Strathmore Plus Uranium Corp.

(formerly Strathmore Plus Energy Corp.)

MANAGEMENTS' DISCUSSION AND ANALYSIS

For the Year Ended JULY 31, 2023

The following is the managements' discussion and analysis ("MD&A") of Strathmore Plus Uranium Corp (formerly Strathmore Plus Energy Corp.).) (the "Company"), prepared as of November 28, 2023. This MD&A should be read together with the audited consolidated financial statements for the year ended July 31, 2023 with related notes to the financial statements

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 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 foreign jurisdictions; 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

Strathmore Plus Uranium Corp. (the "Company") was incorporated under the Business Corporations Act of British Columbia. The Company was formerly known as Strathmore Plus Energy Corp. and completed a name change on September 25, 2022. The principal address and records office are located at 750-1620 Dickson Ave, Kelowna, V1Y 9Y2. The Company's common shares are listed on the TSX Venture Exchange ("TSX.V") under the symbol "SUU.V".

The Company is an exploration stage company and engages principally in the acquisition, exploration and development of resource properties in Wyoming, USA. The Company has yet to determine whether its exploration and evaluation assets contain economically viable ore reserves and there is no guarantee that mineral deposits will be discovered in the future.

Highlights of the Company's Activities for the year

- Closed financing on October 26 and 27, 2022 and January 26, 2023.
- On September 21, 2022, the Company acquired additional mineral title claims through the purchase of all the shares of Wyoming Uranium LLC.
- On September 16, 2022, the Company was notified of approval of the Beaver Rim exploration permit submitted to the US Bureau of Land Management, and the Wyoming Dept. of Environmental Quality, Land Quality Division (TFN 7 1/126: upon bond receipt of US$121,600, which has not yet been posted).
- On October 17, 2023, the Company was notified of approval of the Agate Project exploration permit submitted to the US Bureau of Land Management, and the Wyoming Dept. of Environmental Quality, Land Quality Division (TFN 7 6/154: bond paid of US$74,300).
- On October 17, 2023, the Company was notified of approval of the Night Owl Project exploration permit submitted to the US Bureau of Land Management, and the Wyoming Dept. of Environmental Quality, Land Quality Division (TFN 7 1/166: bond paid of US$16,900).
- On December 2, 2022, the Company acquired a State of Wyoming Mineral Lease for the 640-acre (266-hectare) parcel at Section 16, T29N, R77W, in the Night Owl project area.
- In October 2022, the Company completed an airborne spectrometer and magnetic geophysical survey across much of the Night Owl claim group, in conjunction with a ground gravity survey. The surveys were completed by MWH Geo-Surveys of Reno, Nevada. The surveys are slated for completion in summer 2023.

General Development of the Company's Business

The Company is an exploration stage company and engages principally in the acquisition, exploration and development of resource properties. The Company has yet to determine whether its exploration and evaluation assets contain economically viable ore reserves and there is no guarantee that mineral deposits will be discovered in the future. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon proving the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production and/or proceeds from the disposition thereof.

Exploration Projects

A list of the Company's uranium exploration properties, their current project status, and their carrying value as at July 31, 2023 is shown below:

	Night Owl Project	Agate Project	Gas Hills – Beaver Rim Project	Total
	$	$	$	$
Balance at July 31, 2022 and 2021	**-**	**-**	**-**	**-**
Acquisition costs	25,142	11,178	284,473	320,793
Geological	202,768	9,721	9,199	221,688
Balance at July 31, 2023	**227,910**	**20,899**	**293,672**	**542,481**

Property	Location	Ownership	Claims	Hectares	Stage
Beaver Rim	Gas Hill, WY	100%	131	1,095	1
Agate	Shirley Basin, WY	100%	52	435	1
Night Owl	Shirley Basin, WY	100%	82	666	2
Night Owl	Shirley Basin, WY	100%	1 State Lease	266	2
TOTAL			265 claims, 1 Lease	2,462	

