# HIGH TIDE RESOURCES CORP.
# MANAGEMENT'S DISCUSSION AND ANALYSIS
# FOR THE YEAR ENDED JUNE 30, 2022

The following management's discussion and analysis ("MD&A") of the results of operations and financial condition for High Tide Resources Corp. (the "Company", or "High Tide") is prepared as of October 27, 2022 and should be read in conjunction with the audited consolidated financial statements for the years ended June 30, 2022 and 2021, and the related notes (the "Annual Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are available on High Tide's website at www.hightideresources.com and under the Company's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com. Readers are encouraged to read the Cautionary Note Regarding Forward-looking Information included on page 11 of this MD&A. The financial information in this MD&A is derived from the Annual Financial Statements using accounting policies consistent with IFRS. All figures contained herein are expressed in Canadian dollars ("$") unless otherwise stated.

Overall Performance

The Labrador West Property is at an early stage of exploration. As such, the Company's only source of funds is derived from the issuance of equity, plus whatever interest it may earn from cash balances and the investment of that portion of the proceeds of such equity issuances not otherwise immediately required for exploration purposes, in short-term investments and money market instruments.

## Selected Annual Information

| | **June 30, 2022** | June 30, 2021 | June 30, 2020 |
|---|---|---|---|
| | **$** | $ | |
| Cash | **1,176,596** | 2,351,249 | 601,355 |
| Amounts receivable and prepaids | **508,307** | 128,687 | 187,818 |
| Total assets | **1,684,903** | 2,479,936 | 789,173 |
| Trade payables and accrued liabilities (Note 8) | **968,290** | 43,700 | 1,210 |
| Due to related company (Note 8) | **91,486** | 152,906 | - |
| Total liabilities | **1,059,776** | 196,606 | 1,210 |
| Shareholders' equity | **625,127** | 2,283,330 | 787,963 |
| Total liabilities and shareholders' equity | **1,684,903** | 2,479,936 | 789,173 |
| Net loss | **4,478,035** | 927,058 | 1,340,165 |
| Loss per share | **0.08** | 0.03 | 0.05 |

## Results of Operations

| | **Fourth Quarter** | | **Year** | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| Exploration and evaluation expenditures | **$ 1,663,662** | $ (7,515) | **$ 3,805,802** | $ 775,510 |
| General and administrative | **173,846** | 51,025 | **615,320** | 151,548 |
| Share-based compensation | **66,448** | 0 | **66,448** | - |
| Net loss | **1,894,421** | 43,510 | **4,478,035** | 927,058 |
| Loss per weighted average share | **0.04** | 0.01 | **0.08** | 0.03 |

For the year ended June 30, 2022, the Company recorded a net loss of $4,478,035 (2021 – $927,058). The increased loss in the year ended June 30, 2022, was due to an increase in acquisition and holding costs and exploration expenditures to $3,805,802 (2021 – $775,510). The increase in exploration expenditures was primarily due to the one-time acquisition cost related to Labrador West in the amount of $1,611,301, exploration costs of $1,957,633 from the drill program undertaken in the summer 2022 for the same project, and evaluation expenditures of $349,714 (2021 - $192,145) on its Lac Pegma Property. The majority of the expenditures that pertain to the Lac Pegma Property were incurred for services from geologists to compile historical data. These expenditure levels are net of $112,848 recorded for a tax credit for qualified exploration expenses from the Province of Quebec.

*Operating activities*

Net cash used in operating activities in 2022 amounted to $2,196,816 compared to $964,210 in the same period in 2021. The 2022 operating cash outflow was the result of an increase in exploration and evaluation expenditures, general and administrative expenses and changes in non-cash working capital items. See Notes 9 and 10 in the Annual Financial Statements.

*Financing activities*

In 2022, the Company received $1,083,583 cash in net proceeds from the issuance of 7,332,060 common shares.

