

CAZA GOLD CORP.

Management's Discussion and Analysis of Financial Condition and Results of Operations

March 31, 2018

Management's discussion and analysis (MD&A) is current to May 15, 2018 and is management's assessment of the operations and the financial results together with future prospects of Caza Gold Corp. ("Caza", "Corporation", or the "Company"). This MD&A should be read in conjunction with our audited financial statements and related notes for the years ended December 31, 2017 and 2016 prepared in accordance with International Financial Reporting Standards ("IFRS"). All figures are in Canadian dollars unless stated otherwise.

Forward Looking Information

This MD&A contains certain forward-looking statements and information relating to the Company that is based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "may", "will", "anticipate", "plan", "intend", "estimate", "project", "continue", "believe", "estimate", "expect" and similar forward-looking terminology, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital and the estimated cost and availability of funding for the continued operation of the Company. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

Although management believes that the expectations reflected in such forward-looking statements are reasonable, all forward-looking statements address matters that involve known and unknown risks, uncertainties and other factors and should not be read as guarantees of future performance or results. Accordingly, there are or will be a number of significant factors which could cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors that could cause actual future results, performance or achievements to differ materially include, but are not limited to, our limited operating history, our reliance on key personnel, future capital needs, dependence on proprietary technology and limited protection thereof and general economic trends and international risk. The Company is subject to significant risks and any past performance is no guarantee of future performance. The Company cannot predict all of the risk factors, nor can it assess the impact, if any, of such risk factors on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those projected in any forward-looking statements. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. This MD&A offers a brief overview of some of the risk factors to be considered in relation to the Company's business. This list may not be exhaustive and new risk factors may emerge from time to time. Please see the section "Risks and Uncertainties" for further information. We disclaim any intention or obligation to publicly update or revise any forward-looking statements after distribution of this MD&A, whether as a result of new information, future events or other circumstances, except as may be required pursuant to applicable securities laws.

BUSINESS OVERVIEW AND CORPORATE UPDATE

Caza was incorporated on November 15, 2007 under the laws of British Columbia, Canada. The address of the Company's registered office is #400 – 365 Bay Street, Toronto, ON M5H 2V1.

The Company was previously in the mineral exploration business. The recoverability of amounts capitalized for mineral property interests is dependent upon the ability of the Company to arrange appropriate financing as needed, the discovery of reserves, the development of its properties, confirmation and maintenance of the Company's interest in the underlying properties, the receipt of necessary permitting and upon future profitable production or proceeds from the disposition thereof.

The Company and Royal Road Minerals Limited ("Royal Road") entered into a support agreement on December 5, 2016, as amended on January 6, 2017 (the "Support Agreement"), pursuant to which Royal Road made an offer to acquire all of the issued and outstanding shares of the Company on the basis of 0.16 of a common share of Royal Road for each common share of the Company. On February 28, 2017, a total of 134,886,372 shares of the Company, representing approximately 90% of the Company were deposited under the offer. Royal Road extended its offer until March 13, 2017, and an additional 2,936,177 shares were deposited for a total of 137,822,549 shares of the Company acquired by Royal Road on March 15, 2017.

On May 19, 2017, Royal Road and Generic Capital Corporation ("Generic") entered into a Share Purchase Agreement, whereby, Generic agreed to purchase 100% of the shares of the Company owned by Royal Road for total consideration of \$80,000. Prior to the completion of the Share Purchase Agreement, the Company transferred its ownership of its wholly owned subsidiary, Nicaza S.A., to Royal Road. The Company did not receive any consideration in the transfer of Nicaza S.A. to Royal Road. The disposition of the Company's subsidiaries has been presented as discontinued operations in these financial statements. On May 31, 2017, the 134,886,372 common shares of the Company owned by Royal Road were purchased by Generic. Generic has the right to purchase the additional 2,936,177 common shares of the Company held by Royal Road. Due to sale of the shares of the Company to Generic, the compulsory acquisition of the balance of the shares of the Company has not yet occurred.

On December 1, 2017, the Company entered into an agreement with Griftco Corporation, whereby the Company agreed to sell its wholly owned subsidiaries Minera Caza S.A. de C.V. and Minera Canarc de Mexico S.A. de C.V. for consideration of \$100.

The disposition of the Company's subsidiaries has been presented as discontinued operations in these financial statements.

BASIS OF PRESENTATION

Selected Annual Financial Information

The following table reflects the summary of annual results for the periods set out.

	Three months ended March 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
	\$	\$	\$
Total Assets	5,453	3,699	3,293,598
Total Revenue	Nil	Nil	Nil
Net loss	14,681	2,204,470	7,734,060
Loss per share – basic and fully diluted	(0.00)	0.02	0.05

Summary of Quarterly Results

Results for the past eight quarters for selected financial statement amounts are presented below. The Company's quarterly operating results have varied in the past and may vary substantially in the future. Accordingly, the information below is not necessarily indicative of results for any future quarter.

