SIENNA RESOURCES INC.
Management's Discussion and Analysis
For the year ended December 31, 2017

Date of Report: April 25, 2018

The following discussion and analysis of the Company's financial condition and results of operations for the year ended December 31, 2017 should be read in conjunction with its consolidated financial statements and related notes. The requisite financial data presented for the relevant periods has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Disclaimer for Forward-Looking Information

Certain statements in this report are forward-looking statements, which reflect its management's expectations regarding its future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this report. These assumptions, which include management's current expectations, estimates and assumptions about the Company's current mineral property interests, the global economic environment, the market price and demand for commodities and its ability to manage its property interests and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause the actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) a decreased demand or price of minerals, (3) delays in the start of projects with respect to its property interests, (4) inability to locate and acquire additional property interests, (5) the uncertainty of government regulation and politics in North America regarding mining and mineral exploration, (6) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (7) other factors beyond its control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. Except as required by law, the Company disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

Nature of Business

The Company is involved in the identification, acquisition and exploration of mineral properties that management deems as potentially viable to assist in the growth of the Company. At December 31, 2017, the Company had mineral property interests located in Canada, Sweden and in the USA.

Mineral Properties

White Gold Claims (Yukon, Canada) – Staking

During the year ended December 31, 2009, the Company registered three hundred and forty five quartz claims with the Yukon Government which covered approximately 18,200 acres. This property consisted of two blocks of gold claims in the region of the White and Yukon Rivers for staking costs incurred of $106,896. The Company held a 100% interest in the White Gold Claims. This prospect stretches westward in a broad arc from British Columbia, Canada, through southeastern and central to southwestern Alaska, United States.

The Company decided not to renew one hundred of the claims that were not in primary area of investigation and allowed them to lapse in September 2011. Prior acquisition costs of $30,542 were written off during the year ended December 31, 2011.

During the year ended December 31, 2013, the Company decided not to renew 208 claims and allowed them to lapse as they became due. Prior acquisition costs of $64,823 and exploration costs of $54,706 associated with these claims were written off.

During the year ended December 31, 2015, the Company decided not to renew certain claims and allowed them to lapse as they became due. Prior acquisition costs of $10,908 and exploration costs of $59,613 associated with these claims were written off. The Company continues to hold a 100% interest in the remaining White Gold claims.

As at December 31, 2017, the Company had spent a total of $4,037 in exploration expenditures on the remaining claims of this property. At this time additional funds need to be raised to take this project to the next stage. Although the Company has secured financings in the past, there is no assurance that the Company will be able to do so in the future on terms that are favourable to the Company or at all.

Clayton Valley Deep Basin Lithium Brine Project (Nevada, USA) – Staking

In May 2016, the Company acquired a 100% interest in the “Clayton Valley Deep Basin Lithium Brine Project”, Nevada, for staking costs of $23,609. The “Clayton Valley Deep Basin Lithium Brine Project” is located in parts of the deepest sections of the only lithium brine basin with a producing operation in North America (Albemarle’s (ALB-NYSE) Silver Peak Mine).

As disclosed in a news release dated July 11, 2016, the Company has engaged GeoXplor Corp. of Anthem Arizona to oversee the initial work program. As disclosed in a news release dated November 7, 2017, the Company announced that it is planning to commence operations on its lithium claims in Nevada.

As at December 31, 2017, the Company had incurred a total of $26,528 in claim maintenance fees on this property.

Slattberg Cobalt-Nickel-Copper Project, Sweden – Exploration and Option Agreement

In December 2017, the Company entered into an exploration and option agreement (the "Slattberg Agreement") with an arm's length party, a company organized under the laws of Sweden (the "Slattberg Vendor"). Pursuant to the Slattberg Agreement, the Slattberg Vendor granted an option (the "Option") to the Company to acquire the Slattberg Cobalt-Nickel-Copper Project in Sweden. The Slattberg Project consists of two adjacent exploration permits comprising approximately 9,513 contiguous acres. In consideration, the Company is required to issue 3,000,000 common shares to the Slattberg Vendor within five business days upon Exchange approval (issued at a value of $735,000) and spend at least $500,000 in exploration expenditures on or before December 6, 2018, and such exploration expenditures shall include the drilling of at least 750 metres on the project.

Upon exercise of the Option, the Company shall issue to the Slattberg Vendor an additional 3,000,000 common shares.

The Slattberg Project is subject to a 3% net smelter return (NSR) royalty. Within six years of the execution of the Slattberg Agreement, the Company may purchase 0.5% of the NSR royalty for $1,500,000, which is subject to Exchange approval.

From the date of the closing of the exercise of the Option, the Company will use commercially reasonable efforts to raise $3,000,000 for development of the Slattberg Project and other activities. Once the Company has raised that amount, the Company will issue an additional 4,000,000 shares to the Slattberg Vendor, which is subject to Exchange approval.

As disclosed in a news release dated January 25, 2018, the Company announced the commencement of a high-resolution ground magnetic survey on the property. As disclosed in a news release dated January 30, the Company announced it received initial results from the survey, which defined multiple strong magnetic responses along the trends of mineralization. These areas of strong magnetic response are interpreted to represent steeply plunging bodies of massive sulphide mineralization that is rich in pyrrhotite.

As disclosed in a news release dated February 14, 2018, the Company announced it significantly increased the land holdings on its Slattberg Project. This new Slattberg exploration license contains four old mines with one being the historic Martanberg copper mine. The Slattberg Project now consists of three exploration licenses convering 12,733 acres and at least 16 historic mines.

The Company engaged Protek Norr AB of Sweden to drill this project. As disclosed in a news release dated February 21, 2018, the Company announced the commencement of drilling on its Slattberg Project. This maiden drill program will consist of five to seven prioritized drill holes of 125 to 200 metres in length. The Company expects to receive the results from the drilling shortly

Grande-Vallée North Aluminous Clay Prospect (Quebec, Canada)

During the years ended December 31, 2011, 2012 and 2013, the Company staked certain mineral claims in the Grande-Vallée North Aluminous Clay Prospect in Quebec for staking costs of $13,018. The Company owned a 100% of this property. The Company hired APEX Geoscience Ltd. of Edmonton, Alberta to conduct the work and oversee and compile the data collected to date on this prospect.