**Summary of Quarterly Results**

The following table sets out selected quarterly information for the eight most recently completed quarters, for which financial statements are included herein.

| | June 30, 2022 | March 31, 2022 | Dec. 31, 2021 | Sept. 30, 2021 | June 30, 2021 | March 31, 2021 | Dec. 31, 2020 | Sept. 30, 2020 |
|---|---|---|---|---|---|---|---|---|
| Revenue | $nil | $nil | $nil | $nil | $nil | $nil | $nil | $nil |
| Loss | $1,894,421 | $318,799 | $2,000,335 | $264,480 | $43,510 | $116,361 | $96,271 | $670,916 |
| Loss per Share (Basic) | $0.03 | $0.01 | $0.04 | $0.00 | $0.00 | $0.01 | $0.00 | $0.02 |
| Loss per Share (Diluted) | $0.03 | $0.01 | $0.00 | $0.00 | $0.01 | $0.00 | $0.02 | $0.00 |

Discussion of Operations

The Company commenced operations on October 18, 2018. The focus of Management during the period from incorporation to the date hereof was on organizing the Company, negotiating with Altius, acquiring the interest in the Licenses and commencing exploration on the Labrador West Property. No revenues were realized. During this period, the Company completed various private placement financings and issued common shares to the founders of the Company.

**Labrador West**

**Corporate**

On August 20th, 2019, the Company entered into an option agreement (together with the Amendment Agreement, the Second Amendment Agreement and the Third Amendment Agreement, each as defined herein below, the "Labrador West Option Agreement") with Altius Resources Inc. ("Altius") pursuant to which the Company was granted the Labrador West Option to acquire up to a 100% interest in the Labrador West iron ore project, located in the Labrador Trough. The Labrador West Option is exercisable until December 31, 2022.

On November 27, 2020, the Company and Altius entered into an amendment agreement (the "Amendment Agreement") pursuant to which the Company and Altius agreed to amend the Labrador West Option Agreement to defer all obligations under the Labrador West Option by one calendar year due to ramifications resulting from the COVID-19 virus and the related government-imposed restrictions and lockdowns.

On September 28, 2021, the Company and Altius entered into a second amendment agreement (the "Second Amendment Agreement") pursuant to which the Company and Altius agreed to further amend the Labrador West Option Agreement to provide for an adjustment to the share consideration payable to exercise the Labrador West Option.

On November 5, 2021, the Company and Altius entered into a third amendment agreement (the "Third Amendment Agreement") pursuant to which the Company and Altius agreed to further amend the Labrador West Option Agreement to provide for the share consideration payable to exercise the Labrador West Option to be adjusted to be calculated on a partially diluted basis instead of a fully diluted basis. The Company and Altius agreed that the difference between the share consideration payable on a partially diluted basis versus a fully diluted basis shall be payable to Altius at Altius' option by way of the Milestone Shares (as defined below).

Accordingly, pursuant to the Labrador West Option Agreement, as amended by the Amendment Agreement, the Second Amendment Agreement and the Third Amendment Agreement, in order for the Company to exercise the Labrador West Option, the Company must:

(a) within 36 months from the execution date of the Labrador West Option Agreement, the Company must have listed its common shares on, or assigned the Labrador West Option to a company ("Pubco") that has its shares listed on, the Toronto Stock Exchange, the TSX Venture Exchange, or the Canadian Securities Exchange ("CSE");

(b) incur expenditures in connection with the exploration of the property subject to the Labrador West Option Agreement ("Exploration Expenditures"), consisting of:

    a. At least $1,000,000 by December 31, 2021 (completed); and

    b. An additional $1,000,000 by December 31, 2022;

    The Company is entitled to satisfy any deficiency in the Exploration Expenditures by making cash payments to Altius in lieu of the Exploration Expenditures; and

(c) issue to Altius a number of common shares of the Company (the "Payment Shares"), such that the number of the Payment Shares shall result in Altius owning 19.9% of the issued and outstanding capital of the Company on a partially diluted basis calculated immediately following the time the Equity Financing Threshold (as defined hereinafter) is obtained (the "Payment Date"); the "Equity Financing Threshold" equals the gross proceeds of any equity financings combined with cash held by the Company plus total Exploration Expenditures up to the initial equity financing up to a maximum of $3,000,000, will total at least $4,000,000.

