

**Jourdan Resources Inc.**

**Management's Discussion and Analysis  
for the Three and Nine Months Ended  
September 30, 2019**

Jourdan Resources Inc.  
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**DATED: November 8, 2019**

**GENERAL**

This Management's Discussion and Analysis ("MD&A") of Jourdan Resources Inc. ("Jourdan" or the "Company") provides a review of the financial position and results of operations of the Company for the three and nine months ended September 30, 2019 and should be read in conjunction with the unaudited condensed interim financial statements and the notes thereto for the three and nine months ended September 30, 2019, the audited financial statements and notes thereto for the year ended December 31, 2018 and the MD&A for the year ended December 31, 2018. This MD&A covers the most recently completed financial period and the subsequent period up to the date of this MD&A. All amounts are expressed in Canadian dollars, unless otherwise indicated.

The accompanying unaudited condensed interim financial statements have been prepared by management and are in accordance with International Accounting Standards ("IAS") 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). Except as disclosed in the statements, the condensed interim financial statements follow the same accounting policies and methods of computation as the most recent annual financial statements, for the year ended December 31, 2018, which were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the IASB and International Financial Reporting Interpretation Committee ("IFRIC") interpretations. Other information contained in this document has been prepared by management and is consistent with the data contained in the unaudited condensed interim financial statements.

Additional information relating to the Company has been filed electronically through and may be found under its profile on the System for Document Analysis and Retrieval ("SEDAR") and is available online under its profile at [www.sedar.com](http://www.sedar.com).

The Company's condensed interim financial statements have been presented on the basis that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon it being able to generate sufficient funds or obtain sufficient capital from investors to meet its current and future obligations. The Company is subject to risks and challenges similar to other exploration stage companies. As a result of these risks, a material uncertainty exists that casts significant doubt as to the appropriateness of the going concern assumption. There is no assurance that the Company's funding initiatives will continue to be successful and the condensed interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported expenses and statements of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material. The Company will have to raise additional funds to advance its exploration and development efforts and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future. The reader should be aware that historical results are not necessarily indicative of future performance.

This MD&A and the condensed interim financial statements for the three and nine months ended September 30, 2019 and 2018 have been reviewed by the audit committee and approved by the Company's Board of Directors prior to release.

**QUALIFIED PERSON**

Ms. Melanie Pichon, P. Geo, is a Qualified Person as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* and has reviewed and approved all technical information in this management discussion and analysis.

## **OVERVIEW**

Jourdan is a publicly traded Canadian exploration company listed on the TSX Venture Exchange ("TSXV") under the symbol **JOR** and on the Stuttgart Stock Exchange under the symbol **2JR1**. As an exploration-stage company that is in the process of exploring its mineral properties located in Canada, Jourdan has not yet determined whether these properties contain reserves that are economically recoverable. The Company is incorporated under the *Canada Business Corporations Act* and its registered head office is located at 65 Queen Street West, Suite 800, Toronto, Ontario M5H 2M5.

The Company is currently focused on the acquisition, exploration and development of, and production from, lithium properties in Quebec, targeting the battery and technical grade Spodumene market. The Company's properties are primarily in spodumene bearing, pegmatite rich La Corne Batholith, around North American Lithium's producing Quebec Lithium Mine.

## **MINERAL PROPERTIES**

Lithium is found in very low concentration in igneous rocks. The largest concentrations of lithium-containing minerals are found in granitic pegmatites. The most important of these minerals are spodumene ( $\text{Li}_2\text{O}$ ,  $\text{Al}_2\text{O}_3$ ,  $4\text{SiO}_2$ ) and petalite ( $\text{Li}_2\text{O}$ ,  $\text{Al}_2\text{O}_3$ ,  $8\text{SiO}_2$ ). Spodumene has a theoretical  $\text{Li}_2\text{O}$  content of 8.03%. Due to its high lithium content, spodumene is considered the most important lithium ore mineral. A typical run-of-mine ore can contain 1-2%  $\text{Li}_2\text{O}$ , while a typical spodumene concentrate suitable for lithium carbonate production contains 6-7%  $\text{Li}_2\text{O}$  (75% - 87% spodumene). Higher grade concentrates with 6 - 7%  $\text{Li}_2\text{O}$  and low iron content are used in batteries, ceramics and more demanding industries.

### **Vallée Lithium Project**

The Company acquired the properties making up the Vallée Lithium Project from an arm's length party in 2011 by:

- (i) issuing 175,000 common shares in the Company,
- (ii) completing \$450,000 in exploration and development work on the property over a 2-year period, and
- (iii) granting a 2% net smelter return ("NSR") on the property, of which half (1%) may be purchased by the Company at any time for \$1,000,000.

The Vallée Lithium Project, in the Val-d'Or region of northern Quebec, consists of 17 claims (703.8 hectares or 7.0 square kilometres) in Lacorne and Fiedmont Townships. The Project is located in the heart of the southern portion of the Abitibi Greenstone Belt in Quebec, some 100 kilometres northeast of the mining towns of Rouyn-Noranda, 45 kilometres north of Val-d'Or, 50 kilometres northeast of Malartic (home to Osisko Mining's Canadian-Malartic Deposit), 30 kilometres southeast of Amos and contiguous and in proximity to RB Energy's Quebec Lithium Property and adjacent to North American Lithium's Quebec Lithium Mine. The mineralized Spodumene Pegmatite dykes that North American Lithium are mining continue directly onto the claims of Jourdan.

