



**INTERNATIONAL PROSPECT VENTURES LTD.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018**

**DATED: April 23, 2020**

## **SCOPE OF THIS MANAGEMENT'S DISCUSSION AND ANALYSIS AND NOTICE TO INVESTORS**

This management's discussion and analysis of financial position and results of operations ("MD&A"), is prepared as of April 23, 2020, and complements the audited financial statements of International Prospect Ventures Ltd. (the "Company" or "International Prospect"), for the years ended December 31, 2019 and 2018.

All financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all amounts are in Canadian dollars unless otherwise indicated. Additional information is provided in the Company's audited consolidated financial statements for the year ended December 31, 2019.

The audited consolidated financial statements and the MD&A have been reviewed by the Audit Committee and approved by the Company's Board of Directors on April 23, 2020. These documents and more information about the Company are available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **FORWARD LOOKING STATEMENTS**

Certain statements made in this MD&A are forward-looking statements or information. The Company is hereby providing cautionary statements identifying important factors that could cause the Company's 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 (often, but not always, through the use of words or phrases such as "may", "is expected to", "anticipates", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook") 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. In making these forward-looking statements, the Company has assumed that the current market will continue and grow and that the risks listed below will not adversely impact the business of the Company. 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. The risks, uncertainties and other factors, many of which are beyond the control of the Company that could influence actual results are summarized below under the heading "Risks and Uncertainties".

Further, unless otherwise noted, any forward-looking statement speaks only as of the date of this MD&A, and, except as required by applicable law, the Company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Company, or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement.

## **ABOUT INTERNATIONAL PROSPECT VENTURES LTD.**

International Prospect Ventures Ltd., ("International Prospect" or the "Company"), incorporated on February 18, 2010 under the Business Corporations Act of British Columbia, is involved in the process of exploring, evaluating and promoting its mineral properties and other projects.

The head office of the Company is located at 152 Chemin de la Mine École, Val-d'Or, Québec, J9P 7B6. The Company's registered and records office is located at #1810 - 1111 West Georgia Street, Vancouver, B.C. V6E 4M3. The Company also has exploration offices located at 2864 Chemin Sullivan, Val-d'Or, Québec, J9P 0B9.

The Company's common shares trade on Tier 2 of the TSX Venture Exchange under the trading symbol "IZZ".

Golden Valley Mines Ltd. ("Golden Valley"), a significant shareholder, holds a 16.50% interest in the Company as at December 31, 2019 (December 31, 2018 – 17.53%).

## **PROJECTS IN THE PILBARA CRATON, WESTERN AUSTRALIA**

In 2017, the Company entered into an agreement with Valroc Ventures Pty Ltd. ("Valroc"), a New South Wales company, located in Australia, pursuant to which the Company and Valroc will jointly acquire certain mining claims located in Western Australia, each with an undivided 50% interest. Valroc will be responsible for arranging to have the claims acquired, registered and held in good standing. The Company will pay all of the costs of acquiring the claims, and other related costs including the costs of initial technical compilations and program reviews up to a maximum of \$120,000 to allow the Company and Valroc to consider establishing a conventional joint venture arrangement on or around December 31, 2017.

Also, in 2017, the Company and Valroc made an application for eight tenements in the Marble Bar and Nullagine areas of the Pilbara Region, Western Australia (Fortescue Basin), covering a total area of approximately 1026.10 square kilometres. The strategic locations of the claims were determined on the basis of a review of known geology and historical exploration results, and a focus on coarse-grained conglomerate host rocks at, or in proximity to, a prominent and well-documented geological unconformity. The eight properties are also proximal to and/or cover target lithologies for gold-bearing conglomerate/sedimentary rocks at the base of the Mt. Roe Basalt (2 tenements), gold-bearing Mosquito Creek and Hardey formations (4 tenements), and other prospective rocks of the Fortescue Group (2 tenements). Seven of the 8 tenements are proximal to lands held by Novo Resources, Pacton Gold, and Millennium Minerals.