NOTE: Exploration Stage

1. Prospecting
2. Geophysical Exploration, Sampling
3. Drilling

Beaver Rim Property

The Beaver Rim project is located in the Gas Hills Uranium District, central Wyoming. The project consists of 131 unpatented lode mining claims covering 1,095 hectares. Historical production in the Gas Hills (the #1 uranium mining district in Wyoming) exceeded 100 million pounds of uranium concentrate, the majority from open-pit mining and to a lesser extent underground and in-situ recovery. The project is located adjacent to and immediately south of Cameco's fully permitted in-situ recovery project in the Gas Hills. The 131 lode mining claims were staked on lands and mineral rights administered by the US Bureau of Land Management. The claims are owned 100% by the Company.

The uranium mineralization, as Wyoming-type roll front deposits, is contained within the Eocene Wind River Formation, an arkosic-rich sandstone-hosted aquifer. Previous exploration has encountered uranium mineralization on the property at depths from 210-305 meters. During May 2022, SLR Consulting (Canada) Ltd. completed a technical report for the project titled Technical Report on the Gas Hills-Beaver Rim Uranium Exploration Project, Fremont and Natrona Counties, Wyoming USA. The report discusses the geology, uranium mineralization, historical production, and any past exploration completed on the current project, in addition to recommending exploration of the project by drilling and geophysical logging.

In 2022, Strathmore applied for and received approval (TFN 7 1/126: pending posting of the reclamation bond) to explore the Beaver Rim project by drilling from the State of Wyoming's Department of Environmental Quality under agreement with the US Bureau of Land Management. Exploration is slated for summer 2024 (the 2023 program was postponed due to extensive erosion to the access routes).

Agate Property

On July 19, 2022, the Company acquired by staking the Agate Project located in the Shirley Basin uranium district of Wyoming. For the year ended July 31, 2022, the Company spent $15,359 on staking costs.

The Agate Project is located in the Shirley Basin Uranium District, east-central Wyoming. The project consists of 52 unpatented lode mining claims covering 435 hectares. Historical production in Shirley Basin (the #2 uranium mining district in Wyoming) exceeded 50 million pounds of uranium concentrate, the majority from open-pit mining and to a lesser extent, underground and in-situ recovery. The 52 mining claims were staked on lands and mineral rights administered by the US Bureau of Land Management. The claims are owned 100% by the Company.

The uranium mineralization, as Wyoming-type roll front deposits, is contained within the Eocene Wind River Formation, an arkosic-rich sandstone-hosted aquifer. Previous exploration encountered uranium mineralization on the property at depths of 5-50 meters. Historical data for the past drilling is available from the Wyoming State Geological Survey and has been acquired by the Company for digitization, and reinterpretation of the gamma log data.

During summer 2023, Strathmore applied for and received a permit (DN0482) to explore the Agate project by drilling from the State of Wyoming's Department of Environmental Quality under agreement with the US Bureau of Land Management. Drilling is slated for autumn 2023.

Night Owl Property

On June 1, 2022, the company acquired by staking 28 lode claims at the Night Owl Project located in the Shirley Basin uranium district of Wyoming. During the year ended July 31, 2023, the Company acquired by staking an additional 52 lode mining claims and spent $16,967 on the staking costs. Additionally, the Company acquired on December 2, 2022, a State of Wyoming mineral lease to a 640-acre (266-hectare) parcel at Section 16, T29N, R77W, and spent $690 on the yearly lease payment and application fee.

The Night Owl project is located in the Shirley Basin Uranium District, east-central Wyoming. The project consists of 82 unpatented lode mining claims covering 666 hectares and one State of Wyoming mineral lease covering 266 hectares. Historical production in Shirley Basin (the #2 uranium mining district in Wyoming) exceeded 50 million pounds of uranium concentrate, the majority from open-pit mining and to a lesser extent, underground and in-situ recovery. The 82 mining claims were staked on lands and mineral rights administered by the US Bureau of Land Management. The claims are 100% owned by the Company.

