# **Copperbank Resources Corp**.

Management Discussion and Analysis

Year ended December 31, 2016

## Background

The following discussion and analysis of Copperbank Resources Corp. (the "Company" or "Copperbank") for the year ended December 31, 2016, is prepared as of April 24, 2017 and should be read together with the audited consolidated financial statements for the same year and related notes attached thereto, which are presented in Canadian dollars and prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are stated in Canadian dollar unless otherwise indicated.

Certain statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Additional information of the Company is available on SEDAR at www.sedar.com.

## Description of Business

Copperbank was incorporated on October 21, 2014 under the Business Corporation Act (British Columbia), whereby 0999279 B.C. Ltd. ("0999279"), 1016077 B.C. Ltd. ("Full Metal"), and Choice Gold Corp. ("Choice Gold"), were amalgamated as one company (the "Transaction"). The legal existence of Choice Gold and Full Metal ceased however, 0999279 survived the amalgamation continued under the name Copperbank Resources Corp.

The Company's head office and principal address is Suite 2706 - 1011 West Cordova Street, Vancouver, BC, V6B 0C2. The Company's shares are traded on the Canadian Securities Exchange ("CSE") under the symbol "CBK" and its principal business is the acquisition and development of mineral properties. All of the Company's resource properties are located in the U.S.A. and are still in their exploration stages.

The underlying value of the Company's resource properties are entirely dependent on the existence of economically recoverable reserves, on the ability of the Company to obtain the necessary financing to complete development, and upon future profitable production.

## Outlook

During the year ended December 31, 2016, the Company completed a private placement for the issuance of 7,500,000 common shares for the gross proceeds of $300,000. In addition to preserve the treasury, the Company issued 3,328,340 common shares to settle payables to the Company's CEO, CFO, and its executive chairman for the amount of $216,417 and issued 1,687,000 common shares to the optionor of the Company's Pyramid Properties to settle option payments.

As of December 31, 2016, the Company had a working capital deficiency and had recurring losses since inception. The Company may need to raise addition funding for acquisition of new resource properties or to finance its operations in the next twelve months. The Company has a history of raising funding when needed in the past, however there is no guarantee that the Company can do so in the future.

As a result, management will keep the operating activities low to preserve its treasury in order to wait for the improvement of metal prices and capital markets that provide a better environment for raising further financing.

## Events after year ended December 31, 2016

In February, 2017, the Company issued an unsecured, non-interest bearing convertible loan in the amount of $400,000 with the Company's CEO. The whole amount of $400,000 can be converted into common shares of the Company at $0.08 per share within two years at the option of the lender.

In February 2017, the Company issued 500,000 common shares to the Company's CEO and 400,000 common shares to a consultant for settlement of accounts payable of $50,000 and $40,000 respectively.

In February 2017, the Company granted 6,650,000 incentive stock options, with an exercise price of $0.10 per share to officers, directors, consultants and advisors. These options can be exercised for a period of five years from the date of grant, are subject to the policies of the Canadian Securities Exchange and contain vesting provisions whereby 25% of the Options vest six months from date of grant and 25% every six months thereafter.

## Exploration Properties Overview

As of December 31, 2016, the Company held the Pyramid Project in southwest Alaska situated on Native-land and which hosts an initial inferred copper resource with excellent exploration upside. The Company also had the Contact Project in Nevada that hosts a copper resource with a recent, positive prefeasibility study.

Strategic review and planned drilling activities in 2017:

On April 4, 2017 the Company has completed a strategic review of the Pyramid Property and the Contact Property. Management believes completing further drilling campaigns at both deposits may unlock substantial new value for the Company. It is anticipated that the budgetary parameters, which the Company management is planning, would result in a small financing being completed if the proposed programs went forward. It is anticipated that the company's existing strategic shareholders would be the lead orders of the financing.