In July 2018, the Company announced that it had extracted 50 tonnes of spodumene rich material from its 100% owned Vallee Lithium Project. This material was crushed to minus ¾ inch and shipped to Process Research Ortech ("PRO") in Mississauga, Ontario where it will be upgraded by flotation to make a concentrate. Magnor Exploration Inc. managed all aspects of the sample collection and preparation. Previous work by PRO on drill core samples from the Vallee Lithium Project returned a concentrate of more than 5%  $\text{Li}_2\text{O}$ .

On May 21, 2019, the Company announced that it had signed a non-binding memorandum of understanding ("MOU") with QMX Gold Corporation ("QMX") that is expected to facilitate the Company's investigation into the economic and technical viability of producing lithium at the Vallée Lithium Project. Upon completion of a technical assessment and satisfactory due diligence, Jourdan and QMX would enter into a definitive agreement to process raw materials for the Property at QMX's Aurbel processing plant (the "Plant"), located in Val d'Or, Quebec.

Pursuant to the MOU, if, as a result of the technical assessment, the Company concludes that the Plant requires capital improvements to effectively process its future raw materials, Jourdan expects to bear any corresponding costs. The Company is assessing its options with respect to processing of such raw materials. On June 1, 2019, Deborah Battiston, the CFO of QMX, became the CFO of the Company.

### **Preissac La Corne Lithium Portfolio**

On May 9, 2017, the Company entered into an option agreement with Alix Resources Inc. ("Alix") to acquire up to a 75% interest in Alix's Preissac La Corne Lithium portfolio by issuing 600,000 common shares and by making a payment of \$50,000. To complete the option, the Company is required to issue an additional 600,000 common shares of the Company and make an additional payment of \$75,000. The Company is in discussions with Alix in this regard. The property under option is subject to a 1% NSR.

The Company also completed two acquisition agreements with prospectors to acquire 100% interests in two claims in close proximity to the Quebec Lithium Mine, and two additional claims, one of which holds the mineral rights below the Quebec Lithium Mine's mill, subject to a 2% NSR.

The Preissac La Corne Lithium Portfolio is composed of 139 claims covering 6,000 hectares situated within the La Motte, La Corne, Preissac, Figuery and Landrienne townships, containing numerous lithium spodumene bearing granitic pegmatite occurrences, showings and prospects of historic significance.

In 2017, Jourdan completed a 1,500 metre drill program on the Preissac La Corne Lithium Portfolio and one other claim that is owned by Jourdan. The centre of the drill program is 1.5 kilometres northwest of the adjacent Quebec Lithium Mine, owned and operated by North American Lithium. A total of 1,500 metres of drilling was completed in 12 drill holes, 11 holes on the Preissac La Corne Lithium Portfolio and one hole on a claim owned 100% by Jourdan. Several holes had multiple widespread mineralized zones up to 140 metres apart within the same drill hole, indicating a wide zone of spodumene bearing pegmatite dykes exists in the area. Drilling covered a strike length of 750 metres of spodumene bearing pegmatite dykes.

### **Rome Lithium Property**

On June 29, 2017, Jourdan entered into a non-arm's length assignment agreement with Fairmont Resources Inc. entitling the Company to acquire a 100% interest in the Rome Lithium Property. In consideration, Jourdan:

- (i) made a \$50,000 cash payment, in addition to a payment of \$25,000 paid pursuant to a right of first refusal,
- (ii) issued 1,500,000 common shares of Jourdan, and
- (iii) granted a 2% NSR on the property, of which half (1%) may be bought back by the Company for \$1,000,000 at any time.

The property is located approximately 60 kilometres north of Val d'Or, Quebec. The property is contiguous to the north and south of North American Lithium's Quebec Lithium Mine.

### **Baillarge Lithium Project**

The Baillarge Lithium Project consists of 12 claims (511.5 hectares or 5.1 square kilometres) in Lacorne Township (covering Ranges II and III, Lots 5 to 11). The claim block hosts the Lac Baillarge East Lithium Showing, uncovered in 1955 (MRNFQ Showing 32C/05-0035) located south of Baillarge Lake. Six separate mineralized pegmatites were historically identified, all crosscutting the Batholith and adjacent sediments. The pegmatites contain spodumene, beryl, molybdenite (a silvery molybdenum sulphide), columbite-tantalite (a niobium-tantalum iron-manganese oxide), cleavelandite (a sodium-calcium aluminum silicate) and holmquistite (a lithium magnesium aluminum silicate). Historic drilling intersected up to 2.48% Li<sub>2</sub>O over 2.30 m (as reported in MRNFQ MB 89-29).

### **Baillarge North Property**

On August 24, 2017, the Company acquired the Baillargé North property, subject to a 1% NSR. Jourdan paid \$50,000 in cash and issued 5,000,000 common shares on August 21, 2017.

### **La Corne Molybdenum Property**

In the first quarter of 2019, the Company acquired the La Corne Molybdenum property by staking a 550 hectare, 22 claim property contiguous to the south end of its Baillarge Property. The new claims are located adjacent to paved highway 111 and approximately 30 kms from the town of Val d'Or, Quebec and surrounds the site of the

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former producing La Corne molybdenum mine. The La Corne mine was operated intermittently by Molybdia Corporation Limited from 1951 to 1972 as an underground mine. Total production during this period was 3,838,844 tons of ore at a head grade of 0.33% MoS<sub>2</sub> (6.6 lbs/ ton) and 0.040% bismuth (0.80 lbs/ton).

