Management's Discussion and Analysis

Period Ended Report – March 31, 2016

(Expressed in Canadian dollars, unless otherwise noted)

Following is a discussion and analysis of the activities, results of operations and financial condition of Sunvest Minerals Corp. formerly Strike Diamond Corp. ("Company") for the nine month period ended March 31, 2016 compared to the same nine month period ended March 31, 2015. The discussion should be read in conjunction with the audited consolidated financial statements of the Corporation for the year ended June 30, 2015 and the notes thereto. The Corporation's financial statements and financial data set out below have been prepared by management in accordance with International Financial Reporting Standards applicable to the annual financial statements. Unless otherwise denoted, all amounts discussed herein are denominated in Canadian dollars.

Additional information relating to the Corporation is also available on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com *under the name Strike Diamond Corp.*

The effective date of this report is May 30, 2016.

OVERVIEW

The Company was incorporated on January 8, 2008, as Minati Capital Corp. pursuant to the *Business Corporations Act* (British Columbia). The Company was formed as a "Capital Pool Company" as defined by policy 2.4 of the TSX Venture Exchange (the "TSX-V"). In March 2011, the Company completed a Qualifying Transaction with Lateegra Gold Corp. ("Lateegra") and on June 8, 2011, changed its name to Strike Gold Corp.

In September 2011, the Company entered into an agreement to acquire a 100% interest in two graphite mineral properties, the Deep Bay East Property and the Simon Lake Property (the "Graphite Properties"), in Saskatchewan, Canada. On January 18, 2012, the Company changed its name to Strike Graphite Corp. Option to the Graphite Properties was terminated in October 2013.

In July 2013, the Company consolidated its common shares outstanding on a ten for one basis.

In May 2014, the Company entered into two separate option agreements to acquire an 80% interest in two diamond exploration properties, the Sask Craton and the Sask Craton North Properties (the "Diamond Properties"), respectively, in Saskatchewan, Canada. On September 4, 2014, the Company filed a 43-101 technical report on the Diamond Properties.

On November 21, 2014, the Company changed its name to Strike Diamond Corp. to better reflect its exploration focus of its Diamond Properties.

On March 15, 2016, the Company consolidated its common shares outstanding on a ten for one basis and changed its name to Sunvest Minerals Corp. and its trading symbol to SSS on the TSX-V. All references to the number of shares and per share amounts have been retroactively restated.

The Company's principal business is the exploration and pursuit of its Nickel-Cobalt-PGM Exploration Project and to determine whether or not they contain potentially economically recoverable resources.

HIGHLIGHTS – PERIOD ENDED MARCH 31, 2016

- On January 13, 2016, Ryan Kalt resigned as President, CEO, Corporate Secretary and director of the Company.
- On February 23, 2016, Gordon Zelko was appointed as President, CEO and a director of the Company.
- On March 15, 2016, the Company consolidated its common shares on a 10 old for 1 new basis. The Company changed its name from Strike Diamond Corp. to Sunvest Minerals Corp.
- On March 31, 2016, the Company decided to abandon the Sask Craton property and the Sask Craton North property.
- On May 2, 2016, the Company announced a proposed non-brokered private placement of up to 10,000,000 units at a price of $0.05 per unit for gross proceeds of $500,000. Each unit will consist of one common share and one transferable share purchase warrant. Each warrant will entitle the holder the right to purchase one additional common share at an exercise price of $0.10 per share for a period of five years from closing. This private placement is subject to TSX-V approval.

MINERAL PROPERTIES

Sask Craton Property Agreement

On May 20, 2014, and as amended, the Company entered into an agreement (the "Sask Craton Property Agreement") to acquire an 80% undivided interest in approximately 1.25 million acres of mineral claims located within east-central Saskatchewan ("Sask Craton Property").

