

# DIXIE GOLD INC.

(formerly Clean Commodities Corp.)

## Management Discussion and Analysis (MD&A) Fourth Quarter Report – Year Ended December 31, 2019

(Expressed in Canadian dollars, unless otherwise noted)

April 27, 2020

*For further information on the Company, reference should be made to its public filings on SEDAR at [www.sedar.com](http://www.sedar.com). General information is also available on the Company's website at [www.dixiegold.ca](http://www.dixiegold.ca). This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited financial statements for the year ended December 31, 2019 and related notes thereto which have been prepared in accordance with International Financial Reporting Standards. The MD&A contains certain Forward-Looking Statements and the reader should read the cautionary statement related to Forward-Looking Statements found at the end of this report.*

### OVERVIEW

Dixie Gold Inc. (formerly Clean Commodities Corp.) (the "**Company**") was incorporated on August 24, 2011 pursuant to the *Business Corporation Act* (Alberta) and was continued into British Columbia under the *Business Corporation Act* (British Columbia) on November 10, 2015. The Company is extra-provincially registered in the provinces of Saskatchewan and Quebec, as well as in Nunavut and the Northwest Territories.

The Company has several exploration projects of focus, including the Preston Uranium Project in Saskatchewan (the Company's principal exploration project), its newly acquired Red Lake Gold Project in Ontario and its Isko Gold Project in Quebec. The Company also holds exposure to two lithium projects, being the Torp Lithium Project and the Phoenix Lithium Project, held under lease, as well as certain mineral claims now comprising the Whabouchi Lithium Project (collectively, the "Principal Projects").

The Company also acquires, from time-to-time, a number of non-material, grassroots exploration tenures which are viewed by the Company as practical exploration call options on various commodity and/or regional exploration activities in Canada (the "Non-Principal Projects" or "Other Projects").

Company resources are predominantly focused on Principal Projects although Non-Principal/Other Projects may be advanced on a more active basis (i.e. become a Principal Project) as on-hand capital levels permit and/or regional exploration activity warrants. In the absence of an exploration decision on a Non-Principal/Other Project, the respective tenure is expected to lapse at its renewal date and be discontinued by the Company. The Company actively reviews market conditions and exploration opportunities within its portfolio on a continual basis.

### HIGHLIGHTS FOR Q4 2019

- During the quarter, the Company acquire a large-scale gold exploration project located near Red Lake, Ontario (see news release, Dixie Gold Inc. Announces Dixie Gold District Project, dated December 31, 2019). The region is currently experiencing a significant amount of gold exploration as a result of discoveries being made by Great Bear Resources Ltd. at their Dixie Gold Project which is situated adjacent to the Company's new Red Lake Gold Project.
- During the quarter, both of the Company's earn-in project partners at the Preston Uranium Project and the East Preston Project announced exploration programs (see news releases, Dixie Gold Inc. Option Partner Orano Canada Announces Upcoming Exploration Program at the Preston Uranium Project, dated November 13, 2019, and news release, Dixie Gold Inc. Option Partner Confirms Priority Targets for Upcoming Drill Program At East Project Project, dated December 6, 2019).
- During the quarter, the Company changed its name from Clean Commodities Corp. to Dixie Gold Inc. (see news release, Clean Commodities Corp. to Change Name to Dixie Gold Inc., dated October 8, 2019).

## **Overview of Principal Projects**

*The Company cautions that past results or discoveries on proximate or adjacent projects are not necessarily indicative of the results that may be achieved on the Company's projects.*

For the period ended December 31, 2019, management of the Company considers the following projects to be Principal Projects, as previously defined:

### **Red Lake Gold Project**

During the year ended December 31, 2019, the Company acquired a large portfolio of mineral claims situated in the emerging Dixie Gold District near Red Lake, Ontario. The Red Lake Gold Project held by the Company is located adjacent to the Dixie Project being advanced by Great Bear Resources Ltd. The acquired project covers approximately 21,258 ha (52,507 acres) across 1,044 mining claims (see news release, Dixie Gold Inc. Announces Dixie Gold Project, dated December 31, 2019).

On January 14, 2020, the Company further expanded its Red Lake Gold Project through the purchase of an additional 197 mining claims covering 4,011 ha (9,907 acres) (see news release, Dixie Gold Inc. Announces 9,907 Acre Expansion of Red Lake Project, dated January 14, 2020)

### **Preston Uranium Project**

#### **Overview**

The Preston Uranium Project represents the Company's most advanced exploration asset. A 43-101 Technical Report on the Preston Uranium Project was released by the Company and its project partner, Skyharbour Resources Ltd., on February 16, 2016 and is available on SEDAR ([www.sedar.com](http://www.sedar.com)).