On December 12, 2017, the Company and Valroc entered into a binding share exchange agreement ("Valroc agreement") to acquire 100% interest in Valroc. Pursuant to the terms of the Valroc agreement, the owner of Valroc will exchange with the Company all of the issued and outstanding shares of Valroc for 1,600,000 common shares of the Company on the terms and conditions set forth in the Valroc agreement and Valroc will become a wholly owned subsidiary of the Company such that the Company will then own a 100% interest in the tenements upon the applications for such tenements being granted.

Completion of the transactions contemplated by the Valroc agreement is conditional on the applications for the tenements being granted and acceptance by the TSX Venture Exchange.

With the granting of the final licences on January 9, 2019, pursuant to the Valroc agreement, the Company acquired all of the issued and outstanding shares of Valroc on January 31, 2019, and as consideration for the acquisition, the Company issued 1,600,000 common shares of the Company to the owner of Valroc.

The following table provides a summary of the Company's eight tenements in eastern part of the Pilbara, Western Australia:

Licence	Area (ha)	Description	Known Prospects
E45/5024	4650	Dominated by Fortescue Group including interpreted Mt. Roe Basalt and Hardey Formation at depth. Proximal to Novo Resources and Pacton Gold.	-
E46/1197	2170	Covers Nullagine Group including Mosquito Creek Formation which hosts multiple gold prospects and mines along strike to the west.	Little Linden West (Au) Little Linden South 1 (Au) Little Linden South 2 (Au) Little Linden South 3 (Au)
E46/1198	4030	Covers Nullagine Group including Mosquito Creek Formation which hosts multiple gold prospects and mines along strike to the west.	-
E46/1202	930	Covers Nullagine Group including Mosquito Creek Formation which hosts multiple gold prospects and mines along strike to the west.	-
E46/1201	1240	Covers Nullagine Group including Mosquito Creek Formation which hosts multiple gold prospects and mines along strike to the west.	-
E46/1199	7440	East half dominated by Fortescue Group.	Coondamar Creek CEC (Cu-Pb-Zn) Coondamar Creek Mogul (Cu-Pb-Zn-Ag)
E45/5023	62000	Covers Fortescue Group that include prospective conglomerates. Two prospects on the Property hosted by Hardey Formation.	Fletchers Find (Au) Pearana 1 (Cu-Pb-Zn)
E46/1200	20150	Dominated by Fortescue Group with Mt. Roe Basalts and Hardey Formation in the area.	-

Between March and August 2019, the Company received 11 Prospecting Permit notices (Section 40E Permits) and executed seven Prospecting Agreements with local prospectors interested in exploring the properties. The prospectors use metal detecting methods to search for gold nuggets at or near the surface.

Several mandatory prospecting reports are pending, but official reports submitted to date to the Department of Mines and Petroleum offer some interesting and encouraging results. Results from 2019 third party prospecting include 108 gold nuggets (total weight 22.1 g) and 2 gold nuggets (0.8 and 1.2 g) from Licence E46/1197 and 22 g of gold nuggets (ranging from 0.1 to 5.2 g) from five areas on Licence E46/1198. In addition, a single approximately 7.5 troy ounce (233.28 g) gold nugget was reported from Licence E46/1198.

A summary of gold nuggets found by third party prospectors in 2019 from three of the properties is as follows:

Licence No.	No. Nuggets	Weight (g)	Description
E46/1197	142	51.1	range from <1g to several grams per nugget
E46/1198	29	456.3	numerous <1g nuggets; one nugget ~7.5 toz
E46/1200	10	5.0	scattered nuggets

Site visits were completed in early November 2019 and included visiting some of the sites from which the nuggets were reportedly collected and other reconnaissance field activity. International Prospect is currently undertaking extensive data compilation of all publicly available information and data from the eight tenements. Following the completion of the compilation work, the Company will complete planning of its first exploration program on the properties which will focus on prospecting, geological mapping and surface sampling.