As consideration for the Sask Craton property the Company is required to make the following:

i) Issue 100,000 common shares to Zimtu Capital Corp.("Zimtu"); (issued)
ii) Issue 100,000 share purchase warrants, each warrant exercisable into one common share of the Company at an exercise price of $2.50 per share for a period of three years from the date of issue; (issued).
iii) Cash payments to Kalt Industries Ltd. ("KIL")(a company controlled by the former President, former CEO Corporate Secretary and former Director of the Company) and DG Resource Management Ltd. ("DG")(a company controlled by the former VP, Exploration of the Company) beginning on January 15, 2015 and extending through February 1, 2016 totalling $553,028, with the first payments of $138,257 due on January 15, 2015 and $138,257 due April 30, 2015 (the "2015 Payments"), and the balance due on February 1, 2016. On January 5, 2015 the Company entered into unsecured convertible debentures with KIL and DG with respect to the 2015 Payments. The balance due on February 1, 2016 remains outstanding and is required to be made by the Company in order to complete the property option. The Company did not meet's option requirements on February 1, 2016 and the property option is in default.
iv) Subject to completing the earn-in of the Sask Craton property option by the Company, the vendors will collectively retain a 20% carried interest up to, but not including, mine construction (KIL – 16.464%, DG – 1.768% , Zimtu – 1.768%), and a 3% gross royalty (KIL - 2.47%, DG – 0.265% , Zimtu – 0.265%).
v) There are no mandatory exploration requirements imposed on the Company for the Sask Craton Property.

If the Company fails to complete the obligations of the Sask Craton Property Agreement, all the claims comprising the optioned tenure will revert on a claim by claim basis to the original holders identified in the Sask Craton Property Agreement.

Sask Craton North Property Agreement

On May 20, 2014, the Company entered into an agreement to acquire an 80% undivided interest in a contiguous property ("Sask Craton North Property") totalling approximately 92,450 acres.

As consideration for the Sask Craton North property, the Company issued 44,915 common shares to the vendors ("Sask Craton North Share Payment"). As a result of the Sask Craton North Share Payment, the Company completed its earn-in of the Sask Craton North Property. Upon that earn-in, the property vendors also retained a 20% carried interest up to, but not including, mine construction (NIL – 20%) and as well as a 3% gross royalty (KIL – 2.1%, 0.9% other).

The Sask Craton North Property is different than the Sask Craton Property and was acquired by way of a separate agreement.

There were no exploration expenditure requirements imposed on the Company in the Sask Craton North Agreement for the Sask North Craton property.

During the period ended March 31, 2016, the Company decided not to remedy the situation and decided to abandon the Sask Craton property and Sask Craton North Property as a result the Company wrote-off $892,449 in exploration costs.

Sask Craton North and Sask Craton Exploration

On September16, 2015, the Company commenced its inaugural airborne survey of selected portions of Sask Craton projects in the Pikoo diamond region. In association with commencement of that survey, the Company had made an advance cash payment of $156,927 to Goldak Airborne Surveys, an arm's length vendor conducting the survey.

Notakwanon Nickel-Cobalt-PGM Project ("Notakawanon Project" or "Garland Lake Projects")

On September 21, 2015, the Company acquired the Notakawanon Nickel-Cobalt-PGM Project. Staking fees were paid during the period for the tenure.

The Notakawanon Project is located approximately 40km SE of the Voisey's Bay mine and is located approximately 4km SW of the Garland Project being explored by Equitas Resources Corp. It consists of two mineral licenses, License 023405M and 023406M, which combined have a total of 20 claim parcels, representing approximately 1,200 acres. With the exception of five claim cells, the Notakwanon Project now held by Strike Diamond replicates the ground underlying the Notakwanon Project formerly held by Freeport Resources Inc.

The recent spate of activity in the Garland Lake region is based on equity market interest and advances in exploration technology that may allow for the identification of new exploration targets.

In addition to the Notakwanon project, the Company acquired the Garland I, Garland II and Garland III mineral claims, along with other mineral tenure in the immediate area. These projects are collectively referred to as the Garland Lake projects.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2016, the Company had cash and cash equivalents of $2,153 and a working capital deficiency of $404,145, an increase from the working capital deficiency of $172,166 as at June 30, 2015. The change is due primarily to exploration expenditures by the Company, and to a lesser extent, administrative expenses.

Cash outflow from operating activities was lower in the current period than the comparative period because of higher professional fees in the preceding period that did not recur in the current period.