At the Pyramid project, it is envisaged that 1,500 metres could be drilled in the mid-summer of 2017 for an estimated budget of USD $750,000. The Company's objective would be to drill step-out holes from the current resource and to depth, in advance of infill drilling planned for 2018. Specifically, the program is designed to expand high grade resources around diamond drill hole PY11-16 which returned 155 meters of 0.71% copper, 0.18 g/t gold and 0.018% molybdenum (0.97% Cu Eq.) starting at 94 metres, and bottoming in 34 meters of 0.844% copper. It should be noted that there is not sufficient information available to determine the true width of this mineralized zone. As well, The Company believes Pyramid shows excellent potential in the area of the untested potassic alteration zones with coincident magnetic highs. The important data that would be collected from these strategic holes, will better position the Company to determine next steps for this project.

At The Contact Deposit, additional reverse circulation infill drilling is proposed to follow-up and expand higher grade resources in the area of previously drilled holes EN104 which returned 22 metres of 1.003% copper starting at 44 metres and EN111 that returned 59 metres of 0.698% copper starting at 3 metres. As well, 8 widely-spaced shallow core holes are planned to obtain material for further metallurgical testing and provide additional recovery information required for potential mine planning. It is estimated that USD $750,000 will accomplish these goals.

The Company is considering additional exploration drilling within the program for the prospective Copper Ridge area, located 1.6 kilometres southwest of the main Contact Copper Deposit area. High grade rock chip samples were released on August 27, 2012 by the previous operator. The 2012 surface sampling program conducted by the previous operator returned grades in excess of 1% copper in grab samples, from outcrops with visible copper oxide mineralization within quartz monzonite host rock. A map of this entire area can be found on page 41 of the Company Presentation, which can be viewed at the Company's website at the following URL: http://copperbankcorp.com/wp-content/uploads/2017/04/WEB-April-15-2017-CBK-Presentation.pdf

Testing this area by widely-spaced reverse circulation drilling is being considered in conjunction with the drilling at the main Contact Copper deposit.

During the year ended December 31, 2016, there were no exploration charges incurred except the necessary fees and charges for the maintenance of Company's ownership in the Pyramid projects and the Contact Property.

Continuity of the resource properties as at December 31, 2016:

| | **Pyramid** | **Contact** | **Other** | **Total** |
|---|---|---|---|---|
| | **$** | **$** | **$** | **$** |
| Balance, December 31, 2014 | 4,001,208 | 7,442,877 | 254,635 | 7,697,512 |
| Annual option fees | 149,154 | - | - | - |
| Annual renewal | - | 43,416 | - | 43,416 |
| Effect of change in foreign exchange | - | 762,831 | 26,098 | 788,929 |
| Provision for impairment | - | ( 8,249,124) | ( 280,733) | ( 8,529,857) |
| Balance, December 31, 2015 | 4,150,362 | - | - | 4,150,362 |
| Annual option fees and maintenance of permits | 483,713 | - | - | 483,713 |
| Balance, December 31, 2016 | 4,634,075 | - | - | 4,634,075 |

### Selective Annual Information

As discussed previously, Copperbank was incorporated on October 21, 2014 whereby 0999279, Full Metal, and Choice Gold were amalgamated as one company. As a result, the financial position and result of operations of 0999279 have been presented under the continuity of interest basis of accounting and reflect the statement of financial position, statement of comprehensive loss, as if the assets and liabilities transferred to the Company from Enexco US had always been in 0999279. The Company's annual financial summary in the last three years is as below:

| | 2016 | 2015 | 2014 |
|---|---|---|---|
| | $ | $ | $ |
| Revenues | - | - | - |
| Net loss | 635,728 | 9,118,808 | 12,578,463 |
| Net loss per share, basic and diluted | 0.00 | 0.06 | 0.22 |
| Total assets | 4,728,797 | 4,566,796 | 12,647,570 |
| Total long term liabilities | - | - | - |

The Company is an exploration company that does not have revenue since inception, The Company's results are not subject to seasonality. Loss in 2014 was higher because the Company incurred one-time reorganization and transaction cost totaling $2,714,652 in connection with the amalgamation discussed in the above and resource property impairment of $8,739,117.

