



For the Three Months ended October 31, 2018

The following management's discussion and analysis ("MDA") has been prepared as of December 17, 2018 and should be read in conjunction with Damara Gold Corp.'s unaudited condensed consolidated interim financial statements for the three months ended October 31, 2018 and comparative period October 31, 2017. 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: working capital, project generation and acquisition ability. 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 335 – 1632 Dickson Ave, Kelowna, BC V1Y 7T2. Additional information relating to the Company can be found on SEDAR at www.sedar.com and on the Company website at www.damaragoldcorp.ca.

RTO Transaction

The Company entered into a business combination agreement dated September 5, 2018 and subsequently amended on October 19, 2018 (collectively the "Business Combination Agreement") with New Found Gold Corp. ("New Found Gold"), a private Ontario corporation, whereby Damara will acquire (the "Proposed Transaction") all of the outstanding shares of New Found Gold (the "NFG Shares") in exchange for common shares in the capital of Damara (the "Damara Shares") by way of three-cornered amalgamation.

Summary of Proposed Transaction

The Proposed Transaction will be effected by way of a three-cornered amalgamation pursuant to which Damara will acquire all of the issued and outstanding NFG Shares in exchange for the issuance of Damara Shares to shareholders of New Found Gold (the "NFG Shareholders"). As a result of the Proposed Transaction, the current shareholders of New Found Gold would own a majority of the issued and outstanding Damara Shares.

The Proposed Transaction will constitute an arm's length Reverse Takeover of Damara pursuant to Exchange Policy 5.2 – *Changes of Business and Reverse Takeovers*. Upon completion of the Proposed Transaction, Damara will continue on with the business of New Found Gold and remain a Tier 2 mining issuer (the Company after the completion of the Proposed Transaction being referred to herein as the "Resulting Issuer").

Prior to the completion of the Proposed Transaction, Damara will consolidate its share capital on a 6 (old) to 1 (new) basis and change its name to "New Found Gold Corp." or such other name as may be agreed by the parties. Pursuant to the Proposed Transaction, the NFG Shareholders will receive six (6) post-consolidation Damara Shares for each NFG Share held. Prior to closing of the Proposed Transaction, New Found Gold intends to complete a private placement financing (the "Concurrent Financing") through the issuance of a minimum of 12,500,000 NFG Subscription Receipts (as defined below) (the "Minimum Offering") and up to a maximum of 22,500,000 NFG Subscription Receipts (the "Maximum Offering") at a price of \$0.60 per NFG Share for gross proceeds of \$7,500,000 assuming completion of the Minimum Offering and up to a maximum of \$13,500,000 assuming the Maximum Offering is fully subscribed.

Upon completion of the Proposed Transaction and subject to compliance with applicable laws, including the policies of the Exchange, all outstanding convertible securities of New Found Gold will be exchanged for incentive stock options of the Resulting Issuer having the same economic benefits for the holders thereof.

The completion of the Proposed Transaction is subject to the satisfaction of various conditions that are standard for a transaction of this nature, including but not limited to (i) the completion of the Minimum Offering; (ii) the approval by the shareholders of Damara (the "Damara Shareholders") and the NFG Shareholders to complete the Proposed Transaction, (iii) receipt of all requisite regulatory, stock exchange, court or governmental authorizations and consents, including the Exchange; and (iv) the completion of satisfactory due diligence by each of the parties. There can be no assurance that the Proposed Transaction will be completed on the terms proposed above or at all.

Certain of the Damara Shares to be issued pursuant to the Proposed Transaction are expected to be subject to restrictions on resale or escrow under the policies of the Exchange, including the securities to be issued to "Principals" (as defined in Exchange policies), which will be subject to the escrow requirements of the Exchange.

Subject to satisfaction or waiver of the conditions precedent referred to herein and in the Share Exchange Agreement, Damara and New Found Gold anticipate the Proposed Transaction will be completed in early 2019.

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Each of Damara and New Found Gold will bear their own costs in respect of the Proposed Transaction.

