ROUGE RESOURCES LTD.

(An Exploration Stage Company)

MANAGEMENT DISCUSSION AND ANALYSIS

YEARS ENDED JANUARY 31, 2016, 2015 AND 2014

(Stated in Canadian Dollars)

Rouge Resources Ltd.
Management Discussion and Analysis
Year Ended January 31, 2016

ITEM 1.1 DATE AND INTRODUCTION

This Management Discussion and Analysis was prepared as of May 27, 2016 and was authorized for issuance by the directors of the Company effective on this date. This report should be read in conjunction with the audited financial statements and notes for the year ended January 31, 2016. It focuses on events and activities that affected the Company during the year ended January 31, 2016 and to the date of this report.

The financial information contained in this report complies with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") along with interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The Company ("We") was incorporated under the name "Gemstar Resources Ltd." on March 31, 1988 pursuant to the provisions of the *Company Act* (British Columbia). In March 2006, we were transitioned to the *Business Corporations Act* (British Columbia). On March 25, 2008, the Company changed its name to Rouge Resources Ltd. and its registered and records office is located at 203-409 Granville Street, Vancouver BC, V6C 1T2.

We have been a reporting issuer in British Columbia and Alberta since April 3, 1989 and became a "foreign private issuer" in the United States pursuant to filings with the US Securities and Exchange Commission on or about November 15, 2003. Prior to August 30, 2012, our common shares were quoted only on the OTC:BB in the United States under the symbol ROUGF and since this date, have also been listed for trading on the TSX Venture Exchange under the symbol ROU.

At January 31, 2016, there were 44,633,171 issued and fully paid common shares outstanding (January 31, 2015 and 2014 – 44,633,171) of which nil shares are held in escrow (January 31, 2015 – 1,894,800 and January 31, 2014 – 3,789,600).

We have not been involved in any bankruptcy, receivership or similar proceedings, nor have we been a party to any material reclassification, merger, consolidation, purchase or sale of a significant amount of assets. Additional information relating to the Company is available on both SEDAR at www.sedar.com and EDGAR at www.sec.gov/edgar.

Description of business

The Company is a Vancouver-based junior mineral exploration company engaged in the business of acquiring, exploring, evaluating and, if warranted, developing mineral resource properties in Canada. No revenue has been generated since inception and there is no assurance that a commercially viable mineral deposit exists on our exploration and evaluation assets. Further exploration is required before a final evaluation of the Property's economic feasibility can be determined. Moreover, significant financing and considerable time and effort will be required before our mineral claims can be further explored and, if warranted, developed into a commercial enterprise.

We now hold a 100% interest in 9 claims in the Thunder Bay Mining District of North Central Ontario, known as the Dotted Lake-Lampson Lake Property (the "Property"), which includes the 2 Lampson Lake claims acquired under a 4 year option agreement fully paid on April 20, 2014. This follows completion of our claims reduction and reconfiguration plan during the first quarter of the year ended January 31, 2016.

We continue to monitor claims in North-Central Ontario and plan to make additional acquisitions in this and other areas when and if the Property is considered to be strategic or otherwise beneficial to the Company.

ITEM 1.2 OVERALL OPERATING PERFORMANCE

During the year ended January 31, 2016, the Company reported a net loss of $154,778 compared to a net loss of $186,548 in the prior year which included a $31,500 impairment of exploration and evaluation assets following our decision to begin a reconfiguration plan of the Property. Completion of this plan during the current year required additional spending of $7,000 in order to keep our new claims in good standing. This spending level compares to $17,834 during the year ended January 31, 2015 of which $4,400 related to start-up of the claims reconfiguration plan.

Exploration and evaluation assets

The following table summarizes the amounts expended on exploration and evaluation assets as at and for the years ended January 31:

	North-Central Ontario		**Totals for years ended January 31,**		
	Dotted Lake mining claims	**Lampson Lake mining claims**	**2016**	2015	2014
Property acquisition costs					
Balance, beginning	**4,400**	**59,213**	**63,613**	$74,140	$ 61,640
Expenditures	**7,000**	**-**	**7,000**	16,900	12,500
Impairment	**-**	**-**	**-**	(27,427)	-
Balance, ending	**11,400**	**59,213**	**70,613**	63,613	74,140
Exploration and evaluation costs					
Balance, beginning	**213,728**	**-**	**213,728**	216,867	206,934
Expenditures (reductions)					
Field and camp costs				-	-
Geological consulting and reporting				-	-
Geo-referencing				-	9,933
Project administration				934	-
Soil sample analysis				-	-
Impairment				(4,073)	-
	-	**-**	**-**	(3,139)	9,933
Balance, ending	**213,728**	**-**	**213,728**	213,728	216,867
Total balance, ending	**$ 225,128**	**$ 59,213**	**$ 284,341**	$277,341	$ 291,007