Upon the Company satisfying the above conditions, the Company will have been deemed to have exercised the Labrador West Option and will be entitled to purchase the 100% interest in the property subject to the provisions of the Labrador West Property Agreement, which include, among other matters:

(a) issue to Altius a number common shares of the Company equal to $200,000 (the "Additional Shares") on the earlier of: (i) the first anniversary of the Payment Date and (ii) the date whereby the Company completes a financing transaction subsequent to the Payment Date (the "Secondary Financing"), at a price per Additional Share equal to the price per share pursuant to the Secondary Financing; in the event that the Company has not completed the Secondary Financing by the first anniversary of the Payment Date, then the price per Additional Share shall be equal to the maximum applicable discount under the policies of the CSE and as may be acceptable to the CSE; in the event that the issuance of the Additional Shares would result in Altius holding more than 19.9% of the common shares of the Company on a partially diluted basis the number of the Additional Shares issuable to Altius will be decreased by such number of shares so that Altius's holdings will not exceed 19.9% of the issued and outstanding common shares in the capital of the Company; and

(b) within 24 months from the date the Company delivers the Payment Shares to the Altius, the Company shall be obligated to issue to Altius an additional 1,246,004 Common Shares (the "Milestone Shares"), at the sole discretion of Altius. Altius may elect at any time to receive the Milestone Shares by delivering notice to that effect to the Company, provided that the issuance of the Milestone Shares would not result in Altius holding more than 19.9% of the Common Shares of the Company on a partially diluted basis. The Milestone Shares shall be issued at a deemed price per Milestone Share equal to the maximum applicable discount under the policies of the CSE and as may be acceptable to the CSE. The Company shall not be responsible for the issuance of any unissued Milestone Shares in the event that Altius does not make an election to receive the Milestone Shares, in full, within 24 months from the delivery date of the Payment Shares.

On September 28th, 2021, the Company and Altius entered into the Second Amendment Agreement, which among matters, reduced the Equity Financing Threshold from a total of $5,000,000 to a total of at least $4,000,000. The reduction of the Equity Financing Threshold had the effect of triggering the issuance of the Payment Shares, as the gross proceeds of equity financings up to a maximum of $3,000,000 combined with the cash held by the Company plus total Exploration Expenditures was in excess of $4,000,000. On November 5th, 2021, the Company and Altius entered into the Third Amendment Agreement which, among other matters, established that the Payment Shares shall be issued on a partially diluted basis.

A total of 13,427,507 Payment Shares were issued to Altius on November 5, 2021. The Payment Shares were issued at a deemed price per Payment Share of $0.15. For accounting purposes, the shares are valued based on the value of shares issued in the most recent private placement which was estimated at $0.12 for a total value of $1,611,301.

Upon acquiring a 100% interest in the project, the public company shall grant to Altius a 2.75% gross sales royalty ("GSR") on all iron ore produced, removed and recovered from the project.

Additionally, the Corporation has issued 9,146,666 common shares to arm's-length parties as consideration for the assumption of the rights to the option. The fair value of these consideration shares was estimated to be $0.10 based on price of the shares issued in the most recent private placement closed by the Corporation.

**Technical**

In April 2022, the Company, along with its contractors and consultants, mobilised and commenced a drill program with the goal of completing a maiden mineral resource estimate ("MRE") for the Labrador West iron ore project. Seven drill holes totalling ~2300 m of HQ diameter core was drilled during the program with the drill core being logged and sampled at the Company's core logging facility in Labrador City, Labrador. Samples were shipped to Activation Laboratories located in Ancaster, Ontario with the first set of assays released via press release dated August 10, 2022.