Proposed Concurrent Financing

Prior to or concurrent with completion of the Proposed Transaction, New Found Gold will complete the Concurrent Financing. It is anticipated that the Concurrent Financing will be undertaken via the issuance of subscription receipts of NFG (the "Subscription Receipts") at a price of \$0.60 per Subscription Receipt. Each Subscription Receipt shall be automatically converted to NFG Shares without any further action or payment by the holders thereof upon the satisfaction of certain escrow release conditions (the "Escrow Release Conditions"). New Found Gold is currently meeting with potential agents for the Concurrent Financing. Further details pertaining to the Concurrent Financing will be provided in a subsequent news release.

The gross proceeds from the issue and sale of the Subscription Receipts (the "Escrowed Funds") will be held by an escrow agent and invested in short-term obligations or other investments guaranteed by the Government of Canada (and other approved investments) pending the satisfaction of the Escrow Release Conditions. Provided that the Escrow Release Conditions are satisfied, the Escrowed Funds will be released to New Found Gold or Damara, as directed by New Found Gold, and the New Found Gold Shares issued to holders of Subscription Receipts will then be exchanged for common shares in the capital of the Resulting Issuer pursuant to the Business Combination Agreement.

If: (i) the Escrow Release Conditions are not satisfied; (ii) the Business Combination Agreement is terminated at any earlier time; or (iii) either Damara or New Found Gold has advised any agent for the Concurrent Financing or announced to the public that it does not intend to proceed with the Proposed Transaction, then the Subscription Receipts shall be cancelled and the Escrowed Funds, plus accrued interest, if any, shall be returned to the subscribers.

The proceeds raised will be used to fund the costs associated with completing the Proposed Transaction, exploration on the Resulting Issuer's properties and for general working capital. All securities issued pursuant to the Concurrent Financing will be subject to a hold period of four months and one day. Commissions may be paid on proceeds raised commensurate with industry norms. It is not known at this time if any investment dealer or other registrant will be engaged to assist with fund raising activities.

Trading Halt

At the Company's request, trading in the Damara's Shares has been halted by the Exchange effective September 6, 2018. Trading is expected to remain halted until, at the earliest, the completion of the Proposed Transaction.

Sponsorship

The parties will be seeking a waiver from the Exchange of any requirement for a sponsor, but in the event a waiver is not available, will seek a sponsorship relationship for the Proposed Transaction with an Exchange member firm.

The Resulting Issuer

Assuming completion of the Minimum Offering, it is estimated that there will be approximately 73,237,180 Resulting Issuer Shares issued and outstanding immediately following closing of the Proposed Transaction, with former Damara Shareholders holding approximately 4,385,430 (5.99%) of such Resulting Issuer Shares, former NFG Shareholders holding approximately 56,351,750 (76.94%) of such Resulting Issuer Shares and subscribers under the Concurrent Financing holding approximately 12,500,000 (17.07%) of such Resulting Issuer Shares.

Assuming the Maximum Offering is fully subscribed, it is estimated that there will be approximately 83,237,180 Resulting Issuer Shares issued and outstanding immediately following closing of the Proposed Transaction, with former Damara Shareholders holding approximately 4,285,430 (5.27%) of such Resulting Issuer Shares, former NFG Shareholders holding approximately 56,351,750 (67.71%) of

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such Resulting Issuer Shares and subscribers under the Concurrent Financing holding approximately 22,500,000 (27.03%) of such Resulting Issuer Shares.

Outlook

Completion of the Proposed Transaction was extended from December 31, 2018 to February 29, 2019. The Company currently anticipates that the completion of the transactions contemplated by the Business Combination Agreement will occur in early February 2019.

Results of Operations

Financial Results for three months ended October 31, 2017

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 three months ended October 31, 2018, the Company reported a \$70,008 net comprehensive loss or \$0.00 basic and diluted loss per share compared to a \$44,838 net comprehensive loss or \$0.01 loss per share for the same comparative period ended October 31, 2017. The primary component of the current period loss was general and administration costs of \$70,008 (October 31, 2017 - \$50,764). Additionally the Company recorded a gain on the sale of the available-for-sale investments of \$Nil (October 31, 2017 - \$191,815) and a gain on the settlement of debt of \$Nil (2017 \$10,169).