Changes in cash flow from financing activities were related to a private placement completed in the comparative period which did not occur in the current period.

Cash outflow from investing activities was related to exploration activities by the Company for exploration, a metric which has periodic variability.

As at March 31, 2016 and as at the date of this report, the Company had not advanced its mineral properties to commercial production. The Company's continuation as a going concern is dependent not only upon successful results from exploration activities on its mineral properties but also its ability to raise capital and attain profitable operations. In the foreseeable future, the Company will have to rely on the issuance of shares or the exercise of options and warrants or the issuance of debt securities to fund ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company raise capital on acceptable terms or at all.

QUARTERLY RESULTS

Quarter Ended	Total Assets	Revenue	Total Expense	(Loss) income for the period	Basic and Diluted (Loss) earnings per share
June 30, 2014	4,950	Nil	(59,959)	(285,618)	(0.80)
September 30, 2014	251,149	Nil	(145,045)	(145,045)	(0.20)
December 31, 2014	364,219	Nil	(30,866)	113,090	0.10
March 31, 2015	745,945	Nil	(112,986)	(123,435)	(0.10)
June 30, 2015	944,284	Nil	(37,253)	(109,436)	(0.10)
September 30, 2015	928,190	Nil	(10,335)	(21,817)	(0.00)
December 31, 2015	932,445	Nil	(26,207)	(45,680)	(0.01)
March 31, 2015	37,021	Nil	(44,437)	(950,271)	(0.30)

Three months ended March 31, 2016

The Company incurred a net loss of $950,271 for the three months ended March 31, 2016, as compared to a net loss of $123,435 for the comparative period in the prior year. The significant change was primarily the write-off of $892,449 in exploration costs in connection with the decision to abandon the Sask Craton property and Sask Craton North property. Total expenses for the current period amounted to $44,437 as compared to $112,986 for the comparative period a decline of approximately $68,000. This decline can be attributed to no stock based compensation in the current period, as there were no stock options granted, as compared to $66,536 in the comparative period which represents the fair value of the 115,000 stock options which was granted on February 17, 2015.

Nine months ended March 31, 2016

The Company incurred a net loss of $1,017,768 for the nine months ended March 31, 2016, as compared to the loss of $155,390 for the comparative period in the prior year. The significant change in the current period was primarily the write-off of $892,449 in exploration costs in connection with the decision to abandon the Sask Craton property and Sask Craton North property. Total expenses for the current period amounted to $80,979 as compared to $288,897 a decline of approximately $208,000. The decline can be attributed to reduced activity due to cost cutting measures in the current period. The loss in the comparative period was mainly driven by the higher legal expenses due to legal fees incurred for the discontinued merger with Athabasca Nuclear Corp, higher stock based compensation expense as there were stock options vested in the comparative period, and higher general and administration and investor relations expense due to increased level of marketing for the Company. These expenses were netted out with the gain in settlement of accounts payable as the Company negotiated overdue payments with its vendors..

SHAREHOLDERS' EQUITY

The Company is authorized to issue an unlimited number of common shares. The following is a table discloses the number of common shares issued as at the date of this document:

June 30, 2014	**Common shares Outstanding**
	449,064
Share issuance – Sask Craton North Property Agreement	44,914
Share issuance – Sask Craton Property Agreement	100,000
Share issuance – August 2014	333,333
Share issuance – Settlement of liabilities – November 2014	1,124,230
Private placement – February 2015	500,083
Private placement – March 2015	99,916
Private placement – June 2015	340,400
Share issuance - Convertible debenture interests	32,791
June 30, 2015	**3,024,734**
Share issuance - Convertible debenture interests	65,178
Share issuance – private placement	100,000
As at date of the report	**3,189,913**

On August 14, 2014 the Company issued 250,000 units at $0.60 per unit for gross proceeds of $150,000. Each unit consisted of one common share and one-half of one share purchase warrant. Each whole share purchase warrant entitled the holders to purchase one additional common share at $1.00 per share (expire on August 14, 2016).

