For the Year ended July 31, 2017

The following management's discussion and analysis ("MDA") has been prepared as of November 24, 2017 and should be read in conjunction with Damara Gold Corp.'s audited consolidated financial statements for the year ended July 31, 2017 and comparative year July 31, 2016. The financial statements have been prepared in accordance with International Financial The financial statements have been prepared in accordance with International Financial Reporting Standards and all numbers are reported in Canadian dollars, unless otherwise stated.

Throughout the report we refer to Damara, the "Company", "we", "us", "our" or "its". All these terms are used in respect of Damara Gold Corp. Additional information on the Company can be found on SEDAR at www.sedar.com and the Company's website at www.damaragoldcorp.com.

Cautionary Statement on Forward-Looking Information

This report contains "forward-looking statements", including, the Company's expectations as to but not limited to, comments regarding the timing and content of upcoming work programs and exploration budgets, geological interpretations, receipt of property titles, and potential mineral recovery processes. Forward-looking statements express, as at the date of this report, the Company's plans, estimates, forecasts, projections, expectations, or beliefs as to future events or results. The material factors and assumptions used to develop the forward-looking statements and forward looking information contained in this MD&A include the following: our approved budgets, exploration and assay results, results of the Company's planned exploration expenditure programs, estimated drilling success rates and other prospects. Due to the nature of the mineral resource industry, budgets are regularly reviewed in light of the success of the expenditures and other opportunities that may become available to the Company. Accordingly, while the Company anticipates that it will have the ability to spend the funds available to it, there may be circumstances where, for sound business reasons, a reallocation of funds may be prudent.

Forward-looking statements involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements and Damara assumes no obligation to update forward-looking information in light of actual events or results.

Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements, include, but are not limited to, factors associated with fluctuations in the market price of minerals, mining industry risks and hazards, environmental risks and hazards, economic and political events affecting metal supply and demand, uncertainty as to calculation of mineral reserves and resources, requirement of additional financing, and other risks. Actual results may differ materially from those currently anticipated in such statements.

Readers are cautioned that the foregoing list of important factors and assumptions is not exhaustive. Forward-looking statements are not guarantees of future performance. Events or circumstances could cause the Company's actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

Overview Performance and Operations

Damara Gold Corp. *(formerly Solomon Resources Limited*) ("Damara" or the "Company") was incorporated on August 1, 1989 under the *Business Corporations Act* of British Columbia. On September 30, 2014, the Company changed its name to Damara Gold Corp. Effective October 1, 2014 the Company commenced trading on the TSX Venture Exchange (the "Exchange") under the symbol "DMR" as a Tier 2 issuer.

The Company is in the business of exploring and developing mineral property interests. The Company's corporate head office is at Suite 206 - 3500 Carrington Road, West Kelowna, British Columbia V4T 3C1.

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

Option Agreement

On November 20, 2017, the Company and Colorado entered into a letter agreement (the "**Agreement**") whereby Damara can acquire a 100% interest (subject to its Back-in Right (as defined below)) (the "**Transaction**") in Colorado's Kinaskan-Castle project (the "**K-C Property**") located in the Liard Mining Division within the "Golden Triangle Area" of northwestern British Columbia.

Consideration for the Transaction includes an aggregate $250,000 in cash payments and the issuance of 10,250,000 common shares in the capital of Damara (the "**Consideration Shares**") to Colorado, and $8,000,000 in exploration expenditures (which includes $300,000 reimbursement of the initial program within 5 business days of receipt of the approval of the TSX Venture Exchange (the "**Exchange**") for the Transaction) over a three year period. Colorado will have the exclusive right, within 45 days from the option exercise date, to elect to exercise its back-in right (the "**Back-in Right**") wherein Colorado can acquire a 51% interest upon incurring $8,000,000 in exploration expenditures over a two year period with a minimum $2,000,000 in year one. In the event the Back-in Right is exercised and the terms thereof fulfilled, the parties have agreed to form a joint venture in which Damara will hold a 49% interest and Colorado will hold a 51% interest. In the event the Back-in Right is not exercised Colorado will be granted a 1% net smelter return royalty.

The Transaction is a non-arm's length transaction pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**").