The uranium mineralization is contained within a brecciated zone between the unconformable contact of the Mississippian Madison Formation (limestone) and the overlying Permian-Pennsylvanian Casper Formation (sandstone). Past production of 95 tons averaging 0.25% U_3O_8 was reported in the historical literature. In 2023, Strathmore assayed 12 rock samples collected from outcrop and the results are listed below.

Sample ID	% U	% U_3O_8	Sample Scintillometer Readings (cps)
1-1	0.283	0.334	~4,200
1-2	0.326	0.384	~4,800
2-1	0.189	0.223	~2,500
2-2	0.226	0.266	~3,000
3	0.209	0.246	~2,700
4	0.235	0.277	~3,300
5	0.194	0.229	~2,500
6	0.238	0.281	~3,500
7	0.271	0.320	~4,000
8	0.221	0.261	~3,100
9	0.226	0.267	~3,200
10	0.225	0.265	~3,200

Note: The concentrations of percent U_3O_8 were calculated by multiplying the percent Uranium by 1.17924 (source: www.uranium.info/unit_conversion_table.php). The recent sample collection and radiometric survey, using a GR-110G portable gamma ray scintillometer, were completed on August 21, 2022 and June 12, 2022, by Terrence Osier, P.Geo., Vice President Exploration for Strathmore.

The assay study was completed by Pace Analytical of Sheridan, Wyoming, an accredited lab that completes work for many of the uranium ISR mining companies in the state of Wyoming, in addition to studies on high grade uranium samples from Arizona breccia pipes and the Athabasca basin. The assay utilized induced-coupled-plasma (ICP) spectroscopy.

In October 2022, the Company completed in part an airborne spectrometer and magnetic survey across much of the Night Owl claim group, in conjunction with a ground gravity survey. The surveys were completed by MWH Geo-Surveys of Reno, Nevada. In July 2023, MWH Geo-Surveys returned to the project and completed the airborne survey across the claim group, in addition to across the State of Wyoming mineral lease.

During summer 2023, Strathmore applied for and received a permit (DN0481) to explore the Night Owl project by drilling from the State of Wyoming's Department of Environmental Quality under agreement with the US Bureau of Land Management. Drilling is slated for autumn 2023.

Wyoming Uranium LLC
On January 12, 2022, the Company entered into a share purchase agreement (the "Agreement") with the shareholders of Wyoming Uranium LLC. Under the Agreement, the Company was required to issue 750,000 common shares (issued) and pay $25,000 USD (paid) to the shareholders of Wyoming Uranium LLC in exchange for a 100% ownership of Wyoming Uranium LLC, which holds certain mineral titles in the State of Wyoming. On September 21, 2022, after regulatory approval, the Company completed the acquisition. The fair value of the common shares of $210,000 and cash paid of $34,390 for Wyoming Uranium LLC has been allocated to acquisition costs of this project.

Financial Information

<u>Summary of Quarterly Results</u>

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

	Jul. 31, 2023	**Apr. 30, 2023**	**Jan. 31, 2023**	**Oct. 31, 2022**	**Jul. 31, 2022**	**Apr. 30, 2022**	**Jan 31, 2022**	**Oct. 31, 2021**
Interest Income	$43,743	$-	$-	$-	$-	$-	$-	$-
Expenses	($943,689)	($1,346,956)	($1,156,114)	($567,418)	($755,128)	($146,145)	($300,355)	($90,681)
Net Income (Loss)	($858,150)	($1,346,956)	($1,156,114)	($567,418)	($755,128)	($146,145)	($300,355)	($90,681)
Income (loss) per share	($0.02)	($0.04)	($0.04)	($0.02)	($0.03)	($0.01)	($0.02)	($0.01)

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.

