ROCKWEALTH RESOURCES CORP.

MANAGEMENTS' DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED OCTOBER 31, 2018

The following is the managements' discussion and analysis ("MD&A") of Rockwealth Resources Corp. (the "Company" or "RWC"), prepared as of December 18, 2018. This MD&A should be read together with the audited consolidated financial statements for the year ended July 31, 2018 and the interim consolidated financial statements for the period ended October 31, 2018.

Certain statements contained in this MD&A constitute forward-looking statements within the meaning of applicable securities laws including, among others, statements made or implied relating to the Company's objectives, strategies to achieve those objectives, management's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by words such as "objective", "may", "will", "expect", "likely", "intend", "estimate", "anticipate", "believe", "should", "plans" or similar expressions suggesting future outcomes or events. Such forward-looking statements are not guarantees of future performance and reflect management's current beliefs based on information currently available. Such statements involve estimates and assumptions that are subject to a number of known and unknown risks, uncertainties and other factors inherent in the business of the Company, and other materials filed with the securities regulatory authorities from time to time which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Those risks and uncertainties include, but are not limited to: the mining industry (including operational risks; risks in exploration and development; the uncertainties involved in the discovery and delineation of mineral deposits, resources or reserves; and the uncertainty of mineral resource and mineral reserve estimates); the risk of copper, gold and other commodity price and foreign exchange rate fluctuations; the ability of the Company to fund the capital and operating expenses necessary to achieve the business objective of the Company; the uncertainty associated with commercial negotiations and negotiating with foreign governments; the risks associated with international business activities; risks related to the Company's operations in the Philippines; environmental risk; the dependence on key personnel; and the ability to access capital markets.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date such statements were made and readers are advised to consider such forward-looking statements in light of the risks set forth above. Except as required by law, the Company assumes no obligation to update or revise any forward-looking statements to reflect new information or the occurrence of future events or circumstances.

Description of Business

The Company was incorporated on May 8, 2007 under the name "Crazy Horse Resources Inc." pursuant to the British Columbia Business Corporations Act with an authorized share capital of an unlimited number of common shares. On June 1, 2017 the company changed its name to "Rockwealth Resources Corp".

The principal subsidiaries of the Company are as follows:

Name of Subsidiary	Principal Activity	Incorporation	Interest at January 31, 2017
Asian Arc Mining Resources Corp.	Mineral Exploration	Philippines	100%
Crazy Horse Resources (BVI) Holdings Inc.	Holding Company	British Virgin Islands	100%
Crazy Horse Resources (BVI) Philippines Inc.	Holding Company	British Virgin Islands	100%
Taysan Port Corp.	Holding Company	Philippines	40%
Lupang Barakok Development Inc.	Holding Company	Philippines	40%

The Company is a public company listed on the TSX Venture Exchange (the "Exchange") as a Tier 2 mining issuer under the trading symbol "RWR". The Company is a reporting issuer under the *Securities Act* (British Columbia) and the *Securities Act* (Alberta) and as such is required to make filings on a continuous basis thereunder. This material is available under the Company's profile on the SEDAR website at www.sedar.com.

Highlights of the Company's Activities for the Period Ended October 31, 2018

- Management continues to evaluate new exploration projects and seek additional financing.

Outlook

Obtaining the necessary mining and exploration permits in the Philippines has proven to be difficult. The Company submitted its mining license application for the Taysan project has but to date it has not issued, in part because of the moratorium placed on new applications under Executive Order 79 signed by Pres. Benigno S. C. in July of 2012. Under this Executive Order, new mining projects in the Philippines came to a virtual standstill.

The President-elect Rodrigo Duterte (May 9, 2016) has yet to put forth an official decree for or against mining in the Philippines, but has stated that any future mines would have to be in the interest of the Filipino people and done without the environmental degradation that has previously occurred. He has stated that he is looking to set new standards for mining in the Philippines that will be modeled on Australian and Canadian environmental laws and regulations while acknowledging that mining can have a contribution to the Filipino economy.

Since the appointment of President Duterte, and with his appointment of Gina Lopez as Secretary to the Department of Environment and Natural Resources (DENR,) the mining industry in the Philippines has been in disarray. With its campaign to audit the environmental performance of the country's active mining companies and the direct action to suspend violators as a result of their findings, along with the push for "rational" mining reforms, the attraction to any mining project in the Philippines holds little investment interest at this time.