During the years ended December 31, 2013 and 2014, the Company decided not to renew certain claims. Prior acquisition costs of $2,209 associated with these lapsed claims were written off as of December 31, 2013.

During the year ended December 31, 2015, the Company decided not to renew certain claims. Prior acquisition costs of $9,863 and exploration costs of $138,333 associated with these lapsed claims were written off.

During the year ended December 31, 2017, the Company decided not to continue with this property and allowed the remaining claims to lapse when they became due. Accordingly, the Company fully wrote off the carrying value of $241,447.

Esmeralda Lithium Project (Nevada, USA) – Staking

In April 2016, the Company acquired a 100% interest in the "Esmeralda Project" which was prospective for lithium located in the Clayton Valley, Nevada, for staking costs of $7,790.

During the year ended December 31, 2017, the Company decided not to continue with this property. Accordingly, prior acquisition costs of $7,790 and exploration costs of $4,500 were fully written off.

Lezai Prospect (Quebec, Canada)

In October 2010, the Company acquired approximately 5,400 contiguous acres. This property was close to the Tortigny prospect in central Quebec approximately 100km north west of Chibougamau. In December 2010, the Company acquired an additional 20,006 acres contiguous to the existing claim. The Company held a 100% interest in these claims.

In April 2011, the Company entered into an option agreement with an arm's length vendor (the "Quebec Vendor") to acquire one hundred and fifty three mineral claims located (the "Brown Claims") in the Province of Quebec. The Quebec Vendor owned a 100% interest in this property. This property was contiguous to the Lezai Gold Prospect that the Company already held. The Company was required to pay $15,000 in cash (paid), incur exploration costs of $350,000 ($41,000 incurred) and issue 600,000 common shares (issued at a value of $510,000) in set payments on or before October 7, 2017.

During the years ended December 31, 2012 and 2014, the Company decided not to renew certain Lezai Gold claims and allowed them to lapse when they came due. Prior acquisition costs and exploration costs associated with these lapsed claims were written off.

During the year ended December 31, 2016, the Company decided not to continue with the entire Lezai Gold Prospect and fully wrote off the carrying value in the amount of $53,156.

Other Properties and Investments

In addition to its mineral property interests, the Company has several legacy interests in the non-mining sector that the Company has determined are not material.

Andora Energy Corporation

The Company's investments consist primarily of investments in 700,000 common shares of Andora Energy Corporation, a private company in the oil and gas industry in Alberta, Canada. These shares were acquired for consideration of $413,000 and account for 0.7% of Andora's outstanding common shares as of December 31, 2017 and December 31, 2016. The Company's available-for-sale investments are measured at cost since the fair value of the unlisted Andora common shares cannot be reliably measured.

Patch Oilsands Limited Partnership

In 2006, the Company acquired an interest in a limited partnership which earned us an interest in various oil sands properties in Alberta. During the year ended December 31, 2007, the Company wrote down its investment in the limited partnership to a nominal value of $1. During the year ended December 31, 2017, the Company decided to fully write off its investment in Patch Oilsands Limited Partnership.

	December 31, 2017	December 31, 2016
Patch Oilsands Limited Partnership	$ -	$ 1
Andora Energy Corporation, at cost	413,000	413,000
Total available-for-sale investments	$ 413,000	$ 413,001

Write-Down of Exploration and Evaluation Assets

During the year ended December 31, 2017, the Company recorded a write-down of its exploration and evaluation assets and other properties in the amount of $253,738.

Overall Performance

The Company is a mineral exploration issuer engaged in the business of acquisition, exploration and, if warranted, development of mineral properties. As such, the Company has not had any revenues in the years ended December 31, 2017 and 2016. The Company does not expect to generate any revenues from mineral production on its properties in the foreseeable future. The Company expects to continue to incur expenses as the Company works to further explore and develop its mineral properties.

The Company has conducted limited exploration on its mineral properties to date, due to, among other things, the uncertainties associated with the prices of precious and base metals and other minerals, restrictions on accessing the mineral properties due to climate issues, the availability of equity financing for the purposes of mineral exploration and development and the global economic climate. The Company is in the process of exploring its mineral properties and has not yet determined whether the mineral properties contain reserves that are economically recoverable. The Company's future performance is largely tied to the outcome of future exploration and the overall financial markets.

The recoverability of minerals from the Company's mineral properties is dependent upon, among other things, the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to continue to explore and develop its properties, and upon future profitable production. Uncertainty in credit markets has led to increased difficulties in raising and borrowing funds. As a result, the Company may have difficulties raising equity financing for the purposes of exploration and development of the Company's mineral properties, without diluting the interests of current shareholders of the Company.

Net comprehensive loss decreased from $833,693 for the year ended December 31, 2016 to $683,341 for the year ended December 31, 2017. As at December 31, 2017, the Company had a working capital deficiency of $1,593,781 and cash of $203,003 as compared to a working capital deficiency of $1,427,617 and cash of $18,618 as at December 31, 2016. As at December 31, 2017, the Company had an accumulated deficit of $21,184,272 since inception. The Company expects to incur further losses in the development of its business, all of which casts substantial doubt on the Company's ability to continue as a going concern.

As a result, management believes that the Company's available funds will not be sufficient to meet its working capital requirements for the next twelve month period. Management anticipates that additional funds will need to be raised, through equity financings, shareholder loans, or otherwise, to fund the Company's planned work programs on its mineral properties and ongoing operations. Although the Company has secured financings in the past, there is no assurance that the Company will be able to do so in the future on terms that are favourable to the Company or at all. The Company may have difficulty raising additional funds as necessary due to a number of uncertainties and risk factors, including uncertainty in credit markets, fluctuation in commodity prices and general economic downturns. See "Liquidity and Capital Resources" and "Risk Factors" for a discussion of risk factors that may impact the Company's ability to raise funds.

Information about the Company's commitments relating to its mineral properties is discussed above under "Nature of Business – Mineral Properties".

Additional information about the risks and uncertainties relating to the Company's business and financial performance is discussed below under "Risks Factors".