<u>Three months and twelve months ended July 31, 2023</u>

Net loss for the three and twelve months ended July 31, 2023 was $858,150 and $3,928,639 net loss compared to net loss of $755,128 and $1,292,309 the comparable periods. Overall expenses increased as a result of the Company ramping up activity for its exploration work in Wyoming, USA. The change in net loss is primarily attributable to the following factors:

- Consulting fees increased due to increased operating activity and milestone achievement bonuses issued.

- Share-based compensation increased in the current period due to an increase in options and RSUs granted during the year compared to the previous period.
- Investor relation expenses increased as a result of the Company pursuing multiple campaigns to increase shareholder awareness of the Company's activities.
- Property investigation expenses decreased because in the previous period, the Company did not hold rights in mineral properties and expensed exploration and evaluation expenditures until legal title and rights to explore are obtained.

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 years ended July 31, 2023, 2022 and 2021. The following should be read in conjunction with said financial statements and related notes.

	Year ended July 31, 2023	Year ended July 31, 2022	Year ended July 31, 2021
Total Expenses	$4,014,178	$1,292,309	$358,618
Interest Income	$43,743	$Nil	$Nil
Comprehensive Loss	$3,928,639	$1,292,309	$358,618
Current Assets	$1,784,347	$460,980	$235,645
Mineral Property Interest	$542,481	$Nil	$Nil
Total Assets	$2,326,828	$460,980	$235,645
Current Liabilities	$615,249	$1,236,886	$1,004,902
Working Capital (Deficiency)	$1,169,098	($775,906)	($769,257)
Shareholders' Equity (Deficiency)	$1,711,579	($775,906)	($769,257)
Weighted Average Shares Outstanding	33,608,693	19,334,549	14,858,605
Loss Per Common Share	($0.12)	($0.07)	($0.02)

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.

On January 26, 2023, the Company closed a non-brokered private placement of 5,000,000 Units at $0.40 per Unit. Each Unit comprises one common share and one-half share purchase warrant. Each whole share purchase warrant is exercisable into one common share at a price of $0.50 per share for a period of 2 years following the closing of the offering. The Company paid a 7% cash commission to certain qualified finders for a total finders' fees of $31,850.

On October 26 and 27, 2022, the Company closed a non-brokered private placement of 4,112,079 Units at $0.33 per Unit. Each Unit comprises one common share and one share purchase warrant. Each whole share purchase warrant is exercisable into one common share at a price of $0.40 per share for a period of 2 years following the closing of the offering. The Company paid a 7% cash commission to certain qualified finders for a total finders' fees of $12,963.

During the year ended, July 31, 2023, 7,917,830 share purchase warrants and 50,000 stock options were exercised for gross proceeds of $1,830,340. An additional 655,910 share purchase warrants were exercised subsequent to July 31, 2023 for gross proceeds of $293,864.

At July 31, 2023, the Company had not achieved profitable operations, and had an accumulated deficit of $68,644,779 (2022 - $64,716,140), since inception. However, as at July 31, 2023, the Company has a working capital balance of $1,169,098 (2022 – working capital deficit of $775,906).

The Company will, in the future, require additional funds to support its working capital requirements or for other purposes, and may seek 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.

Related Party Transactions and Balance

Unless otherwise noted, amounts due to related parties are non-interest bearing, unsecured and have 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:

Key management compensation

The Company has identified its directors and certain senior officers as its key management personnel.

Key management compensation is as follows:

	For the years ended July 31,	
	2023	2022
	$	$
Exploration and evaluation	**45,994**	-
Consulting fees	**955,219**	272,000
Share-based compensation	**789,169**	-

As at July 31, 2023, included in due to related parties is $26,985 (2022 – $321,691) for reimbursable corporate expenses and accrued interest on the convertible note.

Related party loans

On January 19, 2022, the Company received a $500,000 loan from a private company owned by the CEO which closed as a convertible note on February 2, 2022. The convertible note matures on January 29, 2024.