In accordance with Exchange policies, the Company will be required to seek minority shareholder approval of the Transaction, including the issuance of the Consideration Shares. The Company will update shareholders accordingly.

Sale of Osino Shares

On October 13, 2017 the Company pursuant to receipt of Exchange acceptance closed the sale of 9,039,560 Osino Resource Corp. ("Osino Shares") at a price of $0.05 per share for gross proceeds of $451,978 to arms-length purchasers

Private Placement

On August 31, 2017 the Company completed a non-brokered private placement (the "Placement") for 5,000,000 units (the "Unit") at a price of $0.05 per Unit for gross proceeds of $250,000. Each Unit consists of one common share and one common share purchase warrant (the "Warrant"). Each Warrant entitles the holder to purchase an additional common share of the Company at a price of $0.10 until August 31, 2020.

All securities issued in the Placement are subject to a statutory hold period ending January 1, 2018.

Shares for Debt Settlement

On March 6, 2017 the Company issued a total of 4,200,000 common shares to extinguish debt in the amount of $210,000 (the "Colorado Debt Settlement"). With the completion of the Debt Settlement, Colorado Resources Ltd now holds a 19.71% interest in the common shares of Damara. The remaining balance of principle and interest of $79,479 will remain outstanding and is non-interest bearing and shall be settled at a future date as the parties agree.

As Damara and Colorado have two common directors the Debt Settlement constituted a "related party transaction" within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), which is incorporated into Policy 5.9 of the Exchange Corporate Finance Manual.

The independent board members of the Company determined that neither the value of the shares issued to Colorado, nor the aggregate debt settled in connection with the Debt Settlement exceeded 25% of the Company's market capitalization as of the date hereof. The Company relied on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and

5.7(a) of MI 61-101 as neither the fair market value of the Debt Shares nor the debt exceeds 25% of the Company's market capitalization.

Additionally the Company extinguished a further $4,366 in trade payable by the issuance of 87,323 common shares to a third party.

The common shares are subject to a four month plus one day hold period that will expire on July 7, 2017.

The Company recorded a loss on the settlement of debt of $214,366 as follows:

Debtor	Debt Amount	Share Price	No. Shares
Colorado	$210,000	$0.05	4,200,000
Trade Payables	$4,366	$0.05	87,323

<u>Outlook</u>

With the settlement of debt, private placement and sale of Osino Shares as described hereinabove, the Company now focus on completing the Transactions as described herein..

Selected Annual Information

The following table summarizes selected financial data reported by the Company for the years ended July 31, 2017, July 31, 2016 and July 31, 2015. The following annual results are compliant with IFRS.

	Years Ended		
	July 31, 2017	July 31, 2016	July 31, 2015
Total Revenue	Nil	Nil	Nil
Loss before income tax	$(328,387)[1]	$(247,056)[3]	$(292,110)
Total comprehensive loss	$(184,755)[2]	$(180,200)[4]	$(292,110)
Net income (loss) per share basic and diluted	$(0.02)	$(0.02)	$(0.05)
Total assets	$456,058	$374,404	$458,205
Current liabilities	$213,214	$372,163	$916,446
Long term liabilities	—	—	—
Shareholders' equity (deficiency)	$243,884	$2,241	$(458,241)

1) Includes the loss on settlement of debt of $214,366 as described hereinabove.
2) Include unrealized gain on available-for-sale investments in connection with the sale of the Osiino Shares as described hereinabove.
3) Includes share based payments of $91,468; and
4) Includes write-off of exploration and evaluation assets of $123,497 and gain on settlement of debt of $153,770.

Results of Operations

<u>Financial Results for the years ended July 31, 2017 and July 31, 2016</u>

The Company has no operating revenues and relies on external financings to generate capital for its continued operations. As a result of its activities, the Company continues to incur annual net losses.

For the year ended July 31, 2017, the Company reported a $184,755 net comprehensive loss or $0.02 basic and diluted loss per share compared to a $180,200 net comprehensive loss or $0.02 loss per share for the same comparative year ended July 31, 2016. The primary component of the current year loss was general and administration costs of $96,832 (July 31, 2016 - $141,899), share-based compensation costs of $Nil (July 31, 2016 - $91,468) and interest on loans payable of $14,147 (July 31, 2016 - $55,452). Additionally the Company recorded a loss of $214,366 (July 31, 2016 - $153,700 gain) on the settlement of debt. The Company further recorded the comprehensive income before deferred income tax on available-for-sale-investments of $143,632 (July 31, 2016 - $78,346) with respect to the Osino Shares. Subsequent to year end the Company completed the sale of the Osino Shares for $451,978 realizing the recorded gain on sale of available-for-sale investments.

