CLEGHORN MINERALS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE SECOND QUARTER ENDED

SEPTEMBER 30, 2018

DATED OCTOBER 17, 2018

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 October 17, 2018, and complements the unaudited interim condensed financial statements of Cleghorn Minerals Ltd. ("Cleghorn" or the "Company"), for the second quarter ended September 30, 2018, which are compared to the second quarter ended September 30, 2017.

The interim condensed financial statements and related notes have been prepared in accordance with IAS 34, Interim Financial Reporting. They do not contain all the information required to be disclosed in annual financial statements. Certain information and notes usually provided in the annual financial statements have been omitted or condensed when not deemed essential to the understanding of the interim financial information of the Company. Therefore, this MD&A should be read in conjunction with the information contained in the annual audited financial statements of the Company and the notes thereto for the year ended March 31, 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.

The Company's independent auditors have not conducted a review of the interim condensed financial report in accordance with the standards established by the Canadian Institute of Chartered Accountants regarding the review of the interim financial report.

The unaudited interim condensed financial statements and the MD&A have been reviewed by the audit committee and approved by the Company's Board of Directors on October 17, 2018. These documents and more information about the Company are available on SEDAR at www.sedar.com.

The technical content in this Management's Discussion & Analysis has been prepared under the supervision of Michael P. Rosatelli who is a "Qualified Person" as such term is defined in National Instrument 43-101 – *standard of Disclosures for Mineral Projects.*

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 CLEGHORN

Cleghorn Minerals Ltd., incorporated on February 16, 2010 under the Business Corporations Act of British Columbia (the "Company") is involved in the process of exploring, evaluating and promoting its mineral property and other projects. The head office of the Company is located at 152 Chemin de la Mine École, Val d'Or, Québec, Canada J9P 7B6. The Company also has exploration offices located at 2864 Chemin Sullivan, Val-D'Or, Quebec, J9P 0B9.

The Company's shares are listed on the TSX Venture Exchange under the trading symbol CZZ.

MINERAL PROPERTY

Meech Lake – Matachewan Prospect

The Company owns a 100% in the Meech Lake – Matachewan Prospect situated in Argyle, McNeil and Robertson Townships, located approximately 25 km northwest of Matachewan, in Northeastern Ontario, within the Abitibi Greenstone Belt. Following the MLAS claim to cell conversion process completed by Ontario's Ministry of Northern Development and Mines (MNDM), the four (4) original legacy claims covering 656 ha were converted to 41 cells (36 single cells and 5 boundary cells) covering an area of 833.6 ha.

The three (3) original vendor property claims are subject to a 3% NSR on metals or minerals produced from the property. The Company shall be entitled to repurchase 0.5% of the NSR, by paying to the vendor $1,000,000, and an additional 1%, by paying the vendor an additional $3,000,000.

Funding for the initial sampling program of the historical pits and/or trenches on the property for the first phase of work was received from the Ontario Exploration Corp. (OEC) through its prospector assistance program initiative via an initial $10,000 grant in exchange for a 0.5% royalty on the property.

The Company plans to proceed with the second ($25,000 for an additional 0.25% royalty) and third ($50,000 for an additional 0.25% royalty) project funding applications. The royalty has a buyback clause which provides that the company can purchase one-half of the 0.5% royalty for a dollar value that increases over time, ranging from a purchase price of $15,000 before the second anniversary of the date of the agreement to a purchase price of $250,000 from the 11th anniversary of the agreement and beyond.

Exploration Program Work

The Company provided an update subsequent to the quarter ending September 30, 2018 on the initial diamond drilling results conducted over the Meech Lake – Matachewan Prospect. The initial drill results (ML-18-008 to ML-18-011) are from the historical Kell's Showing where selective grab sampling by the company in 2016 assayed up to **8.31% Cu, 3.80% Ni, 13.5 g/t Pt, 60.4 g/t Pd & 1.89 g/t Au**.

The objective of the initial drilling program at the Kell's Showing was to confirm the grade, configuration and extent of surface mineralization discovered by prospector Hugh Kell in 1946, following a large-scale systematic trenching program. All previous exploration drilling campaigns (1951-52; 1973-74; 1988; 1992) were unsuccessful in expanding the Kell's Showing along strike or down plunge.