The Preston Uranium Project shares a large adjacent claim boundary with NexGen Energy Ltd.'s Rook-1 property, which in turn hosts the Arrow discovery being advanced by NexGen Energy Ltd.

#### **History of the Preston Uranium Project**

On July 10, 2013, the Company entered into a formal agreement (the "Agreement") with Skyharbour Resources Ltd. ("Skyharbour"), Noka Resources Inc. ("Noka") and Rojo Resources Ltd. (formerly Lucky Strike Resources Ltd.) to form a strategic alliance, the Western Athabasca Syndicate (the "Syndicate"), which would expand the company's exploration land coverage, generate working capital, provide third-party funded exploration on its Preston Uranium Property (125,375 hectares) thereby expediting the Company's ongoing uranium exploration efforts.

Under terms of the Agreement, the Company combined its Preston Uranium Property with Skyharbour's Athabasca Properties to develop and explore a 287,130 hectare (709,513 acre) uranium project base (the "Western Athabasca Syndicate Project" or "Preston Project") that became the largest mineral claim position along the highly prospective margin of the Western Athabasca Basin controlled by a single group. The Western Athabasca Syndicate Project is strategically located in the same region as Fission Uranium Corporation's Triple R uranium discovery in the PLS camp and NexGen Energy Ltd.'s Arrow discovery.

Under the terms of the Agreement, each of the Company, Skyharbour, Noka Resources and Rojo Resources Ltd. received an option to earn 25% of the combined lands by making a series of cash payments, share payments and incurring exploration expenditures over the two-year earn-in term of the Agreement. If carried to completion, the agreement called for \$6,000,000 of exploration on the project over two years. The Company was appointed as the operator of the project (the "Operator"), a role that transitioned to Skyharbour in the third quarter 2014.

On August 17, 2015, two signatory companies, Noka Resources Inc. and Rojo Resources Ltd., had their participation interest in the Western Athabasca Syndicate terminated as a result of not fulfilling the final stage of the expenditure requirements related to the drill program that commenced in the third quarter of 2015 (see news release dated August 17, 2015). The net result to the Company, who met its funding requirement (along with Skyharbour), was an increase in the Company's working interest in the Preston Project from 25% to 50%. The final exploration stage of the earn-in process for the Syndicate was a drill program that commenced on August 18, 2015, to which the Company contributed its final earn-in obligation of cash of \$322,667. Subsequent to the end of the third quarter of 2015, the Company announced drill results of the drill program which took place in the third quarter of 2015 (see news release dated October 23, 2015).

In 2017, the Company entered into exploration agreements with Orano Canada Inc. and Azincourt Energy (then Azincourt Uranium) (see company news releases date March 9, 2017 and March 28, 2017, respectively), which are intended to facilitate further exploration on and advancement of the Preston Uranium Project.

On November 9, 2017, the Company disclosed by news release a significant work program planned and funded by Orano on the Preston Uranium Project.

On November 5, 2018, the Company announced details of a planned \$2.2 million exploration program funded and operated by Orano Canada Inc. (formerly Areva) at the Preston Uranium Project, which commenced in the first quarter of 2019.

During the second quarter of 2019, Azincourt provided an update of new target areas within the East Preston Project (see Azincourt news release dated May 15, 2019).

On August 8, 2019, Azincourt independently provided an update to their shareholders regarding the East Preston Project in which they indicated that drill permitting was ongoing and that Azincourt was proposing a winter 2019/2020 drill program that would comprise 2,000 to 2,500 metres of land-based diamond drilling (up to 15 drill holes) based on a projected budget of approximately \$1.2-million (see Azincourt news release dated August 8, 2019). A drill program was commenced by Azincourt on the East Preston Project subsequent to December 31, 2019 (see news release, Dixie Gold Inc. Announces Commencement of Drill Program at East Preston Project, dated February 4, 2020).

On April 17, 2020, the Company announced that it had entered into amending agreements with Azincourt Energy Corp. and Skyharbour Resources Ltd. concerning the East Preston Uranium Project. Under the amending agreements, Azincourt shall be granted a period extension to March 31, 2021 to 1) deliver the final cash payment and, 2) complete exploration work remaining in connection with respect to Azincourt's earn-in of a 70% interest in certain mineral claims constituting the East Preston Uranium Project. In consideration for the extension, Azincourt has agreed to issue 2,500,000 of its common shares to the Company (see news release dated April 17, 2020).

On March 9, 2020, the Company announced that its Preston Uranium Project partner Orano Canada was commencing a \$735,000 DC resistivity ground geophysics survey (see news release, Dixie Gold Inc. Announces Commencement of Exploration Program by Orano Canada at the Preston Uranium Project, dated March 9, 2020)

## **TORP LITHIUM PROJECT**

The Torp Lithium Project was acquired by the Company in from North Arrow Minerals Inc. (see news release dated April 28, 2016).