Summary of Quarterly Results

The following table provides selected quarterly financial data for the eight most recently completed interim quarters:

	2017 Fourth	**2017 Third**	**2017 Second**	**2017 First**	**2016 Fourth**	**2016 Third**	**2016 Second**	**2016 First**
Total revenues	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Income (loss) before discontinued operations and extraordinary items:								
Total	$(171,580)	$(90,902)	$(298,617)	$(122,242)	$(105,652)	$(252,573)	$(433,084)	$(42,384)
Per share	$(0.00)	$(0.00)	$(0.01)	$(0.00)	$(0.00)	$(0.01)	$(0.01)	$(0.00)
Per share fully diluted	$(0.00)	$(0.00)	$(0.01)	$(0.00)	$(0.00)	$(0.01)	$(0.01)	$(0.00)
Net comprehensive income (loss):								
Total	$(171,580)	$(90,902)	$(298,617)	$(122,242)	$(105,652)	$(252,573)	$(433,084)	$(42,384)
Per share	$(0.00)	$(0.00)	$(0.01)	$(0.00)	$(0.00)	$(0.01)	$(0.01)	$(0.00)
Per share fully diluted	$(0.00)	$(0.00)	$(0.01)	$(0.00)	$(0.00)	$(0.01)	$(0.01)	$(0.00)

Summary of Results During Prior Eight Quarters

Net comprehensive loss increased by $390,700 from the first to the second quarter of 2016 mainly due to an increase in share-based payments of $305,164 and an increase of $41,373 in travel and promotion expense. Net comprehensive loss decreased from the second to the third quarter of 2016 by $180,511 mainly due to a decrease in share-based payments of $245,468 offset by an increase in the write-down of exploration and evaluation assets offset of $53,156. Net comprehensive loss decreased from the third to the fourth quarter of 2016 by $146,921 mainly due to a decrease in the write-down of exploration and evaluation assets of $53,156, share-based payments of $59,696, and travel and promotion expenses of $36,050. Net comprehensive loss slight increased by $16,590 from the fourth quarter of 2016 to the first quarter of 2017 mainly due to an increase in share-based payments offset by a decrease in professional fees and in travel and promotion expenses. Net comprehensive loss increased by $176,375 from the first to the second quarter of 2017 mainly due to an increase of $241,447 in the write-down of exploration and evaluation assets offset by a decrease in share-based payment expense of $53,322. Net comprehensive loss decreased by $207,715 from the second to the third quarter of 2017 manly due to a decrease in the write-down of exploration and evaluation assets. Net comprehensive loss increased from the third to the fourth quarter of 2017 by $80,678 mainly due to an increase in professional fees and in travel and corporate branding expenses.

Selected Annual Information

The following table sets out selected financial information for the Company, which have been prepared in accordance with IFRS:

	Year ended December 31,		
	2017	**2016**	**2015**
Total revenues	$Nil	$Nil	$Nil
Loss before discontinued operations and extraordinary items:			
Total	$(683,341)	$(833,693)	$(380,637)
Per share	$(0.02)	$(0.03)	$(0.01)
Per share fully diluted	$(0.02)	$(0.03)	$(0.01)
Net comprehensive loss:			
Total	$(683,341)	$(833,693)	$(380,637)
Per share	$(0.02)	$(0.03)	$(0.01)
Per share fully diluted	$(0.02)	$(0.03)	$(0.01)

	As at December 31,		
	2017	**2016**	**2015**
Total assets	$1,562,005	$892,383	$775,166
Total long term debt	Nil	Nil	Nil
Cash dividends	Nil	Nil	Nil

Year ended December 31, 2017 Compared to the Year ended December 31, 2016

The Company did not generate any revenue for the year ended December 31, 2017 or for the year ended December 31, 2016. Net comprehensive loss for the year ended December 31, 2017 decreased to $683,341 from $833,693 for the year ended December 31, 2016, mainly due to a decrease in operating expenses (year ended December 31, 2017: $429,353; year ended December 31, 2016: $791,514) offset by an increase in the write-down of exploration and evaluation assets (year ended December 31, 2017: $253,738; year ended December 31, 2016: $53,156). The decrease in operating expenses was due primarily to a decrease in share-based payments (year ended December 31, 2017: $53,322; year ended December 31, 2016: $364,860) and travel and corporate branding expenses (year ended December 31, 2017: $101,802; year ended December 31, 2016: $149,877), offset by an increase in management fees (year ended December 31, 2017: $120,000; year ended December 31, 2016: $97,500). Decreased share-based payments were due to the Company granted 3,000,000 stock options to its directors and consultants at a price of $0.15 per share and an expiry date at August 6, 2017 during the year ended December 31, 2017 as compared to 4,070,000 stock options were granted with exercise prices ranging from $0.15 to $0.23 per share and expiry dates ranging from October 19, 2016 to

January 11, 2017 during the year ended December 31, 2016. Decreased travel and corporate branding expenses were due to the Company incurred $Nil (year ended December 31, 2016: $49,875) for European marketing program. These expenses represent the costs of administering a public company.

The Company's total assets increased by $669,622 to $1,562,005 as at December 31, 2017 from $892,383 as at December 31, 2016, mainly due to an increase in cash and an increase in exploration and evaluation assets.

The Company’s current assets increased by $183,477 to $359,208 as at December 31, 2017 from $175,731 as at December 31, 2016 due primarily to an increase in cash. The increase in cash was due to the Company received a total of $174,000 in share subscriptions as of December 31, 2017 for a private placement that was closed in January 2018. The Company’s current liabilities increased by $349,641 from $1,603,348 as at December 31, 2016 to $1,952,989 as at December 31, 2017. Current liabilities as at December 31, 2017 consisted of $1,906,673 (December 31, 2016: $1,597,282) of accounts payable and accrued liabilities, $1,316 (December 31, 2016: $1,066) of interest payable, and $45,000 (December 31, 2016: $5,000) of loans payable. The value ascribed to the Company’s exploration and evaluation assets increased by $494,501 to $789,797 as at December 31, 2017 from $295,296 as at December 31, 2016 mainly due to the acquisition of the Slattberg Cobalt-Nickle-Copper Project in Sweden offset by the write-down of the Grande-Vallée North Aluminous Clay Prospect and the Esmeralda Lithium Project.