Drillhole ML-18-008 and ML-18-009 were drilled directly under the historic Kell's Showing. Both holes intersected weakly mineralized zones of nickel and copper mineralization. ML-18-010 and ML-18-011 were collared 25 metres to the west of the mafic intrusive-hosted mineralization visible in the surface occurrence. ML-18-011 intersected the down plunge extension of the high-grade Ni-Cu-PGE surface mineralization at depth (see Table I for the drillhole co-ordinates).

Highlights for the assay results from ML-18-011:

- **6.3m @ 0.746% Ni, 1.29% Cu, 2.36g/t Pd, 0.617g/t Pt, 0.751g/t Au & 6.64g/t Ag**
- Includes <u>Upper Zone</u>: **2.4m @ 0.59% Ni, 0.72% Cu, 1.18g/t Pd, 0.32g/t Pt, 1.25g/t Au &7.23g/t Ag**
- And: **0.55m @ 0.87% Ni, 1.21% Cu, 1.62g/t Pd, 0.39g/t Pt, 1.35g/t Au & 14.9g/t Ag**
- Includes <u>Lower Zone</u>: **3.25m @ 1.0% Ni, 1.97% Cu, 3.70g/t Pd, 0.96g/t Pt, 0.46g/t Au & 7.49g/t Ag**
- And: **1.6m @ 1.56% Ni, 2.36% Cu, 5.04g/t Pd, 1.0g/t Pt, 0.48g/t Au & 8.23g/t Ag**
- With: **0.4m @ 1.24%Ni, 4.05% Cu, 12.55g/t Pd, 1.27g/t Pt, 0.69g/t Au & 14.6g/t Ag**

Ni-Cu-PGE mineralization is hosted in a coarse-grained mafic (gabbro) unit (s) that has intruded a sequence of volcanic trachyte rocks. Mineralization consists of disseminated to blebby net-textured sulphides and fracture controlled semi to massive sulphides. Alteration in the mineralized zones mainly consist of strong chlorite and strong carbonate alteration. The high-grade Ni-Cu-PGE mineralization that was intersected in ML-18-011 is associated with a late fault/shear structure and is open down-plunge and along strike to the NE-SW. This structure coincides with a NE-SW trending HLEM anomaly that cuts across the gabbro unit. This appears to support the Company's hypothesis to follow, and target through geophysical surveys, structural rather than lithological controls as was the case in prior exploration programs.

Table I	**Kell's Showing: Drillhole co-ordinates ML-18-008 to ML-18-011 (as per August 30, 2018 press release)**				
Hole	Easting	Northing	Azimuth	Dip	Length
ML-18-008	513249	5327722	315	-45	81
ML-18-009	513249	5327723	308	-75	150
ML-18-010	513228	5327705	315	-45	87
ML-18-011	513228	5327705	308	-75	102

Table II	Kell's Showing: Weighted average grade intervals										
Hole	**From**	**To**	**Length**	**Ni (%)**	**Cu (%)**	**Co (%)**	**Pd (g/t)**	**Pt (g/t)**	**Au (g/t)**	**Ag (g/t)**	**Comments**
ML-18-008	22	24.55	2.55	0.018	0.252	0.004	0.001	0.002	0.141	3.941	
including	23.3	23.8	0.5	0.014	0.94	0.003	0.001	0.002	0.62	3.6	
ML-18-010	21.8	34.1	12.3	0.084	0.014						
including	21.8	24.2	2.4	0.079	0.014						Upper Zone
including	25.7	34.1	8.4	0.099	0.016						Lower Zone
ML-18-011	58.2	64.5	6.3	0.746	1.293	0.025	2.364	0.617	0.751	6.636	
including	58.2	60.6	2.4	0.59	0.719	0.019	1.181	0.321	1.346	7.227	Upper Zone
and	59	59.55	0.55	0.871	1.205	0.022	1.62	0.391	3.34	14.9	+2.12% Zn
including	61.25	64.5	3.25	1.001	1.972	0.034	3.695	0.955	0.459	7.486	Lower Zone
and	61.25	62.85	1.6	1.563	2.359	0.054	5.043	0.998	0.48	8.225	
with	*62.45*	*62.85*	*0.4*	*1.24*	*4.05*	*0.075*	*12.55*	*1.27*	*0.69*	*14.6*	
	70.45	72.2	1.75	0.368	0.284	0.016	0.952	0.229	0.173	1.3	
	81.65	84	2.35	0.118	0.013	0.009	0.022	0.009	0.002	0.2	
	91.45	93.55	2.1	0.09	0.011	0.008	0.013	0.007	0.001	0.2	