## CANADIAN MINERAL PROPERTIES

### The Porcupine Miracle Prospect

The Company owns a 100% interest in the Porcupine Miracle Prospect, located approximately 30 km southeast of South Porcupine (Timmins, Ontario) and is comprised of 9 mining claim cells (64 ha) within Langmuir Township, north-eastern Ontario. Historical work completed in the early 1900's by the Porcupine Miracle Gold Mining Company reportedly included shaft sinking, underground development and the construction of a stamp mill. No records exist as to any production.

The property is subject to a royalty in favour of 2973090 Canada Inc, a company controlled by the President of the Company, equal to 3% of net smelter returns. In addition, advance royalty payments of \$10,000 per annum is payable by the Company, which commenced on July 17, 2017; the advance royalty payments will be deducted from the amounts payable under the royalty.

The Company has completed a Phase I property-scale ground magnetic, induced polarization (IP) and Horizontal Loop Electromagnetic (HLEM) geophysical surveying. A follow-up Phase II program of prospecting, mapping, bedrock stripping, sampling and diamond drilling is recommended.

The property is available for option and International Prospect is actively seeking joint venture partners.

### Beartooth Island Prospect

The Company holds a 40% interest in the Beartooth Island Prospect located in the Athabasca Basin in the province of Saskatchewan. The property consists of one (1) claim totaling 5,940 hectares. This property is the subject of an agreement with Ditem Explorations Inc. ("Ditem"). Ditem can acquire an additional 6% interest in the property by advising the Company of its intent to complete a feasibility study at its sole cost within the period of 6 years from the operative date, subject to and in accordance with the terms of the agreement. As of the date hereof, the Company retains a 40% interest therein on the single mining claim; Ditem is the operator. No exploration work was conducted on the properties in 2019.

### Otish/Mistassini Prospect - North Central Québec

The Company owns a 100% interest in the Otish/Mistassini Prospect located in north-central Québec. The prospect consists of 46 claims covering an area of 2,447 hectares, within four (4) separate claim blocks. This property was impaired in a previous fiscal year. Claim maintenance fees were incurred to maintain the existing properties in good standing. No exploration work was conducted on the properties in 2019.

### Update on COVID-19

The global outbreak of COVID-19 has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. Similarly, the government of Western Australia has imposed strict travel restrictions where the tenements are located.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

### **SELECTED FINANCIAL POSITION**

	<b>As at December 31,</b>	
	<b>2019</b>	<b>2018</b>
Cash and cash equivalents	\$ 336,830	\$ 617,200
Due from related party	1,465	6,953
Advance to related party	-	14,274
Other current assets	24,526	16,094
	\$ 362,821	\$ 654,521
Exploration and evaluation assets	552,303	118,109
Other non-current assets	-	75,610
Total Assets	\$ 915,124	\$ 848,240
Total Liabilities	\$ 103,147	\$ 316
Equity	\$ 811,977	\$ 847,924

### **TOTAL ASSETS**

#### *Cash and cash equivalents*

The Company ended fiscal year 2019 with cash and cash equivalents of \$336,830 compared to \$617,200 as at December 31, 2018, a decrease of \$280,370 from funding the Company's operation, exploration and evaluation activities.

### *Exploration and evaluation assets*

Exploration and evaluation assets of \$552,303 as at December 31, 2019 (2018 - \$118,109) include the following properties:

<b>Prospects</b>	<b>As at December 31,</b>	
	<b>2019</b>	<b>2018</b>
Pilbara Region	\$ 447,133	\$ 4,500
Porcupine Miracle	92,050	112,050
Other	13,120	1,559
<b>Total</b>	<b>\$ 552,303</b>	<b>\$ 118,109</b>

The increase in Exploration and evaluation assets relates to additions of \$34,244 for claim maintenance and rent fees to keep the eight tenements in the Pilbara Region in good standing, of \$200,000 representing the assigned value for the 1,600,000 common shares issued by the Company on acquisition of Valroc as discussed above, of \$72,796 representing the reclassification of deposits as discussed below in *Other non-current Assets*, with the remaining balance of the increase relating to consulting fees incurred for the administration and review of historical data and documents including compilation of data of the eight tenements. These increases were offset by an impairment charge of \$30,000 on the Porcupine Miracle Prospect.