Significant variances to note were:

	2018	2017	Variance
	\$	\$	\$
Accounting and legal	29,644	7,597	22,047
Consulting	25,650	31,938	(6,288)
Website, shareholder communication	4,530	750	3,780
Exchange loss	-	831	(831)
Office and administration fees	6,407	3,967	2,440
Regulatory fees	-	1,045	(1,045)
Rent	3,250	3,057	193
Transfer agent fees	526	1,337	(811)
Travel	-	242	(242)
	70,008	50,764	19,244

Accounting and legal – the increase in professional fees related to legal fees recorded in connection with the Transaction as described hereinabove.

Summary of quarterly results

	Q1	Q2	Q3	Q4
FY 2019	\$	\$	\$	\$
Revenues	—	—	—	—
Comprehensive income (loss)	(44,828)	(71,212)	(14,764)	(48,258)
Comprehensive loss per share	(0.00)	(0.00)	(0.00)	(0.00)

	Q1	Q2	Q3	Q4
FY 2018	\$	\$	\$	\$
Revenues	—	—	—	—
Comprehensive income (loss)	(44,828)	(71,212)	(14,764)	(48,258)
Comprehensive loss per share	(0.00)	(0.00)	(0.00)	(0.00)

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

Significant variances to note include:

The Company recorded in Q1 2018 a realized fair value gain on the sale of the Osino Shares of \$220,478 which eliminated the balance of Other Accumulated Comprehensive Income to \$Nil.

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 a settlement of debt in the amount of \$214,366.

Liquidity and capital resources

	October 31 2018	July 31 2018
Financial position:		
Cash	\$267,204	\$339,261
Working capital	\$237,025	\$307,033
Total Assets	\$284,557	\$356,773
Shareholders' equity	\$237,025	\$307,033

As at October 31, 2018 the Company has working capital of approximately \$237,025 (July 31, 2018 - \$307,033). The decrease in working capital from July 31, 2018 was for the cost of general and administrative costs as described hereinabove. The Company will require further working capital for the next 12 months should the Proposed Transaction as described herein not be completed.

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

	October 31 2018	October 31 2017
Key management personnel compensation comprised:		
Consulting fees:	\$25,650	\$31,938

- (i) Consulting fees of \$15,000 (2017 - \$20,000) 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 \$9,725 (2017 - \$11,938) were paid and/or accrued to Minco Corporate Management Inc. ("Minco"), a company controlled by Terese Gieselman, the Chief Financial Officer of the Company.
- (iii) Administrative fees of \$925 (2017 - \$Nil) were paid and/or accrued to Minco in relation to providing administrative and accounting services.

(b) Related Party Liabilities

Amounts due to:	Service for:	October 31 2018	July 31 2018
Minco	Consulting Fees	\$2,573	\$6,090
Minco	Expenses	-	\$679
Golden Ridge Resources Ltd. ¹ - common directors	Rent & Expenses	11,790	\$10,108
Total related party payables		\$14,363	\$16,877

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.

(c) Rent

The Company currently pays Golden Ridge Resources rent and expenses on a month to month basis for shared offices space at approximately \$1,000 per month.

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

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 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

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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. The adoption of this new standard had no impact on the Company's condensed consolidated interim financial statements

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.

IFRS 16 Leases

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 *Leases*.

This standard is applicable to the Company's annual periods beginning on or after August 1, 2018. The adoption of this new standard had no impact on the Company's condensed consolidated interim financial statements

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;

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- 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. The Company is currently assessing the impact of the standards on the financial statements.

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 October 31, 2018. 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 not exposed to significant other price risk.

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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 period ended October 31, 2018.

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Outstanding Share Data

Damara's authorized capital is unlimited common shares without par value. As at the date of this report 26,312,579 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	1,425,000	\$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 condensed consolidated interim 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 \$70,008 for the period ended October 31, 2018 (October 31, 2017 - \$146,987 income) and has accumulated a deficit of \$32,874,518 (July 31, 2018 - \$32,804,510) since inception.

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. Although the Company has been successful in doing so in the past, there is no assurance it will be able to do so in the future. These conditions indicate the existence of material uncertainties, which casts significant doubt about the Company's ability to continue as a going concern.

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.