

FIRST MEXICAN GOLD CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
FORM 51-102F1
For the Nine months ended September 30, 2017

INTRODUCTION

The following Management's Discussion and Analysis ("MD&A"), should be read in conjunction with the condensed interim consolidated financial statements of First Mexican Gold Corp. for the nine months ended September 30, 2017 and related notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated. All references to "common shares" refer to the common shares in our capital stock. This MD&A has been prepared as of November 29, 2017.

As used in this report, the terms "we", "us", "our", the "Company", "FMG" and "First Mexican" mean First Mexican Gold Corp., First Mexican Resources and our wholly-owned Mexican subsidiary Cornelius Exploration S. de R.L. de C.V. ("Cornelius") unless otherwise indicated.

This MD&A contains forward-looking statements. These statements relate to future events or our future financial performance. Forward-looking information involves, but is not limited to, (i) success of exploration and permitting activities; (ii) currency fluctuations; (iii) the sufficiency of working capital; (iv) requirements for additional capital; (v) and the statements about future production, future operating and capital costs. In some cases, you can identify forward-looking statements by terminology such as "intends", "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks in the section entitled "Risk and uncertainties" that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements.

OVERVIEW

First Mexican Gold Corp. (the "Company"), was incorporated under the Business Corporations Act (British Columbia) on August 9, 2007. The Company changed its name to First Mexican Gold Corp. on December 29, 2010. The Company is engaged principally in the acquisition, exploration and development of mineral properties through its wholly owned subsidiary Cornelius Exploration S. de R.L. de C.V., in Mexico.

The Company was classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange. Effective December 29, 2010, the Company completed its Qualifying Transaction and acquired all of the outstanding common shares of First Mexican Resources Inc. ("FMR") in exchange for consolidating its common shares on the basis of 1.1376 old shares for every new share issued, changing its name from Auric Development Corporation to First Mexican Gold Corp., issuing one post-consolidation share for every common share of FMR tendered, issuing 6,000,000 special warrants to the FMR shareholders on a pro rata basis and exchanging all of the outstanding warrants of FMR for warrants of the Company on the same terms and conditions.

First Mexican Resources Ltd. was incorporated in the Province of British Columbia, Canada on July 18th, 2006 and commenced operations on January 1, 2007, engaged principally in the acquisition, exploration and development of mineral properties in Mexico, and acquired the original Hilda Properties consisting of two properties (collectively referred to as the "Hilda Properties"). The Hilda 30 property is a mining claim, containing approximately 256 hectares, and the Hilda 37/38 property consists of two mining exploration concessions, containing approximately 1,095 hectares. Both concessions are located east of Hermosillo, near the village of Guadalupe Tayopa and Santa Ana, in the Yecora District, State of Sonora, Mexico. Currently FMG has maintained a group of core claims in the area that consist of approximately 1900 hectares of property.

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EXPLORATION

A summary list of activities is outlined below, in no particular order or timeline:

A new road cut completed after drilling on the Diana zone, exposed the continuation of the Diana intrusive, which now extends the known visual occurrence to 1000-1500 Meters.

The Diana zone has now been accessed by two parallel roads along 400 metres of the 1000 metres of surface-exposed strike length. A 1,500 metre drill program comprising approximately 7 shallow holes has been designed to provide an initial resource estimate calculation in an effort to provide a solid foundation for future growth, solid evidence of the resource potential, and enhance shareholder value prior to continued further expansion of the Diana zone which the Company considers highly likely. The Diana target comprises a strongly altered breccia zone, which appears to be near vertical with widths near surface of 30 metres to 50 metres. Diana is a primary target.

Trenching results from an area 300 metres northwest of the Diana zone has identified a silicified structure of quartz sericite alteration associated with tourmaline breccia. This trench sample location has provided interesting results and is believed to be running parallel to the Diana zone on the next ridge north. Further sampling will be required in this area prior to drill testing in the future. This parallel zone is not included in the above 1000-1500 meter estimated strike length of Diana.