Although there are signs of the political situation improving, there remains significant doubt as to the political stability of the mining sector in the Philippines. As such, the Board of Directors unanimously agreed that the carrying value of the Taysan project be written down in the year. As a result, the Company has recognized a $3,090,000 valuation loss at the year ended July 31, 2016.

The Company had no further activity in the Philippines through the year ended July 31, 2018, and October 31, 2018.

General Development of the Company's Business

History

Since inception the Company has been in the business of acquiring, exploring and evaluating mineral resource properties.

The Company was granted an option to acquire an interest in the Iron River Property on Vancouver Island in June of 2007. It raised seed financing, undertook some preliminary work on that property; and subsequently completed an initial public offering by way of prospectus, and listed its common shares on the TSX Venture Exchange in March 2009. The Company decided not to continue exploration of the Iron River Property and $239,750 of property costs were written off during the year ended July 31, 2010. This option was terminated by the Company on October 20, 2011.

On November 12, 2010 the Company acquired a 100-per-cent interest in the Taysan Project, located in Batangas province, Philippines, from Taysan Copper Corporation in exchange for issuing 20 million common shares of the Company to the shareholders of Taysan Copper Corporation; paying $1.7-million (U.S.) and granting a 1.5-per-cent net smelter royalty. In addition, the company paid a finder's fee of 500,000 common shares to an arm's-length third party.

The Taysan Project consists of one exploration permit, which expired in 2013 and has an application for renewal pending and two exploration permit applications in process, all of which cover a combined total area of approximately 4,085 hectares. As at the date of this document, the applications have no been processed.

Taysan Property Overview and Pre-Feasibility Study

Rockwealth Resources Corp. ("RWR") has completed and filed an Independent Technical Report dated 30 November 2016 for the 100 % owned Taysan Project ("Taysan", or "the Project"). The company commissioned Mining Associates ("MA") to prepare the Independent Technical Report for the Taysan Project to comply with Canada's National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI43-101") and the mineral resource classifications meet the updated 2014 CIM Definition Standards, culminating in an effective date of 30th November 2016 for the Mineral Resource. No additional drilling has been undertaken on the Project since 2011, and based on this report, the Company is no longer treating the Project as having reserves. The resource estimate is based on a conceptual pit design used to constrain reported resources. A cut-off grade of 0.1% copper was applied to all reported resource blocks within a conceptual pit design.

Table 1: Mineral Resource Estimate reported November 2016

Resource (0.1% Copper	M tonnes	Cu %	M lbs Cu	Au g/t	Ag g/t	Magnetite %	M oz Au	M oz Ag	Mt Magnetite
Measured	156	0.31	1,077	0.12	1.2	3.3	0.61	5.80	5.20
Indicated	301	0.23	1,493	0.09	0.7	3.2	0.84	6.50	9.62
M + I	**456**	**0.26**	**2,570**	**0.10**	**0.8**	**3.2**	**1.45**	**12.30**	**14.82**
Inferred	300	0.19	1,239	0.08	0.5	2.8	0.72	4.85	8.44

In order to move the project forward, RWR will need to pursue the renewal and conversion of EP-IVA-005 to a Financial and Technical Assistance Agreement (FTAA) as required by the Mines and Geoscience Bureau (MGB) of the Philippines. The full Technical Report is available on SEDAR at www.sedar.com.

Impairment

The Company determined there was an impairment of the Taysan Project as at July 31, 2016 in accordance with IAS 36 - Impairment of Assets. The impairment results from a number of factors including, but not limited to: the previous Filipino government's moratorium on granting new mineral agreements; the newly elected government's stance on the current mining sector; deteriorating market conditions for mining companies, particularly in the Philippines; and the sustained reduction in the Company's market capitalization. The Company has concluded that the Taysan Project carried value be written down to Nil, resulting in an impairment loss of $3,090,000 recorded as write-down of mineral property interest on the July 31, 2016 consolidated statements of loss and comprehensive loss.

Additional Disclosure For Venture Issuers Without Significant Revenue

As the Company has no revenue from operations since inception, the following is a breakdown of the material costs incurred:

	Year ended July 31, 2018	Year ended July 31, 2017	Year ended July 31, 2016
Consulting	$149,783	$176,994	$188,087
Exploration and Evaluation Costs	$9,819	$79,481	$173,306

Financial Information

Summary of Quarterly Results

The following is a summary of certain selected unaudited financial information for the most recent eight fiscal quarters.