### *Other non-current assets*

Other assets of \$75,610 as at December 31, 2018 included deposits of \$72,796 relating to the eight tenements staked to date. As discussed above, granting of the exploration licences for the eight tenements was completed as of January 9, 2019. Consequently, the deposits were reclassified to Exploration and Evaluation assets during the year.

### **TOTAL LIABILITIES**

Total liabilities as at December 31, 2019 were \$103,147 compared to \$316 as at December 31, 2018, an increase of \$102,831 mainly from due to related parties. Due to related parties consists of amounts of \$68,520 due to Golden Valley and of \$33,183 due to Val-d'Or Mining Corporation, a company related by common management, mainly for consulting fees charged by both companies for the review of historical data and documents including compilation of data of the eight tenements in the Pilbara Region.

### **EQUITY**

Equity totalled \$811,977 as at December 31, 2019 compared to \$847,924 as at December 31, 2018, a decrease of \$35,947 mainly due to the net loss for the year of \$297,531, offset by the issuance of 1,600,000 shares of the Company, with the assigned value of \$200,000, and share-based payments of \$70,753 relating to the granting of 50,000 incentive stock options at an exercise price of \$0.17 per share in February 2019 and of 450,312 incentive stock options at an exercise price of \$0.16 per share in June 2019.

## DISCUSSION AND RESULTS OF OPERATIONS

	For the year ended December 31,	
	2019	2018
Operating expenses	\$ 295,495	\$ 194,369
Other expenses	2,036	420
<b>Net loss and comprehensive loss</b>	<b>\$ 297,531</b>	<b>\$ 194,789</b>
Basic and diluted net loss per common share	\$ 0.011	0.008

The net loss for the year ended December 31, 2019 was \$297,531 (or \$0.011 loss per share), compared to \$194,789 (or \$0.008 loss per share) for the same period in 2018, an increase of \$102,742. The higher net loss in 2019 was mainly due to share-based payments of \$60,172 being recognized on granting of 500,312 incentive stock options in 2019 compared to no incentive stock options being granted for the same period in 2018, an impairment charge of \$30,000 on exploration and evaluation assets and an increase in audit and accounting fees.

## CASH FLOW ANALYSIS

	For the year ended December 31,	
	2019	2018
Operating activities	\$ (185,407)	\$ (178,401)
Investing activities	(85,794)	(7,519)
Financing activities	(9,169)	2,003
<b>Decrease in cash</b>	<b>\$ (280,370)</b>	<b>\$ (183,917)</b>

Cash outflows from operating activities for the year ended December 31, 2019 totaled \$185,407 compared to \$178,401 for the same period in 2018, a decrease in the use of cash flows which was mainly due to timing of working capital requirements.

Cash outflows from investing activities for the year ended December 31, 2019 totaled \$85,794 compared to \$7,519 for the same period in 2018. The higher cash outflows in 2019 relate to higher exploration and evaluation expenditures, consisting of licence renewal and consulting fees, on the eight tenements in the Pilbara Region.

Cash outflows from financing activities for the year ended December 31, 2019 totalled \$9,169 compared to cash inflows of \$2,003 for the same period in 2018. For the year ended December 31, 2019, the Company incurred share issue expenses of \$9,169 relating to the Company's issuance of 1,600,000 of its common shares on acquisition of Valroc on January 31, 2019.

## SUMMARY OF QUARTERLY RESULTS

The following selected financial information is for the 8 most recently completed quarters as derived from the Company's respective financial statements and notes thereto. The following information should be read in conjunction with the referenced financial statements, the notes to those statements and "Results of Operations" herein.