The mineralization occurs in a swarm of quartz-pegmatite veins hosted by a large sill or stock of biotite granite. The granite appears to be a northeast trending body about 1,000 metres (3,280 feet) long and contained within the Preissac-Lacorne batholith. In the upper levels of the mine it is approximately 426 metres (1,397 feet) wide, narrowing to about 350 metres (1,148 feet) at the 228 metres level (750 feet). A biotite schist of sedimentary origin bounds the sill or stock to the north and south also hosts sets of veins carrying molybdenum and bismuth.

To the north of Jourdan's newly staked claims is its 100% owned Baillarge Property. In 2017, Jourdan acquired the 935 hectare Baillarge North Property which is north of Jourdan's original Baillarge Property, acquired in April of 2011. In 2016, 15 grab samples were collected on the Baillarge North Property with molybdenum assays ranging from 1.08 ppm Mo up to 35.8% Mo. This discovery is part of a 100m wide quartz vein system that hosts the molybdenum, with individual quartz veins ranging in width from 5cm to more than 1m. The molybdenum identified in the vein ranges from 1mm in size to more than 20 cm massive molybdenum crystal clusters and sheets. (Jourdan Press Release dated August 14, 2017)

### Outlook

The Company's goals include:

- Developing several 2 million tonne resources at 1% Li<sub>2</sub>O
- Acquiring or contracting a permitted mill suitable for spodumene flotation
- Consolidating additional high priority properties
- Demonstrating metallurgical suitability to produce Li<sub>2</sub>O concentrate from multiple deposits
- Seeking financial and offtake partner(s)

Certain claims were allowed to lapse in 2018. The Company arranged for the re-staking of claims of interest to the Company and has arranged the transfer of such re-staked claims to the Company.

The Company will need to raise additional capital to accomplish its goals.

### EXPLORATION AND EVALUATION ASSETS

Movements in exploration and evaluation assets during the nine months ended September 30, 2019 and the year ended December 31, 2018 were as follows:

	<b>Nine months ended</b>	<b>Year ended</b>
	<b>September 30</b>	<b>December 31</b>
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Balance, beginning of the period	<b>1,010,565</b>	<b>900,815</b>
Add: Property acquisition costs	-	<b>98,663</b>
Claim renewal	<b>3,149</b>	<b>11,087</b>
Balance, end of the period	<b>1,013,714</b>	<b>1,010,565</b>

The Company is an exploration stage company whose operations include the acquisition, exploration and development of lithium properties, primarily in Canada. Moving forward, the Company plans to develop its existing lithium properties.

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**RESULTS OF OPERATIONS**

**Three months ended September 30, 2019 and 2018**

The Company has no operating revenues and relies on external financing for working capital. Because of its exploration activities and administrative overheads, Jourdan incurs net losses. In the three months ended September 30, 2019, Jourdan incurred a loss of \$172,412 (\$0.003 per share), compared to a loss of \$392,723 (\$0.007 per share) in the three months ended September 30, 2018.

**Nine months ended September 30, 2019 and 2018**

In the nine months ended September 30, 2019, Jourdan incurred a loss of \$577,499 (\$0.010 per share), compared to a loss of \$790,668 (\$0.018 per share) in the nine months ended September 30, 2018. The Company routinely monitors its operations and the costs associated with those operations in order to better plan and implement its activities, taking into consideration the current economic climate and industry outlook. The net loss for the nine months ended September 30, 2019 and 2018, included the following expenses of an administrative nature:

	<b>Nine months ended September 30</b>	<b>Nine months ended September 30</b>
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Bank charges and interest	<b>822</b>	408
Professional fees	<b>52,836</b>	27,961
Shareholder communication & filing fees	<b>15,158</b>	23,365
General and administrative expenses	<b>84,990</b>	14,800
Consulting and management fees	<b>438,658</b>	116,000
Share-based compensation	-	191,666
	<b>592,464</b>	374,200

The primary operational activities for the Company during the nine months ended September 30, 2019 consisted of maintaining its mineral properties, investigating new opportunities and general corporate activities. During the nine months ended September 30, 2019, the Company incurred expenditures totaling \$5,114 (2018: \$414,718) on its mineral properties (see below).

The increase in general and administrative expenses is primarily due to the appointment of additional management consultants, as the Company plans for the exploration and development of lithium properties, while assessing new opportunities, as well as higher filing and regulatory fees and general office expenses.

No share-based payments were recorded in the Statements of Loss and Comprehensive Loss during the nine months ended September 30, 2019. Share-based compensation relates to the vesting and issuance of stock options. No options were granted during the nine months ended September 30, 2019 or 2018. Share-based payments based on the vesting of earlier stock option grants were \$191,666 during the nine months ended September 30, 2018.

