

**THUNDERSTRUCK RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019**

Introduction

This management's discussion and analysis is intended to supplement the unaudited condensed consolidated interim financial statements and the financial condition and operating results of Thunderstruck Resources Ltd. (the "Company") for the nine month period ended September 30, 2019. The discussion should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company and the notes thereto for the nine month period ended September 30, 2019 and the audited consolidated financial statements for thirteen months ended December 31, 2018. The unaudited condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and include the operating results of the Company. Unless expressly stated otherwise, all financial information is presented in Canadian dollars. This information is current to November 25, 2019.

Operations

On August 4, 2016, the Company entered into a Share Sale Agreement (the "Agreement") dated August 4, 2016 with Aljen Pacific to acquire all of the issued and outstanding securities of Aljen for AUS\$158,000 plus VAT in cash and 450,000 common shares paid and issued on closing;

The Company's current mineral property interest is located in Fiji and the Company is satisfied that evidence of title to the properties is adequate and acceptable to prevailing Fijian standards with respect to the current stage of exploration on these properties. Although the Company is unaware of any defects in title to its properties, no guarantee can be made that none exist.

In Q2 and Q3 2018, the Company completed an exploration program on its Rama Creek and Liwa Creek properties which included trenching and rock grab, stream sediment and auger soil sampling.

At Rama Creek, results of its recent field program have significantly increased the size of its copper-gold porphyry prospect to 1.5km in diameter. The results of the current program strongly suggest that the Senikura Gold Zone, which was previously interpreted as a separate and distinct gold target south of the porphyry system, is actually part of one large and well-mineralized hydrothermal system.

Originally discovered by Anglo American in the 1970s, subsequent work, including drilling and trenching, outlined a broad porphyry system.

Collection of an additional 191 ridge-and-spur auger soil geochemical samples was designed to provide high resolution coverage over the potential northwest extension of the Senikura Gold Zone target that returned trench results of 0.55 grams per tonne ("g/t") gold over 37.6 metres; including 0.96 g/t gold over 11 metres (*see the Company's March 1, 2018 news release*).

In conjunction with a previous 228 auger soil samples collected the current results reinforce the apparent northwest trend of the Senikura Gold Zone, which is offset 1 km to the south of the interpreted centre of the Rama Copper-Gold Porphyry target (*see the Company's May 17, 2018 news release*). Current soil sampling to the northwest and southeast of the Senikura trench resulted in a total of 21 samples returning greater than 50 ppb gold; including 8 samples greater than 100 ppb gold, and up to 0.22 g/t gold in soil expanding the interpreted strike length of the Senikura target to 1 km in length.

A total of 60 rock grab samples were collected as part of detailed evaluation and geologic mapping of the Rama Copper-Gold Porphyry and Senikura Gold Zone targets. Of the 60 rock grab samples collected a total of nine (9) samples returned greater than 0.1 g/t gold or 0.10% copper and are considered anomalous. Three select rock grab samples of highly altered silicified vein breccia exposed in the Senikura trench returned assays of 0.52, 0.30, and 0.18 g/t gold. Within the Rama Creek Porphyry target, a total of 5 samples returned greater than 0.10% copper and up to 0.21% copper. Sampled outcrops comprised intensely silicified, sericite and potassic altered, stockwork

textured magnetite-pyrite-chalcopyrite mineralized tonalite intrusive and associated zones of hydrothermal breccia indicative of a high-level porphyry environment.

Based on the results of geological mapping completed by the Company the Rama Creek copper-gold porphyry target exhibits strong northwest-southeast structural control. The copper-gold stockwork veined porphyry zone is separated from the Senikura Gold Zone to the south by wide northwest trending zone of hydrothermal brecciation. The predominance of gold primary mineralization and distal alteration assemblages to the south are interpreted to indicate that the Senikura Gold Zone represents a higher-level manifestation of the same magmatic hydrothermal system. The implication being that significant potential for the discovery of additional porphyry mineralization at depth beneath the gold zone exists.

The subsurface geometry and depth extent of the Rama Creek Cu-Au porphyry has not been determined. Historic drilling by Anglo has shown disseminated Cu-Au mineralization extends to a vertical depth of at least 250 m, and is open at depth and in all directions.

Building on earlier results, the company has quickly outlined what is shaping up as an important discovery at Rama Creek. The next phase of work will focus on additional geologic mapping and soil geochemical surveys, particularly in the developing Senikura Gold target, and an Induced Polarization (IP) geophysical survey to outline drill targets.