Variance on general and administration costs included:

	2017	2016	Variance	
	$	$	$	%
Accounting and legal	17,222	21,602	(4,379)	-20%
Consulting	44,163	62,602	(18,440)	-29%
Website, shareholder communication	3,000	4,214	(1,214)	-29%
Office and administration fees	6,358	22,077	(15,719)	-71%
Regulatory fees	8,039	10,189	(2,150)	-21%
Rent	11,644	11,544	100	1%
Telephone	1,118	-	1,118	100%
Transfer agent fees	3,525	6,301	(2,776)	-44%
Travel	1,763	3,370	(1,607)	-48%
	96,832	141,899	(45,068)	-32%

Overall corporate expenditures had a net decrease of 32%. Significant variances to note were:

Consulting fees – during the prior period, $30,000 were forgiven as part of a debt settlement arrangement and the overall consulting fees of $2,500 per month for the Company's President and CEO and hourly rate of $75 for the Company's CFO remained the same;

Office and administration fees – amounts in 2016 included interest incurred on outstanding trade payables from prior years of $12,280 that was settled in the non-related party trade payable settlements.

Summary of quarterly results

FY 2017	Q1 $	Q2 $	Q3 $	Q4 $
Revenues	—	—	—	
Comprehensive loss	(24,790)	(33,332)	(9,634)	(116,999)
Comprehensive loss per share	(0.00)	(0.00)	(0.01)	(0.00)

FY 2016	Q1 $	Q2 $	Q3 $	Q4 $
Revenues	—	—	—	—
Comprehensive income (loss)	(43,555)	(78,864)	123,689	(181,469)
Comprehensive income (loss) per share	(0.01)	(0.01)	0.01	0.01

Significant variances to note include:

The Company recorded in Q3 2017 a gain on fair value on available-for-sale investments of $143,632 of the Osino shares which offset the loss on settlement of debt in the amount of $214,366 as described herein.

The Company recorded in Q3 2016 a gain on settlement of debt of $135,758 for a net income of $107,743. Furthermore, the Company recorded a gain on fair value of available-for-sale investment of the Osino Shares as described hereinabove of $109,114 offset by the write-off of exploration costs recorded of $123,497 for a total comprehensive income of $123,688.

Liquidity and capital resources

	July 31 2017	July 31 2016
Financial position:		
Cash and cash equivalents	$2,772	$64,538
Working capital deficiency	$243,844	$2,241
Total Assets	$456,058	$374,404
Shareholders' deficiency	$243,844	$2,241

The Company subsequent to July 31, 2017 completed the private placement and sale of Osino shares as described hereinabove and currently has minimal working capital and project investigation funds available and will required further working capital for any substantial acquisition and/or overhead expenditures for the next 12 months.

Off balance-sheet arrangements

There are currently no off balance sheet arrangements and no new information to report since the annual management's discussion and analysis.

Transactions with related parties

(a) Key Management Compensation

	July 31 2017	July 31 2016
Key management personnel compensation comprised :		
Consulting fees:	$44,163	$62,587
Share-based payments	-	71,459
	$44,163	$134,046

(i) Consulting fees of $30,000 (2016 - $45,000) were paid and/or accrued to 43983 Yukon Inc. ("43983") a company, controlled by Lawrence Nagy, Chief Executive Officer, of the Company.
(ii) Consulting fees of $14,163 (2016 - $17,587) were paid and/or accrued to Minco Corporate Management Inc. ("Minco"), a company controlled by Terese Gieselman, the Chief Financial Officer of the Company.

(b) Related Party Liabilities

Amounts due to:	Service for:	July 31 2017	July 31 2016
Minco	Consulting Fees	$20,712	$7,769
Minco	Expenses	343	-
43983	Consulting Fees	45,000	15,000
43983	Expenses	1,287	936
Golden Ridge Resources Ltd [1] - common officers	Rent & Expenses	2,982	2,982
Colorado[1] - common officers	Rent & Expenses	85,003	57,469
Total related party payables		$155,327	$84,156

1 Rent and Expenses incurred on behalf of Damara for shared office space and administrative personnel expenses. These amounts are non-interest-bearing and due on demand.