The project covers 1,003 ha and is located only 35km from tidewater in the north Slave region of Nunavut. The Torp Lake Project hosts the drill-ready McAvoy lithium-rich pegmatite. Past channel sampling work on this spodumene bearing pegmatite by North Arrow Minerals Inc. returned 6.0 m grading 4.5% Li<sub>2</sub>O and 7.0 m grading 3.3% Li<sub>2</sub>O. The channels were located 78 m apart and orientated perpendicular to the north-south strike of the pegmatite (see above-referenced news release).

During the third quarter of 2017, the Company retained an arm's length survey company based in Yellowknife, NWT to conduct a ground survey of its Torp Lithium Project (the "Torp Ground Survey"), such survey being part of the Company's efforts to convert the underlying mineral claim associated with the project to a lease. During the third quarter of 2017, the Company, as approved through its independent directors, sold a 1% gross royalty on the Torp Lithium Project to the CEO of the Company in exchange for cash proceeds of \$10,000 (the "Torp Royalty"), the proceeds of which were contributed to the funding of the Torp Ground Survey.

## **PHOENIX LITHIUM PROJECT**

The Phoenix Lithium Project was acquired by the Company from North Arrow Minerals Inc. (see news release dated April 28, 2016).

The Phoenix Lithium Project consists of seven mineral claims covering 5,629 ha and is located in the Northwest Territories. The project is approximately 70km southeast of the producing Diavik Diamond Mine and is less than 60 km from existing winter road infrastructure. The Phoenix Project hosts the Big Bird and Curley lithium-rich pegmatite deposits (see above-referenced news release).

Past mapping of the Big Bird pegmatite by North Arrow Minerals has identified a 1,280m strike length with observable outcrop widths ranging from 8m to greater than 80m. Past drilling at the Big Bird pegmatite by North Arrow Minerals also returned 1.24% Li<sub>2</sub>O over 34.3m (see above-referenced news release).

Past mapping of the Big Bird pegmatite by North Arrow Minerals has identified a strike length of 400m with widths up to 20m. Past drilling at the Curley pegmatite by North Arrow Minerals returned 1.72% Li<sub>2</sub>O over 14.87m.

During the third quarter of 2017, the Company retained an arm's length survey company based in Yellowknife, NWT to conduct a ground survey of its Phoenix Lithium Project (the "Phoenix Ground Survey"), such survey being part of the Company's efforts to convert certain underlying mineral claims associated with the project to leases. During the third quarter of 2017, the Company, as approved through its independent directors, sold a 1% gross royalty on the Phoenix Lithium Project to the CEO of the Company in exchange for cash proceeds of \$10,000 (the "Phoenix Royalty"), the proceeds of which were contributed to the funding of the Phoenix Ground Survey.

## **WHABOUCHI LITHIUM PROJECT**

The Whabouchi Lithium District, where the Dumont and Spodumene Lake mineral claims are located, represent part a large, systemically underexplored belt with lithium exploration potential.

During the third quarter of 2016, an inaugural field program was commenced on our Dumont and Spodumene Lake mineral claims (see news release dated July 26, 2016). Surface sample assays were announced subsequent to the third quarter (see news release dated October 27, 2016) with results of up to 344 ppm Li<sub>2</sub>O located within the Dumont claim set.

On November 30, 2017, the Company entered into an option agreement with Cameo Cobalt Corp. ("Cameo")(formerly Cameo Resources Corp.), whereby Cameo has the option to acquire an 80% interest in the Whabouchi Lithium Project, being the Dumont and Spodumene Lake claims, by completing \$5,000,000 of exploration work over a four year period (being the completion of \$500,000 of work in year one, \$1,000,000 of work in year two, \$1,500,000 of work in year three and \$2,000,000 of work in year four), issuing 500,000 common shares (received on February 8, 2018) of Cameo and payment of \$25,000 (received December 29, 2017). As of November 30, 2018 (being the one year anniversary of the option agreement), Cameo had not completed the necessary exploration work required during the first year of the option agreement and as such the Whabouchi Project reverted back to the Company in whole.

## **JULIET LITHIUM PROJECT**

The Juliet Lithium Project was acquired by the Company in 2016 (see news release dated June 2, 2016). The project comprises approx. 9,120 ha (22,536 acres) and is adjacent to the Rose Lithium-Tantalum Project being advanced by Critical Elements Corporation. During the third quarter of 2017, the Company conducted its inaugural exploration program at the Juliet Lithium Project and announced the discovery of a distinct lithium-rich boulder field assaying up to 1.65% Li<sub>2</sub>O (see news release dated September 26, 2017), as well as the expansion of the Juliet Lithium Project by way of a further 49 new mineral claims totalling approximately 2,594 ha)(see also news release dated September 26, 2017).