Field exploration, supervisory costs and costs associated with maintaining its mineral properties are expensed and charged against earnings until the Company has a reasonable expectation that the property is capable of commercial production, supported by a positive economic analysis showing a NI 43-101 compliant Mineral Reserve and approved by the Company's Board of Directors. Exploration and evaluation expenses for the nine months ended September 30, 2019 and 2018 were incurred as follows:

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	Nine months ended September 30	Nine months ended September 30
	2019	2018
	\$	\$
Baillage property	-	118,332
Rome Lithium	-	97,500
Pressiac-Lacorne property	5,114	128,132
Vallee property	-	70,754
	<b>5,114</b>	<b>414,718</b>

## CASH FLOWS

### Three months ended September 30, 2019 and 2018

Operating activities in the three months ended September 30, 2019 used cash of \$42,221, compared to \$111,740 used in the three months ended September 30, 2018. In 2019, this included \$130,191 cash provided by changes in non-cash working capital, compared to \$175,233 cash provided by changes in non-cash working capital in 2018.

There was no cash used in investing activities in the three months ended September 30, 2019 or 2018.

There were no financing activities in the three months ended September 30, 2019. Financing activities generated cash of \$19,436 in the three months ended September 30, 2018, comprising of proceeds from the Company's private placement financing.

### Nine months ended September 30, 2019 and 2018

Operating activities in the nine months ended September 30, 2019 used \$506,878, compared to \$484,027 in the nine months ended September 30, 2018. In 2019, this included \$90,700 cash provided by changes in non-cash working capital, compared to \$113,225 cash provided by changes in non-cash working capital in 2018.

Investing activities used \$3,149 in cash in the nine months ended September 30, 2019, compared with \$11,087 cash used in the nine months ended September 30, 2018 in the purchase of mining property.

There were no financing activities in the nine months ended September 30, 2019. Financing activities generated cash of \$1,455,454 in the nine months ended September 30, 2018, comprising of proceeds from a private placement financing as well as from the exercise of 319,668 of the Company's outstanding warrants.

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**SUMMARY OF QUARTERLY RESULTS**

The following table shows the financial results from the Company's eight most recently completed quarters:

<b>QUARTER ENDED</b>	<b>30-Sep-19</b>	<b>30-Jun-19</b>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total assets	<b>1,321,524</b>	1,370,180	1,627,961	1,817,930
Mineral properties	<b>1,013,714</b>	1,013,714	1,010,565	1,010,565
Working capital surplus/(deficiency)*	<b>(488,471)</b>	(435,763)	(210,396)	(27,527)
Shareholder's equity	<b>525,243</b>	577,951	800,169	983,038
Net and comprehensive (income) loss	<b>172,412</b>	222,218	182,869	119,605
Loss per share, basic and diluted	<b>0.003</b>	0.004	0.003	0.001
Cash flow used in operating activities	<b>(42,221)</b>	(236,817)	(227,840)	(501,282)
Cash flow used in investing activities	-	(3,149)	-	(1,163)
Cash flow from financing activities	-	-	-	(13,575)

**QUARTER ENDED**

	<b>30-Sep-18</b>	<b>30-Jun-18</b>	<b>31-Mar-18</b>	<b>31-Dec-17</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total assets	2,273,239	2,311,863	1,103,427	1,116,414
Mineral properties	1,009,402	1,009,402	930,815	900,815
Working capital surplus/(deficiency)*	208,256	554,040	(729,605)	(637,109)
Shareholder's equity	1,217,658	1,563,442	201,210	263,706
Net and comprehensive (income)/loss	392,723	257,951	139,994	205,489
Loss per share, basic and diluted	0.007	0.006	0.004	0.011
Cash flow used in operating activities	(111,740)	(351,662)	(20,625)	(285,658)
Cash flow used in investing activities	-	(11,087)	-	(1,017,000)
Cash flow from financing activities	19,436	1,466,018	(30,000)	1,282,357

\* Please see "Non-IFRS Measures" section below.

**LIQUIDITY AND CAPITAL RESOURCES**

The Company spends its available funds on its corporate, general and administrative obligations and to maintain its mineral projects with the objective of carrying out exploration activities to establish ore of commercial tonnage and grade. As the Company is in the exploration stage and generates no revenues, the necessary funds must be raised through equity or debt financing, most commonly within the Canadian public markets. Factors such as equity market conditions and the results of exploration activities will affect future capital raising, which may substantially impact future activities. There are no assurances that the Company will continue to be successful in raising additional funds or that other forms of equity capital or debt financing will be available to the Company in the future or on satisfactory terms. Any additional equity financing may be on terms that are dilutive, or potentially dilutive, to the Company's shareholders and debt financing, if available, may involve restrictive covenants with respect to the Company's ability to pay dividends, raise additional capital or execute various other financial and operational plans.

If, at any time, the Company's Board of Directors deems continued exploration at its properties to be unwarranted, based on the results of work done up to that time or for any other reason, the Company may suspend or discontinue exploration of such properties and apply the funds on hand towards the acquisition, exploration or development of new properties or, if required, the general working capital of the Company.

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The Company does not have any commitments for material capital expenditure in the near or long term. As at September 30, 2019, the Company had no long-term debt and no definitive agreements with respect to long-term borrowings had been entered into by the Company. No other capital requirements are imposed by a lending institution or regulatory body, other than of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

The Company's objective is to maintain a strong capital base in order to:

- ensure the Company's ability to continue as a going concern;
- maintain financial flexibility;
- maximize the funds invested into exploration and development activities;
- maintain creditor and investor confidence; and
- sustain the future development of the business.

The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. The most significant alternatives available for the management of the capital structure include the issue of shares or raising of debt financing when management and the board of directors feel the timing is appropriate.