At Liwa Creek exploration was designed to follow-up and expand on broad trenched gold zones at the Liwa Ridge Showing (0.61 g/t gold over 71.3 metres; including 1.2 g/t gold over 265. Metres); further develop the high-grade Jensen's Showing (previous outcrop quartz vein rock grab samples returning 36 and 32 g/t gold from two outcrops separated by a distance of 10 metres); and locate the source of widespread gold in float rock located within confined drainages of the Lower Vatuvatulevu Creek and Gun showing areas (*see the Company's February 13, 2018 news release*).

Of the 55 current rock grab samples collected at Liwa, a total of 15 samples returned greater than 1 g/t gold or 10 g/t silver; and up to 55.2 g/t gold and 379 g/t silver.

At the Jensen's Showing two parallel, northeast trending, high-grade gold bearing quartz veins are exposed in the bed of Wainamoli Creek over a distance of 50 metres. The veins dip 60 to 80 degrees to the northwest and occur along the upper and lower contacts of an approximately 10 metre thick intrusive dyke cutting volcanoclastic rocks of the Wainimala Group. Rock grab and small diameter backpack core drilling of the northern vein resulted in four (4) samples returning gold assays of 55.2 , 40.2 , 31.9, and 25.5 g/t gold (the later cored over a 0.22 metre true-width of the vein) with associated lead, copper and zinc values. Jensen's Showing quartz veins are brecciated and contain massive to semi-massive galena, chalcopyrite and sphalerite with vuggy comb to crustiform banded quartz vein textures in association with sericite-illite host rock alteration. The Jensen's south vein ranges in width from 0.1 to 0.5 metres in width and exhibits similar polyphase brecciated, anastomosing pinch-and-swell, comb and crustiform banded textures, with a total of 6 rock outcrop samples returning between 1.45 to 7.13 g/t gold.

A distance of 100 metres to the east of the main Jensen's discovery outcrops a rock grab sample of silicified and comb textured quartz veined Wainamala Group volcanic breccia rocks returned 4.62 g/t gold.

Rock outcrop and subcrop float grab sampling within Liwa Creek at the northern extent of the Liwa Ridge Showing, 800 metres west of Jensen's, returned 4.53 g/t gold and 379 g/t silver (the highest silver assay to date at Liwa Creek), respectively, from silica-flooded and quartz stockwork veined intrusive.

A total of 141 additional ridge-and-spur auger soil geochemical samples were collected Liwa Creek. Sampling was designed to isolate potential source zones to the northeast of the Jensen's gold zone, and widespread gold in float rock recovered within the Lower Vatuvatulevu Creek and Gun showing areas.

Auger soil sampling within the Lower Vatuvatulevu Creek area resulted in the discovery of a significant new gold zone. Prior stream BLEG and prospecting float rock grab sampling within this small 400 x 400 metre drainage returned anomalous gold values. Current soil sampling along the southern ridge resulted in 8 soils samples collected

over a 160 metre interval returning greater than 20 ppb gold, and up to 2480 ppb gold (2.48 g/t gold) in soil. The soil result is four times greater than any previous sample collected on the project.

On February 28, 2019 a Joint Venture Agreement was signed with Japan Oil, Gas and Metals National Corporation (JOGMEC) on its Wainaleka (renamed Korokayiu) VMS project. The agreement gives JOGMEC the right to earn into 70% of the asset over three years by spending CDN\$3.5 million, subject to acceleration at JOGMEC's discretion.

KOROKAYIU (FORMERLY WAINALEKA) ZINC/COPPER PROSPECT

Korokayiu is a high-grade zinc-copper volcanogenic massive sulphide (VMS) discovery drilled by Anglo Pacific in 1977. The 15-hole, 1,763-metre Anglo diamond drill program intersected highly anomalous values including:

- 6.2m @ 1.8% copper, 12.0% zinc and 25 g/t silver (WLK-1A)
- 10m @ 2.3% copper, 5.5% zinc and 47 g/t silver (WLK-4)
- 15.5m @ 1.5% copper, 1.3% zinc and 8.0 g/t silver (WLK-10)

The Anglo drilling results have shown the main mineralised zone is open at both ends and at depth. True widths are estimated to be 80%-100% of the drilled intercept. Geologic mapping indicates 15 km prospective geology strike length; including eight more underexplored zinc-copper VMS prospects*.