This project was discontinued during the year ended December 31, 2019.

## **LABRADOR TROUGH NI-CU-PGE PROJECT**

Acquired during 2016, the Ni-Cu-PGE Labrador Trough exploration project covers favourable magnetics, lithologies, and under-explored terrain prospective for nickel-copper-platinum group element mineralization. During the third quarter of 2016, an inaugural exploration program was commenced at the project. The field work was successful in confirming mafic to ultramafic lithologies at the project, including the discovery of a semi-massive sulphide bearing boulder and a sulphide globule bearing gabbro boulder located in the northwest quadrant of the project. The Labrador Trough Ni-Cu-PGE Project is adjacent to the Huckleberry Project being advanced by Northern Shield Resources Inc.

This project was discontinued during the year ended December 31, 2019.

## **OTHER PROJECT & CORPORATE ACTIVITY DURING 2018 & 2017**

This section contains particulars on certain corporate and/or project activity deemed by management of the Company to be of interest to shareholders. See also news releases disclosed by the Company under its profile on [www.SEDAR.com](http://www.SEDAR.com).

### First Quarter - 2017

During the first-quarter of 2017, the Company entered into an option agreement to acquire an interest in the Manitou Cobalt Project (see news release dated February 22, 2017) from Canadian International Minerals Inc. The Company intends to conduct an exploration program on the Manitou Cobalt Project during 2017 to determine if it will elect to complete its earn-in option on the Manitou Cobalt Project (see news release dated July 24, 2017).

### Second Quarter - 2017

No items to report.

### Third Quarter - 2017

In addition to the activities reported elsewhere in this quarterly report, during the third-quarter of 2017, the Company was active on a number of other areas, including:

- the Company acquired the Ogilvie Quarry Zeolite Project and Hampton Quarry Zeolite Project (see news releases dated July 7, 2017 and July 17, 2017, respectively); and

- the Company conducted an exploration program at the Manitou Cobalt Project (see discussion of results by way of news release dated September 21, 2017); and
- the Company acquired the Isko Gold Project (the “Isko Gold Project”) located in Quebec, Canada in exchange for the funding of certain claim staking fees and the granting of a 2% royalty to an arm’s length party. Subsequent to the acquisition of the Isko Gold Project, the Company retained a third-party geologic consulting company to conduct a soil sampling program at the project during the fall of 2017.

#### Fourth Quarter - 2017

During the fourth quarter, the Company entered into a number of transaction designed to enhance the financial strength of the company, including:

- the Company announced a partnership with Cameo Cobalt Corp. (then Cameo Resources Corp.) on the Company’s Whabouchi Lithium Project on November 30, 2017; and
- the Company closed a \$1,500,000 gross proceeds financing (see news release dated December 14, 2017).

#### First Quarter - 2018

During the first quarter, the Company had several events which advanced the Company’s interests, including:

- in January 2018, the Company announced that Orano (formerly Areva) commenced its first drill exploration program at the Preston Uranium Project (see news release dated January 22, 2018); and
- in January 2018, the Company released a third-party model of its Phoenix Lithium Project (see news release dated January 25, 2018); and
- in March 2018, the Company announced that its partner Azincourt had identified a number of prospective geophysical targets at its Preston Uranium Project (see news release dated March 7, 2018).

#### Second Quarter - 2018

No items to report.

#### Third Quarter - 2018

During the third quarter of 2018, the Company announced a strategic review of its operations.

#### Fourth Quarter - 2018

During the fourth quarter of 2018, the Company announced details of a planned \$2.2 million exploration program funded and operated by Orano Canada Inc. (formerly Areva) at its principal Preston Uranium Project (see news release dated November 5, 2018). In conjunction with this program, the Company discontinued its strategic review.

Also during the fourth quarter of 2018, the Company announced that its project partner at the East Preston Uranium Project, Azincourt Energy Inc., was conducting a 498 line-km geophysical survey (see news release dated December 11, 2018).