**Reported drill intercepts are not true widths. At this time there is insufficient data with respect to the shape of the mineralization to calculate true orientations in space*

The 2018 drill program consisted of seventeen (17) drillholes totalling 1,836 metres (refer to the August 30, 2018 press release), The next set of assay results to be reported on are ML-001 to ML-006 that tested the Waterhole Showing (Au-Zn) and ML-18-007 that tested a set of three (3) parallel NW-SE HLEM (electromagnetic conductors) to the east of the Kell's Showing.

For specific details with respect to the exploration and field work results completed to date on the project, as well as for a compilation map showing the area of the 2018 drilling program and cross-section for ML-18-010 and ML-18-011, please refer to Cleghorn's continuous disclosure documents available at the SEDAR website (www.sedar.com) by accessing Cleghorn's issuer profile.

Future Exploration Plans:

Surface and bore-hole Pulse Electromagnetic (EM) surveying is planned over the area of the Kell's Showing with the objective to track the Ni-Cu-PGE mineralization intersected in ML-18-011 down-plunge and along strike and/or to delineate potentially other satellite or stacked lenses of mineralization, for drill testing.

Analytical Results – Quality Assurance/Quality Control (QA/QC) Protocols

All diamond drilling sample batches (each individual hole), include 5% QA/QC samples consisting of blanks and certified standards (Natural Resources Canada - CANMET). All drillhole samples were submitted to ALS Minerals, an accredited mineral analysis laboratory. Sample preparation was completed in Val-d'Or, Québec and analyses in Vancouver, British Columbia. Nickel, copper, cobalt, zinc and silver values were determined by a 61 element, Four Acid / ICP-AES analysis and gold values were determined by a 30-gram fire assay and AAS finish. Platinum, palladium and gold values were determined by 30-gram fire assay with ICP finish. When samples received over-limit values they underwent further analysis using ALS Minerals assay procedure Ni-OG62 (for nickel), Cu-OG62 (for copper), Zn-OG62 (for zinc), and PGM-ICP27 (for gold, platinum and palladium). The reader is referred to: www.alsgobal.com for details of analytical procedures described above.

Cleghorn Minerals has applied a rigorous quality assurance/quality control program at the Meech Lake – Matachewan - Project using industry best practices. All core was logged and selected intervals were sampled. NQ-sized drill core was sawn in half and each sample half was placed in a marked sample bag with its corresponding sample tag, then sealed. The remaining half core is retained in the original core boxes that are stored in a secure facility in Val-d'Or, Québec.

SELECTED FINANCIAL INFORMATION

GOING CONCERN ASSUMPTION

These interim condensed financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) and the basis of the going concern assumption, which presumes the Company will continue its operations and will be able to realize its assets and discharge its liabilities and commitments in the ordinary course of business for the foreseeable future. The use of these principles may not be appropriate. The Company is in its early stages, and as is common with similar companies, it raises financing for its exploration and evaluation activities. During the three-month period ended September 30, 2018, the Company has incurred a net loss and comprehensive loss of $50,304 (realized a net income and comprehensive income of $94,616 for the year ended March 31, 2018) and has an accumulated deficit of $1,092,961 (March 31, 2018 – $1,042,657). To date, the Company has financed its cash requirements primarily by issuing common shares or units. The Company's ability to continue as a going concern is subject to its ability to raise additional financing or reduce its expenditure levels. The Company's discretionary activities do have some scope for flexibility in terms of the amount and timing of expenditures, and to a certain extent, expenditures may be adjusted accordingly. While management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future, that such sources of funding will be available to the Company or that they will be available on terms acceptable to the Company. These material uncertainties cast significant doubt regarding the ability to continue as a going concern.