	Dec 2019	Sept 2019	Jun 2019	Mar 2019	Dec 2018	Sept 2018	Jun 2018	Mar 2018
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses	93,269	37,250	101,385	63,591	65,391	33,322	52,804	42,852
Other expenses (income)	468	1,126	182	260	(763)	(61)	2,088	(844)
<b>Net loss and comprehensive loss</b>	<b>\$ 93,737</b>	<b>\$ 38,376</b>	<b>\$ 101,567</b>	<b>\$ 63,851</b>	<b>\$ 64,628</b>	<b>\$ 33,261</b>	<b>\$ 54,892</b>	<b>\$ 42,008</b>

Basic and diluted net loss per common share	\$ 0.003	\$ 0.001	\$ 0.004	\$ 0.002	\$ 0.003	\$ 0.001	\$ 0.002	\$ 0.002
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The net loss for the three months ended December 31, 2019 was \$93,737 (or \$0.003 loss per share), compared to \$64,628 (or \$0.003 loss per share) for the same period in 2018. The net loss for the three months ended December 31, 2019 mainly related to professional fees and travel expenses as site visits in the Pilbara, Western Australia prospects were completed in early November 2019 and an impairment charge of \$30,000 on exploration and evaluation assets.

## LIQUIDITY, CAPITAL RESOURCES AND SOURCES OF FINANCING

As at December 31, 2019, the Company had a cash position of \$336,830, which is sufficient to meet its current overhead requirements for 2020, which is estimated to be \$150,000. The Company will however require additional funding for its estimated \$380,000 of annual rent and the minimum annual expenditures required for the newly acquired exploration licences in Pilbara, Western Australia.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To preserve or modify its capital structure and to carry on the development of its mining properties, the Company may issue additional common shares or negotiate new loans. 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.

Readers are invited to refer to the Risk and Uncertainties section for more information.

## COMMITMENTS

Please refer to Note 19 of the audited consolidated financial statements for the Company's commitments.

## RELATED PARTY TRANSACTIONS

### *a) Transactions with a shareholder*

On January 1, 2018, the Company entered into a Termination Agreement with Golden Valley under which Golden Valley agrees to terminate the Management Agreement in exchange of a settlement fee of \$60,000. On April 6, 2018, the Company announced that subject to acceptance by the TSX Venture Exchange and with the intent of preserving its cash resources for operations, it proposes to issue approximately 300,000 common shares of the Company at a deemed per share price of \$0.20 in settlement of an amount of \$60,000 owing to Golden Valley. On April 19, 2018, the Exchange accepted the shares for debt submission. On issuance of the 300,000 common shares to Golden Valley, the Company recognized a loss on settlement of debt in the amount of \$39,000.

Pursuant to the termination of the Management Services Agreement, administrative, management and financial services such as office space, administrative support previously provided by Golden Valley has been assumed by the Company.

For the year ended December 31, 2019, Golden Valley recharged general and administrative expenses to the Company for a total amount of \$3,925. Moreover, Golden Valley recharged consulting fees of \$75,000 (2018 - \$nil), capitalized to Exploration and Evaluation Assets, for the services provided by its CEO.

For the year ended December 31, 2018, Golden Valley recharged some expenses to the Company for a total amount of \$17,655 of which \$755 was capitalized as exploration and evaluation assets and \$16,900 was recorded in the statements of net loss and comprehensive loss.

For efficiency reasons, where the Company and Golden Valley are dealing with the same suppliers one may pay for both and be reimbursed by the other. As at December 31, 2019, the Company had indebtedness of \$68,520 (2018 - \$nil) to Golden Valley.