### Summary of Quarterly Results

All of the resource properties of the Company are in their exploration stages. The Company has not had revenue from inception and does not expect to have revenue in the near future. The Company's operating result is not seasonal in nature and has been mainly related to the amount of exploration activities in such quarter. The Company's quarterly performance in the latest eight quarters are as follows:

| | **2016** | | | | **2015** | | | |
|---|---|---|---|---|---|---|---|---|
| | **31- Dec** | **30-Sept** | **30-Jun** | **31-Mar** | **31-Dec** | **30-Sep** | **30-June** | **31-Mar** |
| | **$** | **$** | **$** | **$** | **$** | **$** | **$** | **$** |
| **Revenues** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Net Loss** | 65,739 | 179,523 | 256,062 | 133,404 | 375,000 | 8,444,296 | 197,968 | 101,544 |
| **Loss per share (i)** | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.06 | 0.00 | 0.00 |

**(i) loss per share - basic and diluted**

The Company's quarterly historical results were not subject to seasonality. These quarterly results were affected by following incidental events:

- Loss during quarter ended December 31, 2016 was about $65,739. The Company incurred less losses as $47K exploration expenses reported in prior quarters has been capitalized to the resources property at the year end.

- Loss during the quarter ended September 30, 2015 was $8.4 million. The Company incurred impairment charges of $8.2 million in connection with its Contact Property and various grass-root stage properties during this quarter
- Loss during quarter ended December 31, 2015 was about $375,000. The Company incurred an impairment charge of $335,851 in connection with its Contact Property during this quarter.

**Performance Summary**

Year ended December 31, 2016 ("Fiscal 2016")

The Company's loss in Fiscal 2016 was $645,708 (2015 - $8,304,208), a decrease of $7,658,500. The $645,708 loss is a combined result of having operating expenses of $731,124 (2015 - $726,881), a gain from disposition of property of $33,113 (2015 - $134,441), a gain on debt settlement of $62,383 (2015 - $Nil), and a loss of $4,634,075 from impairment of the Company's resource property (2015 – $8,529,857). The main components of opertaing expenses and other income were as follows:

| Operating expenses | 2016 | 2015 | 2016-2015 |
|---|---|---|---|
| | $ | $ | $ |
| Amortization | 256 | 313 | (57) |
| Consulting and management fees | 326,656 | 249,319 | 77,337 |
| Conference | – | 43,397 | (43,397) |
| Mineral property maintenance | 46,848 | - | (46,848) |
| Filing fees and shareholders' services (recovery) | 19,370 | 21,502 | (2,132) |
| Insurance | 3,282 | 8,565 | (5,283) |
| Rental | 28,104 | 42,553 | (14,449) |
| Office and administration | 14,554 | 45,022 | (30,468) |
| Promotion, advertisement and shareholder relations | 163,699 | 64,981 | 98,718 |
| Professional fees | 25,990 | 44,754 | (18,764) |
| Share-based compensation | 36,122 | 173,287 | (137,165) |
| Travel | 66,243 | 33,188 | 33,055 |
| Total operating loss | (731,124) | (726,881) | (4,243) |
| | | | |
| Gain on disposal of equipment previously written off | 33,113 | 134,441 | (101,328) |
| Gain on debt settlement | 63,283 | – | 63,283 |
| Impairment/write off of resource properties | – | (8,529,857) | 8,529,857 |
| Interest and other income | – | 3,489 | (3,489) |
| Loss before taxes | (634,728) | (8,391,927) | 7,757,198 |

1. Commencing the third quarter of 2015, the Company had a new management team that started to charge consulting fees. As a result, consulting fees (mainly managerial in nature) of $326,656 in Fiscal 2016 was higher comparing to 2015.

2. There were less options vested during Fiscal 2016 compared to Fiscal 2015. As a result, share-based compensation was lower in Fiscal 2016.

3. Management of the Company attended various road shows and conference in Fiscal 2016 to promote the goodwill of the Company. Once the market conditions recover, management believes the Company will be in a stronger position to raise the required capital for further exploration of existing properties and for potential acquisition of new projects. As a result, promotion, advertisement and shareholder relations plus conference of $163,699 incurred in Fiscal 2016 was higher than the $108,378 incurred in Fiscal 2015

4. Impairment charges on resource properties are incidental in nature.

5. The Company sold various equipment in Fiscal 2015 and 2016 and recorded gain of $33,113 and $134,441 respectively. These dispositions are incidental in nature.
6. The Company settled various accounts payable with its officers and directors and the optionor of its Pyramid project and recorded a gain of $63,283 gain, which is the difference between the fair value of the shares issued and amount settled. There was no similar settlement in Fiscal 2015.