On August 19, 2014 the Company issued 83,333 units at $0.60 per unit for gross proceeds of $50,000. Each unit consisted of one common share and one-half of one share purchase warrant. Each whole share purchase warrant entitled the holders to purchase one additional common share at $1.00 per share (expire on August 19, 2016).

On September 29, 2014, the Company issued 100,000 and 44,915 common shares of the Company as part of the consideration of the Sask Craton property and Sask Craton North property respectively at a deemed price of $0.50 per share. In addition, the Company issued 100,000 share purchase warrants as part of the consideration for the Sask Craton property. Each warrant entitles the holder to purchase one common share of the Company at $2.50 per share expiring on September 29, 2017.

On November 6, 2014, the Company settled $562,115 (of which $154,118 belonged to related parties) in accounts payable and loans payable by issuance of 1,124,234 common shares at a deemed price of $0.50 per share. As a result of this debt settlement the Company wrote-off an aggregate of $100,271 in accounts payable and loans payable.

On February 24, 2015 the Company issued 500,083 units at $0.60 per unit for gross proceeds of $300,050. Each unit consisted of one common share and one share purchase warrant. Each whole share purchase warrant entitled the holders to purchase one additional common share at $0.10 per share (expire on February 24, 2016).

On March 12, 2015 the Company issued 99,917 units at $0.60 per unit for gross proceeds of $59,949. Each unit consisted of one common share and one share purchase warrant. Each whole share purchase warrant entitled the holders to purchase one additional common share at $1.00 per share (expire on March 12, 2016).

On March 31, 2015, interest of $7,835 due as a result of outstanding convertible debentures was settled by the issuance of 12,053 common shares at $0.65 per share.

On June 10, 2015, the Company issued 340,400 common shares consisting of 320,000 flow-through units priced at $0.50 per unit and 20,400 common share units priced at $0.50 per unit. Each flow through unit consists of one share and one-half of a share purchase warrant. Each common share unit consists of one common share and one share purchase warrant. Each warrant entitled the holder to purchase one additional common share at $1.00 per share (expires June 10, 2016).

On June 30, 2015, interest of $8,295.42 due as a result of outstanding convertible debentures was settled by the issuance of 20,739 common shares at $0.40 per share.

On September 30, 2015, interest of $8,295.42 due as a result of outstanding convertible debentures was settled by the issuance of 23,701 common shares at $0.35 per share.

On October 29, 2015, the Company closed a private placement of 100,000 common share units at a price of $0.50 per common share to raise gross proceeds of $50,000. Each unit comprised of one common share and one share purchase warrant exercisable at $0.50 per share for a period of five years. Certain insiders participated in the private placement and the Company paid a 6% finder's fee on one subscription in the private placement.

On December 31, 2015, interest of $8,301.74 due as a result of the convertible debentures was settled by way of the issuance of 41,477 common shares at $0.20 per share.

The following is a table discloses the number of warrants and options as at March 31, 2016 and date of this report:

Expiry date	Number of warrants outstanding and exercisable	Weighted average exercise price
June 10, 2015	180,400	$ 1.00
August 14, 2016	125,000	1.00
August 19, 2016	41,667	1.00
September 29, 2017	100,000	2.50
October 29, 2020	100,000	0.50
Balance, March 31, 2016	547,067	$ 1.18

Number of options	Number of options vested	Price per share	Expiry Date
1,000	1,000	$ 10.00	16-March-2017
70,000	70,000	0.80	17-Feb-2020
71,000	71,000		

REGULATORY DISCLOSURES

Off Balance Sheet Arrangements

The Company has not entered into any material off-balance sheet arrangements.

Financial instruments

Fair values of financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and loans payable.

	Fair Value Hierarchy Level	March 31, 2016	June 30, 2015
Financial assets		$	$
Sales tax receivables	1	12,131	13,715
Cash	1	2,153	192,224
Financial liabilities			
Accounts payable & accrued liabilities (1)	1	150,872	129,024
Convertible debenture(2)	1	276,514	249,081

(1) The carrying value of cash and receivables, accounts payable and accrued liabilities, approximates fair value due to the short-term nature of these items.

