and to develop and maintain the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that funds required for any proposed development of the Company's properties can be obtained on a timely basis.

The marketability of any minerals acquired or discovered by the Company in the future may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which may result in the Company not receiving an adequate return on investment capital.

There is no assurance that any regulatory authority having jurisdiction will approve the acquisition of any additional properties by the Company, whether by way of option or otherwise.

<u>Financial Capability and Additional Financing</u>

The Company has limited financial resources and has no assurance that additional funding will be available to it for further exploration and development of its projects. There can be no assurance that it will be able to obtain sufficient financing in the future to carry out exploration and development work on its projects. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions as well as the business performance of the Company.

<u>Mining Titles</u>

There is no guarantee that the Company's title to or interests in the Company's property interests will not be challenged or impugned. The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to the area of mineral properties may be disputed. There is no guarantee of title to any of the Company's properties. The

Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects.

There can be no assurance that the Company’s rights will not be challenged by third parties claiming an interest in the properties. In order to retain mining titles, the Company is obligated to perform certain annual work assessment requirements. A failure to perform adequate exploration work on specific mineral tenure claims is, in the absence of cash deposits, expected to result in the loss of such tenure.

Management

The success of the Company is currently largely dependent on the performance of its officers. The loss of the services of these persons could have a materially adverse effect on the Company’s business and prospects. There is no assurance the Company can maintain the services of its officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

Conflicts of Interest

Certain directors and officers of the Company are, and are expected to continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships, joint ventures and other financial and/or mining interests which are potential competitors of the Company or otherwise adverse in interest. It is understood and accepted by the Company that certain directors and officers of the Company may continue to independently pursue opportunities in the mineral exploration industry. Situations may arise in connection with potential acquisitions, operational aspects, or investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to the applicable corporate and securities legislation, regulation, rules and policies and the particulars of any agreements made between the Company and the applicable director or officer.

Dilution

If the Company raises additional funds through the sale of equity securities, shareholders may have their investment diluted. In addition, if warrants and options are issued in the future, the exercise of such options and warrants may result in dilution to the Company’s shareholders. The Company intends to issue further equity in the future.

History of Losses and No Assurance of Profitable Operations

The Company has incurred a loss since inception. There can be no assurance that the Company will be able to operate profitably during future periods. If the Company is unable to operate profitably during future periods, and is not successful in obtaining additional financing, the Company could be forced to cease its exploration and development plans as a result of lacking sufficient cash resources.

The Company has not paid dividends in the past and has no plans to pay dividends for the foreseeable future.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions may occur. These unexpected or unusual conditions may include rock bursts, cave-ins, fires, flooding and earthquakes. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

Environmental and Safety Regulations and Risks

Environmental laws and regulations may adversely affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. Furthermore, the permission to operate could be withdrawn temporarily where there is evidence of serious breaches of health and safety, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or non-compliance with environmental laws or regulations.

Fluctuating Commodity Prices

The Company's revenues, if any, are expected to be in large part derived from the sale of commodities. The prices of commodities, including prices related to lithium and uranium, have fluctuated widely in recent years and are affected by factors beyond the control of the Company including, but not limited to, economic and political trends, currency exchange fluctuations, economic inflation and expectations for the level of economic inflation in the consuming economies, interest rates, global and local economic health and trends, speculative activities and changes in the supply due to new mine developments, mine closures, and advances in various production and technological uses for commodities being explored for by the Company.

All of these factors, and other factors not detailed herein, may impact the viability of Company projects, and include factors which are not possible to predict with certainty.

Competitive Conditions

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial resources and technical capabilities. Competition in the mining industry is primarily for mineral properties which can be developed and produced economically; the technical expertise to find, develop, and produce such properties; the labor to operate the properties; and the capital for the purpose of financing development of such properties. Many competitors not only explore for and mine for metals, minerals and uranium, but also conduct refining and marketing operations on a world-wide basis and most of these companies have much greater financial and technical resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these mineral deposits could have a material adverse effect on the Company's results.

Inadequate Infrastructure May Affect the Company's Operations

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, community, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.