As at December 31, 2016, the Company had $47,316 in cash (2015/12/31 – $114,773), $4,634,075 in resource properties (2015/12/31 - $4,150,362), and $209,359 in accounts payable and accrued liabilities (2015/12/31 - $27,719). The decrease of cash was a combined result of use of cash of $407,637 in its operating activities and $263,113 in the annual option renewal for its Pyramid properties which were partially offset by a receipt of cash of $203,972 from disposition of assets in Fiscal 2016, and receipt of $300,000 from share issuance.

<u>Three months ended December 31, 2016 ("2016 Q4")</u>

The Loss in 2016 Q4 was $65,739 compared to a loss of $375,000 during the same quarter in 2015. The $18,891 loss was mainly due to a combined result of incurring $(44,392) recovery (2015 Q4 - $44,740 expenses) in operating expenses and the following incidental items:

- impairment /write off charge of $Nil on its resource properties ( 2014 Q5 – $335,851).
- Gain on debt settlement of $63,283 (2015 Q4 - $Nil), which has been discussed previously.

The main components of operating expenses in 2016 Q4 were $77,354 in consulting fees and management fees (2015 Q4 -$56,516), $11,887 of travel expenses (2015 Q4- $12,393), and $8,218 of professional fees (2015 Q4 - $11,809), and a recovery of resource property maintenances of $46,848 that has been expensed in the prior quarters. The Company decided to capitalize these expenditures as at the year ended December 31, 2016.

**Proposed Transactions**
Other than the events after the year ended December 31, 2016 disclosed in the "outlook" section, the Company does not have any proposed transactions that are material to disclose.

**Liquidity, Capital Resources and Going Concern**

As at December 31, 2016, the Company had a working capital deficiency of $158,694. As disclosed in the "outlook" section, the Company borrowed $400,000 from the Company's CEO and settled $90,000 payables by share issuance after the year ended December 31, 2016 to finance the Company's operations.

Net cash used in operating activities during Fiscal 2016 was $119,259 compared to $536,946 during the Fiscal 2015.

Net cash provided by (used in) investing activities for Fiscal 2016 was ($407,637) as compared to ($139,243) in Fiscal 2015 as the Company used more cash in the maintenance of the its options on the Pyramid property.

The Company received $300,000 from share issuance during Fiscal 2016 Nine Months (2015- $17).

The Company is not subject to external restriction in using its capital resources.

The Company is a resource exploration stage company, which does not generate any revenue and has been relying on equity-based financing to fund its operations. On December 31, 2016, the Company had a working capital deficiency and an accumulated deficit of $31,280,704, and was not able to finance its day to day activities from its operations. The Company will require additional financing either through equity or debt financing, sale of assets, joint venture arrangements or a combination thereof in order to meet its administrative costs and to continue to explore and develop its mineral properties. There is no assurance that sufficient future funding will be available on a timely basis or on terms acceptable to the Company. These conditions indicate the existence of material uncertainties that cast significant doubt as to the ability of the Company to be a going concern.

The Company has been incurring approximately $54,000 cash operating expense per month during the Fiscal 2016 and expects to maintain the same burn rate in the next twelve months. In addition, the Company also plans to incur exploration expense of US$750,000 in each of its Contact and Pyramid Properties in Fiscal 2017.

The Company plans to finance its operation in the next twelve months by:

- Cash on hand approximately of $47,000
- Issuance of more common shares to the officers for the consulting fees charged
- Borrowing from related parties (e.g. the Company borrowed $400,000 from the CEO in the first quarter of Fiscal 2017)
- To conduct further private placements when needed

The Company has a history to obtain funding when needed in the past. However, readers are cautioned that there can be no assurance that management's plan to raise further financing will be successful, as it is dependent on prevailing capital market conditions and the continued supports from its related parties.