Year ended December 31, 2016 Compared to the Year ended December 31, 2015

The Company did not generate any revenue for the year ended December 31, 2016 and for the year ended December 31, 2015. Net comprehensive loss for the year ended December 31, 2016 increased to $833,693 from $380,637 for the year ended December 31, 2015, mainly due to an increase in operating expenses (fiscal 2016: $791,514; fiscal 2015 $184,538), offset by the write-down of exploration and evaluation assets (fiscal 2016: $53,156; fiscal 2015: $218,717). The increase in operating expenses was due primarily to an increase in share-based payments (fiscal 2016: $364,860; fiscal 2015: Nil), management fees (fiscal 2016: $97,500; fiscal 2015 $52,500), and travel and corporate branding expenses (fiscal 2016: $149,877; fiscal 2015 $20,611). Increased share-based payments were due to the Company granted 4,070,000 stock options were granted with exercise prices ranging from $0.15 to $0.23 per share and expiry dates ranging from October 19, 2016 to January 11, 2017 during the year ended December 31, 2016 (fiscal 2015: Nil options were granted). Increased management fees were due to management received increased monthly compensation from April 2016 to reflect the increased corporate activity and transactions. Increased travel and corporate branding expenses were due to the Company incurred $21,275 (fiscal 2015: $Nil) in various conferences and incurred $49,875 (fiscal 2015: $Nil) in European marketing program. These expenses represent the costs of administering a public company.

Total assets increased by $121,572 to $892,383 as at December 31, 2016 from $775,166 as at December 31, 2015, mainly due to an increase of $121,572 in the current assets.

The Company’s current assets were increased by $117,217 to $175,731 as at December 31, 2016 from $54,159 as at December 31, 2015 due primarily to an increase in prepaid expenses. The Company’s current liabilities increased by $70,675 from $1,532,673 as at December 31, 2015 compared to $1,603,348 as at December 31, 2016. Current liabilities as at December 31, 2016 consisted of $1,597,282 (December 31, 2015: $1,525,858) of accounts payable and accrued liabilities, $1,066 (December 31, 2015: $815) of interest payable, and $5,000 (December 31, 2015: $6,000) of loans payable. The value ascribed to the Company’s exploration and evaluation assets slightly decreased to $295,296 as at December 31, 2016 from $298,843 as at December 31, 2015, due to the write-down of the Lezai Gold Claims being offset by the acquisition of two Nevada Lithium properties.

See "Nature of Business – Mineral Properties" for a discussion of the Company's mineral properties on a property by property basis, including its plans for its mineral properties, the status of its plans, expenditures made and the anticipated timing and costs to take its mineral properties to the next stage of the project plan.

See "Overall Performance" for a discussion of the commitments, events, risks and uncertainties that the Company believe will materially affect its future performance and "Risk Factors" for a discussion of risk factors affecting the Company.

Discussion of Operations

Use of Proceeds

Financing	**Previously Disclosed Use of Proceeds**	**Status of Use of**
$2,500,000 Non flow-through *January 2018* *Private Placement*	Towards working capital, loans payable and the planned work programs, including drilling in Sweden.	As of the date of this report, $40,000 used to repay loan principal, $136,309 used in filing fees and finders' fees in connection with the private placement, $266,997 used in drilling of Slattberg Cobalt-Nickle-Copper Project in Sweden, $1,046,867 used in working capital, and $1,009,827 has not been used.

Subsequent to December 31, 2017, the Company closed a private placement (the "Offering") consisting of 12,500,000 units at $0.20 per share for gross proceeds of $2,500,000, of which $174,000 was received as at December 31, 2017. Each unit consisted of one common share and one share purchase warrant which entitles the holder to purchase one additional common share of the Company at a price of $0.30 per share until January 16, 2023. The Company incurred filing fees of $13,879, paid an aggregate finders' fees of $122,160, and issued 610,800 broker warrants (the "Broker Warrants") in connection with the Offering. Each Broker Warrant is exercisable at $0.30 per share into one common share until January 16, 2023.

Liquidity and Capital Resources

Liquidity

As at December 31, 2017, the Company had a working capital deficiency of $1,593,781 and cash of $203,003 as compared to a working capital deficiency of $1,427,617 and cash of $18,618 as at December 31, 2016. Total assets increased by $669,622 to $1,562,005 as at December 31, 2017 from $892,383 as at December 31, 2016. Current liabilities as at December 31, 2017 consisted of $1,906,673 (December 31, 2016: $1,597,282) of accounts payable and accrued liabilities, $1,316 (December 31, 2016: $1,066) of interest payable, and $45,000 (December 31, 2016: $5,000) of loans payable.

In September 2012, the Company arranged a loan from an arm's length party for a total principal amount of $5,000 bearing interest at 5% per annum and due on demand.

During the year ended December 31, 2017, the Company received loan advances totaling $40,000 from CSM Consulting Inc., a private company controlled by Jason Gigliotti, President & Director of the Company, bearing no interest and due on demand. Subsequent to December 31, 2017, the Company repaid these loans.

As at December 31, 2017, $45,000 (December 31, 2016: $5,000) of principal and $1,316 (December 31, 2016: $1,066) of interest was outstanding relating to the loans.

Subsequent to December 31, 2017, the following occurred:

- The Company received gross proceeds of $38,000 for 760,000 share purchase warrants exercised at a price of $0.05 per share; and

- The Company closed a private placement consisting of 12,500,000 units at $0.20 per share for gross proceeds of $2,500,000, of which $174,000 was received as at December 31, 2017. The Company incurred filing fees of $13,879, paid an aggregate finders' fees of $122,160, and issued 610,800 broker warrants in connection with the private placement.

Management believes that the Company's cash and cash equivalents are sufficient to meet the current working capital requirements, including the existing commitments relating to the Company's mineral properties. But in future, the Company expects to raise additional capital as the needs arise. See "Nature of Business – Mineral Properties" and "Overall Performance" for a discussion of the Company's commitments relating to its mineral properties. As a mineral exploration company, its expenses are expected to increase as the Company explores its mineral properties further; however, management does not expect the Company to generate revenues from mineral production in the foreseeable future.

