Management's Discussion and Analysis

Year Ended Report – June 30, 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 year ended June 30, 2016 compared to the year ended June 30, 2015. The discussion should be read in conjunction with the audited consolidated financial statements of the Corporation for the year ended June 30, 2016 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 October 27, 2016.

OVERVIEW

The Company was incorporated on January 8, 2008, 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.

On March 15, 2016, the Company consolidated its common shares outstanding on a ten for one basis and changed its name from Strike Graphite Corp. 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 the Hawkins Gold Project.

HIGHLIGHTS – YEAR ENDED JUNE 30, 2016

- On August 12, 2016, Mike England was appointed as director of the Company
- On September 12, 2016, Victor Bradley was appointed as Chairman of the board
- On September 14, 2016, John Masters was appointed CFO of the Company.
- On September 19, 2016, Mike England was appointed as CEO of the Company.
- On October 18, 2016, Don McKinnon was appointed as a director of the Company

- On July 14, 2016, John Masters was appointed as director of the Company. The Company also granted, subject to TSX Venture Exchange acceptance, incentive stock options to its directors, officers and consultants to purchase 600,000 common shares at a price of $0.12 for a period of two years.
- 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 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.

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 at a value of $60,284).
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 it'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.

During the year ended June 30, 2016, the Company decided to abandon the property.

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") valued at $22,457. 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 year ended June 30, 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 $892,499 in exploration costs.

Foster Cobalt property

On August 4, 2016 the Company acquired an option to acquire the “Foster Cobalt property” (“Foster Property”), located in the Sudbury Mining District in north central Ontario. The Foster Property comprises three claims with 32 units, covering approximately 512 ha. Near a historic adit on the property, one grab sample, taken by the O.G.S. (Ontario Geological Survey) returned 9.16 % cobalt (Co) and 3.56 % nickel (Ni)[1].

The cumulative acquisition terms to acquire a 100% interest in the Foster Property are cash payments of $20,000 and the issuance of 1,500,000 shares of the company to arm's-length parties over a two year period. A 2% Net Smelter Royalty will be granted to the vendors with 1% purchasable by the company for $1,000,000. A finder’s fee was paid in accordance with TSX Venture policies.

Roy Mine Cobalt-Silver property

On August 24, 2016, the Company acquired an option to acquire the past producing “Roy Mine Cobalt-Silver property” (“Roy Mine Property”), located about 11 km northwest of Elk Lake. The Roy Mine Property is a former producer of silver, cobalt, and copper with mineralization contained in north trending calcite veins. It was discovered in 1912, and past development included three vertical shafts and underground and surface diamond drilling.

More recent works uncovered a vein about 210 m north of the shaft. Fifty-five samples taken along this vein averaged 0.7 oz/t Ag (24.0 g/t Ag), 1.64% Co, 3.22% Cu and 0.16% Ni. Best values obtained were 4.7 oz./t Ag (161.1 g/t Ag), 7.4% Co, 14.02% Cu and 0.55% Ni1 .Also, a grab sample of the vein, collected near the shaft and to the south, assayed up to 6.80 oz/t Ag (233 g/t Ag), 1.96% Co, 13.6% Cu and 1510 ppm Ni2 .

The cumulative acquisition terms to acquire a 100% interest in the Roy Mine Property are the issuance of 1,500,000 shares of the Company to arm's-length parties over a one year period plus a work commitment of $50,000 in year one. A 2% NSR will be granted to the vendors with 1% purchasable by the Company for $1,000,000. A finder’s fee was paid in accordance with TSX Venture policies.

McKinnon-Hawkins Gold Project

On September 7, 2016 the Company acquired an option to earn a 100% interest in the McKinnon-Hawkins Gold Project located in the Hawkins and Walls Townships, Sault Ste. Marie & Porcupine Mining Divisions, Ontario from Pavey Ark Minerals Inc. (“Pavey Ark”), a private Ontario company. The project covers three claim blocks comprising 364 units or 5,824 hectares (58.24 sq km) covering over 30 kilometers of favourable geology prospective to host gold mineralization.

The cumulative acquisition terms to acquire a 100% interest in the McKinnon-Hawkins Gold Property are cash payments of $1,000,000, the issuance of $1,000,000 worth of shares of the company plus incur expenditures of $2,000,000 over a four year period. A 0.5% to 2% Net Smelter Royalty will be granted to the vendor on various claims contained in this agreement. The Company is awaiting final TSX Venture approval

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2016, the Company had cash and cash equivalents of $58,888 and a working capital deficiency of $121,052, 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 flows used in operating activities was $160,008 as at June 30, 2016 (2015 - $214,612). It was lower in the current period than the comparative period primarily because of lower professional fees, investor relation fees and regulatory fees in the current year

Cash flows provided by financing activities was $180,826 as at June 30, 2016 (2015 – $706,659). It was lower in the current year primarily due to a private placement completed in the comparative period which did not occur in the current period. During the year ended June 30, 2016, the Company also repaid convertible debt of $222,500 (2015 - $Nil).

Cash flows used in investing activities was $154,154 as at June 30, 2016 (2015 – $300,106). The changes were related to exploration activities by the Company for exploration, a metric which has periodic variability.

As at June 30, 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. The ability of the Company to raise capital will depend on market conditions, it may not be possible for the Company to raise capital on acceptable terms or at all.