#### WORKING CAPITAL

As at September 30, 2019, the Company had a working capital deficiency of \$(488,471) compared with a working capital deficiency of \$(27,527) as at December 31, 2018, including cash of \$27,521 (2018: \$537,548). The Company's primary capital needs are funds for the exploration of its mineral properties, administrative expenses and working capital. Exploration beyond basic maintenance on any of its mineral properties would require that the Company raise funds by additional equity financing, participation by joint venture partners or by selling property interests in whole or in part. The Company will maintain its excess working capital in Canadian dollars, at a large reputable Canadian commercial bank, in high quality short-term deposits or cash.

#### Non-IFRS Measures

The Company has included certain Non-IFRS performance measures, namely working capital, throughout this document. In the mining industry, this is a common Non-IFRS performance measure but does not have a standardized meaning. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, we and certain investors use this information to evaluate the Company's performance and ability to generate cash, profits, and meet financial commitments. Non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The following table provides a reconciliation of working capital to the financial statements for the previous eight fiscal quarters:

	2019			2018				2017
	Q3-2019	Q2-2019	Q1-2019	Q4-2018	Q3-2018	Q2-2018	Q1-2018	Q4-2017
Cash	27,521	69,742	309,708	537,548	1,053,568	1,145,872	42,603	93,228
Receivables	275,741	280,628	299,544	267,817	207,519	153,089	125,009	117,871
Marketable Securities	3,000	3,000	3,500	2,000	2,750	3,500	5,000	4,500
Prepaid Expenses	1,548	3,096	4,644	-	-	-	-	-
Current Liabilities	362,936	239,180	274,743	262,764	622,236	315,076	468,872	419,363
Flow-through Premium	-	119,704	119,704	138,783	-	-	-	-
Flow-through Liabilities	433,345	433,345	433,345	433,345	433,345	433,345	433,345	433,345
<b>Working Capital</b>	<b>(488,471)</b>	<b>(435,763)</b>	<b>(210,396)</b>	<b>(27,527)</b>	<b>208,256</b>	<b>554,040</b>	<b>(729,605)</b>	<b>(637,109)</b>

## **OPERATING SEGMENTS**

The Company has concluded that it has only one material operating segment (the exploration of its Canadian mineral licenses) for financial reporting purposes.

## **OFF-BALANCE SHEET ARRANGEMENTS**

To the best of management's knowledge, the Company has no off-balance sheet arrangements that have or will have a current or future effect on the results of operations or the financial condition of the Company.

## **ADDITIONAL DISCLOSURES**

On January 11, 2019, Jourdan announced the appointment of Mr. Aaron Atin as the Corporate Secretary of the Company. Mr. Atin is a corporate lawyer who works as a legal consultant to various TSX, TSX Venture and CSE-listed companies in the mining and technology industries. He was previously an associate at a large Toronto corporate law firm, where he worked on a variety of corporate, securities and commercial transactions. Mr. Atin studied at the University of Toronto, Faculty of Law, and the University of Waterloo, where he obtained a Juris Doctor and a Bachelor of Arts degree, respectively.

On May 21, 2019, Jourdan announced the appointment of Dr. Andreas Rompel to the Company's board of directors. Dr. Rompel is a seasoned exploration professional with three decades of experience in a wide range of roles. Most recently, Dr. Rompel was the President and CEO of Cobalt Power Group. He has also worked in a variety of commodities, including precious metals, base metals, coking coal, and cobalt. For more than a decade he evaluated capital projects within Anglo American and was on the board of Spectrem (an Anglo American Company) as Technical Director.

On June 1, 2019, Jourdan announced the appointment of Ms. Deborah Battiston as the Company's Chief Financial Officer. Ms. Battiston is a CPA (CGA), ICD.D and holds a BA in Economics from the University of Guelph. She has an extensive background, with over 25 years' experience in financial management of public companies, mergers and acquisitions, tax, and financing.

## **FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES**

In the normal course of operations, the Company is exposed to various financial risks. The Company does not enter into financial instrument agreements, including derivative financial instruments, for speculative purposes. The main risks that could adversely affect the Company's financial assets, liabilities or future cash flows are liquidity risk, credit risk and market risk. The Company has minimal interest rate risk as there are no outstanding variable-rate borrowings, and the Company finances its operations primarily through share offerings. Management mandates and agrees to policies for managing each of these risks.

### ***Liquidity Risk***

Liquidity risk is the risk that Jourdan will encounter difficulty in meeting its financial commitments and working capital obligations as they come due. The Company's ability to continue as a going concern is dependent on the board of directors' and management's ability to raise the required capital through future equity or debt issuances. As Jourdan is in the exploration stage, it has no production upon which it could rely to fund its operations or the exploration of its properties. Financial liabilities consist of accounts payable, which are current and are expected to be settled within one year.

As at September 30, 2019, the Company had a cash balance of \$27,521 (December 31, 2018: \$537,548) and amounts receivable, other than sales taxes receivable, of \$nil (December 31, 2018: \$58,140), available to fund financial liabilities that consisted of accounts payable and accrued liabilities of \$362,936 (December 31, 2018: \$262,764), based on contractual undiscounted payments.

### ***Credit Risk***

Credit risk is risk of financial loss to the Company if a counterparty to a financial instrument fails to pay amounts owing or perform its contractual obligations causing a financial loss. Not having a producing asset generating sales and accounts receivable, Jourdan's credit risk is considered limited as there is no exposure to a single customer or counterparty. With respect to credit risk arising from financial assets of the Company, which comprise cash and minimal receivables, the Company's exposure to credit risk arises from default of counterparties with a maximum exposure equal to the carrying amount of these instruments. Cash balances are held with high credit quality financial institutions and may be redeemed on demand. The Company has no trade accounts and has nominal other receivables and as such has limited exposure to credit risk. The Company continuously monitors defaults of counterparties as applicable. No impairment loss has been recognized in the periods presented.