The Company is highly encouraged by the assay results as they continue to outline a large at-surface oxide iron formation that was first recognized and drilled by Rio Tinto in 2010 through 2012 (18 holes for ~4200m) and confirmed by the Company in 2020 by drilling four holes for a total of 1000m. To date, over 7500m of core has been drilled on the property with a large portion of that to be utilised for the upcoming MRE.

The following table highlights the key iron oxide facies drill intercepts from the 2022 program that have been released as of October 27, 2022.

| DDH ID | Easting (NAD83 Zone 19N) | Northing (NAD83 Zone 19N) | Elevation (m) | Dip (Deg) | From (m) | To (m) | Drill Width (m) ** | Fe Total (%)* |
|---|---|---|---|---|---|---|---|---|
| **22LB0060** | 650892 | 5895630 | 559 | -90 | **4.60** | **209.76** | **205.16** | **32.06** |
| **22LB0061** | 650983 | 5895854 | 576 | -90 | **26.30** | **151.20** | **124.90** | **28.23** |
| | | | | | **170.00** | **192.70** | **22.70** | **32.11** |
| **22LB0062** | 651259 | 5896013 | 564 | -90 | **11.00** | **42.40** | **31.40** | **29.31** |
| | | | | | **179.91** | **194.00** | **14.09** | **28.61** |

| DDH ID | Easting (NAD83 Zone 19N) | Northing (NAD83 Zone 19N) | Elevation (m) | Dip (Deg) | From (m) | To (m) | Drill Width (m) ** | Fe Total (%)* |
|---|---|---|---|---|---|---|---|---|
| | | | | | **226.00** | **258.50** | **32.50** | **25.18** |
| | | | | | **281.95** | **306.00** | **24.05** | **26.75** |
| | | | | | **323.75** | **336.25** | **12.50** | **25.38** |
| **22LB0063** | 650880 | 5896153 | 595 | -90 | **3.95** | **82.75** | **78.80** | **30.51** |
| | | | | | **177.00** | **214.90** | **37.90** | **27.92** |
| | | | | | **241.70** | **265.00** | **23.30** | **27.99** |
| | | | | | **317.50** | **350.00** | **32.50** | **31.67** |
| **22LB0064** | 651527 | 5896166 | 554 | -90 | **3.30** | **90.50** | **87.2** | **30.75** |
| | | | | | **137.20** | **156.88** | **19.68** | **28.32** |
| | | | | | **172.12** | **186.35** | **14.23** | **27.48** |
| | | | | | **197.57** | **208.53** | **10.96** | **24.14** |
| | | | | | **223.11** | **257.96** | **34.85** | **23.35** |
| | | | | | **307.50** | **320.30** | **12.8** | **26.52** |
| **22LB0065** | 650356 | 5895339 | 595 | -90 | **33.10** | **98.00** | **64.90** | **28.69** |
| | | | | | **106.89** | **132.95** | **26.06** | **30.42** |
| | | | | | **189.78** | **217.00** | **27.22** | **32.03** |
| | | | | | **284.77** | **344.80** | **60.03** | **28.12** |
| **22LB0066** | 651139 | 5895288 | 549 | -90 | **128.30** | **179.00** | **50.70** | **31.18** |
| | | | | | **307.20** | **318.30** | **11.10** | **27.16** |

The Company is using the new drill information to develop and refine its geological and lithological models for the Labrador West Iron Project that will feed into the MRE which is expected to be released before the end of the 2022 calendar year.

The Company continues to engage and have discussions with the Innu Nation of Labrador.

**Lac Pegma**

On February 2, 2021, High Tide entered into a purchase agreement with Globex Mining Enterprises Inc. ("Globex") to purchase 100% of the Lac Pegma copper-nickel-cobalt sulphide deposit located approximately 50 kilometres south of Fermont, Que.

The terms of the purchase agreement are as follows: High Tide paid Globex $10,000 in cash and an undertaking to issue 650,000 shares of High Tide upon completion of an initial public offering/liquidity event. In addition, Globex will retain a 2% gross metal royalty with a 1% buyback option for $1,500,000 exercisable at any time at the discretion of the Company.