### Related Party Transactions

During the years ended December 31, 2016 and 2015, the Company incurred the following transactions with key management members and the directors of the Company:

| | | 2016 | 2015 |
|---|---|---|---|
| | Nature | $ | $ |
| Key management | Rent | 18,000 | 6,000 |
| Key management | Consulting fees | 252,000 | 172,667 |
| Key management | Share-based payments | 17,463 | 115,710 |
| Directors other than key management | Share-based payments | 16,253 | 32,390 |

Included in the Company's due to related party is an amount owing to key management members of $26,231 (2015 - $24,418). The amounts payable to related party has the same terms as the Company's trade payable, which is unsecured and non-interesting-bearing.

### Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

## Significant accounting policies and new accounting standards yet to adopt

The Company has not adopted new accounting policies since its recent year ended December 31, 2015.

**Disclosure Initiative (Amendments to IAS 7 *Statement of Cash Flows*)**

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, and are effective for annual periods beginning on or after January 1, 2017 with earlier application is permitted.

Applicable to the Company's annual period beginning January 1, 2017.

**Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12 *Income Taxes*)**

The amendments clarify how to account for deferred tax assets related to debt instruments measured at fair value, and are effective for annual periods beginning on or after January 1, 2017 with earlier application permitted.

Applicable to the Company's annual period beginning January 1, 2017.

**IFRS 9 *Financial Instruments***

IFRS 9 will replace IAS 39 *Financial Instruments: Recognition and Measurement* and IFRIC 9 *Reassessment of Embedded Derivatives*. The final version of this new standard supersedes the requirements of earlier versions of IFRS 9.

The main features introduced by this new standard compared with predecessor IFRS are as follows:

- *Classification and measurement of financial assets:*
  Debt instruments are classified and measured on the basis of the entity's business model for managing the asset and its contractual cash flow characteristics as either: "amortized cost", "fair value through other comprehensive income", or "fair value through profit or loss" (default). Equity instruments are classified and measured as "fair value through profit or loss" unless upon initial recognition elected to be classified as "fair value through other comprehensive income".

- *Classification and measurement of financial liabilities:*
  When an entity elects to measure a financial liability at fair value, gains or losses due to changes in the entity's own credit risk is recognized in other comprehensive income (as opposed to previously profit or loss). This change may be adopted early in isolation of the remainder of IFRS 9.

- *Impairment of financial assets:*
  An expected credit loss impairment model replaced the incurred loss model and is applied to financial assets at "amortized cost" or "fair value through other comprehensive income", lease receivables, contract assets or loan commitments and financial guarantee contracts. An entity recognizes twelve-month expected credit losses if the credit risk of a financial instrument has not increased significantly since initial recognition and lifetime expected credit losses otherwise.

- *Hedge accounting:*
  Hedge accounting remains a choice, however, is now available for a broader range of hedging strategies. Voluntary termination of a hedging relationship is no longer permitted. Effectiveness testing now needs to be performed prospectively only. Entities may elect to continue to applying IAS 39 hedge accounting on adoption of IFRS 9 (until the IASB has completed its separate project on the accounting for open portfolios and macro hedging).

Applicable to the Company's annual period beginning January 1, 2018.

**Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2 *Share-based Payment*)**

The amendments provide guidance on the accounting for:

- the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
- share-based payment transactions with a net settlement feature for withholding tax obligations; and
- a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

Applicable to the Company's annual period beginning January 1, 2018.

**IFRS 16 *Leases***

This new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. The new standard introduces a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease.

The main features of the new standard are as follows:

- An entity identifies as a lease a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
- A lessee recognizes an asset representing the right to use the leased asset, and a liability for its obligation to make lease payments. Exceptions are permitted for short-term leases and leases of low-value assets.
- A lease asset is initially measured at cost, and is then depreciated similarly to property, plant and equipment. A lease liability is initially measured at the present value of the unpaid lease payments.
- A lessee presents interest expense on a lease liability separately from depreciation of a lease asset in the statement of profit or loss and other comprehensive income.
- A lessor continues to classify its leases as operating leases or finance leases, and to account for them accordingly.
- A lessor provides enhanced disclosures about its risk exposure, particularly exposure to residual-value risk.

The new standard supersedes the requirements in IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

Applicable to the Company's annual period beginning January 1, 2019.

## .Financial Instruments

The Company's financial instruments are exposed to a number of financial and market risks, including credit, interest rate, liquidity and commodity risks. The Company may, or may not, establish from time to time active policies to manage these risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of cash flow of its operations would warrant such hedging activities. There was no change in the management of the financial risks from its recent year ended December 31, 2015.