FINANCIAL POSITION ANALYSIS

	September 30, 2018	March 31, 2018	March 31, 2017
	$	$	$
Assets	1,058,546	1,135,637	1,201,639
Liabilities	23,332	50,119	210,737
Equity	1,035,214	1,085,518	990,902

ASSETS

Total assets at September 30, 2018 were $1,058,5460 compared to $1,135,637 at March 31, 2018, a decrease of $77,091 mainly due to a decrease in cash of $183,429 which served to fund the Company's operations as well as the increase in exploration and evaluation assets of $99,627 directly attributable to work done on the Meech Lake Matachewan Prospect.

LIABILITIES

Total liabilities at September 30, 2018 were $23,332 compared to $50,119 at March 31, 2018, a decrease of $26,787 in accounts payable and accrued liabilities.

EQUITY

Equity totalled $1,035,214 at September 30, 2018 compared to $1,085,518 at March 31, 2018, a decrease of $50,304 due to the period net loss.

OPERATING RESULTS ANALYSIS

	Three-month period ended September 30, 2018	Three-month period ended September 30, 2017	Six-month period ended September 30, 2018	Six-month period ended September 30, 2017
	$	$	$	$
Revenue	-	-	-	-
Operating expenses	28,433	28,067	50,033	55,485
Other expenses (income)	181	(11,249)	271	(20,218)
Net loss and comprehensive loss	**28,614**	**16,818**	**50,304**	**35,267**
Basic and diluted net loss per common share	**0.001**	**0.001**	**0.002**	**0.002**

THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2018 COMPARED TO THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

The net loss for the three-month period ended September 30, 2018 was $28,614 or ($0.001) per share, compared to $16,818 or ($0.001) per share for the same period in 2017, a decrease of $392 due to the following important changes:

OPERATING EXPENSES

Operating expenses totalled $28,433 compared to $28,067 in 2017, a decrease of $324 mainly due to a decrease in investor relation fees ($5,160) which was however offset by an increase in regulatory and transfer agent fees ($4,999) and office expenses ($1,720).

OTHER EXPENSES (INCOME)

Other expenses totalled $181 compared to other income of $11,249 in 2017 which are mainly due to the reversal of the liability component related to the flow-through units ($11,362).

SIX-MONTH PERIOD ENDED SEPTEMBER 30, 2018 COMPARED TO THE SIX-MONTH PERIOD ENDED SEPTEMBER 30, 2017

The net loss for the six-month period ended September 30, 2018 was $50,304 or ($0.002) per share, compared to $35,267 or ($0.002) per share for the same period in 2017, a decrease of $5,442 due to the following important changes:

OPERATING EXPENSES

Operating expenses totalled $50,033 compared to $55,485 in 2017, a decrease of $5,452 mainly due to a decrease in legal fees ($1,990) and in investor relation fees ($7,929) which was however offset by an increase in regulatory and transfer agent fees ($2,022) and office expenses ($2,166).

OTHER EXPENSES (INCOME)

Other expenses totalled $271 compared to other income of $20,218 in 2017 which are mainly due to the reversal of the liability component related to the flow-through units ($20,479).

CASH FLOW ANALYSIS

	Three-month period ended September 30, 2018	Three-month period ended September 30, 2017	Six-month period ended September 30, 2018	Six-month period ended September 30, 2017
	$	$	$	$
Operating activities	38,100	(31,543)	(75,396)	(52,525)
Investing activities	(53,071)	(36,230)	(108,033)	(36,427)
Financing activities	-	-	-	-

THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2018 COMPARED TO THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

OPERATING ACTIVITIES

Operating activities required cash flows of $38,100 compared to $31,543 in 2017. This increase in the use of cash flows is mainly due to the non-cash working capital items which used cash flows of $9,486 compared to $3,363 in 2017. In addition, the net loss after non-cash items went from $28,180 in 2017 to $28,614 in 2018.

INVESTING ACTIVITIES

Investing activities required cash flows of $53,071 compared to $36,230 in 2017. These outflows are related to the exploration and evaluation expenditures incurred on the Meech Lake Matachewan Prospect.

SIX-MONTH PERIOD ENDED SEPTEMBER 30, 2018 COMPARED TO THE SIX-MONTH PERIOD ENDED SEPTEMBER 30, 2017

OPERATING ACTIVITIES

Operating activities required cash flows of $75,396 compared to $52,525 in 2017. This increase in the use of cash flows is mainly due to the non-cash working capital items which used cash flows of $25,092 compared to generated cash flows of $3,221 in 2017. However, the net loss after non-cash items went from $55,746 in 2017 to $50,304 in 2018.