(2) The face value of the convertible loan payable would approximate the fair value of the facility.

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and cash equivalents. The Company limits its exposure to credit loss by placing its cash with major financial institutions.

Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to floating rate of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's goal is to have sufficient capital or access to capital to allow it to meet its liabilities when they become due. This goal has not been fully met in recent periods thereby increasing the liquidity risk. As at March 31, 2016, the Company had a working capital deficiency of $404,145 (as compared to $172,166 at June 30, 2015). The Company intends to meet its current obligations in the following year with funds to be raised through private placements, shares for debt, loans and related party loans.

Related Party Transactions

The Company's related parties include its subsidiaries, associates over which it exercises significant influence, and key management personnel. Transactions with related parties for goods and services are made on normal commercial terms and are considered to be at arm's length.

On January 5, 2015, the Company issued two convertible debentures (the "Debentures") having combined issue value of $276,514 to two different entities controlled by a former director and former officer (Ryan Kalt) and a former officer of the Company (Jody Dahrouge) respectively.

During the nine months ended March 31, 2016 and 2015, the Company incurred the following expenses charged by a legal firm of which one of the partners is a director of the Company, key management personnel and companies controlled by key management personnel.

	March 31, 2016	March 31, 2015
	$	$
Statement of Operations items		
Consulting fees	7,500	-
Professional fees	20,000	78,949
Share based compensation	-	38,761
	27,500	117,710

Included in accounts payable and accrued liabilities at March 31, 2016 is $111,317 (June 30, 2015: $83,728) owed to current and former officers/directors of the Company, companies owned by former director and officer of the Company and a law firm in which a director of the Company is an associate counsel.

Capital Risk Management

The Company's objective of capital management is to ensure that it will be able to continue as a going concern, continue the exploration of mineral properties, and identify, evaluate, and acquire additional resource properties. The capital of the Company consists of shareholders' equity. The Company attempts to meet its capital risk objectives by successfully raising the required funds through debt and equity. There can be no assurance that the Company will be successful in raising or accessing adequate capital.

Risk and uncertainties

The operations of the Company are speculative due to the nature of its business which is the investment in the exploration and development of mining properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

The list of risk factors below should not be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of its securities.

No History or Expectation of Revenue

The Company is in the business of exploring for, with the ultimate goal of developing and producing, minerals from properties in which the Company has, or may have in the future, an interest. The Company has not commenced commercial production and the Company has no history or earnings or cash flow from its operations. As a result of the foregoing, there can be no assurance that the Company will be able to develop any of its properties profitably or that its activities will generate positive cash flow. The Company has not paid any dividends and it is unlikely to enjoy earnings or pay dividends in the immediate or foreseeable future. The Company has limited cash and other assets. A prospective investor in the Company must be prepared to rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of the Company's management in all aspects of the development and implementation of the Company's business activities. There is no guarantee that the Company will enter into profitable agreements with mining companies and earn revenue from operations.

Market Price of the Common Shares

The Common Shares are listed and posted for trading on the TSXV. The Company's business is in an early stage of exploration and an investment in the Company's securities is highly speculative. There can be no assurance that an active trading market in the Company's securities will be established and maintained. Securities of companies involved in the resource industry have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. The price of the Common Shares is also likely to be significantly affected by short-term changes in commodity prices or in the Company's financial condition or results of operations as reflected in its quarterly earnings reports.

Garland Lake Properties

As of the date of this report, the Company has not performed any exploration work on its recently acquired Garland Lake area claims (Garland I, Garland II, Garland III, Notakwanon, *et. al.*) and may not attain access to capital to do so. A failure to complete mineral exploration on the Garland Lake mineral claims will result in their lapsing on the renewal date.

The Company may not realize the benefits of its growth projects

A number of risks and uncertainties are associated with the development of these types of projects, including political, regulatory, design, construction, labour, geological, operating, technical, and technological risks, uncertainties relating to capital and other costs, and financing risks. The failure to develop one or more of these initiatives successfully could have an adverse effect on the Company's financial position and results of operations.