During subsequent visits to the Diana Zone It's believed that a geophysical anomaly has now been located on surface that would potentially extend the Diana zone from 1 kilometer to 1.5 kilometers. Additional trenching will be required to confirm the continuity of mineralization however the appearance to Diana similar.

Four holes were drilled with the on-site JKS-300 drill. The objective of this program was to attempt to discover additional mineralization within the Karen zone and to test the vertical extent of the high-grade zone. Results for holes HDH-11-27 to 30 are summarized below. The holes were mineralized throughout, with HDH-11-27 intersecting the high-grade mineralization over a width of 9.70m. As a result of this program, a downhole IP survey has been recommended to further determine the extent of the high grade zone along strike and at depth.

Zone	Drill Hole	From (m)	To (m)	Length (m)	Au (g/t)	Ag (g/t)	Cu (%)	Ag Eq. g/t
KAREN	HDH 11-27	49.2	58.9	9.70	6.22	1853	12.62	3105
	HDH 11-28	21.35	22.85	1.50	.56	20.4	.20	63.5
	HDH 11-29	16.75	28.95	12.20	1.86	70	.14	173.6
		35.05	86.90	51.85	.16	6.15	.52	
	HDH 11-30	27.45	51.85	24.40	.34	25.8	.42	74
	including			1.50	4.44	380	1.64	724.7
		82.35	88.45	6.10	.43	31	.12	61.6
	HDH 12-32	10.65	18.30	7.65	3.64	N/A	N/A	187.2
	HDH 12-33	28.95	32.00	3.05	3.90	98.6	N/A	298.6
	plus	45.50	53.35	7.85	1.92	167.5	.27	285.2
	including	50.30	53.35	3.05	3.70	296.5		486.7

Karen zone drill highlights to date (all near-surface intercepts, see news release April 28, 2011):

- DDH No. 1: 5.8 metres of 3.67 g/t Au, 753 g/t Ag;
- DDH No. 2: 15.2 metres of 2.58 g/t Au, 47 g/t Ag;
- DDH No. 3: 37.8 metres of 6.51 g/t Au, 678 g/t Ag;
- RC hole No. 2: two metres of 1.48 g/t Au and 1,330 g/t Ag;
- RC hole No. 3: 18 metres of 6.52 g/t Au and 61 g/t Ag;
- HDH 11-04: 15.2 metres of 1.57 g/t Au, 335 g/t Ag, 0.18 per cent Cu;

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HDH 11-05: 33.4 metres of 4.27 g/t Au, 395 g/t Ag, 1.24 per cent Cu;
HDH 11-06: 21.6 metres of 4.90 g/t Au, 104 g/t Ag, 0.73 per cent Cu.

On October 10th 2015 the Company was pleased to announce that it has signed a non-binding letter agreement (the "Agreement") with Link Natural Resources FZC (LNR), a private entity in the United Arab Emirates (Dubai), to enter into a 50/50 Joint-Venture (JV) with the intent of putting the Karen zone into production at the Company's Guadalupe property in Sonora, Mexico.

The agreement is subject to a 30 day exclusive due diligence period. LNR has been granted the right, for a period of 30 days from signing, to complete due diligence, and, at LNR's discretion, to finalize a definitive agreement with the Company (within 40 days) to acquire a 50% interest in First Mexican's Guadalupe property which is located along a trend of long term producing mines in the Sierra Madre Occidental.

The intent of FMG is to develop the Karen zone and to direct funds into exploration and continued drilling of the area in an effort to expand the resource. Funds will also be devoted to further drilling of the Diana zone with the objective of developing a resource estimate.

LNR has had a number of setbacks obtaining funding to fulfill their commitment to FMG. FMG remains in very close contact with LNR and is still confident that they will acquire funding to complete this transaction. At this point in time, the company continues to talk with numerous seriously interested parties to advance the Karen zone development, including trying to close the existing agreement signed with Link Resources FZC on October 10, 2015. The company anticipates having further information to report in the near future. The company apologizes to shareholders for the delay, but the discussions have been delicate and extensive.