### ***Market Risk***

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, such as commodity prices, foreign currency exchange rates, interest rates and liquidity. The objective of market risk management is to manage and control market risk exposures within acceptable limits while maximizing returns. The Company recognizes that external factors, which it cannot control, such as financial market instability and commodity prices, can adversely affect its ability to raise the necessary capital to maintain ongoing operations. A discussion of the Company's primary market risk exposures, and how those exposures are currently managed, follows:

#### ***Commodity Price Risk***

The ability of the Company to explore, evaluate and develop its exploration properties and the future profitability of the Company are directly related to the price of lithium and other commodities. Commodity prices fluctuate and are affected by factors outside of the Company's control. Current and expected future prices have a significant impact on the market sentiment for investment in mineral exploration companies and may impact the Company's ability to raise equity financing for its ongoing working capital requirements. The Company monitors commodity prices to determine the appropriate course of action to be taken.

#### ***Currency Risk***

Foreign currency risk is created by fluctuations in the fair value or cash flows of financial instruments due to changes in foreign exchange rates. The Company's financial assets and liabilities and operating costs are principally denominated in Canadian dollars. The Company has historically had insignificant operations in United States dollars. The Company has no hedging program due to its minimal exposure to financial gain or loss as a result of foreign exchange movements against the Canadian dollar.

#### ***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. The risk that Jourdan will realize a loss as a result of a decline in the fair value of cash is limited because of their short-term investment nature. A variable rate of interest is earned on cash;

changes in market interest rates at the year-end would not have a material impact on the Company's financial statements. The Company's interest rate risk is minimal as there are no outstanding loans or interest-bearing debts. The Company has not entered into any interest rate swaps or other active interest rate management programs at this time.

### **CRITICAL MANAGEMENT JUDGEMENTS AND ACCOUNTING ESTIMATES**

The preparation of the Company's condensed interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed interim financial statements and reported amounts of revenues and expenses during the reported period. Such estimates and assumptions affect the carrying value of assets and impact decisions as to when exploration and development costs should be capitalized or expensed. Other significant estimates made by the Company include factors

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affecting valuations of stock-based compensation and the valuation of income tax accounts. The Company regularly reviews its estimates and assumptions; however, actual results could differ from these estimates and these differences could be material.

**ACCOUNTING STANDARDS AND INTERPRETATIONS**

**Accounting changes**

During fiscal 2019, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards, including IFRIC 23 and IFRS 16. The new standards and changes did not have any material impact on the Company's condensed interim financial statements.

**Future accounting changes**

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for annual accounting periods beginning on January 1, 2020 or later. Updates that are not applicable or are not consequential to the Company have been excluded.

IAS 1 – Presentation of Financial Statements (“IAS 1”) and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”) were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted.

**TRANSACTIONS WITH RELATED PARTIES**

The Company paid or accrued the following amounts to related parties during the three and nine months ended September 30, 2019 and 2018:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Consulting fees	\$ 80,556	\$ 43,500	\$ 306,758	\$ 43,500
Share-based compensation	-	77,500	-	77,500
	<u>\$ 80,556</u>	<u>\$ 121,000</u>	<u>\$ 306,758</u>	<u>\$ 121,000</u>

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including directors (executive and non-executive) of the Company.

Included in accounts payable and accrued liabilities as at September 30, 2019 is approximately \$306,206 (December 31, 2018: \$177,530) due to officers and directors of the Company. The amounts are unsecured, non-interest bearing and due on demand.

On June 12, 2018, the Company closed the first tranche of its non-brokered private placement. Michael Dehn, an officer and director of the Company, acquired 1,000,000 units through Avanti Management & Consulting Limited (“Avanti”), a corporation in which he is the controlling shareholder.

On August 1, 2018, Jourdan closed a second tranche of its non-brokered private placement. Maxime Lemieux, a director of the Company, acquired 66,667 units.

On June 12, 2018, the Company granted 1,950,000 stock options to directors and officers of the Company pursuant to the Company's stock option plan. The options have a term of 5 years, expiring on June 12, 2023.

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On December 14, 2018, the Company granted 360,000 stock options to certain officers of the Company pursuant to the Company's stock option plan. The options have a term of 3 years, expiring on December 14, 2021.

## **CONTINGENCIES AND COMMITMENTS**

### **FLOW THROUGH FINANCING**

The Company has been partially financed through the issuance of flow-through shares and, according to tax rules regarding this type of financing, the Company is engaged in realizing mining exploration work. These tax rules also set deadlines for carrying out the exploration work, which must be performed no later than the earlier of the following dates:

- end of the calendar year following the flow-through placements; and
- one year after the Company has renounced the tax deductions relating to the exploration work.

There is no guarantee that the Company's exploration expenses will qualify as Canadian exploration expenses, even if the Company is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities would have a negative tax impact for investors and for the Company.

The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax-related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments.