Further, on February 25, 2021, High Tide increased its land position by acquiring 35 additional mineral exploration claims adjacent to its Lac Pegma copper-nickel-cobalt sulphide deposit.

The Company continues to engage and have discussions with the Uashat Mak Mani-Utenam, the Innu First Nations based in Sept-Îles, Quebec.

**Clearcut Lithium**

On July 11, 2022, the Company entered into an option purchase agreement to acquire a 100% interest in the Clearcut Lithium Project ("CLP") located in Abitibi Témiscamingue region southwest of Val d'Or, Quebec.

The CLP consists of 249 claims covering approximately 14,400 hectares within a network of logging roads allowing for good access and reduced exploration costs. Quebec MERN Report DP-338 issued in 1975 indicates that the CLP property is underlain almost entirely by granite with pegmatite.

Increasing worldwide demand for lithium from the nascent battery sector has focused exploration on areas of historical pegmatite-type lithium deposits. Since 2016 Sayona Mining Ltd. has accelerated exploration and development of the Authier lithium deposit and the recently acquired, past-producing North American lithium mine in the Preissac-Lacorne-Lamotte area located just 20 kilometres to the north of the Cadillac-Pontiac camp. This advanced activity has resulted in a keen interest in the lithium potential of Cadillac-Pontiac where traditionally there has been very little exploration due to the focus on the rich gold and volcanogenic-type base metal deposits found in the prolific Abitibi Greenstone Belt lying just to the north.

The Company may acquire a 100% interest in the CLP by making aggregate cash payments of $100,000, issuing an aggregate of 1,000,000 common shares of the Company and incurring an aggregate of $1,000,000 in exploration expenditures on or before the third anniversary date of the Agreement. The Vendors will retain a 2.0% net smelter royalty, 0.5% of which may be purchased by the Company for $1,000,000. Further, the Company has agreed to make additional one-time milestone payments of $500,000 and $1,000,000 upon the filing of a positive feasibility study and upon the start of commercial production respectively. The milestone payments may be paid in cash or the issuance of shares at the Company's discretion and shall be deemed to be an advance to the Vendors to be deducted against future royalty payments.

Liquidity and Capital Resources

The Company is an exploration-stage company and does not generate revenues. As such, it finances all of its operations and the exploration of its mineral properties principally through the issuance of share capital. Although the Company has to date been successful in its attempts to raise capital, there can be no assurance that its future efforts will likewise be successful. The mineral exploration business is high risk, and the vast majority of exploration projects will not result in producing mines. The success of future financings will depend on a variety of factors including geological success – i.e., obtaining superior results from exploration, a positive investment climate encompassing strong metal prices, solid stock market conditions, a "risk-on" appetite among investors and the Company's track record and the ability and experience of management. If such financing is unavailable, the Company may be unable to retain its mineral interests and execute its business plans.

As at June 30, 2022, the Company has net working capital of $625,127.

Notwithstanding considerable uncertainty in the global economic outlook, Management has been encouraged by market interest in the Company's properties and its proposed exploration plans. Markets appear receptive and Management views the outlook for 2021 and 2022 as promising. On February 25, 2022, the Company listed it shares on the CSE.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

The Company entered into the following transactions with related parties during the years ended June 30, 2022 and 2021:

| With key management personnel of the Company: | **For the year ended June 30, 2022 $** | For the year ended June 30, 2021 $ |
|---|---|---|
| Consulting fees | 115,875 | 103,750 |
| Exploration and evaluation expenses paid | Nil | 57,825 |
| Share-based compensation | 58,474 | Nil |
| TOTAL | 174,349 | 161,575 |

Trade payables and accrued liabilities as at June 30, 2022 include $13,375 (2021 - $5,600) owed to officers of the Company. Such amounts are unsecured, non-interest bearing and with no fixed terms of payment.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including directors (executive or non-executive) of the Company.