	Oct. 31, 2018	**Jul. 31, 2018**	**Apr. 30, 2018**	**Jan. 31, 2018**	**Oct 31, 2017**	**Jul 31, 2017**	**Apr 30, 2017**	**Jan 31, 2017**
Interest Income	$0	$0	$0	$0	$0	$0	$0	$157
Expenses	$53,228	$68,028	$47,414	$56,566	$39,848	$47,671	$101,408	$145,452
Net Loss	$53,228	$68,028	$47,414	$56,566	$39,848	$47,671	$101,408	$145,295
Loss per share	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)	($0.02)	($0.03)

Quarterly results can vary significantly depending on whether the Company has acquired any properties, commenced exploration or granted any stock options and these are the factors that account for material variations in the Company's quarterly net losses, none of which are predictable.

Three months ended October 31, 2018

Net loss for the three months ended October 31, 2018 was $53,228 (2018 - $39,848 loss). During the current three month period ended, the Company incurred additional consulting fees as a result of increased activity to search for new mining projects.

Summary of Annual Results

The following table sets forth selected financial information with respect to the Company, which information has been derived from the financial statements of the Company for the year ended July 31, 2018, 2017 and 2016. The following should be read in conjunction with said financial statements and related notes.

	Year ended July 31, 2018	**Year ended July 31, 2017**	**Year ended July 31, 2016**
Total Expenses	$211,856	$437,461	$3,655,248
Interest Income	$Nil	$Nil	$2,463
Comprehensive Loss	$211,856	$437,461	$3,652,785
Current Assets	$106,385	$27,879	$195,278
Mineral Property Interest	Nil	Nil	Nil
Total Assets	$106,385	$27,879	$195,278
Current Liabilities	$881,560	$591,198	$321,136
Working Capital (Deficiency)	($775,175)	($563,319)	($125,858)
Shareholders' Equity (Deficiency)	($775,175)	($563,319)	$125,585
Weighted Average Shares Outstanding	4,858,605	4,858,605	4,858,605
Loss Per Common Share	($0.04)	($0.09)	($0.75)

Liquidity and Capital Resources

The Company has no source of revenue, income or cash flow and is wholly dependent upon raising monies through the sale of its securities or debt to finance its business operations.

During the year ended July 31, 2018 the Company did not engage in any equity financing activities. As at July 31, 2018 the Company had working capital deficiency of $775,175 based on current assets of $106,385 and current liabilities of $881,560. The Company will, in the future, require additional funds to support its working capital requirements or for other purposes and may seek to raise additional funds through equity funding, bank debt financing or from other sources. The availability of such funding will be dependent on a number of factors including commodity prices, stock market performance and general economic conditions. There can be no assurances that this capital will be available in amounts or on terms acceptable to the Company, or at all. This creates material uncertainty which casts significant doubt about the Company's ability to continue as a going concern.

Transactions with Related Parties

Unless otherwise noted, amounts due to related parties were non-interest bearing, unsecured and had no fixed terms of repayment. The following related party transactions were in the normal course of operations and measured at the exchange amount, which is the amount established and agreed to by the related parties:

a) Included in due to related parties is $513,067 (2018 – $484,754) for management fees payable to related corporations with related directors and executives.

b) Included in Note payable to related party is $180,000 owing to the Chief Executive Officer of the Company. The funds were accounted for as an unsecured note payable, bearing no interest and due on demand.

c) During the period ended October 31, 2018 and 2017, the Company incurred the following expenses paid or payable to key management personnel, directors, and companies with a common director or officer.

	Period Ended October 31	
Amounts paid or payable to key management personnel:	**2018**	2017
Management and consulting fees	**$ 30,000**	$ 30,000
Amounts included in exploration and evaluation assets	**-**	-
	30,000	30,000
Amounts paid or payable to other related parties:		
Office expenses	**-**	-
Rent	**-**	-
	$ -	$ -

Significant Acquisitions and Significant Dispositions

The following is a description of the major agreements, acquisitions and dispositions of assets, and other events and transactions that have influenced the general development of the Company.

Taysan Copper Gold Project, Philippines

On November 12, 2010, the Company acquired a 100-per-cent interest in the Taysan copper-gold porphyry project, located in Batangas province, Philippines, from Taysan Copper Corporation (a private British Columbia company) in exchange for issuing 20 million common shares of the Company pro-rata to the shareholders of Taysan Copper; paying $1.7-million (U.S.) and granting a 1.5% net smelter royalty. In addition, the company paid a finder's fee of 500,000 common shares to an arm's-length third party. For a description of the Taysan Project see the "Property Overview" section.