Kris Raffle of Apex Geosciences, as the Qualified Person, has verified the reported historic drill intercepts including all sampling, analytical, and underlying test data. For full descriptions of mineralized intercepts and details of the Company's data verification see: Technical Report on Aljen (Pacific) Mineral Properties Viti Levu, Fiji, Prepared for Thunderstruck Resources Ltd., September 15, 2014

ABOUT JOGMEC

JOGMEC (Japan Oil, Gas and Metals National Corporation) seeks to ensure a stable supply of metal resources that are indispensable for their industries, and contributes to a wide range of fields including surveying, exploration, development, production and stockpiling to recycling and environmental protection.

OPTION TERMS

The general terms of the Option are as follows:

- 1) Term 1 Program – JOGMEC to spend a minimum of CDN\$900,000 on exploration during the period commencing on the Effective Date and ending March 31, 2020.
- 2) Term 2 Program – JOGMEC to spend a minimum of CDN\$1,100,000 on exploration during the period commencing April 1, 2020, and ending March 31, 2021.
- 3) Term 3 Program – JOGMEC to spend a minimum of CDN\$1,500,000 on exploration during the period commencing April 1, 2021 and ending March 31, 2022.
- 4) Investment in the Mineral Licence will be on a pro-rata basis after JOGMEC has fulfilled its funding obligation.
- 5) Thunderstruck will be the Operator for all operations on the Mineral Licence and will be responsible for the preparation, conduct and oversight of prospecting operations, and the hiring of any third party consultants.
- 6) JOGMEC has up to a 90 day standstill period from the Effective Date to complete customary due diligence and receive any necessary consents and approvals under the currently effective laws of Fiji in relation to this Agreement. (completed)
- 7) JOGMEC shall have the right in its sole option and discretion and upon notice to Thunderstruck, to accelerate the rate of funding.

In April, 2019, Induced Polarization geophysical survey results on Rama Creek and Liwa Creek confirmed high-priority drill targets beneath extensive surface geochemical anomalies. The coincident chargeability high and resistivity anomalies, together with the widespread surface mineralization, in this geological setting and with extensive hydrothermal alteration, are characteristic of large gold-copper mineralizing systems and related epithermal veins.

Thunderstruck completed a total of 11 line-km of pole-dipole IP/Resistivity ground geophysical surveys, comprising 7 line-km over five lines at Rama Creek copper-gold porphyry target (including a one-km line transecting the associated Senikura Gold Zone), and 4 line-km over four lines at the Liwa Creek gold prospect during December 2018 and February 2019. All nine lines returned significant IP/Resistivity anomalies coincident with known soil, rock, and trench geochemical targets. The results highlight the significant depth potential of gold and copper-gold mineralization zones identified by the Company. “These results show that our Rama copper-gold porphyry target geophysical anomaly extends to a depth of at least 500 meters, far deeper than Anglo’s discovery hole in 1975, which ended in mineralization at 244 meters,” stated Bryce Bradley, Thunderstruck President and CEO. “A drilling program will determine the ultimate size of this exciting target.” “The results from our Liwa gold prospect also indicate that geophysical anomalies associated with wide-spread surface mineralization extend to a depth of at least 300 meters below each of our four gold targets, where prior sampling and trenching showed locally high grade gold mineralization at surface,” she noted. “With this confirmation of depth potential, we are now ready to determine specific drill targets for each of our identified gold prospects. It’s important to note that, in all cases, the anomalies are open to depth beyond the limits of the geophysical surveys.”

In August 2019 a 10-hole drilling program on Thunderstruck’s Korokayiu VMS asset began.

The current drilling is designed to verify historically drilled copper-zinc massive sulphide mineralization through twinning of a number of the historic Anglo holes, in addition to select infill, down-dip, and along-strike exploration holes designed to potentially expand the size of the existing Korokayiu copper-zinc mineralization.

In addition to the diamond drill program, detailed ground gravity geophysical surveys were completed. The geophysical survey was successful in identifying several gravity anomaly targets including:

- An east-northeast trending gravity anomaly coincident with the historically drilled Korokayiu massive zinc-copper sulphide deposit,
- Multiple untested gravity anomalies coincident with the mapped continuation of the interpreted Korokayiu VMS horizon extending northeast over a combined 1.4 km strike length

The recently completed ground gravity geophysical survey comprised a total of 569 stations collected over an area of approximately 100 hectares at an irregular grid spacing averaging approximately 40 metres.