Proposed Transactions

As at the date of this Prospectus, there are no proposed transactions currently contemplated by the Company, however similar to other exploration companies, Management may from time to time evaluate other potential projects.

Financial Instruments

The Company's financial instruments consist of cash, receivables, trade payables and accrued liabilities. Unless otherwise noted, it is Management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values unless otherwise stated.

Additional Information and Qualified Person

Additional information relating to the Company may be found on the Company's profile on SEDAR at www.sedar.com.

The foregoing and technical information contained has been prepared or reviewed by Steve Roebuck, CEO and Director, who is a registered Professional Geologist and is a "Qualified Person" for the purposes of National Instrument 43-101, Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators.

Disclosure of Outstanding Share Data

| **As at** | **Common Shares** | **Warrants** | **Stock Options** | **Fully Diluted** |
|---|---|---|---|---|
| **June 30, 2022** | 68,124,908 | 4,981,532 | 1,875,000 | 74,981,440 |
| **October 27, 2022** | 68,124,908 | 4,981,532 | 1,875,000 | 74,981,440 |

Additional Disclosure for Venture Issuers without Significant Revenue

**See Results of Operations.**

The following table sets out a breakdown of all E&E costs for years ended June 30, 2022 and 2021:

| **Labrador West Property** | **For the year ended June 30, 2022 $** | For the year ended June 30, 2021 $ |
|---|---|---|
| Acquisition | 1,611,301 | (3,550) |
| Drilling | 988,991 | 302,138 |
| Helicopter chartering | 492,495 | 140,431 |
| Geologists | 358,556 | 216,811 |
| In-country logistics | 71,300 | 43,534 |
| Hotels & Meals | 44,447 | 38,750 |
| Administration | 2,144 | 3,363 |
| Assaying | - | 18,478 |
| **TOTAL** | **3,568,934** | **759,955** |

The following tables set out the total exploration and evaluation costs recorded by the Company for the Lac Pegma Property:

| **Lac Pegma Property** | **For the year ended June 30, 2022 $** | For the year ended June 30, 2021 $ |
|---|---|---|
| Geologists | 166,476 | 74,197 |
| Helicopter chartering | 64,749 | 82,390 |
| Acquisition | 58,500 | 32,558 |
| Geophysical | 43,259 | 82,390 |
| Assaying | 16,653 | 3,000 |
| Administration | 77 | - |
| **TOTAL** | **349,714** | **192,145** |

The exploration and evaluation expenditures in the year ended June 30, 2022 were greater than the year ended June 30, 2021 primarily due to an increase in costs associated with prospecting and mapping that was performed on the Lac Pegma Property.

*General and Administrative Expenses*

The following tables set out the general and administrative expenses of the Company for the years ended June 30, 2022 and 2021:

| | **For the year ended June 30, 2022 $** | For the year ended June 30, 2021 $ |
|---|---|---|
| Professional fees | 189,576 | 35,000 |
| Consulting fees | 160,341 | 103,750 |
| Investor relations | 158,030 | 7,500 |
| Office expenses | 61,413 | 2,731 |
| Travel | 37,740 | 877 |
| Transfer agent | 8,220 | 1,690 |
| **Total** | **615,320** | **151,548** |

The increase in general and administrative expenses of the Company for the years ended June 30, 2022 as compared to the year ended June 30, 2021 was principally related to the costs associated with the listing process for the Company and the additional costs required as a reporting issuer.

The following tables set out the general and administrative expenses of the Company for the three months ended June 30, 2022 and 2021:

| | **For the three months ended June 30, 2022 $** | For the three months ended June 30, 2021 $ |
|---|---|---|
| Consulting fees | 63,375 | 26,250 |
| Investor relations | 44,180 | Nil |
| Professional fees | 25,481 | 23,000 |
| Office expenses | 20,536 | 600 |
| Travel | 18,429 | 877 |
| Transfer agent | 1,845 | 300 |
| **Total** | **173,846** | **51,027** |

The increase in general and administrative expenses of the Company for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021 was principally related to the costs associated with the listing process for the Company and the additional costs required as a reporting issuer.