First Mexican Gold Corp. has completed the acquisition of 100 per cent of the Guadalupe project in the Yecora district of Sonora state, Mexico, from Minera Internacional Milenio SA de CV, a wholly owned subsidiary of International Millennium Mining Corp. This project now comprises the Hilda 30 and Hilda 37/38 properties, Hilda 31/32 and the Santa Martha, El Hoyo, San Martin, Panda, Santa Patricia, and Vianney properties.

Although property agreements are non current in their payments, concession holders maintain the agreements entered into to date. This is a continuously evolving arrangement and can change at any time.

These are extremely difficult times in the Junior Resource sector, and Management is effecting every possible avenue to continue operations.

First Mexican Gold continues to explore various joint venture possibilities in an effort to advance the property to realize it's full potential.

November 3 2017 the company was pleased to issue an updated recovered mineral estimate within a 43-101 report for the Karen Zone. This estimate was completed with much tighter restriction related to area of influence, and management is pleased with the results of the re work. It is available for review on Sedar.

RESULTS OF OPERATIONS

The Company's projects are at the exploration stage and have not generated any revenues.

At September 30, 2017, the Company had not yet achieved profitable operations and has accumulated losses of \$11,705,919 since inception, including the net loss for the period ended September 30, 2017 of \$291,635.

The review of results of operation should be read in conjunction with the financial statements of the Company for the nine months ended September 30, 2017 and 2016. Results of operations are summarized as follows:

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	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Management and consulting fees	\$ 30,000	\$ 30,000	\$ 90,000	\$ 90,000
Office and administration	79,087	22,979	139,759	60,832
Professional fees	8,785	-	15,460	9,500
Other expenses (income)	1,000	10,326	(15,948)	93,983
Net Loss	\$ 118,872	\$ 63,305	\$ 291,635	\$ 152,597

All areas of expenditures have increased as compared to 2016 due to additional cost to maintain the operations.

Share based compensation – The fair value of options granted is recognized as an expense upon grant. Nil options were issued.

Other income variance is due to the fluctuation in exchange rates.

SELECTED QUARTERLY INFORMATION

	Quarter ended Sept 30, 2017	Quarter ended Jun 30, 2017	Quarter ended Mar 31 2017	Quarter ended Dec 31, 2016
Total assets	1,761,466	1,806,950	1,802,755	1,793,131
Working capital (deficit)	(1,062,356)	(934,484)	(889,986)	(760,721)
Interest income (expense)	-	-	-	-
Net income (loss)	(118,872)	(44,498)	(889,986)	(77,057)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

	Quarter ended Sept 30, 2016	Quarter ended Jun 30, 2016	Quarter ended Mar 31, 2016	Quarter ended Dec 31, 2015
Total assets	1,738,299	1,774,987	1,729,208	1,725,234
Working capital (deficit)	(494,014)	(452,684)	(623,427)	(611,503)
Interest income(expense)	-	-	-	-
Net income (loss)	(63,305)	(89,293)	(21,390)	(218,687)
Basic and diluted loss per share	(0.00)	(0.01)	(0.00)	(0.00)

LIQUIDITY AND CAPITAL RESOURCES

To date the Company has not generated significant revenues from its operations and is considered to be in the exploration stage. The Company's long term financial success is dependent on discovering properties that contain mineral reserves that are economically recoverable. All of the Company's resource property agreements are option agreements and the exercise thereof are at the discretion of the Company. To earn its interest in the properties, the Company must incur certain expenditures in accordance with the agreements. At present the Company is dependent on equity or debt financing for additional funding if required. Should one of the Company's projects proceed to the mine development stage, it is expected that a combination of debt and equity financing would be available

As of September 30, 2017 the Company had cash of \$9,726 and a working capital deficit of \$1,062,356 and is not considered sufficient to finance budgeted exploration, general and administrative expenses, and acquisition commitments for the twelve months ending September 30, 2018. The Company will require additional financing or outside participation to undertake further exploration and subsequent development of its mineral property interests.

