WOLVERINE MINERALS CORP.

Form 51-102F1

Management's Discussion and Analysis

The following management's discussion and analysis (this "**MD&A**") of the financial condition and results of the operations of Wolverine Minerals Corp. (the "**Company**") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and nine month periods ended September 30, 2017 and should be read in conjunction with the Company's financial statements and related notes for the corresponding period. All figures are in Canadian dollars unless otherwise stated. The unaudited condensed consolidated financial statements of the Company for the periods ending September 30, 2017 and 2016 have been prepared by management in accordance with IFRS (IAS 34) as issued by the International Accounting Standards Board ("**IASB**") and are expressed in Canadian dollars.

Further information regarding the Company and its operations are filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) in Canada and can be obtained from www.sedar.com.

Disclaimer

This MD&A contains forward-looking statements, which reflect, among other things, management's expectations regarding the Company's future growth, results of operations, performance, and business prospects and opportunities. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including those listed under Item 1.11 Other MD&A Requirements – Risks and Uncertainties below. The Company believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions but no assurance can be given that these expectations will prove to be correct and the forward-looking statements included in this MD&A should not be unduly relied upon. These statements speak only as of the date of this MD&A and, save and except as required under applicable securities legislation, the Company assumes no obligation to update or revise them to reflect new events or circumstances.

1.1 Date

This MD&A is dated as of November 23, 2017.

1.2 Overall Performance

Description and General Development of the Business

The Company is engaged in the acquisition, exploration and, if warranted, development of mineral resource properties.

On November 28, 2016, the Company entered into option agreement (the "Option Agreement") with Almadex Minerals Limited ("Almadex") and Almadex's subsidiary to acquire 100% of the Los Venados property, located in Sonora State, Mexico. The approximately 1,500 hectare Los Venados property, (Title #244241), is immediately adjacent to the producing Mulatos and La India gold mines.

Under the terms of the Option Agreement, the Company has agreed to:

- assume all obligations of Almadex to the underlying optionor of the Los Venados property (the "Underlying Optionor") (as detailed in Almadex's news release of October 7, 2015), with the exception of the issuance of Almadex shares which remains an obligation of Almadex;
- pay CAD$30,000 on execution of the Option Agreement for expenditures on the property (paid);

- issue 250,000 common shares within 10 days of receipt of approval of the TSX Venture Exchange (the "Approval Date") (issued February 9, 2017);
- issue 250,000 common shares on or before the first anniversary of the Approval Date;
- issue 500,000 common shares on or before the second anniversary of the Approval Date; and
- issue 1,000,000 common shares on or before the third anniversary of the Approval Date.

In addition, Wolverine has agreed to drill a minimum 1,000 meters by the second anniversary of the Approval Date, as part of the total required project expenditures of a minimum of US$500,000, which must be incurred on or before the third anniversary of the Approval Date.

For further information see the Company's news release dated November 29, 2016.

The Company commissioned and filed a 43-101 report which can be obtained from www.sedar.com.

The transaction was approved by the TSX Venture Exchange on February 9, 2017.

On December 23, 2015, the Company entered into a binding Letter Agreement to sell the Remedios subsidiaries and Nueva Granada Gold S.A.S (collectively, the "Subsidiaries"). In consideration for sale of the issued and outstanding shares of the Subsidiaries, the purchaser assumed all liabilities of the Subsidiaries. In addition, the purchaser granted the Company a 3.0% net smelter return ("NSR") royalty on the minerals that may be produced from the mineral properties held by the Subsidiaries. The purchaser is entitled to repurchase the 3% NSR royalty from the Company at any time for US$700,000. On February 16, 2016, the Company closed the share purchase agreement for the sale of the Subsidiaries.

As at September 30, 2017, the Company also held a 100% interest in the Vivi property in the Yukon (the "Vivi"), which comprises a total of 70 claims, aggregating approximately 1,980 hectares. These claims are in the Finlayson District (registered with the Watson Lake Mining Recorder) and are directly owned by the Company. The Vivi claims are in good standing until March 31, 2021 as to 16 claims and March 31, 2020 as to 54 claims. The Company has not made any expenditures on these claims since 2014 and wrote them off in the fourth quarter of 2016.