### *b) Transactions with key management*

Key management personnel of the Company is comprised of the members of the board of directors, as well as the President and Chief Executive Officer and the Chief Financial Officer (“CFO”). The compensation paid to key management is presented below:

- For the year ended December 31, 2019, the Company incurred consultant fees of \$12,000 (2018 - \$9,000) from Golden Valley relating to the services of the Company’s CFO. These fees are recorded under audit and accounting fees in the statements of net loss and comprehensive loss. For the year ended December 31, 2018, the Company incurred fees of \$17,700 relating to the services of the former CFO. These fees are recorded under audit and accounting fees in the statements of net loss and comprehensive loss.
- For the year ended December 31, 2019, the Company incurred consultant fees of \$nil (2018 - \$8,800) relating to the services of the Company’s VP Exploration. These fees are recorded under exploration and evaluation expenses in the statements of net loss and comprehensive loss.

- As at December 31, 2019, the Company has an advance to a director for an amount of \$1,465 (2018 - \$14,274) which bears no interest and is repayable on demand. The advance is to facilitate any corporate expenditures relating to the agreement with Valroc.

During the year ended December 31, 2019, as part of a Mining Option Agreement signed on the Porcupine Miracle Prospect, the Company paid an advance royalty payment of \$10,000 (2018 - \$10,000) to 2973090 Canada Inc., a company controlled by the President.

During the year ended December 31, 2019, the Company granted stock options to Directors and Officers to purchase an aggregate 475,312 common shares of the Company. The Company recorded share-based payments of \$67,240 as part of this transaction. No stock options were granted for the year ended December 31, 2018.

*c) Transactions with related parties*

For the year ended December 31, 2019, Val-d'Or Mining Corporation ("Val-d'Or Mining"), an entity that has common key management personnel with the Company, recharged general and administrative expenses to the Company for a total amount of \$28,265 (2018 - \$6,953), respectively. Moreover, for the year ended December 31, 2019, Val-d'Or Mining recharged consulting fees of \$48,000 (2018 - \$nil), capitalized to Exploration and Evaluation Assets, for the services provided by its COO.

For efficiency reasons, where the Company and Val-d'Or Mining are dealing with the same suppliers one may pay for both and be reimbursed by the other. As at December 31, 2019, the Company had indebtedness of \$33,183 (December 31, 2018 – receivable of \$6,593) to Val-d'Or Mining.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements.

#### **JUDGMENT, ESTIMATES AND ASSUMPTIONS**

The judgements, estimates and assumptions used by management are described in Note 6 of the audited consolidated financial statements.

## INFORMATION ON OUTSTANDING SECURITIES

The following table sets out the number of common shares and options outstanding as of the date hereof:

<b>Common shares outstanding:</b>	27,103,128
<b>Stock options outstanding:</b>	2,660,312

<b>Expiry date</b>	<b>Exercise price</b>	<b>Number of stock options outstanding</b>
February 28, 2024	\$ 0.170	50,000
June 17, 2024	\$ 0.160	450,312
July 10, 2027	\$ 0.050	1,565,000
December 12, 2027	\$ 0.265	595,000
		<u>2,660,312</u>

## CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The changes in accounting policies including those that have not been adopted are explained in Notes 4 and 5 of the audited consolidated financial statements as at December 31, 2019.

## RISKS RELATED TO FINANCIAL INSTRUMENTS

Readers are invited to refer to Note 18 of the audited financial statements for the year ended December 31, 2019, for a full description of these risks.

## NON-IFRS MEASURE

The Company has referred to working capital throughout this document. Working capital is a Non-IFRS performance measure. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, the Company and certain investors use this information to evaluate the Company's performance and ability to generate cash, profits and meet financial commitments. This Non-IFRS measure is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

	As at December 31,	
	2019	2018
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 336,830	\$ 617,200
Advance to related party	1,465	14,274
Prepaid expenses and deposits	6,260	13,779
Sales taxes recoverable	18,266	2,315
Due from related party	-	6,953
	<b>362,821</b>	654,521
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	1,444	316
Due to related parties	101,703	-
	<b>103,147</b>	316
<b>Working capital</b>	<b>\$ 259,674</b>	\$ 654,205