### Fair value

Financial instruments not recorded in fair value consisted of cash, other receivable, note receivable, accounts payable and accrued liabilities, and due to related party. The carrying values of these financial instruments approximate their fair values due to their short-term nature.

Financial assets and liabilities that are recognized on the statement of financial position at fair value can be classified in a hierarchy that is based on the significance of the inputs used in making the measurements. The levels in the hierarchy are:

Level 1 **-** quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 **-** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
Level 3 **-** inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

### Outstanding share data

As of the date of this report, the Company has 146,514,830 common shares, 74,238,003 share purchase warrants, 11,000,000 stock options outstanding.

### Risk factors

The principal activity of the Company is mineral exploration which is inherently risky. There is intensive government legislation from state, provincial, federal, municipal and aboriginal governments, surrounding the exploration for and production of minerals from our and any mining operations. Exploration and development is also capital intensive and the Company currently has no source of income. Only the skills of its management and staff in mineral exploration and exploration financing serve to mitigate these risks, and therefore constitute one of the main assets of the Company.

The Company has its cash deposited with a large, federally insured, commercial bank which it believes to be creditworthy. Federal deposit insurance covers deposit balances up to $100,000. Therefore, the majority of the Company’s cash on deposit exceeds federal deposit insurance available.

*Title*

Title to mineral properties, as well as the location of boundaries on the grounds may be disputed. Moreover, additional amounts may be required to be paid to surface right owners in connection with any mining development. At all of such properties where there are current or planned exploration activities, the Company believes that it has either contractual, statutory, or common law rights to make such use of the surface as is reasonably necessary in connection with those activities. Although the Company believes it has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to its properties will not be challenged or impaired.

Successful challenges to the title of the Company’s properties could impair the development of operations on those properties.

The Company’s properties include unpatented mining claims, patented mining claims, and mineral rights on private lands. The Company’s properties on unpatented mining claims, is land owned and administered by the U.S. government. A valid unpatented mining claim is an interest in real property that can be bought, sold, mortgaged, devised, leased and taxed, but it is always subject to the paramount title of the U.S. and the rights of third parties to use the surface of the claim in a manner that does not unreasonably interfere with the claimant's activities. Unpatented mining claims are mining claims located and staked on available federal public domain land in accordance with the U.S. General Mining Law of 1872, with dimensions not to exceed 600 feet by 1,500 feet for lode claims (which constitute the great majority of the Company's unpatented mining claims), or 20 acres for placer claims. The process of locating an unpatented mining claim is initiated by the locator. Unpatented mining claims can be staked without any invitation from or grant by the federal government or any state government. A valid unpatented mining claim must include a discovery of valuable minerals. Prior to discovery, however, a mining claimant has a possessory right to conduct mineral exploration and development activities on the claim. The locator of a valid unpatented mining claim has the right to explore for, develop and mine minerals discovered on the claim, subject to compliance with the annual maintenance requirements of the U.S. Federal Land Policy and Management Act of 1976 which currently requires timely payment of an annual maintenance fee in order to maintain an unpatented mining claim.

Unpatented mining claims are unique property interests, and are generally considered to be subject to greater title risk than private real property interests because the validity of unpatented mining claims is often uncertain. This uncertainty arises, in part, out of the complex federal and state laws and regulations that supplement the U.S. General Mining Law of 1872. Also, unpatented mining claims and related rights, such as rights to use the surface, are always subject to possible challenges by third parties or contests by the federal government. The validity of an unpatented mining claim, in terms of both its location and its maintenance, is dependent on strict compliance with a complex body of federal and state statutory and decisional law. In addition, there are few public records that definitively control the issues of validity and ownership of unpatented mining claims.

In recent years, the U.S. Congress has considered a number of proposed amendments to the General Mining Law, as well as comprehensive reform legislation. Although no such legislation has been adopted to date, there can be no assurance that such legislation will not be adopted in the future. If ever adopted, such legislation could, among other things, impose royalties on production from currently unpatented mining claims located on federal lands. If such legislation is ever adopted, it could have an adverse impact on earnings from the Company's operations, and it could reduce estimates of the Company's present resources and the amount of the Company's future exploration and development activity on federal lands.