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OFF-BALANCE SHEET TRANSACTIONS

The Company has no off-balance sheet arrangements except for contractual obligation noted above.

TRANSACTIONS WITH RELATED PARTIES

All related party transactions were measured at the amount of consideration established and agreed to by the related parties. All amounts due from/due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

Management fees incurred include amounts capitalized to the Company's mineral property interests. The Company also paid salary and benefits to an officer. Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the nine months ended September 30, 2017 and 2016.

	September 30,	
	2017	2016
During the nine months:		
Management fees expensed	\$ 90,000	\$ 90,000
Salaries	22,500	22,500
Share based payments	-	-
Balance owing at:	Sept 30, 2017	Dec 31, 2016
To officers, and directors	749,617	495,520

Related party transactions are summarized in Note 7 to the audited consolidated financial statements for the nine months ended September 30, 2017.

PROPOSED TRANSACTIONS

There are no proposed transactions that will materially affect the performance of the Company.

CRITICAL ACCOUNTING ESTIMATES

The preparation of these consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The consolidated financial statements include judgments and estimates, which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision may affect both the period of revision and future periods.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

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Critical Judgments

- The assessment of the Company's ability raise sufficient funds to finance its exploration and administrative expenses involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.
- Management's capitalization of exploration and evaluation costs and assumptions regarding the future recoverability of such costs are based on, among other things, the Company's estimate of current mineral reserves and resources which are based on engineering and geological estimates, estimated gold and silver prices, and the procurement of all necessary regulatory permits and approvals. These assumptions and estimates could change in the future and this could affect the carrying value and the ultimate recoverability of the amounts recorded for mineral properties.
- The analysis of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.
- Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from management's best estimates, as additional information becomes available. The most sensitive estimates affecting the financial statements were the identification and capitalization of exploration costs, determination of impairment in the carrying values for long-lived assets, the existence of contingent assets and liabilities, the valuation of share-based compensation and the valuation of deferred income tax assets.

Areas where estimates are significant to the consolidated financial statements were as follows:

- carrying values of exploration and evaluation assets
- the inputs used in accounting for share purchase option expense in the consolidated statement of loss and comprehensive loss; and
- the determination of income taxes and the valuation of deferred income tax assets.

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CHANGES IN ACCOUNTING POLICIES

New Standards, Interpretations and Amendments Not Yet Effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective.

IFRS 9 – Financial Instruments is intended to replace IAS 39 - Financial Instruments: Recognition and Measurement (“IAS 39”) in three main phases. IFRS 9 will be the new standard for the financial reporting of financial instruments, and is effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. In November 2009 and October 2010, IFRS 9 (2009) and IFRS 9 (2010) were issued, respectively, which address the classification and measurement of financial assets and financial liabilities. IFRS 9 (2009) requires that all financial assets be classified as subsequently measured at amortized cost or at fair value based on the Company’s business model for managing financial assets and the contractual cash flow characteristics of the financial assets. IFRS 9 (2010) requires that financial liabilities are classified as subsequently measured at amortized cost except for financial liabilities classified as fair value through profit or loss, financial guarantees and certain other exceptions. The Company has not yet early adopted this standard and is assessing the impact upon the implementation of this standard.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company classifies all financial instruments as fair value through profit or loss (“FVTPL”), loans and receivables, available- for- sale investments, or other financial liabilities. The classification depends on the purpose for which the assets were acquired. Management determines the classification of financial assets and liabilities at initial recognition.

i) FVTPL

A financial asset is classified in this category if it is acquired principally for the purpose of selling in the short- term. Although the Company does not acquire derivatives, if it were to, the derivatives would be categorized as FVTPL. They are carried in the statement of financial position at fair value with changes in fair value recognized in the income statement.