Primarily due to continuing uncertainty in the market conditions of the junior mining exploration sector over the past few years, the Company commenced a claims reduction and reconfiguration plan on the Property during the year ended January 31, 2015 and proceeded to record an impairment charge of $31,500 at that time. This plan was designed to focus entirely on claims of merit resulting in certain claims being allowed to lapse, certain claims being partially re-staked, and certain land positions being modified or increased all of which was completed during the year ended January 31, 2016.

Plan implementation included re-staking payments of $7,000 during the year ended January 31, 2016 and $4,400 during the year ended January 31, 2015.

The 2 Lampson Lake claims are subject to a 2% net smelter royalty (“NSR”) in favour of the optionors on one claim and with respect to the other, a combination of a 2% NSR in favour of the optionors and a 1% NSR on any metals and/or a 1% NSR payable to Ontario Exploration Company (“OEC”) on any precious metals recovered from the property. The Company has the right to buy back 1% of the NSR in favour of the optionors for $1,000,000 and to buy back three-quarters of 1% of the royalty vested with

OEC over 10 years on an increasing scale from $15,000 to $750,000.

ITEM 1.3 SELECTED ANNUAL FINANCIAL INFORMATION

The following table summarizes selected comparative financial information as at and for the years ended January 31:

	2016	2015	2014
FINANCIAL POSITION			
Total assets	**$ 292,855**	$ 286,149	$ 397,066
Total liabilities	**$ 348,953**	$ 187,469	$ 111,838
Deficit	**($ 4,063,045)**	($3,908,267)	($3,721,719)
OPERATIONS			
Total revenues	**Nil**	Nil	Nil
Net loss	**($154,778)**	($186,548)	($209,624)
Loss per share	**($0.003)**	($0.004)	($0.005)

ITEM 1.4 RESULTS OF OPERATIONS FOR YEAR ENDED JANUARY 31, 2015

The following table summarizes comparative results of operations for the years ended January 31:

	2016	2015	2014
Revenue	**$ Nil**	$ Nil	$ Nil
Expenses			
Amortization	**$ 267**	$ 380	$ 543
Consulting services	**250**	1,600	5,800
Interest expense	**2,235**	306	408
Listing application expenses	**-**	-	402
Management services	**60,000**	60,000	60,000
Office administration and travel	**51,825**	53,340	74,286
Professional fees	**24,198**	20,731	44,368
Transfer agent and filing fees	**16,003**	18,691	23,817
Loss before other item	**(154,778)**	$ (155,048)	$ (209,624)
Other item			
Impairment of exploration and evaluation assets	**-**	(31,500)	-
Net loss	**($154,778)**	($186,548)	($209,624)
Loss per share – basic and diluted	**($0.00)**	($0.00)	($0.00)
Weighted average number of shares outstanding – basic and diluted	**44,633,171**	44,633,171	44,633,171

Revenue

The Company is in the exploration stage and has not generated any revenues since inception.

Net Loss

The Company reported a net and comprehensive loss of $154,778 for year ended January 31, 2016 compared to $186,548 for last year. This $31,770 decrease in net loss resulted from the following:

- $113 minor decrease in amortization due to use of declining balance method.
- $1,350 decrease in consulting fees related to business planning purposes
- $1,929 increase in interest expense due to the significant increase in related party payables and the related personal cost of borrowings required to fund these amounts.
- $1,515 decrease in office administration and travel expenses due to lower level of business activity.
- $3,467 increase in professional fees (legal, audit and accounting) primarily due to under accrual at year ended January 31, 2015.
- $2,688 decrease in transfer agent and filing fees.
- $31,500 decrease in impairment of exploration and evaluation assets per Item 1.2 above, not applicable in the current year.