Current Global Financial Conditions

Events over the last number of years in global financial markets, including global debt concerns and overall commodity pressure, have had a profound impact on the global economy and global financial conditions have been subject to volatility. Many industries, and particularly the mining sector, 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 continuing slowdown in 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 business, financial condition, results of operations and ability to grow.

Financing Risk

The Company is limited in financial resources and has no assurance that additional funding will be available for further exploration and development of its projects or to fulfill its obligations under any applicable agreements. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or infinite postponement of further exploration and development of its projects with the possible loss of such properties. In addition, an inability to raise capital could result in the cessation of operations.

Competition

The mineral exploration and development industry is highly competitive. The Company competes with other domestic and international mineral exploration companies that have greater financial, human and technical resources. The Company's competitors may be able to respond more quickly to new laws or regulations or emerging technologies, or devote greater resources to the expansion or efficiency of their operations that the Company can. In addition, current and potential competitors may make strategic acquisitions or establish cooperative relationships among themselves or with third parties. Accordingly, it is possible that new competitors or alliances among current and new competitors may emerge and gain significant market share to the Company's detriment. The Company may also encounter increasing competition from other mining companies in the Company's efforts to hire experienced mining professionals. Increased competition could adversely affect the Company's ability to attract necessary capital funding, to acquire it on acceptable terms, or to acquire suitable properties or prospects for mineral exploration in the future. As a result of this competition, the Company may not be able to compete successfully against current and future competitors, and any failure to do so could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

In addition, there is no assurance that a ready market will exist for the sale of commercial quantities of ore. Factors beyond the control of the Company may affect the marketability of any substances discovered. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital or losing its investment capital.

Risks Associated with Joint Venture Agreements

Pursuant to agreements the Company may enter into in the course of its business, the Company's interest in its properties may become subject to the risks normally associated with the conduct of joint ventures. In the event that any of the Company's properties become subject to a joint venture, the existence or occurrence of one or more of the following circumstances and events could have a material adverse impact on the Company's profitability or the viability of its interests held through joint ventures, which could have a material adverse impact on the Company's business prospects, results of operations and financial condition: (i) disagreements with joint venture partners on how to conduct exploration; (ii) inability of joint venture partners to meet their obligations to the joint venture or third parties; and (iii) disputes or litigation between joint venture partners regarding budgets, development activities, reporting requirements and other joint venture matters.

Reliance on Key Individuals

The Company's success depends on its ability to attract and retain the services of key personnel who are qualified and experienced. In particular, the success of the Company is, and will continue to be to a significant extent, dependent on the expertise and experience of the Company's directors and senior management. It is expected that these individuals will be a significant factor in the Company's growth and success. The loss of the service of these individuals could have a material adverse effect on the Company.

The resource industry is largely driven by fluctuations in commodity prices which, when high, can lead to a large number of projects being developed which in turn increases the demand for skilled personnel, contractors, material and supplies. Accordingly, there is a risk to the Company of losing or being unable to secure enough suitable key personnel or key resources and, as a result, being exposed to increased capital and operating costs and delays, which may in turn adversely affect the development of the Company's projects, the results of operations and the Company's financial condition and prospectus.

Commodity Prices

The price of the Common Shares and the Company’s financial results may be significantly adversely affected by a decline in the price of metals. The price of metal commodities fluctuates widely, especially in recent years, and is affected by numerous factors beyond the Company’s control such as the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major metal-producing countries throughout the world.

Convertible Debentures

The Company has two outstanding convertible debentures which are in default. The convertible debentures were originally issued in lieu of certain property payment obligations due under the Sask Craton property agreement. An inability to fund the debentures upon the date of maturity caused these debentures to go into default.

Dividend Policy

No dividends on the Common Shares have been paid by the Company to date. The Company anticipates that it will retain all cash resources for the foreseeable future for the operation and development of its business. The Company does not intend to declare or pay any cash dividends in the foreseeable future.

Conflicts of Interest

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration, development and mining operations and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the *Business Corporations Act* (British Columbia) and other applicable laws. It is understood by the Company that certain directors and officers of the Company may continue to independently pursue opportunities in the mineral exploration industry.