ANNUAL SELECTED INFORMATION

	For the year ended June 30,		
	2016	2015	2014
Revenue	$ -	$ -	$ -
Finance cost	(58,148)	(38,945)	(12,193)
Impairment of exploration and evaluation	(892,499)	-	(266,489)
Gain (loss) on settlement of accounts payable	7,990	100,271	86,553
Net loss	(1,107,154)	(287,441)	(348,573)
Basic/Diluted loss per share	(0.32)	(0.02)	(0.08)
Exploration and evaluation assets	-	738,345	-
Total assets	72,246	944,284	4,950
Total liabilities	193,298	378,105	791,961

The Company incurred a net loss of $1,107,154 for the year ended June 30, 2016, as compared to the loss of $287,441 for the year ended June 30, 2015. The loss in the current year was mainly driven by the write-off of $892,499 in exploration costs in connection with the decision to abandon the Sask Craton property and Sask Craton North property. During the year ended June 30, 2016, finance costs increased to $58,148 (2015 - $38,945) due to the Company taking on debt to pay for expenses. General costs went down as a result of less activity and an effort by the Company to reduce costs.

QUARTERLY RESULTS

Quarter Ended	Total Assets	Revenue	(Loss) income for the period	Basic and Diluted (Loss) earnings per share
September 30, 2014	$251,149	$Nil	$(145,045)	$(0.20)
December 31, 2014	364,219	Nil	113,090	0.10
March 31, 2015	745,945	Nil	(146,050)	(0.10)
June 30, 2015	944,284	Nil	(109,436)	(0.10)
September 30, 2015	928,190	Nil	(21,817)	(0.00)
December 31, 2015	932,445	Nil	(45,680)	(0.01)
March 31, 2016	37,021	Nil	(950,271)	(0.30)
June 30, 2016	72,246	Nil	(89,386)	(0.32)

Three months ended June 30, 2016

The Company incurred a net loss of $89,386 for the three months ended June 30, 2016, as compared to a net loss of $109,436 for the comparative period in the prior year. Total expenses for the current period amounted to $72,518 as compared to $37,253 for the comparative period a rise of approximately $35,000. This increase can be attributed to higher consulting fees and finance costs as compared to the comparative period.

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	44,915
Share issuance – Sask Craton Property Agreement	100,000
Share issuance – August 2014	333,333
Share issuance – Settlement of liabilities – November 2014	1,124,231
Private placement – February 2015	500,083
Private placement – March 2015	99,917
Private placement – June 2015	340,400
Share issuance - Convertible debenture interests	32,792
June 30, 2015	**3,024,735**
Shares issued to settle debt	65,176
Share issuance – private placement	7,450,000
June 30, 2016	**10,539,911**
Share issuance – Foster Property Agreement	600,000
Private placement – August 2016	5,000,000

Private placement – October 2016	9,454,182
Share issuance – warrants exercised	100,000
Share issuance – Roy Mine Property Agreement	600,000
As at date of the report	**26,294,093**

On September 30, 2015, interest of $8,295 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 $8,302 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.

On June 15, 2016, the Company issued closed a private placement of 7,350,000 units at a price of $0.05 per unit for gross proceeds of $367,500. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share at an exercise price of $0.10 per common share for a period of five years. No value was allocated to the warrant component of the unit offering completed.

In connection with the private placement, the Company paid cash finder's fees totalling $8,800 and issued 176,000 finder's warrants with a fair value of $10,300. Each finder's warrant is exercisable into one common share of the Company for a period of two years at a price of $0.10.

On August 17, 2016, the Company issued 600,000 common shares pursuant to the acquisition of the Foster Property.

On October 7, 2016, the Company closed a private placement of 9,454,182 units at a price of $0.17 per unit for aggregate gross proceeds of $1,607,211. Each unit is comprised of one common share and one half share purchase warrant of the Company. Each full warrant will entitle the holder to purchase one share at a price of $0.25 until October 7, 2018.

The Company paid cash commissions to the finders totaling $120,655 and issued 521,063 finder's warrants exercisable at $0.25 until October 7, 2017

On October 17, 2016, the Company issued 100,000 shares upon exercise of warrants for gross proceeds of $10,000.

On October 20, 2016, the Company issued 600,000 common shares pursuant to the acquisition of the Roy Mine Property.

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

Expiry date	Number of warrants outstanding and exercisable	Weighted average exercise price
September 29, 2017	100,000	$ 2.50
June 15, 2018	176,000	0.10
August 18, 2018	5,000,000	0.12
August 18, 2018	267,500	0.07
October 7, 2018	4,727,092	0.25
October 7, 2018	521,063	0.25
October 29, 2020	100,000	0.50
June 21, 2021	7,250,000	0.10
	18,141,655	

Number of options	Number of options vested	Exercise Price	Expiry Date
1,000	1,000	$ 10.00	16-March-2017
100,000	100,000	0.12	2-August-2017
250,000	250,000	0.16	30-August-2017
600,000	600,000	0.12	14-July-2018
250,000	250,000	0.12	16-September-2018
70,000	70,000	0.80	17-Feb-2020
1,271,000	1,271,000		

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	June 30, 2016	June 30, 2015
Financial assets		$	$
Cash	1	58,888	192,224

(1) The carrying value of cash and 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 a 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 June 30, 2016, the Company had a working capital deficiency of $121,502 (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 year ended June 30, 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.

	June 30, 2016	June 30, 2015
	$	$
Consulting fees	30,000	31,500
Professional fees	20,000	79,186
General and administration	-	13,750
Share based compensation	-	38,761
	50,000	163,197

Included in accounts payable and accrued liabilities at June 30, 2016 is $51,088 (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 objectives when managing capital are to safeguard its ability to continue as a going concern to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity (deficit), as well as cash.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

The Company is dependent on the capital markets as its primary source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. The Company is not subject to any externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year.

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.