## Risks and Uncertainties

Although Management attempts to mitigate risks associated with exploration and mining and minimize their effect on the Company's financial performance, there is no guarantee that the Company will be profitable in the future and the Company's Common Shares should be considered speculative.

*Laws and Regulations Governing Operations*

The operations of the Company's properties will be subject to various laws and regulations relating to the environment, prospecting, development, production, waste disposal and other matters. Amendments to current laws and regulations governing activities related to the Company's mineral properties may have material adverse impact on operations.

*Exploration, Development and Operating Risk*

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation, may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to the hazards and risks normally associated with mineral exploration and the development of deposits, many of which could result in work stoppages, damage to property, and possible environmental damage. Mining involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. None of the properties in which High Tide has an interest has a defined orebody and there is no assurance that any of High Tide's mineral exploration and development activities will result in the discovery of a commercially viable mineral deposit. Exploring in a foreign jurisdiction subjects the Company to additional risks including potential political change, changes in law or policies, inability to obtain permits or delays in obtaining them, limitations on foreign ownership and other risks not specified here. Foreign currency fluctuations may also adversely affect the Company's financial position and operating results.

*Community Relations*

The Company's relationship with the local communities and First Nations ("Interested Parties") where it operates is critical to ensure the future success of its existing activities and the potential development and operations of its projects. Failure by the Company to maintain good relations with Interested Parties, or the lack of support from Interested Parties, could result in adverse claims and difficulties for the Company.

*Ability of Community Stakeholders to Impede Project Success*

The Company recognizes that it is crucial that it engages with key constituency groups to mitigate the social and business risk associated with exploration on properties owned by non-shareholding stakeholders.

*Property Title*

Property title may be jeopardized by unregistered prior agreements or by the Company not fully complying with regulatory requirements.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee that challenges to the titles may not emerge.

*Environmental Matters*

The Company's exploration activities are subject to various federal, cantonal, provincial and international laws and regulations governing the protection of the environment. The Company believes that its operations are materially in compliance with all applicable laws and regulations. However, the Company has engaged, and is reliant upon, an environment specialist consultant to keep the Company informed and compliant with respect to environmental rules and regulations.

*Funding*

The Company will require significant capital to finance its overall objectives and there can be no assurance that the Company will be able to raise the capital required, thus jeopardizing the Company's ability to achieve its objectives, meet its obligations or continue as a going-concern. Given the nature of the Company's operations, which consist of exploration, evaluation, development and acquisition of mineral properties or mining projects, the Company believes that the most meaningful financial information relates primarily to current liquidity and solvency. There can be no assurance that the Company's directors/officers will fund the Company's working capital needs.

Failure to obtain sufficient and timely financing may result in delaying or indefinitely postponing exploration or development activities. If the Company obtains debt financing, it may expose its operations to restrictive loan and lease covenants and undertakings. If the Company obtains equity financing, existing shareholders may suffer dilution.

Cautionary Note Regarding Forward-looking Statements

Certain statements in this MD&A constitute forward-looking information. Often, but not always, forward-looking statements use words or phrases such as: "expects", "does not expect" or "is expected", "anticipates" or "does not anticipate", "plans" or "planned", "estimates" or "estimated", "projects" or "projected", "forecasts" or "forecasted", "believes", "intends", "likely", "possible", "probable", "scheduled", "positioned", "goal", "objective" or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Such forward-looking statements, including but not limited to statements with respect to anticipated business plans or strategies, involve known and unknown risks, uncertainties and other factors which may cause the actual actions, events and results to be materially different from estimated actions, events or results expressed or implied by such forward-looking statements. The Company believes the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. Factors that could cause actual results to differ materially from those anticipated in these forward-looking statements are described under the caption “Risk and Uncertainties” above. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. The Company undertakes no obligation to update forward-looking statements if circumstances or management’s estimates or opinions should change except as required by applicable securities laws.