ITEM 1.5 SUMMARY OF QUARTERLY RESULTS

The following table summarizes comparative operating results for the eight most recently completed quarters during fiscal years ended January 31, 2016 and 2015:

	4th Qtr ended Jan. 31 16	**3rd Qtr ended Oct. 31 15**	**2nd Qtr ended July 31 15**	**1st Qtr ended Apr. 30 15**	4th Qtr ended Jan. 31 15	3rd Qtr ended Oct. 31 14	2nd Qtr ended July 31 14	1st Qtr ended Apr. 30 14
Total revenues	**Nil**	**Nil**	**Nil**	**Nil**	Nil	Nil	Nil	Nil
Net Loss	**($38,181)**	**($37,389)**	**($39,844)**	**($39,364)**	($75,502)	($35,926)	($34,536)	($40,584)
Loss per share	**($0.00)**	**($0.00)**	**($0.00)**	**($0.00)**	($0.00)	($0.00)	($0.00)	($0.00)
Operating cash flow (Deficiency)	**($38,022)**	**($33,931)**	**($50,741)**	**($39,843)**	($34,734)	($35,776)	($35,769)	($46,012)

The quarterly losses during year ended January 31, 2016 were quite similar to the comparative quarters of the prior year, except for the 4th quarter, which was significantly lower than the 4th quarter last year primarily due to the non-recurring non-cash impairment of exploration and evaluation assets amounting to $31,500 at that time.

ITEM 1.6 LIQUIDITY

The following table summarizes comparative working capital (deficiency) positions as at years ended January 31:

Working Capital (Deficiency)	**2016**	2015	2014
Current assets	**$ 993**	$ 1,020	$ 97,891
Current liabilities	**(348,953)**	(187,469)	(111,838)
Working capital (deficiency)	**($ 347,960)**	($ 186,449)	($ 13,947)

During the year ended January 31, 2016, the working capital deficiency increased to $347,960 from $186,449 at last year end. This $161,511 increase resulted primarily from the $154,778 net loss for the current year.

The current assets at January 31, 2016 consisted of a nominal cash position of $553 (January 31, 2015 - $271) and GST receivable of $440 (January 31, 2015 - $749). The current liabilities at January 31, 2016 consisted of $58,649 regarding trade payables, accrued liabilities & loan payable (January 31, 2015 - $66,984) and $290,304 of related party payables (January 31, 2015 - $120,485).

The following table summarizes comparative cash flows for the years ended January 31:

Cash Flows	**2016**	2015	2014
Net cash used in operating activities	**($ 162,537)**	($ 152,291)	($ 218,035)
Net cash used in investing activities	**(7,000)**	(17,834)	(22,433)
Net cash from financing activities	**169,819**	73,930	35,089
Increase (decrease) in cash	**282**	(96,195)	(205,379)
Cash, beginning	**271**	96,466	301,845
Cash, end	**$ 553**	$ 271	$ 96,466

As at January 31, 2016, the Company's cash position was $553 compared to $271 at last year end. The $282 increase in cash during year ended January 31, 2016 resulted from the following cash flow activities:

(i) Net cash used in operating activities of $162,537 in 2016 and $152,291 in 2015 was primarily due to on-going operating losses adjusted for changes in non-cash working capital items in both years.

(ii) Net cash used in investing activities of $7,000 in 2016 and $17,834 in 2015 related to expenditures on exploration and evaluation assets to keep the Property in good standing with the Ontario Ministry of Northern Development and Mines.

(iii) Net cash from financing activities of $169,819 in 2016 and $73,930 in 2015 arose exclusively from the increase in related party payables used to fund ongoing operating expenses.

ITEM 1.7 CAPITAL RESOURCES

Share Capital

Authorized share capital
The Company's authorized share capital consisted of an unlimited number of common shares without par value.

Issued share capital
As at January 31, 2016, there were 44,633,171 issued and fully paid common shares outstanding (January 31, 2015 and 2014 – 44,633,171) of which nil shares remained in escrow (January 31, 2015 – 1,894,800 and January 31, 2014 – 3,789,600), subject to release following regulatory approval.

Private placements
No shares were issued during the years ended January 31, 2016, 2015 and 2014.

Basic and diluted loss per share
The calculation of basic and diluted loss per share for year ended January 31, 2016 was based on the net loss attributable to common shareholders of $154,778 (January 31, 2015 - $186,548 and January 31,

2014 - $209,624) and the weighted average number of common shares outstanding of 44,633,171 (January 31, 2015 and January 31, 2014 – 44,633,171). The diluted loss per share will not include the effect of any share purchase warrants outstanding in the future since the effect would be anti-dilutive.

Stock options

The Company has adopted an incentive stock option plan which provides that the Board of Directors of the Company may from time to time, in its discretion and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance in any twelve month period will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant at a price not less than the closing price of the Company's shares on the last trading day before the grant of such options less any discount, if applicable, but in any event not less than $0.05 per share. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee insider in any twelve month period will not exceed ten percent (10%) of the issued and outstanding common shares and the number of common shares reserved for issuance to any one employee or consultant will not exceed two percent (2%) of the issued and outstanding common shares. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities.