The location of the properties and their generalized geological settings are available on the Company's website at www.wolverineminerals.ca.

1.3 Results of Operations

Three and Nine Month Periods Ended September 30, 2017

During the three and nine months ended September 30, 2017, the Company incurred exploration costs of $Nil and $Nil respectively (September 30, 2016 - $10,000 and $10,000 respectively), which relates to exploration activities.

During the three and nine months ended September 30, 2017, the Company incurred deferred exploration costs of $47,970 and $91,911, respectively (September 30, 2016 - $Nil and $Nil, December 31, 2016 - $54,957), on the Los Venados property in Mexico.
The Company has not incurred any expenses in 2015, 2016 or 2017 on the Yukon properties but still maintains a 100% interest in the Andy property. The Company wrote down the Yukon properties during the quarter ended September 30, 2015 ($311,846) to reflect the inactivity on these properties over the last two years (2016 and 2017 $Nil).

Operating expenses for the three and nine months ended September 30, 2017 consisted of $11,310 and $65,546 in office and general, respectively (September 30, 2016 - $35,369 and $78,572), $46,500 and $148,500 in management fees and directors fees, respectively (September 30, 2016 - $57,000 and $171,000), and $1,914 and $26,687 in professional fees, consisting primarily of accounting and legal expenses, respectively (September 30, 2016 - $10,968 and $20,416). The decrease in office and general expenses and professional fees is attributed to the reduced activity of the Company. The Company incurred accretion expenses of $Nil and $Nil respectively for the three and nine months ended September 30, 2017 (2016: $16,195). The Company incurred a non-recurring gain in three months ended September 30, 2016 in the write off of account accounts payable of $109,003 and $Nil for the periods ended September 30, 2017.

As a result of the foregoing, the Company incurred a net comprehensive loss for the three and nine month periods ended September 30, 2017 (including interest) of $59,724 and $239,734, or $0.00 and $0.02 per share, respectively (basic and diluted), compared to a net comprehensive loss of $4,777 and $212,344, or $0.00 and 0.02 per share, respectively (basic and diluted), for the three and nine month periods ended September 30, 2016.

The total assets of the Company as at September 30, 2017 were $258,692 (September 30, 2016 - $313,641 and December 31, 2016 - $247,752), and total liabilities were $324,137 (September 30, 2016 $114,426 and December 31, 2016 – $200,963).

As an exploration company, the Company does not have any revenue from mining operations and had no revenue during the periods ended September 30, 2017.

1.4 Summary of Quarterly Results

The following table sets forth selected financial information for the Company for the eight most recently completed fiscal quarters ended September 30, 2017, and should be read in conjunction with the Company's financial statements and related notes thereto for such periods.
The following table sets forth selected financial information for the Company's eight most recently completed quarters:

	2017			2016				2015
	30 Sept	**30 Jun**	**31 Mar**	**31-Dec**	**30-Sept**	**30-June**	**31-Mar**	**31-Dec**
Revenues	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil
Loss before other items	$ 59,724	$ 62,067	$ 117,943	$ 94,527	$ 113,780	$ 114,602	$ 92,965	$ 185,088
Other Items:								
Foreign Exchange loss	-	-	-	-	-	-	-	(1,086)
Property and E and E Write offs	-	-	-	49,857	-	-	-	261,989
Non-recurring items	$ 59,724	-	-	$ (2,551)	$ (109,003)	$ -	$ -	$ (686,364)
Net loss (gain) after other items	$ 0.00	$ 62,067	$ 117,943	$ 141,833	$ 4,777	$ 114,602	$ 92,965	$ (240,372)
Loss per share – basic and diluted (1)(4)(5)	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ (0.02)	$ (0.02)	$ 0.05
Shares Outstanding (1)(2)(3)(4)	31,130,630	31,730,630	31,730,630	19,664,477	19,664,477	4,984,629	4,984,629	4,984,629
Diluted Shares (1)(2)(3)(4)	31,130,630	31,130,630	31,130,630	29,380,630	29,380,630	4,984,629	4,984,629	4,984,629

(1) Based on the weighted average number of shares outstanding during the period.