The Company's ability to conduct the planned work programs on its mineral properties, meet its ongoing levels of corporate overhead and discharge its liabilities as they become due is dependent, in large part, on the ability of its management to raise additional funds as necessary. Management anticipates that additional equity financings will need to be conducted to raise additional funds which, if successful, will result in dilution in the equity interests of the Company's current shareholders. Obtaining commercial loans, assuming those loans would be available, will increase its liabilities and future cash commitments. Although the Company has secured financings in the past, there is no assurance that the Company will be able to do so in the future on terms that are favourable to the Company or at all. The Company's ability to raise additional funds in the future and its liquidity may be negatively impacted by a number of factors, including changes in commodity prices, market volatility and general economic downturns.

There is substantial doubt about its ability to continue as a going concern as the continuation of its business is dependent upon obtaining further long-term financing, successful exploration of its mineral property interests, the identification of reserves sufficient to warrant development, successful development of its property interests and achieving a profitable level of operations. Due to the uncertainty of its ability to meet its current operating and capital expenses, in their notes to its audited financial statements for the year ended December 31, 2017, the Company's independent auditors included an explanatory paragraph regarding their substantial doubt about its ability to continue as a going concern.

Capital Resources

The Company has the following commitments for capital expenditures with respect to its mineral properties as of December 31, 2017. The expenditures are optional and the Company may decide not to incur such payments in the event the Company does not decide to pursue further exploration with respect to such properties.

- *Clayton Valley Deep Basin Lithium Brine Project*:

    - These mineral claims are in good standing until September 1, 2018. In order to keep these claims in good standing, the Company is required to incur pay BLM fees of USD9,300 and county fees of USD720 by September 1, 2018.

- *White Gold Claims:*

    - Two White Gold claims are in good standing until October 3, 2018. In order to renew these two claims for another year, the Company is required to pay the annual rent of $200 to the Government of Yukon by October 3, 2018 for the White Gold claims, unless the Company spends an amount greater than that in exploration beforehand. In addition, the Company is also required to pay the claim recording fees of $10 to the Government of Yukon by October 3, 2018.

- *Slattberg Cobalt-Nickle-Copper Project*:

    - These mineral claims are in good standing until May through to December 2020. Pursuant to the Slattberg Agreement, the Company is required to spend at least $500,000 in exploration expenditures on or before December 6, 2018.

See "Nature of Business – Mineral Properties" for a discussion of the Company's capital expenditure commitments with respect to its mineral properties.

In addition to the above capital expenditure requirements, the Company shares office space with another four public companies and the Company pays office rent of $1,430 on a monthly basis.

Management believes that the Company's cash and cash equivalents are sufficient to meet the current working capital requirements, including the existing commitments relating to the Company's mineral properties. But in future, the Company expects to raise additional capital as the needs arise. Although the Company has been successful in raising funds in the past, there is no guarantee that the Company will be able to raise additional funds in the future. The Company's ability to raise additional funds is subject to a number of uncertainties and risk factors. See "Liquidity and Capital Resources – Liquidity" and "Risk Factors".

Operating Activities

During the year ended December 31, 2017, operating activities used cash of $69,449 compared to using cash of $463,602 during the year ended December 31, 2016. Cash used in the year ended December 31, 2017 was mainly attributable to payments towards the Company's operating costs. Cash used in the year ended December 31, 2016 was mainly attributable to payments towards the Company's operating costs and prepaid expenses. Management anticipates that operating activities will continue to require large amounts of cash until the Company achieves profitable operations.

Investing Activities

During the year ended December 31, 2017, the Company used $1,166 in investing activities attributable to the renewal fees of two White Gold claims and the county fees paid for the renewal of the Clayton Valley Deep Basin Lithium claims. During the year ended December 31, 2016, the Company used $34,609 in investing activities attributable to the acquisition of its Esmeralda Lithium and Clayton Valley Projects in Nevada and the renewal fees of two White Gold claims.

Financing Activities

During the year ended December 31, 2017, financing activities provided cash of $255,000 compared to providing cash of $514,375 during the year ended December 31, 2016. During the year ended

December 31, 2017, cash provided by financing activities was due to the following: $40,000 from loan advances, $41,000 from the issuance of share capital and $174,000 in share subscriptions received in advance for the private placement that was closed subsequent to December 31, 2017. During the year ended December 31, 2016, cash provided by financing activities was due to proceeds from loans of $17,500 and proceeds from the issuance of share capital of $515,375, offset by loan repayments of $18,500.

Changes in Accounting Policies

Accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective.

IFRS 9 – Financial Instruments ("IFRS 9")

In November 2009, the IASB issued IFRS 9 Financial Instruments as the first step in its project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity's business model and the contractual cash flow of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument.

IFRS 9 amends some of the requirements of IFRS 7 Financial Instruments: Disclosures, including added disclosures about investments in equity instruments measured at fair value in other comprehensive income, and guidance on financial liabilities and derecognition of financial instruments. The amended standard is effective for annual periods beginning on or after January 1, 2018.

The adoption of these new standards are not expected to have a significant impact on the Company's consolidated financial statements.

Off Balance Sheet Arrangements

As at December 31, 2017 and as of the date of this report, the Company does not have any off balance sheet arrangements.

Related Party Transactions

During the year ended December 31, 2017, the Company accrued management fees of $120,000 payable to CSM Consulting Inc., a private company controlled by Jason Gigliotti, the President and Director of the Company, and accrued directors' fees of $2,500 each to Gregory Thomson, Dennis Aalderink and John Masters, and $5,000 to Jason Gigliotti, in consideration for their services as directors of the Company.

During the year ended December 31, 2017, the Company paid $12,000 in accounting fees to Sea Star Consulting Inc., a private company controlled by Cindy Cai, the Chief Financial Officer of the Company, in consideration for accounting services provided to the Company.

There are no management agreements in place and the Company has no contractual requirement to continue paying management fees. Management and directors' fees and professional fees are intended to compensate such persons for their time and dedication to the Company.