## **RISKS AND UNCERTAINTIES**

An investment in the common shares of the Company involves a high degree of risk and must be considered highly speculative due to the financial and operational risks inherent to the nature of the Company's business and the present stage of exploration and development of its mineral resource properties. These risks may affect the Company's eventual profitability and level of operating cash flow. Prospective buyers of the common shares of the Company should consider the following risk factors:

### Climate Change

The Company has properties and joint venture agreements in various regions and jurisdictions where environmental laws are evolving and are not consistent. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to the potential impact of climate change, such as regulation relating to emission levels. If the current regulatory trend continues, this may result in increased costs directly or indirectly affecting the Company. In addition, the physical effect of climate change, such as extreme weather conditions, natural disasters, resource shortages, changing sea levels and changing temperatures, could have an adverse financial impact on operations located in the regions where these conditions occur, directly or indirectly impacting the business of the Company.

### Investment of Speculative Nature

Investing in the Company, at this early stage of its development, is of a highly speculative nature.

### Nature of Mineral Exploration and Mining

There are no known mineral resources on the Company's properties. Mineral exploration and development involves a high degree of risk, requires substantial expenditures and few properties that are explored are ultimately developed into producing mines.

### Exploration and Development Risks

Resource exploration and development is a speculative business, involving considerable financial and technical risks, including the failure to discover mineral deposits, market fluctuations and government regulations, which are beyond the control of the Company.

### Country risk

The Company has operations outside Canada in Australia. The Australian regulatory regime is generally stable. Country risk refers to the risk of investing in a country, dependent on changes in the business environment that may adversely affect operating profits or the value of assets in a specific country. For example, financial factors such as currency controls, devaluation or regulatory changes, or stability factors such as mass riots, civil war and other potential events contribute to companies' operational risks.

### Additional Financing

Future exploration and development activities will require additional equity and debt financing. Failure to obtain such additional financing could result in delay or indefinite postponement of exploration and development of the property interests of the Company.

### Stress in the Global Economy and Financial Condition

The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing. Adverse effects of coronavirus developments (COVID-19) on consumer confidence, market stability and public health creates uncertainties on macroeconomic conditions and may also result in closures, cancellations of, or reductions in operations or production on properties where the Company holds royalty interests or investments.

### Permits and Licenses

There can be no assurances that the Company will be able to obtain all necessary licenses and permits required to carry out exploration, development and mining operations for its proposed projects.

### Competition

The mineral exploration and mining business is competitive in all of its phases. There is no assurance that the Company will be able to compete successfully with the competition in acquiring suitable properties or prospects for mineral exploration.

### No Assurance of Title to Property

The Company's claims may be subject to prior unregistered agreements or transfers or third party and aboriginal land claims and title may be affected by undetected defects.

### Dependence on Key Individuals

The Company is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on the Company.

### Political Regulatory Risks

Any changes in government policy may result in changes to laws affecting the Company's ability to undertake exploration and development activities in respect of present and future properties.

### Conflicts of Interest

The Directors and Officers of the Company are also directors and officers of other companies, some of which are in the same business as the Company. This situation may result in conflicting legal obligations which may expose the Company to liability to others and impair its ability to achieve its business objectives.

### Insurance

The Company will remain at risk and will be potentially subject to liability for hazards associated with mineral exploration which it cannot insure against or which it has elected not to insure against because of premium costs or other reasons.

### Influence of Third Party Stakeholders

Claims by third parties on the lands in which the Company holds interests, or the exploration equipment and road or other means of access which the Company intend to utilize in carrying out work programs or general exploration mandates, even if not meritorious, may create delays resulting in significant financial loss and loss of opportunity for the Company.

### Fluctuation in Market Value of Shares

The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the entity. The future effect of these and other factors on the market price of Company's shares on the Exchange cannot be predicted.