(2) 1,500,000 units in a non-brokered private placement (each, a "Unit") at a price of $0.07 per Unit for gross proceeds of $105,000. Each Unit consists of one common share of the Company (each, a "Share") and one share purchase warrant. One Warrant entitles the holder to purchase one additional Share of the Company at a price of $0.085 per share for a period of three years from closing of the Financing.

(3) Shares outstanding and diluted shares outstanding are as at the end of the respective quarters.

(4) During the year ended December 31, 2016 the Company completed the following:

- on May 24, 2016, the Company consolidated its shares on a one new for five old basis which reduced the issued shares from 24,923,147 to 4,984,630;
- on August 8, 2016, the Company closed a non-brokered private placement of 11,000,000 units at a price of $0.05 per unit for proceeds of $550,000. Each unit consists of one common share and one share purchase warrant, with each warrant entitling the holder to purchase one additional share at a price of $0.075 per share during the first year from the date of issuance and $0.10 per share during the second year from the date of issuance; and the Company settled $669,800 in debt (convertible notes, promissory notes and related accrued interest, and outstanding directors fees) by issuing 13,396,000 common shares at a deemed price of $0.05 per share.

1.5 Capital Resources and Liquidity

As an exploration company, the Company has not generated any revenues from operations, with the only source of financing to date (other than limited interest income) being from the issuance of equity securities (see Item 1.2 *Overall Performance – Description and General Development of the Business* and Item 1.4 *Summary of Quarterly Results*).

As at September 30, 2017, the Company had a working capital deficit of $219,044 (September 30, 2016 – surplus $135,924 and December 31, 2016 - deficit $19,749) and cash on hand of $95,545 (September 30, 2015 - $227,661 and December 31, 2016 - $167,467). The Company currently has insufficient working capital to meet its current obligations.

Financing Activities

During the nine months ended September 30, 2017 the Company,
- Issued 250,000 shares at a deemed price of $0.09 per share for the acquisition of the Los Venados property in Mexico, and
- Issued 1,500,000 units in a non-brokered private placement (each, a "Unit") at a price of $0.07 per Unit for gross proceeds of $105,000. Each Unit consists of one common share of the Company and one share purchase warrant. One Warrant entitles the holder to purchase one additional Share of the Company at a price of $0.085 per share for a period of three years from closing of the Financing. (January 19, 2020).

During the period ending the Company closed a non-brokered private placement of 11 million units at a price of five cents per unit for proceeds of $550,000. Each unit consists of one common share in the capital of the company and one share purchase warrant, with each warrant entitling the holder to purchase one additional share at a price of 7.5 cents per share during the first year from the date of issuance and 10 cents per share during the second year from the date of issuance. In connection with the financing, the company paid $4,200 in finders' fees.

During the period ending September 30, 2016 the Company converted $406,000 in convertible debentures and the accrued interest $54,397 into common shares of the Company at $0.05 per share.

During the period ending September 30, 2016 the Company converted $54,000 in directors' fees into common shares of the Company at $0.05 per share.

During the three and nine months ended September 30, 2016, the Company had issued promissory notes totaling $146,250 which bear interest at 12% pa. During the period ended September 30, 2016 the Company converted $146,250 of promissory notes and related accrued interest of $9,153 into common shares of the Company at $0.05 per share.

As at September 30, 2017 and 2016, the Company had no long-term debt and no agreements with respect to borrowing had been entered into by the Company.

Liquidity

As an exploration company, the Company has not generated any revenues from operations with the only source of financing to date (other than limited interest income) being from the issuance of equity securities. See Item 1.2 Overall Performance – Description and General Development of the Business and Item 1.4 Summary of Quarterly Results.

The Company currently has insufficient financial resources to meet its ongoing financial obligations (see 1.2 Overall Performance-Description and General Development of the Business above). The Company will need to raise additional funds in order to meets its commitments and for general working capital. 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 on satisfactory terms or at all. 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. Should current global economic conditions persist, management anticipates challenges in raising additional financing.

The Company does not have any commitments for material capital expenditures in the near or long term and none are presently contemplated over normal operating requirements.