During the year ended July 31 2016:

(a) An amount of $44,853 for consulting fees was settled by the issuance of 897,052 Debt Shares (See Note 9);
(b) An amount of $45,000 for consulting fees was settled by the issuance of 900,000 Debt Shares (See Note 9), and a further $45,000 in consulting fees due was forgiven and recorded as an gain in settlement of debt (See Note 16); and

(c) An amount of $55,000 for consulting fees was settled by the issuance of 1,100,000 Debt Shares (See Note 9), and a further $65,000 in consulting fees was forgiven and recorded as a gain in settlement of debt.

Critical Accounting Policies and Estimates

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities included in the preparation of these consolidated financial statements are discussed below:

Critical Judgments

Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company. If, after exploration and evaluation expenditures are capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount the Company carries out an impairment test at the cash-generating unit or group of cash-generating unit's level in the year the new information becomes available. Such impairment tests and recoverable value models have a degree of estimation and judgment which may differ in the future.

Income Taxes

The Company has not recognized a deferred tax asset as management believes it is not probable that taxable profit will be available against which deductible temporary differences can be utilized.

Going Concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Critical Estimates

Valuation of Share-based Payments

The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's profit or loss and equity reserves.

Valuation of available-for-sale investment

The Company measures the fair value of available-for-sale investments at the end of each reporting period. Fair value is determined through reference to published share quotations in an active market or observable market transactions. Management assess whether there has been any other-than-temporary impairment on its investments, using objective evidence to determine if the marketable securities are impaired.

Future Accounting Pronouncements

The standards listed below include only those which the Company reasonably expects may be applicable to the Company at a future date. The Company is currently assessing the impact of the standards on the financial statements.

IFRS 9 *Financial Instruments*

IFRS 9 will replace IAS 39 *Financial Instruments: Recognition and Measurement* and IFRIC 9 *Reassessment of Embedded Derivatives*. The final version of this new standard supersedes the requirements of earlier versions of IFRS 9.

The main features introduced by this new standard compared with predecessor IFRS are as follows:

- *Classification and measurement of financial assets:*
  Debt instruments are classified and measured on the basis of the entity's business model for managing the asset and its contractual cash flow characteristics as either: "amortized cost", "fair value through other comprehensive income", or "fair value through profit or loss" (default). Equity instruments are classified and measured as "fair value through profit or loss" unless upon initial recognition elected to be classified as "fair value through other comprehensive income".
- *Classification and measurement of financial liabilities:*
  When an entity elects to measure a financial liability at fair value, gains or losses due to changes in the entity's own credit risk is recognized in other comprehensive income (as opposed to previously profit or loss). This change may be adopted early in isolation of the remainder of IFRS 9.

- *Impairment of financial assets:*
  An expected credit loss impairment model replaced the incurred loss model and is applied to financial assets at "amortized cost" or "fair value through other comprehensive income", lease receivables, contract assets or loan commitments and financial guarantee contracts. An entity recognizes twelve-month expected credit losses if the credit risk of a financial instrument has not increased significantly since initial recognition and lifetime expected credit losses otherwise.

- *Hedge accounting:*
  Hedge accounting remains a choice, however, is now available for a broader range of hedging strategies. Voluntary termination of a hedging relationship is no longer permitted. Effectiveness testing now needs to be performed prospectively only. Entities may elect to continue to applying IAS 39 hedge accounting on adoption of IFRS 9 (until the IASB has completed its separate project on the accounting for open portfolios and macro hedging).

- *Derecognition:*
  The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

This standard is applicable to annual periods beginning on or after August 1, 2018.

Disclosure Initiative (Amendments to IAS 7 *Statement of Cash Flows)*

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2 *Share-based Payment*).

The amendments provide guidance on the accounting for:

- the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
- share-based payment transactions with a net settlement feature for withholding tax obligations; and
- a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

The amendments are effective for annual periods beginning on or after August 1, 2018.