## SELECTED FINANCIAL INFORMATION

### Annual information – three recently completed years

	2019	2018	2017
Operator fees	\$ -	\$ -	\$ -
Net loss for the year	(1,021,512)	(898,368)	(665,168)
Basic/Diluted loss per share	(0.04)	(0.01)	(0.01)
Total assets	2,213,127	3,111,586	3,894,867

### Quarterly information – eight recently completed quarters

	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
	\$	\$	\$	\$	\$	\$	\$	\$
Net (loss) income	(571,976)	(302,170)	(83,754)	(63,612)	(432,899)	(71,363)	(106,684)	(287,422)
Basic/Diluted (loss) income per share	(0.02)	(0.01)	(0.00)	(0.00)	(0.02)	(0.00)	(0.00)	(0.01)
Total assets	2,213,127	2,750,617	2,951,754	3,047,074	3,111,586	3,525,465	3,597,361	3,716,573

### Three and Twelve Months Ended December 31, 2019

During the three and twelve months ended December 31, 2019, the Company incurred a net loss of \$571,976 and \$1,012,512 compared to \$432,899 and \$898,368 net loss for the same prior year comparable periods. During the three months comparative period, the Company incurred an impairment charge on certain discontinued exploration projects which did not occur in the prior period. During the twelve-months period, there was an overall decrease in general and administrative costs offset by an increase in stock-based compensation, professional fees and business development expenses relating to the discontinued WHC transaction.

## LIQUIDITY AND CAPITAL RESOURCES

	For the year ended December 31	
	2019	2018
	\$	\$
Cash outflows from operating activities	(483,075)	(512,615)
Cash inflows from financing activities	-	208,650
Cash inflows (outflows) from investing activities	156,489	230,566
Net cash inflows (outflows)	(326,586)	(73,399)
Cash and cash equivalents balance	1,281,699	1,608,285

As at December 31, 2019, the Company's net working capital was \$1,272,565 compared to \$1,701,076 as at December 31, 2018. Cash and cash equivalents are held at major Canadian financial institutions. The Company's ability to continue as a going concern is dependent on the Company's ability to raise capital and/or realize adequate operating proceeds from asset dispositions.

## SHAREHOLDERS' EQUITY

### Share Structure

As at the date of this report, the Company had 25,662,188 common shares outstanding. The Company also has 1,581,000 common share purchase options and 300,000 common share purchase warrants outstanding.

### 2019 share capital activities

On December 17, 2019, the Company consolidated its common shares on a 4-old-for-1-new basis.

### 2018 share capital activities

Through the year ended December 31, 2018, 470,662 share purchase warrants were exercised for gross proceeds of \$133,650.

## REGULATORY DISCLOSURES

### *Off-Balance Sheet Arrangements*

There are no off-balance sheet arrangements.

### *Related Party Transactions*

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. The Company has identified its directors and officers as its key management personnel.

	<b>December 31, 2019</b>	December 31, 2018
	\$	\$
Professional fees	<b>30,000</b>	30,000
Consulting	<b>132,500</b>	125,000
Stock-based compensation	<b>58,933</b>	-

As at December 31, 2019, there was \$Nil (2018 - \$Nil) balance owing to related parties.

### *Risk and Uncertainties*

The Company is exposed to a large multitude of risks and uncertainties, which includes, among other factors not listed herein, the following:

#### *Exploration and Development*

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production.

The Company's projects are at an early stage of development. There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of minerals, metals or resources of value. The long-term profitability of the Company's operations will in part be directly related to the

costs and success of its exploration and development programs, which may be affected by a number of factors.

The business of exploration for minerals and mining involves a high degree of risk. Whether a mineral deposit can be commercially viable depends upon a number of factors, including the particular attributes of the deposit, including size, grade and proximity to infrastructure; metal and uranium prices, which can be highly variable; and government regulations, including environmental and reclamation obligations. Few properties that are explored are ultimately developed into profitable, producing mines.

Substantial expenditures are required to establish the continuity of mineralized zones through drilling and to develop and maintain the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that funds required for any proposed development of the Company's properties can be obtained on a timely basis.

The marketability of any minerals acquired or discovered by the Company in the future may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which may result in the Company not receiving an adequate return on investment capital.

There is no assurance that the TSX-V or any regulatory authority having jurisdiction will approve the acquisition of any additional properties by the Company, whether by way of option or otherwise.

#### *Financial Capability and Additional Financing*

The Company has limited financial resources and has no assurance that additional funding will be available to it for further exploration and development of its projects. There can be no assurance that it will be able to obtain sufficient financing in the future to carry out exploration and development work on its projects. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions as well as the business performance of the Company.

#### *Mining Titles*

There is no guarantee that the Company's title to or interests in the Company's property interests will not be challenged or impugned. The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to the area of mineral properties may be disputed. There is no guarantee of title to any of the Company's properties. The Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. With the exception of certain Crown Granted Mineral Claims and legacy tenures, the Company has not surveyed the boundaries of its properties and consequently the boundaries may be disputed.

There can be no assurance that the Company's rights will not be challenged by third parties claiming an interest in the properties. In order to retain mining titles the Company is obligated to perform certain annual work assessment requirements. A failure to perform adequate exploration work on specific mineral tenure claims is, in the absence of cash deposits, expected to result in the loss of such tenure.