During the year ended December 31, 2017, the Company incurred share-based payments of $7,110 to two directors, Gregory Thomson and Dennis Aalderink. As a mineral exploration issuer, the Company partially relies on the issuance of stock options to compensate its directors and officers for their time and dedication to the Company.

As at December 31, 2017, accounts payable and accrued liabilities include $1,778,556 to related parties (December 31, 2016: $1,563,998). The amounts payable to related parties include: $16,357 payable to Negar Adam, a former director, for unpaid 2013 and 2014 directors' fees; $22,030 payable to Jason Gigliotti for unpaid 2014, 2015, 2016 and 2017 directors' fees; $5,000 each payable to Gregory Thomson and Dennis Aalderink for unpaid 2016 and 2017 director's fees; $2,500 payable to John Masters for unpaid 2017 director's fees; a total of $576,200 payable to MGK Consulting Ltd. and CSM Consulting, two private companies controlled by Jason Gigliotti, for unpaid management fees for services rendered from May 2011 (partial) to March 2014, and from June 2016 to December 2017; $994,815 payable to Jason Gigliotti, for unpaid management fees of $147,000 for services rendered from April 2014 to May 2016 and for debts of $847,815 assigned by All Seasons Consulting Inc., a private company controlled by Negar Adam, by Graeme Sewell (a former director), by Skyridge Consulting Inc., a private company controlled by Graeme Sewell, and by an arm's length party; $64,442 payable to Cruz Cobalt Corp., a public company with one common director, for reimbursement of administrative expenses for June to December 2017, office expenses for August to December 2017, and various trade show expenses; and a total of $92,212 payable to Jason Gigliotti and CSM Consulting for unpaid office expenses from July 2016 to December 2017.

During the year ended December 31, 2017, the Company received loan advances totaling $40,000 from CSM Consulting. Subsequent to December 31, 2017, the Company repaid these loans.

During the year ended December 31, 2017, the Company reimbursed Makena Resources Inc., a public company with one common director, in the amount of $6,066 for the service provided by the CFO.

All transactions with related parties have occurred and are measured at the amount of consideration established and agreed to by the related parties.

Fourth Quarter - Unaudited

The Company did not have any revenue during the three months ended December 31, 2017 and 2016. Net comprehensive loss increased by $65,928 to $171,580 for the three months ended December 31, 2017 from $105,652 for the comparative period ended December 31, 2016, mainly resulting from an increase in operating expenses (three months ended December 31, 2017: $171,516; three months ended December 31, 2016: $105,589). The increase in operating expenses resulted primarily from an increase in professional fees, from $17,411 for the three months ended December 31, 2016 to $30,959 for the three months ended December 31, 2017, mainly due to higher audit fees attributable to increased corporate activities and higher legal fees attributable to the acquisition of Slattberg Cobalt-Nickle-Copper Project in Sweden; and an increase in travel and corporate branding expenses, from $31,776 for the three months ended December 31, 2016 to $65,199 for the three months ended December 31, 2017, mainly due to an increase in trade show expenses.

Financial and Other Instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's receivables, accounts payable and accrued liabilities, interest payable, and loans payable approximates their carrying values due to the short term nature of the financial instruments. The Company's cash is measured at fair value using Level 1 inputs.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. As at December 31, 2017, the Company has a minimal exposure to the US$ that is subject to fluctuations as a result of exchange rate variations to the extent that transactions are made in this currency. The Company considers this risk to be insignificant and therefore does not hedge its foreign exchange risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and receivables are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. As at December 31, 2017, the Company is not exposed to any significant credit risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Included in the loss for the year in the financial statements is interest expense on loans payable and interest income on Canadian dollar cash. The Company has debt instruments at fixed rates and is therefore not exposed to risk in the event of interest rate fluctuations. As at December 31, 2017, the Company is not exposed to any significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The Company addresses its liquidity through equity financing obtained through the sale of common shares and the exercise of warrants and options. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

Price Risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company.

Based on management's knowledge and experience of the financial markets, management does not believe that the Company's current financial instruments will be affected by foreign exchange risk, credit risk, interest rate risk and price risk.

Proposed Transactions

The Company has no proposed transactions as of December 31, 2017 and the date of this report.

Additional Disclosure for Venture Issuers

During the year ended December 31, 2017 and 2016, the Company incurred the following expenses:

	2017	**2016**
Capitalized acquisition costs	$735,000	$31,399
Capitalized exploration costs	$13,238	$18,210
Write-down of exploration and evaluation assets	$253,738	$53,156
Operating expenses	$429,353	$791,514

Please refer to Note 7 *Exploration and Evaluation Assets* in the consolidated financial statements for the year ended December 31, 2017 for a description of the capitalized acquisition and exploration costs presented on a property-by-property basis.

Additional Disclosure of Outstanding Share Data

Common Shares

The Company's common shares are listed on the TSX Venture Exchange under the symbol "SIE". Its authorized share capital consists of unlimited common shares without par value, 100,000,000 Class A preferred shares, par value $10 and 100,000,000 Class B preferred shares, par value $50.

As at December 31, 2017, the Company had 39,896,382 common shares issued and outstanding. Subsequent to December 31, 2017, the following common shares were issued:

- The Company issued 760,000 common shares for share purchase warrants exercised at a price of $0.05 per share; and

- The Company issued 12,500,000 common shares pursuant to a private placement.

As at April 25, 2018, the Company had 53,156,382 common shares issued and outstanding.

Share Purchase Warrants

As at December 31, 2017, the Company had 8,116,667 share purchase warrants outstanding. Each warrant entitles the holder the right to purchase one common share as follows:

Number	Exercise Price	Expiry Date
2,836,667	$1.00	April 26, 2018
1,030,000	$0.05	April 11, 2019
4,250,000	$0.05	April 6, 2020
8,116,667		

Subsequent to December 31, 2017, the following occurred:

- 760,000 share purchase warrants were exercised at a price of $0.05 per share;

- 12,500,000 warrants and 610,800 broker warrants were issued pursuant to a private placement, all exercisable at $0.30 and expiring on January 16, 2023.

As at April 25, 2018, the Company had 20,467,467 share purchase warrants outstanding.