As at December 31, 2015, the amount of required flow-through proceeds from prior years to be expended was not met by the Company. This may result in a liability to its shareholders. Management has recorded a provision for estimated penalties and potential indemnities for the amount the shareholders could be reassessed by tax agencies due to the fact that Jourdan did not spend the required amount per the flow through share agreement.

During the year ended December 31, 2018, the Company recorded a flow-through share premium liability totaling \$243,350. As at September 30, 2019, the liability has been reduced to \$nil.

### **MANAGEMENT CONTRACTS**

The Company is party to certain management contracts and severance obligations. These contracts contain clauses requiring additional payments of up to \$225,000 to be made to the management of the Company upon the occurrence of certain events such as a change of control. As the triggering event has not taken place, the contingent payments have not been reflected in these audited annual financial statements. Minimum management contractual commitments remaining under the agreements are approximately \$523,000, all due within one year.

### **PROPERTY OBLIGATIONS**

The unpatented mining claims held by Jourdan in Quebec require an annual application of assessment work credits. The Company has "banked" assessment work credits totaling \$627,573, which can be allocated to its mining claims as necessary.

### **ENVIRONMENTAL**

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

## **RISKS AND UNCERTAINTIES**

Investing in the Company involves risks that should be carefully considered. The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration and development of mineral properties. These risk factors could materially affect the Company's future operating results and could cause actual results to differ materially from those described in forward-looking information.

### ***Liquidity Concerns and Financing Risks***

The Company has limited financial resources, no source of operating cash flow and has no assurance that additional funding will be available for further exploration of its projects or to fulfill its obligations under any applicable agreements. There can be no assurance that adequate financing will be obtained in the future or that the terms of such financing, if secured, will be favorable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration of its projects with the possible loss of such properties. While the Company's financial statements have been prepared on the basis of a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business, failure to secure additional funding may cast doubt about the validity of that assumption.

### ***Exploration and Mining Risks***

The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At present, there are no known bodies of commercial ore on the mineral properties of the Company and the proposed exploration program is an exploratory search for ore. Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to the exploration and development of, and production from, mineral resources, any of which could result in work stoppages; damage to or destruction of property or production facilities; personal injury; environmental damage; monetary losses and legal liability. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, cave-ins, landslides, inclement or hazardous weather conditions, and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs. The Company from time to time augments its internal exploration and operating expertise with due advice from consultants and others as required. The economics of developing mineral properties is affected by many factors including the cost of operations, variation of the grade of ore mined and fluctuations in the price of any minerals produced. There are presently no underground or surface plants or equipment on the Company's mineral properties, or any known body of commercial ore.

### ***Stage of Development***

The Company's properties are in the exploration stage and to date none of them have a proven ore body. The Company does not have a history of earnings or the provision of return on investment, and in future there is no assurance that it will produce revenue, operate profitably or provide a return on investment.

### ***Mineral Resource and Mineral Reserve Estimates***

There are numerous uncertainties inherent in estimating Mineral Resources and Mineral Reserves, including many factors beyond the control of the Company. Such estimates are a subjective process and the accuracy of any Mineral Resource or Mineral Reserve estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. These amounts are estimates only and the actual level of mineral recovery from such deposits may be different. Differences between management's assumptions, including economic assumptions such as commodity prices and market conditions, could have a material adverse effect on the Company's financial position and results of operations.

### ***Titles to Property***

While the Company has diligently investigated title to the various properties in which it has interest, and to the best of its knowledge, title to those properties are in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfer, or native or government land claims, and title may be affected by undetected defects.

***Permits and Licenses***

The Company's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out future exploration, development and mining operations at its projects.

***Environmental Regulations***

The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills and the release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution.

A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require submissions and approval of environmental impact assessments. Environmental legislation is evolving in a manner, which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. Any failure to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations, and there is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. The Company intends to fully comply with all environmental regulations.

***Markets for Securities***

There can be no assurance that an active trading market in the Company's securities will be established and sustained. The market prices for securities of many companies, particularly exploration stage companies, are subject to wide fluctuations that are not necessarily reflective of their operating performance, underlying asset values or the prospects of such companies. Factors such as commodity prices, government regulation, interest rates, share price movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of the Company. There can be no assurance that significant fluctuations in the Company's share price will not occur.

***Commodity Prices***

Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect marketability of any minerals discovered. Commodity prices have historically fluctuated widely and are affected by numerous factors beyond the Company's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.

***Uninsured Hazards***

Hazards such as unusual geological conditions are involved in exploring for and developing mineral deposits. The Company maintains insurance to cover normal business risks, however, it may become subject to liability for pollution or other hazards against which it cannot be insured or against which the Company may elect not to insure because of high premium costs or other reasons. The payment of any such liability could result in the loss of Company assets or the insolvency of the Company.

***Reliance on Key Individuals and Outside Parties***

The Company's success depends upon the personal efforts and commitment of key members of its management. It is expected that the contribution of these individuals will be a significant factor in the Company's growth and success. The loss of the services of these members of management and certain key employees could have a material adverse effect on the Company. The Company will also rely upon consultants, engineers and others for exploration, development, construction and operating expertise. Substantial expenditures are required to establish mineral reserves through drilling, to carry out environmental and social impact assessments, and to develop metallurgical processes to extract the commodity from the ore. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

### **Competition**

The mining industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees, or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mineral companies for these resources would have a material adverse effect on the Company's results of operation and business.