*Permits and Licenses*

Although the Company either currently holds or has applied for or is about to apply for all consents which it requires in order to carry out its current drilling programs, the Company cannot be certain that it will receive the necessary permits and licenses on acceptable terms or at all, in order to conduct further exploration and to develop its properties. The failure to obtain such permits, or delays in obtaining such permits could adversely affect the operations of the Company. Government approvals and permits are currently and may in the future be required in connection with the operations of the Company. To the extent such approvals are required and not obtained; the Company may be curtailed or prohibited from continuing its mining operations or from proceeding with planned exploration or development of mineral properties.

*Exploration and Development Efforts May Be Unsuccessful*

There is no certainty that the expenditures to be made by the Company in the exploration and development of its properties as described herein will result in discoveries of mineralized material in commercial quantities. Most exploration and development projects do not result in the discovery of commercially mineable ore deposits and no assurance can be given that any particular level of recovery of ore reserves will in fact be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. Estimates of reserves, mineable deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short term factors relating to ore reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale tests will be duplicated in large scale tests under on-site conditions or in production scale. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

*Lack of Cash Flow*
None of the Company's properties have advanced to the commercial production stage and the Company has no history of earnings or cash flow from operations. The Company does not expect to generate material revenue from mining operations or to achieve self-sustaining commercial mining operations for several years.

The Company has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. Historically, the only source of funds available to the Company is through the sale of its securities. Future additional equity financing would cause dilution to current shareholders.

*No Mineral Resources or Reserves in Production*
The properties in which the Company has an interest or right to earn an interest are in the exploration or pre-development stages only and are without a known body of ore in commercial production.

*Uncertainty of Obtaining Additional Funding Requirements*
Programs planned by the Company may necessitate additional funding, which could cause a dilution of the value of the investment of the shareholders of the Company. The recuperation value of mining properties indicated in the balance sheet depends on the discovery of mineralization that can be profitably exploited and on the Company's capacity to obtain additional funds in order to realize these programs.

The Company's exploration activities can therefore be interrupted at any moment if the Company is incapable of obtaining the necessary funds in order to continue any additional activities that are necessary and that are not described in the exploration programs outlined in the Company's geological report for its properties.

*Mineral Prices May Not Support Corporate Profit*
The mining industry in general is intensely competitive and there is no assurance that, even if commercial quantities of mineral resources are developed, a profitable market will exist for the sale of same. Factors beyond the control of the Company may affect the marketability of any substances discovered. The price of minerals is volatile over short periods of time, and is 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 techniques.

*Competition*
The mining industry is intensively competitive in all its phases. The Company competes with companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for the recruitment and retention of qualified employees.

*Environmental Regulations*
The current and future operations of the Company, including further exploration, development activities and commencement of production on its properties, requires permits from various Canadian and U.S. Federal, Provincial and State governmental authorities.

Such operations are subject to various laws governing land use, the protection of the environment, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, mine safety and other matters. There can be no assurance, however, that all permits which the Company may require for construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures, production costs, reduction in levels of production at producing properties, require abandonment or delays in development of new mining properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in 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.

Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violation of applicable laws or regulations.

*Uncertainty of Reserves and Mineralization Estimates*
There are numerous uncertainties inherent in estimating proven and probable reserves and mineralization, including many factors beyond the control of the Company. The estimation of reserves and mineralization is a subjective process and the accuracy of any such estimates is a function of the quality of available data and of engineering and geological interpretation and judgment. Results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may justify revision of such estimates. No assurance can be given that the volume and grade of reserves recovered and rates of production will not be less than anticipated. Assumptions about prices are subject to greater uncertainty and metals prices have fluctuated widely in the past. Declines in the market price of base or precious metals also may render reserves or mineralization containing relatively lower grades of ore uneconomic to exploit. Changes in operating and capital costs and other factors including, but not limited to, short-term operating factors such as the need for sequential development of ore bodies and the processing of new or different ore grades, may materially and adversely affect reserves.