#### *Management*

The success of the Company is currently largely dependent on the performance of its officers. The loss of the services of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

#### *Conflicts of Interest*

Certain directors and officers of the Company are, and are expected to continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships, joint ventures and other financial and/or mining interests which are potential competitors of the Company or otherwise adverse in interest. It is understood and accepted by the Company that certain directors and officers of the Company may continue to independently pursue opportunities in the mineral exploration industry. Situations may arise in connection with potential acquisitions, operational aspects, or investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of

interest will be subject to the applicable corporate and securities legislation, regulation, rules and policies and the particulars of any agreements made between the Company and the applicable director or officer.

#### *Dilution*

If the Company raises additional funds through the sale of equity securities, shareholders may have their investment diluted. In addition, if warrants and options are issued in the future, the exercise of such options and warrants may result in dilution to the Company's shareholders. The Company intends to issue further equity in the future.

#### *History of Losses and No Assurance of Profitable Operations*

The Company has incurred a loss since inception. There can be no assurance that the Company will be able to operate profitably during future periods. If the Company is unable to operate profitably during future periods, and is not successful in obtaining additional financing, the Company could be forced to cease its exploration and development plans as a result of lacking sufficient cash resources.

The Company has not paid dividends in the past and has no plans to pay dividends for the foreseeable future.

#### *Uninsurable Risks*

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions may occur. These unexpected or unusual conditions may include rock bursts, cave-ins, fires, flooding and earthquakes. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

#### *Environmental and Safety Regulations and Risks*

Environmental laws and regulations may adversely affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. Furthermore, the permission to operate could be withdrawn temporarily where there is evidence of serious breaches of health and safety, or even permanently in the case of extreme breaches.

Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or non-compliance with environmental laws or regulations.

#### *Title Assertions*

The Company operates in Canada where various and/or conflicting Indigenous title assertions may impact the operations of the Company and/or its interests.

#### *Civil Unrest*

The Company operates in jurisdictions that may be subject to increased incidents of civil unrest which could affect the timing and/or certainty of the Company's operations and/or interests.

#### *Government Policy Concerning Climate*

The Company is subject to a range of government climate policies which may impact the Company and/or its operations. In addition, the Company is subject to various tax policies affecting the resource industry with regard to carbon emissions that may be adverse to the Company and/or its interests.

#### *Fluctuating Commodity Prices*

The Company's revenues, if any, are expected to be in large part derived from the sale of commodities. The prices of commodities, including prices related to lithium and uranium, have fluctuated widely in recent years and are affected by factors beyond the control of the Company including, but not limited to, economic and political trends, currency exchange fluctuations, economic inflation and expectations for the level of economic inflation in the consuming

economies, interest rates, global and local economic health and trends, speculative activities and changes in the supply due to new mine developments, mine closures, and advances in various production and technological uses for commodities being explored for by the Company. All of these factors, and other factors not detailed herein, may impact the viability of Company projects, and include factors which are not possible to predict with certainty.

#### *Competitive Conditions*

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial resources and technical capabilities. Competition in the mining industry is primarily for mineral properties which can be developed and produced economically; the technical expertise to find, develop, and produce such properties; the labour to operate the properties; and the capital for the purpose of financing development of such properties. Many competitors not only explore for and mine for metals, minerals and uranium, but also conduct refining and marketing operations on a world-wide basis and most of these companies have much greater financial and technical resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these mineral deposits could have a material adverse effect on the Company's results.

#### *Price Volatility of Publicly Traded Securities*

In recent years, North American securities markets have experienced high levels of price and volume volatility, and the market prices of securities of many companies, particularly juniors, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. In addition to risks relating to the Company, share equity positions held by the Company are also subject to market volatility and liquidity challenges that may negatively impact their future market or realizable value.

#### *Inadequate Infrastructure May Affect the Company's Operations*

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, community, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

#### *Financial Instruments*

For disclosure purposes, all financial instruments measured at fair value are categorized into one of three hierarchy levels, described below. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total December 31, 2019
Cash and cash equivalents	\$ 1,281,699	\$ -	\$ -	\$ 1,281,699

	Level 1	Level 2	Level 3	Total December 31, 2018
Cash and cash equivalents	\$ 1,608,285	\$ -	\$ -	\$ 1,608,205
Investments	\$ 107,250	\$ -	\$ -	\$ 107,250

The Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to concentration risk, credit risk, liquidity risk, commodity price risk, and foreign exchange risk. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

#### **Concentration Risk**

At December 31, 2019, all of the Company's cash and cash equivalents was held at Canadian national financial institutions. As a result, the Company was exposed to all of the risks associated with these institutions.