Stock Options

As at December 31, 2017, the Company did not have any stock options outstanding. Subsequent to December 31, 2017, the Company granted 3,000,000 incentive stock options to directors, officers and consultants at an exercise price of $0.33 per share for a period of one year. As at April 25, 2018, the Company had 3,000,000 stock options outstanding.

Risk Factors

An investment in the Company involves a number of risks. You should carefully consider the following risks and uncertainties in addition to other information in this report in evaluating the Company and its business before making any investment decision in regards to the shares of the Company's common stock. Its business, operating and financial condition could be harmed due to any of the following risks. The risks described below are not the only ones facing the Company. Additional risks not presently known to us may also impair its business operations.

Risks Related to the Company's Financial Condition

The Company has had a history of losses and minimal revenue to date, which trend may continue and may negatively impact its ability to achieve its business objectives.

The Company has experienced net losses since inception, and expect to continue to incur substantial losses for the foreseeable future. As at December 31, 2017, its accumulated losses were $21,184,272 since inception. Its management expects the business to continue to experience negative cash flow for the foreseeable future and cannot predict when, if ever, its business might become profitable. The Company will need to raise additional funds to continue its operations, and such funds may not be available on commercially acceptable terms, if at all. If the Company is unable to raise funds on acceptable terms, the Company may not be able to execute its business plan, take advantage of future opportunities, or respond to competitive pressures or unanticipated requirements. This may seriously harm its business, financial condition and results of operations.

Its proposed operations require significant capital expenditures for which the Company may not have sufficient funding and if the Company does obtain additional financing, its existing shareholders may suffer substantial dilution.

The Company intends to make capital expenditures far in excess of its existing capital resources to acquire and explore its mineral properties. The Company intends to rely on external sources of financing to meet its capital requirements to continue acquiring, exploring and developing mineral properties and to otherwise implement its business plan. The Company plans to obtain such funding through the debt and equity markets, but the Company can offer no assurance that the Company will be able to obtain additional funding when it is required or that it will be available to us on commercially acceptable terms, if at all. In addition, any additional equity financing may involve substantial dilution to its then existing shareholders.

The Company has been the subject of a going concern opinion by its independent auditor who has expressed substantial doubt as to its ability to continue as a going concern.

Its independent auditor has added an explanatory paragraph to their audit report issued in connection with its financial statements which states that the recurring losses from operations and the need to raise additional financing in order to execute its business plan raise substantial doubt about the Company's ability to continue as a going concern. The Company's financial statements do not include any adjustment that might result from the outcome of this uncertainty. Assurances cannot be given that adequate financing can be obtained to meet its capital requirements. If the Company is unable to generate profits and unable to continue to obtain financing to meet its working capital requirements, the Company may have to curtail its business sharply or cease operations altogether. Its continuation as a going concern is dependent upon its ability to generate sufficient cash flow to meet its obligations on a timely basis to retain its current financing, to obtain additional financing, and, ultimately, to attain profitability. Should any of these events not occur, the Company will be adversely affected and the Company may have to cease operations.

Risks Related to the Company's Business

Because of the unique difficulties and uncertainties inherent in mineral exploration ventures, the Company faces a high risk of business failure.

Potential investors should be aware of the difficulties normally encountered by mineral exploration companies and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration program that the Company intends to undertake on its properties and any additional properties that the Company may acquire. These potential problems include unanticipated problems relating to exploration, and additional costs and expenses that may exceed current estimates. The expenditures to be made by us in the exploration of its properties may not result in the discovery of mineral deposits. Any expenditures that the Company may make in the exploration of any other mineral property that the Company may acquire may not result in the discovery of any commercially exploitable mineral deposits. Problems such as unusual or unexpected geological formations and other conditions are involved in all mineral exploration and often result in unsuccessful exploration efforts. If the results of its exploration do not reveal viable commercial mineralization, the Company may decide to abandon some or all of its property interests.

Because of the speculative nature of the exploration of mineral properties, there is no assurance that its exploration activities will result in the discovery of any quantities of mineral deposits on its current properties or any other additional properties the Company may acquire.

The Company intends to continue exploration on its current properties and the Company may or may not acquire additional interests in other mineral properties. The search for mineral deposits as a business is extremely risky. The Company can provide investors with no assurance that exploration on its current properties, or any other property that the Company may acquire, will establish that any commercially exploitable quantities of mineral deposits exist. Additional potential problems may prevent us from discovering any mineral deposits. These potential problems include unanticipated problems relating to exploration and additional costs and expenses that may exceed current estimates. If the Company is unable to establish the presence of mineral deposits on its properties, its ability to fund future exploration activities will be impeded, the Company will not be able to operate profitably and investors may lose all of their investment in the Company.

The potential profitability of mineral ventures depends in part upon factors beyond its control and even if the Company discovers and exploits mineral deposits, the Company may never become commercially viable and the Company may be forced to cease operations.

The commercial feasibility of an exploration program on a mineral property is dependent upon many factors beyond its control, including the existence and size of mineral deposits in the properties the Company explore, the proximity and capacity of processing equipment, market fluctuations of prices, taxes, royalties, land tenure, allowable production and environmental regulation. These factors cannot be accurately predicted and any one or a combination of these factors may result in us not receiving an adequate return on invested capital. These factors may have material and negative effects on its financial performance and its ability to continue operations.

Exploration and exploitation activities are subject to comprehensive regulation which may cause substantial delays or require capital outlays in excess of those anticipated causing an adverse effect on us.

Exploration and exploitation activities are subject to federal, provincial, state and local laws, regulations and policies, including laws regulating the removal of natural resources from the ground and the discharge of materials into the environment. Exploration and exploitation activities are also subject to federal, provincial, state and local laws and regulations which seek to maintain health and safety standards by regulating the design and use of drilling methods and equipment.

Environmental and other legal standards imposed by federal, provincial, state or local authorities may be changed and any such changes may prevent the Company from conducting planned activities or may increase the costs of doing so, which would have material adverse effects on its business. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus causing an adverse effect on us. Additionally, the Company may be subject to liability for pollution or other environmental damages that the Company may not be able to or elect not to insure against due to prohibitive premium costs and other reasons. Any laws, regulations or policies of any government body or regulatory agency may be changed, applied or interpreted in a manner which will alter and negatively affect its ability to carry on its business.