ii) Loans and receivables

Loans and receivables are non- derivative financial assets with fixed or determinable payments that are not quoted in active markets. They are classified as current or non- current assets based on their maturity date, and are carried at amortized cost less any impairment. Loans and receivables are comprised of amounts receivable and non-interest bearing bank accounts.

iii) Available- for- sale

Available- for- sale financial assets are non- derivatives that are either designated in this category or not classified in any other financial asset categories. They are included in non- current assets unless management intends to dispose of the asset within twelve months of the statement of financial position date. The Company does not have any financial assets classified as available- for- sale.

iv) Impairment of financial assets

At each reporting date, the Company assesses whether there is any objective evidence that a financial asset or a group of assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if

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and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that even has an impact on the estimate future cash flows of the financial asset or the group of financial assets.

v) Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost. Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Financial liabilities are comprised of accounts payables and accrued liabilities and due to related parties.

OTHER MD&A REQUIREMENTS

Risks

The mining industry in general is intensely competitive and there is no assurance that a profitable market may exist for any substances discovered. Commodity prices have fluctuated significantly, particularly recently, the effect of which cannot be accurately be predicted.

Mineral exploration and development involve a high degree of risk and few properties are ultimately developed into producing mines. There is no assurance that the Company's future exploration and development activities will result in any discoveries of commercial bodies of ore. Whether an ore body will be commercially viable depends on a number of factors including the particular attributes of the deposit such as size, grade and proximity to infrastructure, as well as particular attributes of the deposit such as size, grade and proximity to infrastructure, as well as mineral prices and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in a mineral deposit being unprofitable.

The company's main expenditures are in Canadian dollars and Mexican Pesos. The Company does not hedge its currency transactions, and is, therefore, subject to currency risk in valuation of the Mexican Peso.

By becoming a part of the North American Free Trade Agreement (NAFTA), Mexico has reduced the political and sovereign risk of Canadian companies operating in Mexico. The Company believes Mexico is one of the most attractive regulatory and business environments for a junior mining company.

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and Mexico, and as a result a portion of the Company's expenditures are in Mexican pesos. The risk from a significant change in the exchange rate of the Canadian dollar relative to the Mexican peso could have an effect on the Company's results of operations, financial position or cash flows. However, management believes that the Company's foreign currency exchange risk is not significant at this time. The Company has not hedged its exposure to currency fluctuations.

Currency Risk

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However, management believes that the Company's foreign currency exchange risk is not significant at this time. The Company has not hedged its exposure to currency fluctuations.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to fulfill an obligation and causes the other party to incur a financial loss. The Company's credit risk consists primarily of cash. The credit risk is minimized by placing cash and investing short term investments with major Canadian financial institutions. Management believes that the credit risk concentration with respect to its bank deposits is remote since all cash is held with financial institutions of reputable credit. The Company does not invest in asset-backed commercial papers.

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 has sufficient cash to meet its obligations and liquidity risk is therefore considered minimal. The Company manages liquidity risk through the management of its capital resources as outlined in Note 10.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the cash is limited because they are generally held to maturity. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. Interest rate risk is not significant to the Company as it has no cash equivalents at year end. As at September 30, 2017, with other variables unchanged, a 1% change in the variable interest rates would not have had a significant impact on the loss of the Company.

Environmental Risk

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation.

The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

Political and other risks

The Company's mineral properties located in Mexico expose the Company to different considerations and other risks not typically associated with companies in Canada. Such risks are associated with the political, economic and legal environments. The Company's results may be adversely affected by changes in the political and social conditions in Mexico and by changes in government policies with respect to laws and regulations.

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Outstanding share data

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Authorized	Unlimited
Issued and outstanding	80,844,360
Options outstanding	5,425,000
Warrants and agent warrants outstanding	-

Additional Information

Additional information relating to the Company can be found on SEDAR at www.sedar.com