#### **Credit Risk**

The Company is exposed to credit risk in the normal course of operations, which is the risk that a customer or counterparty will fail to perform an obligation or settle a liability, resulting in financial loss to the Company. The Company manages exposure to credit risk by adopting credit risk guidelines that limit transactions according to counterparty credit worthiness. The Company's maximum exposure to credit risk is the carrying amount of cash and cash equivalents and other receivables on the statement of financial position.

#### **Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by forecasting its cash flows from operations and anticipating investing and financing activities. Senior management is actively involved in the review and approval of planned expenditures. As at December 31, 2019, the Company's working capital of \$1,272,565 (December 31, 2018 - \$1,701,076) is sufficient to meet its short-term business requirements. Future operations or exploration programs will require additional financing primarily through equity markets.

#### **Commodity Price Risk**

The value of the Company's mineral resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand.

#### **Foreign Exchange Risk**

Currency risk is the risk to the Company's operations that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. As at December 31, 2019, the Company has no monetary assets or liabilities in foreign currencies.

### ***Significant Accounting Policies***

The accounting policies set out below have been applied consistently to all years presented in these financial statements. The financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on deposit at banks and other highly liquid short-term investments, which may be settled on demand or within a maximum 90-day period to maturity.

#### **Financial instruments**

##### ***Classification***

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive (loss) income ("FVOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

##### ***Measurement***

###### **i. Financial assets and liabilities at FVTPL and FVOCI**

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net (loss) income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive (loss) income. The Company recognizes marketable securities at FVTPL. Elected investments in equity instruments at FVOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive (loss) income.

###### **ii. Financial assets and liabilities at amortized cost**

A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at amortized cost, unless they are required to be measured at FVTPL or the Company has opted to measure at FVTPL, are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

###### **iii. Impairment of financial assets at amortized cost**

The Company recognizes a forward-looking basis on the expected credit losses ("ECL") model on financial assets that are measured at amortized cost, contract assets and debt instruments carried at FVOCI.

At each reporting date, the Company measures the ECL for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the ECL for the financial asset at an amount equal to twelve month expected credit losses. The

Company applies the simplified method and measures a loss allowance equal to the lifetime expected credit losses for trade receivables.

The Company recognizes in the statement of net (loss) income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized. The loss allowance was \$nil as at December 31, 2019.

The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	New classification under IFRS 9
Cash	FVTPL
Investment	FVTPL
Accounts payable and accrued liabilities	Amortized cost

### **Property, plant and equipment**

Property, plant and equipment (“PPE”) are carried at cost, less accumulated depreciation and accumulated impairment losses. The cost of an item of PPE consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Where an item of PPE comprises major components with different useful lives, the components are accounted for as separate items. The depreciation method, useful life and residual values are assessed annually.

An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the statement of loss and comprehensive loss. The Company did not have any property, plant and equipment as at December 31, 2019 (December 31, 2018 - \$Nil).

### **Impairment of non-financial assets**

At the end of each reporting period the carrying amounts of the assets are reviewed to determine whether there is any indication that those assets are impaired. Impairment is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset’s value in use and fair value less costs to sell. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm’s length transaction between knowledgeable and willing parties. The impairment loss is recognized in profit or loss in the statement of loss and comprehensive loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount had no impairment loss been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

### **Exploration and evaluation expenditures**

#### *Pre-exploration costs*

Pre-exploration costs are expensed in the period in which they are incurred.

*Exploration and evaluation expenditures*

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures (“E&E”) are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs and payments made to contractors during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

The Company may occasionally enter into option arrangements, whereby the Company may transfer part of a mineral interest, as consideration, for an agreement by the optionee to meet certain E&E which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the optionee on its behalf. Any cash or other consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess consideration accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, E&E in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss in the statement of loss and comprehensive loss. The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount and at each reporting period end.

Under IFRS 6 Exploration for and Evaluation of Mineral Resources, one or more of the following facts and circumstances indicate that an entity should test exploration and evaluation assets for impairment:

- i. The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed.
- ii. Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- iii. Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- iv. Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as ‘mines under construction’. Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties. As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs. Mineral exploration and evaluation expenditures are classified as intangible assets.

**Rehabilitation obligations**

The Company recognizes the fair value of a legal or constructive liability for a rehabilitation obligation in the period in which it is incurred and when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. Changes in the liability for an asset retirement obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in profit or loss in the statement of loss and comprehensive loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset. The Company does not have significant rehabilitation obligations.

**Income taxes**

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income (loss).

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current period and any adjustment to income taxes payable in respect of previous periods. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

**Share capital**

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants, options and flow-through shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares, warrants or options are recognized as a deduction from equity, net of tax.