1.6 Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

1.7 Transactions with Related Parties

During the three and nine month periods ending September 30, 2016:

(a) the Company paid an aggregate of $48,000 and $144,000, respectively (September 30, 2015 -$48,000 and $144,000), for consulting fees charged by two directors of the Company;

(b) the Company paid $1,500 and $4,500 in directors' fees, respectively (September 2016 - $9,000 and $27,000).

(c) At September 30, 2017, accounts payable and accrued liabilities included $283,800 (September 30, 2016 - $75,000) due to directors of the Company.

(d) At September 30 2017 Company had received $Nil in loans from directors and issued no promissory notes which bear interest of 12%pa and are payable on demand (2016- $146,250).

1.8 Proposed Transactions

There are no asset or business acquisitions or dispositions currently being proposed by the directors or senior management of the Company that will have a material effect on the financial condition, results of operations or cash flows of the Company.

1.9 Standards, amendments and interpretations adoptions

Standards issued but not yet effective

The standards and interpretations that are issued up to the date of issuance of the Company's financial statements, but were not effective during the year ended December 31, 2014 are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

IFRS 5 Amendment	Amendments to IFRS 5 Non Current Assets Held for Sale and Discontinued Operations[i]
IFRS 7 Amendment	Amendments to IFRS 7 Financial Instruments: Disclosures[i]
IFRS 9	Financial Instruments[iii]
IFRS 10 and IAS 28 Amendments	Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures[i]
IFRS 11 Amendments	Amendments to IFRS 11 Joint Arrangements[i]
IFRS 15	Revenue from Contracts with Customers[ii]
IAS 1 Amendments	Amendments to IAS 1 Presentation of Financial Statements[i]
IAS 16 and IAS 38 Amendments	Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets[i]
IAS 34 Amendments	Amendments to IAS 34 Interim Financial Reporting[i]

Effective for annual periods beginning on or after January 1, 2016
Effective for annual periods beginning on or after January 1, 2017
Effective for annual periods beginning on or after January 1, 2018

The Company is in the process of assessing the impact of the adoption of these standards and interpretations.

1.10 Financial and Other Instruments

Due to their short-term nature, the carrying amount for cash is measured at fair value while accounts payable and accrued liabilities are measured at amortized cost.

See Notes 3, 9 and 19 of the Company's December 31, 2016 Audited Financial Statements for further details of the Company's use of financial instruments.

1.11 Other MD&A Requirements

Disclosure of Outstanding Share Data

The authorized capital of the Company consists of an unlimited number of common shares without par value of which there were 31,130,630 common shares issued and outstanding as at September 30, 2017 and November 23, 2017.

As at November 27, 2017, the following stock options and share purchase warrants were outstanding:

Group	Number of Optionee Within Group	Aggregate Number of Shares	Exercise Price	Expiry Date
Stock Options				
TOTAL OPTIONS Sept 30, 2017 and November 27, 2017	N/A	**Nil**	N/A	N/A
Warrants				
Issued pursuant to private placement(2)		11,000,000	$0.075/0.10	July 28, 2018
Issued pursuant to private placement(3)		1,500,000	$0.085	January 20, 2020
TOTAL WARRANTS November 27, 2017(1)		**12,500,000**		

(1) On May 24, 2016, the Consolidation was completed, pursuant to which the Company's outstanding common shares were consolidated on the basis of five (5) pre-Consolidation shares for one (1) post-Consolidation share. The number of convertible securities outstanding and their respective exercise prices have been adjusted to reflect the Consolidation.

(2) Warrant is exercisable at $0.075 in the first year and $0.10 in the second year.

(3) On January 20, 2017, the Company closed on a non-brokered private placement financing of 1,500,000 units at a price of $0.07 per unit for gross proceeds of $105,000. Each unit consisted of one common share and one share purchase warrant, with each warrant entitling the holder to purchase one additional share.

Selected Annual information

The following table sets forth selected financial information for the Company for the fiscal years ended December 31, 2016, 2015, and 2014 and should be read in conjunction with the Company's financial statements and related notes thereto for such periods.

The year-end financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and are expressed in Canadian dollars.