The Company concurrently commenced regional geologic mapping and prospect assessment across the mineralized areas of the Korokayiu tenement, which contains 15 kilometres of prospective geologic strike length, including eight additional, underexplored zinc-copper VMS prospects. Mapping was completed in October 2019.

As of November 25, 2019, drilling continues with six of 13 (increased from 10) holes completed. Assays are pending.

Summary of Quarterly Results

The following table sets forth selected quarterly financial information for each of the last eight most recently completed financial periods:

	Three Months Ended September 30, 2019	Three Months Ended June 30, 2019	Three Months Ended March 31, 2019	Four Months Ended December 31, 2018
	\$	\$	\$	\$
Net Loss	(51,183)	(181,769)	(99,133)	(206,084)
Loss Per Share	(0.00)	(0.00)	(0.00)	(0.00)
	Three Months Ended August 31, 2018	Three Months Ended May 31, 2018	Three Months Ended February 28, 2018	Three Months Ended November 30, 2017
	\$	\$	\$	\$
Net loss	(85,714)	(199,524)	(76,629)	(213,612)
Loss Per Share	(0.00)	(0.00)	(0.00)	(0.00)

Financial Conditions

At September 30, 2019, the Company had current assets of \$167,278 (December 31, 2018 - \$106,220) and current liabilities of \$476,152 (December 31, 2018 - \$163,755).

During the nine months ended September 30, 2019, and subsequent, the Company completed two private placements:

- issued 1,692,000 common shares for gross proceeds of \$101,520 on January 28, 2019.
- issued 1,491,585 common shares for gross proceeds of \$104,411 on April 5, 2019.

Total expenses for the three months ended September 30, 2019 were \$79,683 compared to \$85,714 for the three months period ended August 31, 2018. Significant variances in expenses are explained as follows:

- Consulting fees of \$10,000 (August 31, 2018 - \$nil) related to payments to the current CFO who was hired in October 2018 and the IR consultant who was hired in October 2018.
- Advertising and promotion expenses of \$10,761 (August 31, 2018 - \$4,382), increased due to the expenses incurred on financial news and business promotion during the three months ended September 30, 2019.
- Trust and filing fees of \$1,580 (August 31, 2018 - \$10,169), the decrease was due to the Company withdrew its listing from OTCQB.
- Travel and accommodation expense of \$12,062 (August 31, 2018 - \$22,383) decreased due to less corporate and promotional events during the current period.
- Financing expenses of \$1,201 (August 31, 2018 - \$nil) related to a vehicle leased during the period.

Total expenses for the nine months ended September 30, 2019 were \$360,585 compared to \$361,867 for the nine months period ended August 31, 2018. Significant variances in expenses are explained as follows:

- Consulting fees of \$42,031 (August 31, 2018 - \$10,416) related to payments to the current CFO who was hired in October 2018 and the IR consultant who was hired in October 2018.
- Advertising and promotion expenses of \$37,145 (August 31, 2018 - \$62,787), related to decreased expenses incurred on financial news and business promotion during the nine months ended September 30, 2019.
- Shareholder communications expenses of \$11,354 (August 31, 2018 - \$3,225) due to the expenses incurred during a minerals and mining industry convention during the nine months ended September 30, 2019.
- Trust and filing fees of \$27,101 (August 31, 2018 - \$17,790), the increase was due to the timing of listing fees and the cost of news releases in the periods.
- Travel and accommodation expense of \$21,241 (August 31, 2018 - \$33,817) decreased due to less corporate and promotional events during the current period.
- Share based compensation expenses of \$82,412 (August 31, 2018 - \$91,597) related to stock options granted to management and consultants in the periods.
- Financing expenses of \$2,095 (August 31, 2018 - \$nil) related to a vehicle leased during the period.

Exploration and evaluation expenditures during the nine months ended September 30, 2019 totaled \$895,248 (August 31, 2018 - \$412,540), before recoveries of \$735,178 from its JOGMEC agreement. During the nine months ended September 30, 2019, the company had increased exploration activities on Wainaleka (renamed Korokayiu) VMS project subsequent to the joint venture agreement with JOGMEC.

There has been no change in the nature or manner in which business is conducted nor in business conditions which would affect the Company's financial results.

Liquidity and Capital Resources

The Company's ability to meet its obligations and its ability to finance exploration and development activities depends on its ability to generate cash flow through the issuance of common shares pursuant to private placements, the exercise of warrants and stock options. Capital markets may not always be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings. This may be further complicated by the limited liquidity for the Company's shares, restricting access to some institutional investors. The Company's

growth and success is dependent on additional external sources of financing which may not be available on acceptable terms.