*Foreign Operations*
The Company's foreign activities are subject to the risk normally associated with conducting business in foreign countries, including exchange controls and currency fluctuations, limitations on repatriation of earnings, foreign taxation, laws or policies of particular countries, labour practices and disputes, and uncertain political and economic environments, as well as risk of war and civil disturbances, or other risk that could cause exploration or development difficulties or stoppages, restrict the movement of funds or result in the deprivation or loss of contract rights or the taking of property by nationalization or expropriation without fair compensation. Foreign operations could also be adversely impacted by laws and policies affecting foreign trade, investment and taxation. The Company currently has exploration projects located in the U.S.

*Operating Hazards and Risks Associated with the Mining Industry*
Mining operations generally involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Hazards such as unusual or unexpected formations and other conditions are involved.

Operations in which the Company has direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of precious and base metals, any of which could result in work stoppages, damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage. The Company may become subject to liability for cave-ins and other hazards for which it cannot insure or against which it 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 activities.

*Ability to Manage Growth*
Should the Company be successful in its efforts to develop its mineral properties or to raise capital for other mining ventures it will experience significant growth in operations. If this occurs management anticipates that additional expansion will be required in order to continue development. Any expansion of the Company's business would place further demands on its management, operational capacity and financial resources. The failure to manage growth effectively could have a material adverse effect on the Company's business, financial condition and results of operations.

*Lack of a Dividend Policy*
The Company does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends received from the Company will remain subject to the discretion of the Company's board of directors and will depend on results of operations, cash requirements and future prospects of the Company and other factors.

*Possible Dilution to Present and Prospective Shareholders*
The Company's plan of operation, in part, contemplates the accomplishment of business negotiations by the issuance of cash, securities of the Company, or a combination of the two, and possibly, incurring debt. Any transaction involving the issuance of previously authorized but unissued common shares, or securities convertible into common shares, would result in dilution, possibly substantial, to present and prospective holders of common shares.

*Dependence on Key Personnel*
The Company strongly depends on the business and technical expertise of its management and key personnel. There is little possibility that this dependence will decrease in the near term. As the Company's operations expand, additional general management resources will be required, especially since the Company encounters risks that are inherent in doing business in several countries.

*Conflict of Interest*
Certain directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to

disclose any interest which they may have in any project or opportunity of the Company. If a conflict arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

*Lack of Trading Volume*
The lack of trading volume of the Company's shares reduces the liquidity of an investment in the Company's shares.

*Volatility of Share Price*
Market prices for shares of early stage companies are often volatile. Factors such as announcements of mineral discoveries, financial results, and other factors could have a significant effect on the price of the Company's shares.

**Forward Looking Statements**
Certain statements contained in this Management Discussion and Analysis constitute "forward-looking statements". These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. Information concerning the interpretation of drill results, mineral resource and reserve estimates and capital cost estimates may also be deemed as forward-looking statements as such information constitutes a prediction of what mineralization might be found to be present and how much capital will be required if and when a project is actually developed. 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. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this Management Discussion and Analysis should not be relied upon. These statements speak only as of the date of this Management Discussion and Analysis. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by forward-looking statements contained in this Management Discussion and Analysis. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- the supply and demand for, deliveries of, and the level and volatility of prices of copper, uranium, or other mineral commodities under exploration;
- the availability of financing for the Company's exploration and development projects on reasonable terms;
- the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the ability to attract and retain skilled staff;
- market competition;
- the accuracy of our resource estimate (including, with respect to size, grade and recoverability) and the geological, operational and price assumptions on which it is based; and

- tax benefits and tax rates.

These forward-looking statements involve risks and uncertainties relating to, among other things, risks related to international operations, actual results of current exploration activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, as well as those factors discussed in the section “Risk Factors”. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors discussed in the section. The Company cautions that the foregoing list of important factors is not exhaustive. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

**ADDITIONAL INFORMATION**

***Officers And Directors***

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| Gianni Kovacevic | Director, CEO, and Executive Chairman |
| Brigitte Dejou, P. Eng. | Director , appointed in February 2017 |
| Tony Ricci, CA, CPA | Director, CFO |
| Kenneth Cunningham | Director, appointed in April 2016 |
| Todd Hilditch | Former director – resigned in September 2016 |
| Robert McLeod | Former director and former CEO- resigned in September 2016. |