As at January 31, 2016, 2015 and 2014, there were no stock options outstanding.

Share purchase warrants

Share purchase warrants outstanding are as follows:

	Years ended January 31,					
	2016		2015		2014	
	Number of warrants	Exercise price	Number of warrants	Exercise price	Number of warrants	Exercise price
Balance, beginning	-	-	-	-	4,068,000	$ 0.40
Warrants issued	-	-	-	-	-	-
Warrants expired	-	-	-	-	(4,068,000)	0.40
Balance, ending	-	-	-	-	-	$ -

Capital Management

The Company's policy is to maintain a sufficient capital base so as to maintain investor and creditor confidence, safeguard the Company's ability to support its exploration and evaluation assets and to sustain future development of the business. The capital structure of the Company consists of share and working capital. There were no changes in the Company's approach to capital management during the year and the Company is not subject to any restrictions on its capital.

With no operating revenues to date, we continue to finance our operations through the issuance of common shares and advances from related parties. Although there were two private placements completed during year ended January 31, 2013, there is no assurance that additional financing will be available when needed in the future nor, if available, on commercially reasonable terms. If we are unable to obtain additional financing on a timely basis, either through issuance of more common shares or obtaining additional advances from related parties, we may not be able to meet our obligations as they come due which may impact our ability to continue as a going concern in the future.

To a significant extent, our ability to raise capital is affected by trends and uncertainties beyond our control. These include general economic conditions, the market prices for precious metals and results from our exploration programs. The Company's ability to reach its business objectives may be significantly impaired if general economic conditions continue to deteriorate, prices for metals such as gold, silver and molybdenum fall or if results from planned exploration programs are unsuccessful.

ITEM 1.8 OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

ITEM 1.9 TRANSACTIONS WITH RELATED PARTIES

Related party payables included in the Statements of Financial Position as at January 31 are as follows:

	2016	2015	2014
Payable to Company directors and companies controlled by its directors	**$290,304**	$ 120,485	$ 46,555

The amounts payable to Company directors and companies controlled by its directors are as follows; Darcy Krell, Linda Smith and AYL Enterprise. These amounts are non-interest bearing, unsecured with no fixed term of repayment.

Transactions with company directors and companies controlled by its directors in the Statement of Comprehensive Loss for the years ended January 31 are as follows:

	2016	2015	2014
Consulting services	**$ 250**	$1,600	$2,800
Interest expense	**2,235**	306	-
Management services	**60,000**	60,000	60,000
Office rent	**30,000**	30,000	30,000
Professional services	**10,109**	8,113	16,170
	$102,594	$100,019	$108,970

Key management personnel compensation for the years ended January 31 is as follows:

	2016	2015	2014
Management services	**$ 60,000**	$ 60,000	$ 60,000
Interest expense	**2,235**	306	
Professional services	**10,109**	8,113	16,170
	$ 72,344	$ 68,419	$ 76,170

ITEM 1.10 FOURTH QUARTER ENDED JANUARY 31, 2016

The 4th quarter net loss of $38,881 was substantially the same as average quarterly loss during the first nine months of the year ended January 31, 2016.

ITEM 1.11 SUBSEQUENT EVENTS

On May 10, 2016, the Company announced that Peter Leitch, David Whelan and Larry Copeland had been appointed to the Company's board of directors and the Company had appointed Peter Leitch as Chief Executive Officer and Melinda Coghill as Chief Financial Officer and Corporate Secretary. Jim Burns, Steven Chan, Darcy Krell, David Mark, Ronald McGregor and Linda Smith have resigned from the board.

The Company also entered into a mandate agreement with Fiore Management & Advisory Corp. to provide financial advice and corporate administration.

In addition, 2,500,000 incentive stock options were granted to directors, officers, consultants and charitable organizations at a price of $0.05 per share, exercisable until May 10, 2026, subject to TSX-V approval.

ITEM 1.12 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Basis of preparation
These financial statements have been prepared on an accrual basis; are based on historical costs, modified where applicable; and are presented in Canadian dollars unless otherwise noted.

Significant estimates and assumptions
The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include: the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets, and provisions for restoration and environmental obligations and contingent liabilities.

Significant judgments
The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates and assumptions, in applying accounting policies. The most significant judgments in preparing the Company's financial statements include:

- assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- classification/ allocation of expenditures as exploration and evaluation assets or operating expenses.