Accounting Policies

The IASB issued a number of new and revised International Accounting Standards, IFRS amendments and related interpretations which are effective for the Company's financial year beginning on or after August 1, 2017. No new or revised standards or amendments are expected to have a significant impact on the Company's financial statements.

Critical Accounting Judgments and Estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reported years. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. Critical estimates used include, among others, the amounts recorded for the recoverability and impairment of mineral properties and valuation of share-based payments.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect of amounts recognized in the consolidated financial statements for the year ended July 31, 2018, is included in the following notes:

Note 1 – going concern assessment
Note 2– determination of the functional currency of the Company's subsidiaries
Note 4 – impairment of exploration and evaluation assets

Financial Risk Factors

The Company is exposed to various types of market risks including credit risk, interest rate risk, liquidity risk, and foreign exchange rate risk.

(i) Credit Risk – Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to fulfill its contractual obligations. The Company's credit risk is associated primarily with its cash and cash equivalents and accounts receivables. The credit risk is minimized by placing cash and cash equivalents with major financial institutions. The Company's receivables mainly consist of GST receivable which is due from the Canada Revenue Agency.

(ii) 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. If interest rates decrease, the Company will generate less interest revenue. Presently the Company has minimal risk of realizing a loss as a result of a decline in the fair value of its financial instruments because of the short-term nature of the investments.

(iii) Liquidity Risk – Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company ensures that sufficient funds are raised from private placements to meet its operating requirements, after taking into account existing cash and expected exercise of share purchase warrants. The Company's cash is held in business accounts which are available on demand for the Company's operations. Accounts payable and accrued liabilities, and due to related parties, are due within 12 months of the dates on the statements of financial position.

(iv) Foreign Exchange Rate Risk – The Company operates in Canada and formerly the Philippines and is exposed to low foreign exchange risk as the Company does not hold any foreign currency. Foreign exchange risk would arise from purchase transactions as well as financial assets and liabilities denominated in the foreign currency.

Business Risks and Uncertainties

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties, currently in the Philippines. Due to the nature of the Company's proposed business and the present stage of exploration of its resource assets, the following risk factors, among others, apply:

General Economic Conditions

The recent unprecedented events in global financial markets have had a profound impact on the global economy. Many industries, including the gold and base metal mining industry, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil 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. Specifically:

- the volatility of precious and base metal prices may impact the Company's future revenues, profits and cash flow
- volatile energy prices, commodity and consumables prices and currency exchange rates impact potential production costs
- the devaluation and volatility of global stock markets impacts the valuation of the Company's common shares, which may impact the Company's ability to raise funds through the issuance of equity securities

These factors, among others, could have a material adverse effect on the Company's financial condition and results of operations.

Share Price Volatility

During the past year, 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. As a consequence, despite the Company's past success in securing significant equity financing, 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. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. 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.

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 favorable 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 notable 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 exploration and evaluation assets 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 promulgated by government agencies in different countries from time to time. 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 their directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

Foreign Countries and Political Risk

The resources assets held by the Company are located in the Philippines where mineral exploration and mining activities may be affected in varying degrees by political instability, expropriation of property and changes in government regulations such as tax, business, environmental and mining laws, affecting the Company's business in that country. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business, or if significant enough, may make it impossible to continue to operate in the country. Operations may be affected in varying degrees by government regulations with respect to restrictions on production and foreign exchange, price and export controls, income taxes, expropriation of property, environmental legislation and mine safety.

In an effort to increase the government's share in the revenues derived from the use and development of the country's mineral resources, the President of the Republic of the Philippines issued Executive Order No 79 on July 6 2012. Section 4 of the Order imposes a moratorium on the execution of new mineral agreements (such as mineral production sharing agreements) until legislation rationalizing existing revenue sharing schemes and mechanisms has taken effect.

Currency Fluctuations

The Company presently maintains its accounts in Canadian dollars. Due to the nature of its operations in foreign jurisdictions, the Company also maintains accounts in U.S. dollars and Philippine pesos, making it subject to foreign currency fluctuations. Such fluctuations are out of its control and may materially adversely or positively affect the Company's financial position and results.

Surface Rights and Access

Although the Company acquires 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 is not usually problematic, 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 any of its properties.

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 and to develop metallurgical processes, and 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 exploration and evaluation assets is affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of minerals produced, costs of processing equipment and such other factors as foreign exchange, 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 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.

Disclosure of Outstanding Share Data

The Company has 4,858,605 common shares outstanding as at the date of this document. As at the date of this document, the Company has no stock options or warrants outstanding.