Exploration, Development and Operating Risks

Mining operations and exploration involves a high degree of risk. Any potential mining operations of the Company will be subject to all the hazards and risks normally encountered in the exploration, development and production of metals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding, fire, environmental hazards and the discharge of toxic chemicals, explosions and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of mines and other producing facilities, damage to property, injury or loss of life, environmental damage, work stoppages, delays in production, increased production costs and possible legal liability. Milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability. Although the Company believes that appropriate precautions to minimize risks are taken, these risks cannot be eliminated.

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned or other mining operations in which the Company may acquire an interest will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, including among other things: the interpretation of geological data obtained from drill holes and other sampling techniques, the particular attributes of the deposit, such as size, grade and proximity to infrastructure and labour; metal and commodity prices which are highly cyclical; government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection; and political stability. The Company's development projects are also subject to the issuance of necessary permits and other governmental approvals and receipt of adequate financing. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may adversely affect the Company's business.

Exploration Costs

The estimates of costs to conduct further exploration work by the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realized in practice, which may materially and adversely affect the Company's viability.

Environmental Regulation, Risks and Hazards

All phases of mining operations are subject to environmental regulation in the jurisdictions in which they operate. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Compliance with changing environmental laws and regulations may require significant capital outlays, including obtaining additional permits, and may cause material changes or delays in, or the cancellation of, the Company's exploration programs or current operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's mining operations.

Furthermore, environmental hazards may exist on the properties on which the owners or operators of mining operations hold interests which are unknown to such owners or operators at present and which have been caused by previous or existing owners or operators of the properties.

Government approvals and permits are currently, and may in the future be, required in connection with mining operations at the Company's properties. To the extent such approvals are required and not obtained, mining operations may be curtailed or prohibited from continuing operations or from proceeding with planned exploration or development of mineral 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 or in the exploration or development of mineral properties 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 violations of applicable laws or regulations. The occurrence of any environmental violation or enforcement action may have an adverse impact on the Company's operations and reputation.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on mining operations and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Governmental Regulation

Mining operations and exploration activities are subject to extensive laws and regulations governing exploration, development, production, exports, taxes, labour standards, waste disposal, protection and remediation of the environment, reclamation, historic and cultural resources preservation, mine safety and occupation health, handling, storage and transportation of hazardous substances and other matters. The costs of discovering, evaluating, planning, designing, developing, constructing, operating, and other facilities in compliance with such laws and regulations are significant. It is possible that the costs and delays associated with compliance with such laws and regulations could become such that the owners or operators of mining operations would not proceed with the development of or continue to operate a mine. As part of their normal course operating, and development activities, such owners or operators have expended significant resources, both financial and managerial, to comply with governmental and environmental regulations and permitting requirements, and will continue to do so in the future. Moreover, it is possible that future regulatory developments, such as increasingly strict environmental protection laws, regulations and enforcement policies thereunder, and claims for damages to property and persons resulting from mining operations could result in substantial costs and liabilities in the future.

Permitting

Mining operations are subject to receiving and maintaining permits from appropriate governmental authorities. It can be time-consuming and costly to obtain, maintain and renew permits. In addition, permit terms and conditions can impose restrictions on how the Company conducts its operations and limit the Company's flexibility in development its mineral properties. Prior to any development on the Company's properties, permits from appropriate governmental authorities may be required. Permits required for the Company's operations may not be issued, maintained or renewed in a timely fashion or at all, may not be issued or renewed upon conditions that restrict the Company's ability to conduct the Company's operations economically, or may be subsequently revoke. Any such failure to obtain, maintain or renew permits, or other permitting delays or conditions could have a material adverse effect on the Company's business, results of operations, financial condition and prospectus.

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 be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect operations at the Company's properties.

Exploration and Geological Report

The reported results in the technical reports filed in respect of the Company's properties are estimates only. No assurance can be given that the estimated mineralization will be recovered. The reported results are based on limited sampling, and, consequently, are uncertain because the samples may not be representative. Estimates may require revision (either up or down) based on actual production experience. If the Company encounters mineralization or geological formations different from those predicted by past drilling, sampling and interpretations, any estimates may need to be altered in a way that could adversely affect the Company's operations or proposed operations. In addition, market fluctuations in the price of metals, as well as increased production costs or reduced recovery rates, may render certain minerals uneconomic.