Title to mineral properties is a complex process and the Company may suffer a material adverse effect in the event one or more of its property interests are determined to have title deficiencies.

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to its property will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company does not have title to one or more of its properties could cause us to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

The Company has a very small management team and the loss of any member of its team may prevent us from implementing its business plan in a timely manner.

The Company has two executive officers and a limited number of additional consultants upon whom its success largely depends. The Company does not maintain key person life insurance policies on its executive officers or consultants, the loss of which could seriously harm its business, financial condition and results of operations. In such an event, the Company may not be able to recruit personnel to replace its executive officers or consultants in a timely manner, or at all, on acceptable terms.

Because its property interests may not contain mineral deposits and because the Company has never made a profit from its operations, its securities are highly speculative and investors may lose all of their investment in the Company.

Its securities must be considered highly speculative, generally because of the nature of its business and its stage of operations. The Company currently has exploration stage property interests which may not contain mineral deposits. The Company may or may not acquire additional interests in other mineral properties but the Company does not have plans to acquire rights in any specific mineral properties as of the date of this report. Accordingly, the Company has not generated significant revenues nor has the Company realized a profit from its operations to date and there is little likelihood that the Company will generate any revenues or realize any profits in the short term. Any profitability in the future from its business will be dependent upon locating and exploiting mineral deposits on its current properties or mineral deposits on any additional properties that the Company may acquire. The likelihood that any mineral properties that the Company may acquire or have an interest in will contain commercially exploitable mineral deposits is extremely remote. The Company may never discover mineral deposits in respect to its current properties or any other area, or the Company may do so and still not be commercially successful if the Company is unable to exploit those mineral deposits profitably.

As the Company faces intense competition in the mineral exploration and exploitation industry, The Company will have to compete with its competitors for financing and for qualified managerial and technical employees.

Its competition includes large established mining companies with substantial capabilities and with greater financial and technical resources than us. As a result of this competition, the Company may have to compete for financing and be unable to acquire financing on terms the Company considers acceptable. The Company may also have to compete with the other mining companies for the recruitment and retention of qualified managerial and technical employees. If the Company is unable to successfully compete for financing or for qualified employees, its exploration programs may be slowed down or suspended, which may cause us to cease operations.

Its future is dependent upon its ability to obtain financing and if the Company does not obtain such financing, the Company may have to cease its exploration activities and investors could lose their entire investment.

There is no assurance that the Company will operate profitably or will generate positive cash flow in the future. The Company requires additional financing in order to proceed with the exploration and development of its properties. The Company will also require additional financing for the fees the Company must pay to maintain its status in relation to the rights to its properties and to pay the fees and expenses necessary to operate as a public company. The Company will also need more funds if the costs of the exploration of its mineral claims are greater than the Company anticipated. The Company will require additional financing to sustain its business operations if the Company is not successful in earning revenues. The Company will also need further financing if the Company decides to obtain additional mineral properties. The Company currently does not have any arrangements for further financing and the Company may not be able to obtain financing when required. Its future is dependent upon its ability to obtain financing. If the Company does not obtain such financing, its business could fail and investors could lose their entire investment.

Complying with environmental and other government regulations could be costly and could negatively impact its production.

Its business is governed by numerous laws and regulations at various levels of government. These laws and regulations govern the operation and maintenance of its facilities, the discharge of materials into the environment and other environmental protection issues. Such laws and regulations may, among other potential consequences, require that the Company acquires permits before commencing mining operations and restrict the substances that can be released into the environment.

Under these laws and regulations, the Company could be liable for personal injury, clean-up costs and other environmental and property damages, as well as administrative, civil and criminal penalties. Prior to commencement of mining operations, the Company may secure limited insurance coverage for sudden and accidental environmental damages as well as environmental damage that occurs over time. However, the Company does not believe that insurance coverage for the full potential liability of environmental damages is available at a reasonable cost. Accordingly, the Company could be liable, or could be required to cease production on properties, if environmental damage occurs.

The costs of complying with environmental laws and regulations in the future may harm its business. Furthermore, future changes in environmental laws and regulations could result in stricter standards and enforcement, larger fines and liability, and increased capital expenditures and operating costs, any of which could have a material adverse effect on its financial condition or results of operations.

Risks Related to the Company's Common Stock

Because the Company does not intend to pay any cash dividends on its shares of common stock in the near future, its shareholders will not be able to receive a return on their shares unless they sell them.

The Company intends to retain any future earnings to finance the development and expansion of its business. The Company does not anticipate paying any cash dividends on its common stock in the near future. The declaration, payment and amount of any future dividends will be made at the discretion of the board of directors, and will depend upon, among other things, the results of operations, cash flows and financial condition, operating and capital requirements, and other factors as the board of directors considers relevant. There is no assurance that future dividends will be paid, and if dividends are paid, there is no assurance with respect to the amount of any such dividend. Unless the Company pay dividends, its shareholders will not be able to receive a return on their shares unless they sell them.

A decline in the price of its common stock could affect its ability to raise further working capital and adversely impact its ability to continue operations.

A prolonged decline in the price of its common stock could result in a reduction in the liquidity of its common stock and a reduction in its ability to raise capital. Because a significant portion of its operations have been and will be financed through the sale of equity securities, a decline in the price of its common stock could be especially detrimental to its liquidity and its operations. Such reductions may force us to reallocate funds from other planned uses and may have a significant negative effect on its business plan and operations, including its ability to develop new products and continue its current operations. If its stock price declines, the Company can offer no assurance that the Company will be able to raise additional capital or generate funds from operations sufficient to meet its obligations. If the Company is unable to raise sufficient capital in the future, the Company may not be able to have the resources to continue its normal operations.

The market price for its common stock may also be affected by its ability to meet or exceed expectations of analysts or investors. Any failure to meet these expectations, even if minor, may have a material adverse effect on the market price of its common stock.

Additional Information

The Company files annual and interim reports, information circulars and other information with certain Canadian securities regulatory authorities. The documents filed with the Canadian securities regulatory authorities are available at http://www.sedar.com.