ITEM 1.13 CHANGES IN ACCOUNTING POLICIES

Accounting standards issued but not yet effective

New standard IFRS 9 "Financial Instruments"

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 introduces new requirements for the classification and measurement of financial assets, additional changes relating to financial liabilities, a new general hedge accounting standard which will align hedge accounting more closely with risk management. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted and is not expected to have impact on the Company's financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

ITEM 1.14. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts and its credit and security deposit. The Company's cash and credit card deposit are deposited in bank accounts held with one major bank in Canada so there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an on-going basis. The Company ensures there are sufficient funds to meet short-term business requirements, taking into account its current cash position and potential funding sources.

Historically, the Company's source of funding has been either the issuance of equity securities for cash through private placements or loans from Company directors and officers. The Company's access to financing is always uncertain and there can be no assurance of continued access to significant funding from these sources.

Foreign exchange risk
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency. The Company only operates in Canada and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. Changes in short term interest rates will not have a significant effect on the fair value of the Company's cash account.

Commodity Price Risk
The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of gold, silver and molybdenum. The Company closely monitors commodity prices to determine the most appropriate course of actions.

Classification of financial instruments
Financial assets included in the Statement of Financial Position as at January 31 are as follows:

		January 31,	
	2016	**2015**	**2014**
Loans and receivables:			
Cash and cash equivalents	**$ 553**	$ 271	$ 96,466
Credit card security deposit	**6,900**	6,900	6,900
	$ 7,453	$ 7,171	$ 103,366

Financial liabilities included in the Statement of Financial Position as at January 31 are as follows:

	January 31, 2016	2015	2014
Non-derivative financial liabilities:			
Trade payables	**$ 5,373**	$ 16,943	$ 10,367
Loan payable	**39,676**	39,676	39,676
Related party payables	**290,304**	120,485	46,555
	$ 335,353	$ 177,104	$ 96,598

Fair value

The fair value of the Company's financial assets and liabilities approximate the carrying amounts.

ITEM 1.15 OTHER MD&A REQUIREMENTS

Management's Responsibility for Financial Statements

Management is responsible for the preparation and fair presentation of the Company's financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Conflicts of interest

The Company's directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding on terms with respect to the transaction. If a conflict of interest arises, the Company will follow the provisions of the Business Corporations Act (BC) ("Corporations Act") dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith, and in the best interest of the Company.

Business and Regulatory Risks

We are engaged in the mineral exploration business and manage related industry risk directly. We are potentially at risk for environmental reclamation and fluctuations and commodity-based market prices associated with resource property interests. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements. At present, the Company is not required to provide for restoration and environmental obligations so no provision has been made. However, there is no certainty that all environmental risks and contingencies have been addressed.

Our exploration program will require significant future expenditures and there is no assurance any commercial mineral quantities will be found. If we are unable to generate significant revenues from our mineral claims, continued losses are expected into the foreseeable future. There is no history upon which to base any assumption as to the likelihood we will prove successful, and there is no assurance that we will generate any revenues nor ever achieve profitability. If unsuccessful in addressing these risks, the business will fail and investors could lose all of their investment in the company.

Regulatory risks include the possible delays in getting regulatory approval to the transactions that senior management and the Board of Directors believe to be in the Company's best interest, increased fees for statutory filings, and the introduction of increasingly more complex reporting requirements which must be complied with in order to maintain our public company position.

Cautionary note regarding forward-looking statements

This Management Discussion and Analysis may contain certain "forward-looking statements", as defined in the United States Private Securities Litigation Reform Act of 1995, and within the meaning of Canadian securities legislation, relating to the proposed use of proceeds. Forward-looking statements are statements that are not historical facts; they are generally, but not always, identified by the words "expects," "plans," "anticipates," "believes," "intends," "estimates," "projects," "aims," "potential," "goal," "objective," "prospective," and similar expressions, or that events or conditions "will," "would," "may," "can," "could" or "should" occur. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made and they involve a number of risks and uncertainties. Consequently, there can be no assurances that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Factors that could cause future results to differ materially from those anticipated in these forward-looking statements include, but are not limited to, the following: a change in the use of proceeds, the volatility of mineral prices, the possibility that exploration efforts will not yield economically recoverable quantities of minerals, accidents and other risks associated with mineral exploration and development operations, the risk that the Company will encounter unanticipated geological factors, the Company's need for and ability to obtain additional financing, the possibility that the Company may not be able to secure permitting and other governmental clearances necessary to carry out the Company's exploration and development plans, and the other risk factors discussed in greater detail in the Company's various filings on SEDAR (www.sedar.com) with Canadian securities regulators and its filings with the U.S. Securities and Exchange Commission on EDGAR (www.sec.gov). Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.