Cash and Working Capital

As of September 30, 2019, the Company had cash of \$52,776 and working capital deficiency of \$308,874, compared with cash of \$36,950 and working capital deficiency \$47,535 as of December 31, 2018. The increase in cash and working capital deficiency is mainly due to gross proceeds of \$205,931 received from the private placements in January and April 2019, offset by cash flows detailed below.

Cash Used in Operating Activities

Cash used in operating activities during the nine months ended September 30, 2019 was \$346,711 (August 31, 2018 - \$340,832), resulting from a net loss of \$332,085 (August 31, 2018 - \$361,867), including non-cash share-based compensation expense of \$82,412 (August 31, 2018 - \$91,597), accrued interest expense from a vehicle lease of \$2,095 (August 31, 2018 - \$nil), an unrealized foreign exchange gain of \$2,170 (August 31, 2018 - \$nil), and operator cost recovery from exploration advance of \$36,000 (August 31, 2018 - \$nil) adjusted for changes in non-cash working capital, which used cash of \$60,963 (August 31, 2018 - \$70,562), primarily due to the payments for prepaid expenses in the comparative period

Cash Used in Investing Activities

Cash provided by investing activities during the nine months ended September 30, 2019 was \$170,937 (August 31, 2018 - \$412,540 cash used), of which \$784,350 (August 31, 2018 - \$nil) was received in connection with the JOGMEC agreement offset by exploration expenditures of \$598,617 (August 31, 2018 - \$412,540) and exploration deposit payments of \$14,796 (August 31, 2018 - \$nil).

Cash Generated by Financing Activities

During the nine months ended September 30, 2019, cash provided from financing activities was \$191,600 (August 31, 2019 - \$616,461). During the nine months ended September 30, 2019, the Company received \$190,935 (August 31, 2018 - \$616,461) in proceeds from issuance of shares, net of share issuance costs in relation to the private placements, \$10,000 (August 31, 2018 - \$nil) from subscriptions receivables, and \$5,500 (August 31, 2018 - \$nil) from option exercise, offset by \$14,835 (August 31, 2018 - \$nil) in lease payments for a leased vehicle.

Requirement of Additional Equity Financing

The Company has relied primarily on equity financings for all funds raised to date for its operations. The Company needs more funds to finance its exploration and development programs and ongoing operating costs. Until the Company starts generating profitable operations from extraction of minerals and precious metals, the Company intends to continue relying upon the issuance of securities to finance its operations and acquisitions.

The Company works to meet its administrative overhead and property commitments going forward. As at September 30, 2019, the Company had a working capital deficiency which will be managed with the JOGMEC agreement and additional funding as available. There is, however, no assurance that any future funding can be accomplished as it would be wholly dependent on the state of the capital markets for junior exploration companies. The Company does not anticipate the payment of dividends in the future.

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

At the present time, there are no proposed transactions that should be disclosed.

Critical Accounting Estimates

A detailed summary of all the Company's significant accounting estimates is included in Note 2 of the Company's unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2019.

Application of new and revised accounting standards

IFRS 16, Leases

The company has adopted IFRS 16 as of January 1, 2019. This new standard eliminates the classification of leases as either operating leases or finance leases and introduces a single lessee accounting model which requires the lessee to recognize assets and liabilities for all leases with a term of longer than 12 months. The Company has no leases as at January 1, 2019, therefore the adoption of IFRS 16 did not have a material impact on the Company's condensed interim financial statements.

Related Party Transactions

Key management personnel compensation:

	September 30, 2019	August 31, 2018
	\$	\$
Automobile ⁽¹⁾	959	3,485
Consulting fees ⁽²⁾	22,500	2,000
Management fees ⁽³⁾	90,000	138,186
Professional fees	-	6,000
Rent and office ⁽¹⁾	4,500	5,000
Share-based compensation	75,545	71,685
Total key management compensation	193,504	187,668

(1) Expenses paid on behalf of the CEO or to a company owned by the CEO per the CEO's consulting agreement.

(2) Consulting fee include fees for a company where current CFO is an associate.

(3) Management fees include fees for CEO and a director of a significant subsidiary.

As at September 30, 2019, the Company owes related parties \$62,113 (December 31, 2018 - \$65,916) for administrative expenses and professional fees provided. All amounts are included in accounts payable and accrued liabilities.

Outstanding Share Data

The Company has one class of common shares. As at the date of this MD&A, there were 57,894,752 common shares outstanding.