### **Conflicts of Interest**

Certain directors and officers of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

### **Litigation**

Legal proceedings, with and without merit, may arise from time to time in the course of the Company's business. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. The process of defending such claims could take away from management time and effort. Due to the inherent uncertainty of the litigation process, the resolution of any legal proceeding to which the Company may become subject, could have a material effect on the Company's financial position, results of operations, or exploration and project development activities.

### **Corruption and Bribery Laws**

The Company's operations are governed by, and involve interactions with, many levels of government. The Company is required to comply with anti-corruption and anti-bribery laws, including the *Criminal Code* (Canada), and the *Canadian Corruption of Foreign Public Officials Act*, as well as similar laws in the countries in which the Company may conduct business. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment for companies convicted of violating anti-corruption and anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its contractors and third party agents. Although the Company has adopted steps to mitigate such risks, such measures may not always be effective in ensuring that the Company, its employees, contractors or third party agents will comply strictly with such laws. If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions being imposed, resulting in a material adverse effect on the Company's reputation and results of its operations.

### **Industry Conditions**

Mining and milling operations are subject to government regulations. Operations may be affected in varying degrees by government regulations such as restrictions on production, price controls, tax increases, expropriation of property, pollution controls or changes in conditions under which minerals may be mined, milled or marketed. The marketability of minerals may be affected by numerous factors beyond the control of the Company, including government regulations.

### **Canada Revenue Agency and provincial agencies**

No assurance can be made that Canada Revenue Agency or provincial agencies will agree with the Company's characterization of expenditures as Canadian exploration expenses or Canadian development expense or the eligibility of such expenses as Canadian exploration expense under the Income Tax Act (Canada) or any provincial equivalent.

## **OUTLOOK**

In the near term, the Company will focus on additional lithium property consolidation in the La Corne region. It is felt that consolidation is in the best interest of all shareholders prior to aggressive exploration and metallurgical testing. Historically, metallurgical testing by Process Research Ortech ("Ortech"), using samples from the Company's Vallée Lithium Property, was successful in producing a 4.88% Li<sub>2</sub>O (2.27% Li) concentrate from Vallée Lithium samples that assayed 0.69% Li. In late 2013, Ortech was successful in improving the flotation flow sheet and was able to produce a concentrate up to 5.08% Li<sub>2</sub>O (2.36% Li) from samples that assayed 0.69% Li.

A detailed compilation of all surface and drill hole occurrences of spodumene, molybdenum and lepidolite is planned. Recent work has demonstrated structural continuity for both spodumene and molybdenum mineralization

over distances of 2 to 4 kilometres, and this may continue in some cases where compilation is incomplete. Additional exploration drilling will be prioritized on the Preissac-La Corne and Vallee Lithium properties and outcrop mapping and sampling on the Baillarge and Baillarge North properties, testing for molybdenite and lithium.

Longer term objectives include metallurgical testing from a 50 tonne bulk sample, for concentrate production to provide testing material with end users for customer approval, 40 tonnes of which are in Mississauga at Ortech, with the remaining 10 tonnes in Amos, Quebec.

## **OUTSTANDING SHARE DATA**

Issued and outstanding common shares: 58,873,111

Warrants outstanding: 16,981,665

Expiry dates of the warrants outstanding ranging between June 12, 2020 and August 1, 2020. If all the warrants were exercised, 16,981,665 shares would be issued for proceeds of \$1,698,166.

Options outstanding: 4,360,000

Expiry dates of the stock options outstanding range between December 14, 2021 and March 25, 2024. If all the options were exercised, 4,360,000 shares would be issued for gross proceeds of \$507,500.

**CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS**

This MD&A may contain forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements speak only as of the date on which they are made, are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.

The information herein contains forward-looking statements and assumptions. Except for statements of historical fact, certain information contained herein constitutes forward-looking statements under Canadian securities legislation. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "budget", "forecast", "schedule", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "target", "intend", "believe" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will be taken", "occur" or "be achieved". Such statements and assumptions also include those relating to guidance; proposed acquisitions and strategy; development potential and timetable for the Company's properties; the Company's ability to raise additional financing; results of operations and financial condition; commodity prices; mineralization projections; the timing and amount of estimated future exploration and development; the success of exploration activities; mining or processing issues; currency exchange rates; government regulation and permitting of mining operations; reliance on qualified personnel; competition; dependence on outside parties; and environmental risks. Forward-looking statements are based on the opinions and estimates of management and certain qualified persons as of the date such statements are made. By their nature, forward-looking statements are subject to numerous known and unknown risks and uncertainties that could significantly affect anticipated results or the level of activity, performance or achievements in the future and, accordingly, actual results may differ materially from those expressed or implied by such forward-looking statements. The Company is exposed to numerous operational, technical, financial and regulatory risks and uncertainties, many of which are beyond its control and may significantly affect anticipated future results, including but not limited to risks related to: uncertainties inherent in estimating mineral resources and mineral reserves; lack of revenues; revocation of government approvals; corruption and uncertainty with court systems and the rule of law; availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future mineral prices; failure of equipment or processes to operate as anticipated; accidents, labour or community disputes; other risks of the mining industry; and other risk factors, including without limitation the risk factors described herein. Estimates regarding the anticipated timing, amount and cost of exploration activities are based on previous industry experience and regional political and economic stability. Capital and operating cost estimates are based on research of the Company or its consultants. Although management has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Additional information related to the Company is available for view on the Company's website located at [www.jourdanresources.com](http://www.jourdanresources.com).