*Valuation of equity units issued in private placements*

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of common shares issued in private placements was determined to be the more easily measurable component and are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to attached warrants. Any fair value attributed to warrants is recorded to warrants reserves.

**Flow-through shares**

Resource expenditure deductions for income tax purposes related to exploratory activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being renounced, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but

not yet expended at the end of the Company's year is disclosed separately as flow-through share commitments, if any.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financing expense until qualifying expenditures are incurred.

### **Per share amounts**

Basic earnings per common share is computed by dividing the net income for the period by the weighted average number of common shares outstanding for the period. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to re-purchase common shares of the Company at the average market price during the period. For the current and prior year, this calculation proved to be anti-dilutive.

### **Share-based payments**

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss in the statement of loss and comprehensive loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss in the statement of loss and comprehensive loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss in the statement of loss and comprehensive loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

All equity-settled share-based payments are reflected in share-based compensation reserves, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based compensation reserves is credited to share capital, adjusted for any consideration paid. Share-based payments of options which expire unexercised remain in share-based compensation reserves.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

**Mineral tax credit**

The Federal and Provincial taxation authorities provide companies with tax incentives for undertaking mineral exploration programs in certain areas. The Company accrues these credits as a reduction of exploration and evaluation expenditures in the period that the related expenditures were incurred. These accrued credits are subject to review by the relevant authorities and adjustments, if any, resulting from such a review are recorded in the period that the tax filings are amended.

**Joint Arrangements**

Certain of the Company's activities are conducted through joint arrangements in which two or more parties have joint control. A joint arrangement is classified as either a joint operation or a joint venture, depending on the rights and obligations of the parties to the arrangement.

Joint operations arise when the Company has a direct ownership interest in jointly controlled assets and obligations for liabilities. The financial statements include the Company's interest in the assets, liabilities, revenues, expenses, and cash flows of this type of arrangement. Joint ventures arise when the Company has rights to the net assets of the arrangement. For these arrangements the Company uses the equity method of accounting and recognizes initial and subsequent investments at cost, adjusting for the Company's share of the joint venture's income or loss, less dividends received thereafter. Joint ventures are tested for impairment whenever objective evidence indicates that the carrying amount of the investment may not be recoverable under the equity method of accounting. The impairment amount is measured as the difference between the carrying amount of the investment and the higher of its fair value less costs of to sell and its value in use. Impairment losses are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

**New accounting pronouncements**

IFRS 16, Leases, new standard contains a single lessee accounting model, eliminating the distinction between operating and financing leases from the perspective of the lessee. The accounting requirements from the perspective of the lessor remains largely in line with previous IAS 17 requirements, effective for annual reporting periods beginning on or after January 1, 2019. The adoption of this standard did not have a significant effect on the Company's financial statements. Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

**2020 Outlook**

The Company and its project partners, including both Orano Canada and Azincourt Energy, have been actively working on advancing the Preston Uranium Project, with significant exploration planned for the first quarter of 2020. The Company is also continuing to review 2020 exploration opportunities for its Isko Gold Project located in Quebec and its Red Lake Gold Project in Ontario, notably within the context of health and safety constraints imposed by government authorities in light of the COVID-19 pandemic.

***Forward-Looking Statements***

The MD&A, its commentary and the affiliated financial statements contain "forward-looking information" within the meaning of applicable Canadian securities legislation. Such forward-looking statements and information include, but are not limited to, statements regarding prospective production, timing and expenditures to develop the Company's projects' resources, grades and recoveries, cash costs per unit, capital and operating expenditures and sustaining capital and the ability to fund development and exploration of the Company's projects. The Company does not intend to, and does not assume any obligation to update such forward-looking statements or information, other than as required by applicable law.

Forward-looking statements or information involve known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company and its operations to be materially different from those expressed or implied by such statements. Such factors include, among others: ability

to finance mine development, fluctuations in the prices of uranium, lithium, base meals and other commodities, fluctuations in the currency markets (particularly the Canadian dollar and U.S. dollar); changes in national and local governments, legislation, taxation, controls, regulations and political or economic developments in Canada; operating or technical difficulties in mineral exploration, development and mining activities; risks and hazards of mineral exploration, development and mining (including environmental hazards, industrial accidents, unusual or unexpected geological conditions, pressures, cave-ins and flooding); inadequate insurance, or inability to obtain insurance; availability of and costs associated with mining inputs and labour; the speculative nature of mineral exploration and development, diminishing quantities or grades of mineral reserves as properties are mined; risks in obtaining necessary licenses and permits, and challenges to the Company's title to properties.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or information, there may be other factors that cause results to be materially different from those anticipated, described, estimated, assessed or intended. There can be no assurance that any forward-looking statements or information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements or information.