	Year Ended December 31, 2016 (audited) $	Year Ended December 31, 2015 (audited) $	Year Ended December 31, 2014 (audited) $
Revenues	Nil	Nil	Nil
Expenses General and Administrative	415,874	745,879	1,005,209
Net Loss	(354,177)	(556,601)	(2,416,862)
Loss/share – basic and fully diluted	(0.01)	(0.02)	(0.11)
Working Capital (deficiency)	(19,749)	(877,095)	(902,319)
Exploration and Evaluation Assets	54,957	49,857	623,692
Total Assets	247,752	88,628	765,316
Total Long-Term Financial Liabilities	Nil	Nil	Nil
Accumulated Deficit	(17,184,361)	(16,830,184)	(16,273,583)
Number of shares outstanding at year end	29,380,630	24,923,147	24,923,147

Risks and Uncertainties

Mineral exploration is subject to a high degree of risk, which even a combination of experience, knowledge and careful evaluation may fail to overcome. Exploration activities seldom result in the discovery of a commercial viable resource. Exploration activities are also expensive. The Company will therefore require additional financing to carry on its business and such financing may not be available when it is needed. The following is a summary of some of the risk factors affecting the Company and its exploration activities:

Fluctuation of metal prices: Even if commercial quantities of mineral deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Company may affect the marketability of any substances discovered. The prices of various metals have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any commodities will be such that any of the properties in which the Company has, or has the right to acquire, an interest may be mined at a profit.

General economic conditions: Many industries, including the gold and base metal mining industry, have been impacted by global market conditions. Some of the key impacts include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company's growth and profitability.

Going Concern: The consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. At September 30, 2017, the Company had a working capital deficit of $216,044 and has not yet achieved profitable operations. In addition the Company has an accumulated deficit of $17,424,095 and expects to incur further losses in the development of its business. These conditions indicate the existence of a material uncertainty which casts significant doubt about the Company's ability to continue as a going concern. The continuing operations of the Company are dependent upon economic and market factors which involve uncertainties including the Company's ability to raise adequate equity financing for continuing operations. Realization values may be substantially different from carrying values as shown and accordingly these consolidated financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these consolidated financial statements.

There is no known body of ore of commercial grade or tonnage on any of the Company's properties. The Company spends its funds to carry out exploration work with the objective of establishing ore of commercial tonnage and grade. If the Company's exploration programs are successful, additional funds will be required for the development of an economic ore deposit to place in commercial production. There are no assurances that the Company will ever establish ore of commercial tonnage or grade on its properties, 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 on satisfactory terms or at all. 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. Should current global economic conditions persist, management anticipates challenges in raising additional financing.

Share Price Volatility: During the past three years, worldwide securities markets, particularly those in the United States and Canada, have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration or development stage companies, have experienced unprecedented declines in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Most significantly, the share prices of junior natural resource companies have experienced an unprecedented decline in value and there has been a significant decline in the number of buyers willing to purchase such securities. In addition, significantly higher redemptions by holders of mutual funds has forced many of such funds (including those holding the Company's securities) to sell such securities at any price. **As a consequence, market forces may render it difficult or impossible for the Company to secure places to purchase new share issues at a price which will not lead to severe dilution to existing shareholders, or at all.** Therefore, there can be no assurance that significant fluctuations in the trading price of the Company's common shares will not occur, or that such fluctuations will not materially adversely impact on the Company's ability to raise equity funding without significant dilution to its existing shareholders, or at all.

Financing risks: The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under any applicable agreements. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

Insufficient financial resources: There is substantial doubt that the Company can continue due to its limited working capital. The Company may not acquire sufficient financial resources to undertake by itself the acquisition, exploration and development of all of its planned acquisition, exploration and development programs. Future property acquisitions and the development of the Company's properties will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public financing, short or long term borrowings or other means. There is no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its interest in its properties.

Dilution to the Company's existing shareholders: The Company will require additional equity financing to be raised in the future. The Company may issue securities at less than favourable terms to raise sufficient capital to fund its business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

Increased costs: Management anticipates that costs at the Company's projects will frequently be subject to variation from one year to the next due to a number of factors, such as the results of ongoing exploration activities (positive or negative), changes in the nature of mineralization encountered, and revisions to exploration programs, if any, in response to the foregoing. In addition, exploration program costs are affected by the price of commodities such as fuel, rubber and electricity and the availability (or otherwise) of consultants and drilling contractors. Increases in the prices of such commodities or a scarcity of consultants or drilling contractors could render the costs of exploration programs to increase significantly over those budgeted. A material increase in costs for any significant exploration programs could have a significant effect on the Company's operating funds and ability to continue its planned exploration programs.