Financial instruments and other instruments

The Company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in this note.

General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management. The effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets are reviewed periodically by the Board of Directors if and when there are any changes or updates required.

The overall objective of the Board of Directors is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market prices are comprised of interest rate, commodity price risk and foreign currency risk. The Company is not exposed to significant market risk.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has cash balances and no interest-bearing debt as at July 31, 2017. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of major Canadian chartered banks. The Company regularly monitors compliance with its cash management policy. The Company is not exposed to significant interest rate risk.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is exposed to other price risk with respect to its investment in securities. The Company is not exposed to significant other price risk. Subsequent to July 31, 2017 the Company sold its available-for-sale investments (Osino Shares) as described hereinabove.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or a counter party to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit exposure. The financial instrument that is potentially subject to credit risk for the Company consists primarily of cash.

Credit risk exposure is limited through maintaining cash with high-credit quality financial institutions and management considers this risk to be minimal for all cash assets based on changes that are reasonably possible at each reporting date.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days. To achieve this objective, the Company prepares annual capital expenditure budgets, which are regularly monitored and updated as considered necessary. Further, when required, the Company utilizes authorizations for expenditures on exploration projects to further manage expenditures.
The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable and option payment commitments. The Company does not generally maintain any trade payables beyond a 30-day period to maturity.

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amounts for cash, trade and other payables and loans payable approximate fair value due to their short-term nature. The Company's available-for-sale investments have been measured using Level 2 inputs.

Capital Management

The Company considers its capital to be comprised of shareholders' equity and loans.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. Management reviews the capital structure on a regular basis to ensure that the above objectives are met. The Company's capital is not subject to any externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the years ended July 31, 2017 and 2016.

Outstanding Share Data

Damara's authorized capital is unlimited common shares without par value. As at the date of this report 21,312,579 common shares were issued and outstanding. The Company as at the date of this report had the following outstanding options, warrants and convertible securities as follows:

Type of Security	Number	Exercise Price	Expiry Date
Stock Options	30,000	$1.00	13-Dec-17
Stock Options	1,600,000	$0.05	21-Jul-27
Share Purchase Warrants	1,475,000	$0.15	18-Jan-21
Share Purchase Warrants	4,482,351	$0.15	02-Mar-21
Share Purchase Warrants	5,000,000	$0.10	31-Aug-20

Risks and uncertainties

The Company is in the mineral exploration and development business and as such, is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. The industry is capital intensive and is subject to fluctuations in market sentiment, metal prices, foreign exchange and interest rates. The Company is currently without an exploration property and there is no certainty that through its project investigation activities that it will be able to secure an asset in order to maintain its listing on the Exchange as a Tier 2 listed issuer. The only sources of future funds for acquisition or future exploration programs upon success of an acquisition available to the Company is the sale of equity capital. Although the Company has been successful in not only acquiring exploration assets and accessing the equity market during the past years, there is no assurance that such sources of financing will be available on acceptable terms, if at all.

The Company does not have any employees. All work is carried out through independent consultants and the Company requires that all professional consultants carry their own insurance to cover any potential liabilities as a result of their work on a project. In certain cases where consultants are unable to carry their own insurance the Company includes such individuals under its coverage.

Going Concern

The Company has not yet achieved profitable operations. These consolidated financial statements are prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company had a net loss of $309,714 for the year ended July 31, 2017 (2016 - $247,056) and has accumulated a deficit of $32,817,263 (2016 - $32,507,549) since inception. These conditions indicate the existence of material uncertainty, which casts significant doubt about the Company's ability to continue as a going concern. The continuing operations of the Company are dependent upon obtaining, in the short term, the necessary financing to meet the Company's operating and mineral property commitments as they come due and to finance future exploration and development of potential business acquisitions, economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, and upon future profitable production. Failure to continue as a going concern would require that assets and liabilities be recorded at their liquidation values, which might differ significantly from their carrying values.

No adjustments to the carrying values of the assets and liabilities have been made in these consolidated financial statements. Should the Company no longer be able to continue as a going concern, certain assets and liabilities may require restatement on a liquidation basis, which may differ materially from the going concern basis.

Other Requirements

Additional disclosure of the Company's material change reports, news release and other information can be obtained on SEDAR at www.sedar.com.