The Company has a stock option plan. As at the date of this MD&A, there were 5,155,000 stock options outstanding.

The Company has 34,130,877 warrants outstanding at the date of this MD&A.

Financial Risk Management

The Company's financial instruments are exposed to the following risks:

Credit Risk

The Company's primary exposure to credit risk is the risk of illiquidity of cash, amounting \$52,776 at September 30, 2019 (December 31, 2018 - \$36,950). As the Company's policy is to limit cash holdings to instruments issued by major Canadian banks, the credit risk is considered by management to be negligible.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company's only liquidity risk from financial instruments is its need to meet operating accounts payable requirements. The Company is working to meet its capital requirements to satisfy its obligations. Liquidity will be managed through its JOGMEC agreement and additional financing through debt and/or equity as available.

Foreign Exchange Risk

The Company's has engaged a number of vendors in the pursuit of mineral exploration activities in Fiji. As such, the Company is exposed to some foreign currency risk. Fluctuations in the exchange rate between the Canadian dollar and Fijian dollar may have an adverse effect on the Company's business and costs to proceed with preferred vendors. The Company may reduce its foreign currency risk as needed by substituting Canadian vendors as required. Foreign currency risk is considered low relative to the overall financial operating plan.

Interest Rate Risk

The Company has been exposed to interest rate risk on its cash. The majority of these deposits have been in discounted instruments with pre-determined fixed yields. Interest rate movements will affect the fair value of these instruments so the Company manages maturity dates of these instruments to match cash flow needs, enabling realization at no loss in almost all cases. At September 30, 2019, the Company maintained all of its cash balance on deposit in chequing accounts with a major Canadian bank and a major Fijian bank.

Fair Value of Financial Instruments

The Company's cash, amounts receivable, accounts payable and accrued liabilities and exploration advance are carried at amortized cost and approximate fair value due to their short-term nature.

Risk and Uncertainties

Risks of the Company's business include the following:

Mining Industry

The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Mining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of ore, including unusual and unexpected geology formations, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

The Company's mineral exploration activities are directed towards the search, evaluation and development of mineral deposits. There is no certainty that the expenditures to be made by the Company as described herein will result in discoveries of commercial quantities of ore. There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other interests, many of which have greater financial resources than it will have for the opportunity to

participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

Government Regulation

The exploration activities of the Company are subject to various federal, provincial and local laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substance and other matters. Exploration activities are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws mandate, among other things, the maintenance of air and water quality standards, and land reclamation. These laws also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Although the Company's exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration, mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

Permits and Licenses

The exploitation and development of mineral properties may require the Company to obtain regulatory or other permits and licenses from various governmental licensing bodies. There can be no assurance that the Company will be able to obtain all necessary permits and licenses that may be required to carry out exploration, development and mining operations on its properties.

Environmental Risks and Hazards

All phases of the Company's mineral exploration operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present, which have been caused, by previous or existing owners or operators of the properties. The Company may become liable for such environmental hazards caused by previous owners and operators of the properties even where it has attempted to contractually limit its liability.

Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent such approvals are required and not obtained; the Company may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Production of mineral properties may involve the use of dangerous and hazardous substances such as sodium cyanide. While all steps will be taken to prevent discharges of pollutants into the ground water the environment, the Company may become subject to liability for hazards that cannot be insured against.

Commodity Prices

The profitability of mining operations is significantly affected by changes in the market price of copper, gold and other minerals. The level of interest rates, the rate of inflation, world supply of these minerals and stability of exchange rates can all cause significant fluctuations in base metal prices. Such external economic factors are in turn

influenced by changes in international investment patterns and monetary systems and political developments. The price of copper, gold and other minerals has fluctuated widely in recent years, and future serious price declines could cause continued commercial production to be impracticable. Depending on the price of copper, gold and other minerals, cash flow from mining operations may not be sufficient. Any figures for reserves presented by the Company will be estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Market fluctuations and the price of copper, gold and other minerals may render reserves uneconomical. Moreover, short-term operating factors relating to the reserves, such as the need for orderly development of the ore bodies or the processing of new or different grades of ore, may cause a mining operation to be unprofitable in any particular accounting period.

Land Title

Although the Company has obtained title opinions with respect to certain of its properties, there may still be undetected title defects affecting such properties. Accordingly, such properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects which could have a material adverse impact on the Company's operations.

Conflicts of Interest

Certain of the directors of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

Additional information relating to the Company is available on www.sedar.com.