INVESTING ACTIVITIES

Investing activities required cash flows of $108,033 compared to $36,427 in 2017. These outflows are related to the exploration and evaluation expenditures incurred on the Meech Lake Matachewan Prospect.

QUARTERLY RESULT TRENDS (IN THOUSANDS OF $)

The operating results for each of the last eight quarters are presented in the following table. Management considers that the information for each of those quarters was determined in the same way as for our audited financial statements for the year ended March 31, 2018.

	Sept 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016
	$	$	$	$	$	$	$	$
Revenue	-	-	-	-	-	-	-	-
Net income (loss) and comprehensive income (loss)	(29)	(22)	(22)	152	(17)	(18)	(21)	(87)
Basic and diluted net income (loss) per common share	(0.001)	(0.001)	(0.001)	0.007	(0.001)	(0.001)	(0.001)	(0.004)

LIQUIDITY, CAPITAL RESOURCES AND SOURCES OF FINANCING

As of September 30, 2018, the Company had a cash position of $110,308 and a working capital of $106,472.

The Company manages its capital structure and brings about adjustments related to changes in the economic environment and underlying risks of its 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 believes that the current liquidity will not be sufficient to support the Corporation's needs for cash beyond October 17, 2019. The Corporation will require additional funding to be able to cover its current operations. Although management believes it has developed action plans to manage liquidity and operational risk, there is no assurance that these measures will be successful.

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

RELATED PARTY TRANSACTIONS

Please refer to Note 8 of the unaudited interim condensed financial statements for key management transactions. The Company has not entered into any other related party transaction.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

INFORMATION ON OUTSTANDING SECURITIES

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

Common shares outstanding:	20,258,618	
Stock options exercisable:	1,450,000	
Average exercise price of:	$ 0.13	
Expiry date	**Number of stock options exercisable**	**Exercise price**
		$
November 2018	1,200,000	0.12
November 2020	250,000	0.20
	1,450,000	0.13
Warrants outstanding:	6,181,674	
Average exercise price of:	$ 0.13	
Expiry date	**Number of warrant outstanding**	**Exercise price**
		$
August 2019	4,550,000	0.12
August 2019	1,631,674	0.15
	6,181,674	0.13
Fully diluted shares	27,890,292	

Escrowed Shares

As required by applicable securities commissions and the rules of the TSX, and under an agreement entered with a transfer agent from Computershare Investor Services Inc., a total of 9,513,928 common shares have been placed in escrow and deposited with a trustee under escrow agreements before the completion of the Qualifying Transaction. On August 18, 2016, following the completion of the Qualifying Transaction, 10% of the escrowed shares were released. The balances of restricted shares will be released at a rate of 15% in each of the anniversaries of 6, 12, 18, 24, 30 and 36 months following the initial release. As at September 30, 2018, there were 2,854,178 escrowed shares (4,281,268 as at March 31, 2018).

ACCOUNTING POLICIES

The preparation of financial statements in accordance with IFRS requires management to adopt accounting policies and to make certain estimates and assumptions that the Company believes are reasonable based upon the information available at the time these decisions are made. In preparing these unaudited interim condensed financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those applied in the annual IFRS financial statements for the year ended March 31, 2018. Readers are invited to refer to Note 3 of the audited financial statements for the year ended March 31, 2018 for a full description of the significant accounting policies of the Company at that date.

RISKS RELATED TO FINANCIAL INSTRUMENTS

Readers are invited to refer to Note 16 of the audited financial statements for the year ended March 31, 2018, for a full description of these risks.

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:

- 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 is no known mineral resource 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.

- 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.

- 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 native 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.

- Environmental Risks for Current and Past Activities and other Regulatory Requirements

The Company may be liable for environmental contamination and natural resource damages relating to properties that it currently owns, operates or have an interest in, or at which environmental contamination occurred while or before it owned, operated or acquired an interest in the properties. No assurance can be given that potential liabilities for such contamination or damages caused by past activities at these properties do not exist.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact 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 hold 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.