New Accounting Standards Issued but Not Yet Effective

IAS 1 – Presentation of Financial Statements (“IAS 1”)

IAS 1 has been amended to clarify how to classify debt and other liabilities as either current or non-current. The amendment to IAS 1 is effective for the years beginning on or after January 1, 2023. The Company does not anticipate the amendment will have a significant impact on its financial statements.

Critical Accounting Judgments and Estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the consolidated 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.

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 is as follows:

Significant accounting estimates

- the determination and recognition of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values;
- the inputs in accounting for share-based payment transactions in the statement of loss and comprehensive loss (using the Black-Scholes model) including volatility, probable life of options granted, time of exercise of the options and forfeiture rate;
- the determination of the fair value of the liability and equity components of the convertible note using the discount rate of 18% to calculate the present value the liability, with the excess allocated to the equity component. The discount rate of 18% was based off of the Company's interest rate on credit cards as the Company does not have any other arms-length interest bearing debt; and
- the inputs used in accounting for warrants valuation using the Black-Scholes model which include volatility, probable life of options granted, time of exercise of the options and forfeiture rate.

Significant accounting judgments

- the assessment of indications of impairment of the mineral property interests and related determination of the net realizable value and write-down of the mineral property interests where applicable;
- the evaluation of the outcome of contingencies;
- the evaluation of the Company's ability to continue as a going concern; and
- the assessment of whether an extinguishment of an existing financial liability involving a creditor that is also a direct or indirect shareholder of the Company, is one in which the creditor is also acting in its capacity as such.

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. The credit risk is minimized by placing its cash with a major financial institution.

(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.

(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 anticipated exercise of share purchase options and warrants. The Company's cash and cash equivalents is held in business accounts which are available on demand for the Company's programs. Accounts payable and amounts due to related parties and the convertible note are due within 12 months of the date on the statements of financial position.

(iv) Foreign Exchange Rate Risk – The Company operates in Canada 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. As at July 31, 2023 and 2022, a 10% fluctuation in the foreign exchange rate of the United States dollar against the Canadian dollar would be insignificant.

Financial Instruments

Financial Assets
i) Classification

The Company classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through other comprehensive income ("FVOCI"), or through profit or loss ("FVTPL"); and
- Those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Company classifies its financial instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest rate method.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income ("OCI"), except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest method. The Company has not designated any financial assets at FVOCI.

- FVTPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the statement of loss and comprehensive loss in the period in which it arises. The Company has classified its cash and cash equivalents at FVTPL.

Financial Liabilities

The Company classifies its financial liabilities into the following categories:

- FVTPL; and
- Amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and
- the remaining amount of the change in the fair value is presented in profit or loss.

The Company has not designated any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method. The Company's accounts payable, convertible note, obligation to issue shares, and due to related parties are measured at amortized cost.

Impairment
A financial asset not carried at FVTPL is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Company recognizes loss allowances for expected credit losses ("ECLs") on its financial assets measured at amortized cost. Due to the nature of its financial assets, the Company measures loss allowances at an amount equal to expected lifetime ECLs. Lifetime ECLs are the anticipated ECLs that result from all possible default events over the expected life of a financial asset. ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the related financial asset. The Company does not have any financial assets that contain a financing component.

Business Risks and Uncertainties

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties . 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.

Currency Fluctuations
The Company presently maintains its accounts in Canadian dollars. Due to the nature of its proposed operations in foreign jurisdictions, the Company may also maintain accounts in foreign currencies, 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

As at the date of this document, the Company has 44,786,093 common shares issued and outstanding, 4,354,559 incentive stock options outstanding with exercise prices ranging from \$0.24 to \$0.80 per share, 6,935,337 warrants outstanding with exercise prices ranging from \$0.40 to \$0.80 per share, and 3,951,668 restricted stock units outstanding.