Land/Mineral Title

No assurances can be given that there are no title defects affecting the Company's properties. The Company's properties may be subject to prior unregistered liens, agreements, transfers or claims, including First Nations land claims, and title may be affected by, among other things, undetected defects.

Commodity Price Fluctuations

The price of metals has fluctuated widely in recent years, and future serious price declines could cause continued development of and commercial production from the Company's properties to be impracticable. Future cash flows may not be sufficient and the Company could be forced to discontinue production and may be forced to sell the properties. Future production by the Company is dependent on metal prices that are adequate to make this property economic.

In addition to adversely affecting the commercial production estimates and financial conditions, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Additional Capital

Mining, processing, development and exploration require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, will be on satisfactory terms.

Property Exploration and Development Risk

The Company's properties are currently at the exploration stage of development. Exploration and development is subject to numerous risks, including, but not limited to, delays in obtaining equipment, material and services essential to developing the project in a timely manner; changes in environmental or other government regulations; currency exchange rates; labor shortages; and fluctuation in metal prices. There can be no assurance that the Company will have the financial, technical and operational resources to complete the exploration and development in accordance with current expectations or at all.

Insurance Risk

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failure, cave-ins, mechanical failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, fires, floods and earthquakes. Such occurrences could result in damage, delays in mining, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, the Company's insurance will not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as loss of title to mineral property, environmental pollution, or other hazards as a result of exploration and production is not generally available to the Company or other companies in the mining industry on acceptable terms. The Company may also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect on our financial performance and results of operations.

Force Majeure

The Company's projects now or in future may be adversely affected by risks outside the control of the Company, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

Forward-Looking Statements

This MD&A includes certain statements that constitute “forward-looking statements”, and “forward-looking information” within the meaning of applicable securities laws (“forward-looking statements” and “forward-looking information” are collectively referred to as “forward-looking statements”, unless otherwise stated). These statements appear in a number of places in this MD&A and include statements regarding our intent, or the beliefs or current expectations of our officers and directors. Such forward-looking statements involve known and unknown risks and uncertainties that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this MD&A, words such as “believe”, “anticipate”, “estimate”, “project”, “intend”, “expect”, “may”, “will”, “plan”, “should”, “would”, “contemplate”, “possible”, “attempts”, “seeks” and similar expressions are intended to identify these forward-looking statements. Forward-looking statements may relate to the Company’s future outlook and anticipated events or results and may include statements regarding the Sask Craton Property and Sask Craton North Property, and the Company’s future financial position, business strategy, budgets, litigation, projected costs, financial results, taxes, plans and objectives. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends affecting the financial condition of our business. These forward-looking statements were derived utilizing numerous assumptions regarding expected growth, results of operations, performance and business prospects and opportunities that could cause our actual results to differ materially from those in the forward-looking statements. While the Company considers these assumptions to be reasonable, based on information currently available, they may prove to be incorrect. Accordingly, you are cautioned not to put undue reliance on these forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results. To the extent any forward-looking statements constitute future-oriented financial information or financial outlooks, as those terms are defined under applicable Canadian securities laws, such statements are being provided to describe the current anticipated potential of the Company and readers are cautioned that these statements may not be appropriate for any other purpose, including investment decisions. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. To the extent any forward-looking statements constitute future-oriented financial information or financial outlooks, as those terms are defined under applicable Canadian securities laws, such statements are being provided to describe the current anticipated potential of the Company and readers are cautioned that these statements may not be appropriate for any other purpose, including investment decisions. Forward-looking statements speak only as of the date those statements are made. Except as required by applicable law, we assume no obligation to update or to publicly announce the results of any change to any forward-looking statement contained or incorporated by reference herein to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements. If we update any one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements. You should not place undue importance on forward-looking statements and should not rely upon these statements as of any other date. All forward-looking statements contained in this MD&A and the associated financial statements are expressly qualified in their entirety by this cautionary statement.