Mining industry is intensely competitive: The Company's business of the acquisition, exploration and development of mineral properties is intensely competitive. The Company may be at a competitive disadvantage in acquiring additional mining properties because it must compete with other individuals and companies, many of which have greater financial resources, operational experience and technical capabilities than the Company. Increased competition could adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future.

Permits and Licenses: The operations of the Company will 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 exploration, development and mining operations at its projects, on reasonable terms or at all. Delays or a failure to obtain such licenses and permits or a failure to comply with the terms of any such licenses and permits that the Company does obtain, could have a material adverse effect on the Company.

Government regulation: Any exploration, development or mining operations carried on by the Company, will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In addition, the profitability of any mining prospect is affected by the market for precious and/or base metals which is influenced by many factors including changing production costs, the supply and demand for metals, the rate of inflation, the inventory of metal producing corporations, the political environment and changes in international investment patterns.

Environmental restrictions: The activities of the Company are subject to environmental regulations by government agencies. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. Certain types of operations require the submission 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.

Dependence upon others and key personnel: The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability to design and carry out appropriate exploration programs on the potential mineral properties the Company plans to acquire; (ii) the ability to produce minerals from any mineral deposits that may be located; (iii) the ability to attract and retain additional key personnel in exploration, marketing, mine development and finance; and (iv) the ability and the operating resources to develop and maintain the properties held by the Company. These and other factors will require the use of outside suppliers as well as the talents and efforts of the Company and its consultants and employees. There can be no assurance of success with any or all of these factors on which the Company's operations will depend, or that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities.

Surface rights and access: Although the Company may acquire the rights to some or all of the minerals in the ground subject to the tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, however, the enforcement of such rights through the applicable courts can be costly and time consuming. In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access. However, in areas where there are local populations or land owners, it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the right at law to access the surface and carry on exploration and mining activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction. The Company has not, to date, experienced any problems in gaining access to its property.

Exploration and mining risks: Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of gold or other minerals produced, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Short term factors, such as the need for orderly development of ore bodies or the processing of new or different grades, may have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in geological resources, grades, stripping ratios or recovery rates may affect the economic viability of projects.

Regulatory requirements: The activities of the Company are subject to extensive regulations governing various matters, including environmental protection, management and use of toxic substances and explosives, management of natural resources, exploration, development of mines, production and post-closure reclamation, exports, price controls, taxation, regulations concerning business dealings with indigenous peoples, labour standards on occupational health and safety, including mine safety, and historic and cultural preservation. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties, enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions, any of which could result in the Company incurring significant expenditures. The Company may also be required to compensate those suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspension of the Company’s operations and delays in the exploration and development of the Company’s properties.

Limited experience with development-stage mining operations: The Company has very limited experience in placing mineral resource properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that the Company will have available to it the necessary expertise when and if it places its resource properties into production.

No assurance of profitability: The Company has no history of earnings and, due to the nature of its business there can be no assurance that the Company will ever be profitable. The Company does not anticipate paying dividends in the foreseeable future. The only present source of funds available to the Company is from the sale of its common shares or, possibly, from the sale or optioning of a portion of its interest in its mineral properties. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there can be no assurance that any such funds will be available on favourable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

Uninsured or uninsurable risks: Exploration, development and mining operations involve various hazards, including environmental hazards, industrial accidents, metallurgical and other processing problems, unusual or unexpected rock formations, structural cave-ins or slides, flooding, fires, metal losses and periodic interruptions due to inclement or hazardous weather conditions. These risks could result in damage to or destruction of mineral properties, facilities or other property, personal injury, environmental damage, delays in operations, increased cost of operations, monetary losses and possible legal liability. The Company may not be able to obtain insurance to cover these risks at economically feasible premiums or at all. The Company may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.