	2018		2017				2016			
	Mar 31	Dec 31	Sept 30	June 30	Mar 31	Dec 31	Sept 30	June 30	Mar 31	Dec 31
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income (loss) before discontinued operations and extraordinary items:										
(i) Total	\$ (14,681)	\$ (151,271)	\$ 950,594	\$ (53,819)	\$ 38,565	\$ (6,524)	\$ (157,635)	\$ (149,180)		
(ii) Basic earnings (loss) per share	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
(iii) Diluted earnings (loss) per share	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Net income (loss):										
(i) Total	\$ (14,681)	\$ (1,482,408)	\$ (706,808)	\$ (53,819)	\$ 38,565	\$ (7,308,503)	\$ (157,635)	\$ (149,180)		
(ii) Basic earnings (loss) per share	\$ (0.00)	\$ (0.01)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
(iii) Diluted earnings (loss) per share	\$ (0.00)	\$ (0.01)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Total assets	\$ 5,453	\$ 5,453	\$ 3,510	\$ 3,510	\$ 3,340,613	\$ 3,293,598	\$ 10,539,230	\$ 10,647,680		
Total long-term liabilities	\$ -	\$ -	\$ -	\$ 719,142	\$ 785,233	\$ 715,219	\$ -	\$ -		
Dividends per share	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		

Overall Performance

For the three months ended March 31, 2018, the Company' did not have any cash. The Company relies on the loan being provided by a shareholder.

Three Months ended March 31, 2018 and 2017

The Company incurred net loss of \$14,681 or \$0.00 per share for the three month period ended March 31, 2018 compared with a net income of \$38,566 or \$0.00 a share for the comparable period in 2017.

Accounting and audit expense amounted to \$5,000 in the three month period ended March 31, 2018 compared to \$21,183 in 2017. The Company expects to maintain the same level of expenses in the future.

For the period ended March 31, 2018 and 2017, legal fees amounted to \$1,059 and \$10,445 respectively. The decrease can be attributed to lower transaction and lower number of personnel working for the Company.

Shareholder relations expenses were \$8,622 during the three month period ended March 31, 2018 compared to \$12,480 in 2017. The Company expects that this cost will be lower in the future periods.

Company Directors

As at the date of this report, the directors and officers of the Company were:

Lisa McCormack	President and Director
Riccardo Forno	Director
Jennifer Thor	Director

LIQUIDITY AND CAPITAL RESOURCES

During the period ended March 31, 2018, no funds were raised. \$7,970 in cash was used from expenses, and other operations during the three month period ended March 31, 2018 (2017 - \$131,410). The funds were provided through a financing facility by a shareholder.

The Company issued 7,837,000 common shares to settle \$156,740 of liabilities during the three months ended March 31, 2017.

The Company will require substantial additional funds to further explore and, if warranted, develop its exploration properties. The Company has limited financial resources and no current source of recurring revenue, and there is no assurance that additional funding will be available to the Company to carry out the completion of its planned exploration activities. 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 favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and property development. The terms of any additional financing obtained by the Company could result in substantial dilution to the shareholders of the Company.

COMMITMENTS, CONTINGENCIES AND OFF-BALANCE SHEET ARRANGEMENTS

The Company has no commitments for capital expenditures, no contingencies and no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

As at March 31, 2018, certain shareholders loaned the Company \$18,865 (December 31, 2017 - \$10,895) to cover some of the payables that became due. The loan is non-interest bearing, with no fixed terms of repayment, due on demand and is unsecured.

OUTSTANDING SHARE DATA

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

At the date of this report, there were 152,789,005 common shares issued and outstanding.

At December 31, 2017, the Company had no outstanding stock options.

At the date of this report, there were no warrants outstanding.

OUTLOOK

The Company will continue to depend upon debt and equity capital to finance its future projects. There are no assurances that capital requirements will be met by this means of financing as inherent risks are attached therein including commodity prices, financial market conditions, and general economic factors. The Company does not expect to realize any operating revenues in the foreseeable future.

FUTURE ACCOUNTING CHANGES

Standards issued but not yet effective up to the date of issuance of these financial statements are listed below. This list is of standards and interpretations issued that the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective.

IFRS 16 – Leases – The standard was issued by the IASB on January 13, 2016, and will replace IAS 17, “Leases”. IFRS 16 will bring most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and financing leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. The new standard is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted if IFRS 15 has also been applied. The Company is assessing the impact of this standard on the Company’s financial statements.

FINANCIAL INSTRUMENTS

All financial assets are classified either held fair value through profit or loss, held-to-maturity investments, loans and receivables or available-for-sale. Also, all financial liabilities are classified as either fair value through profit or loss or other financial liabilities. All financial instruments are initially recorded on the balance sheet at fair value. After initial recognition, financial instruments are measured at the fair values, except for held-to-maturity investments, loans and receivables and other liabilities, which are measured at amortized cost.

The Company's financial assets and liabilities are classified and measured as follows:

Asset/Liability	Classification	Measurement
Cash and cash equivalents	Fair value through profit or loss	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Loans payable	Other financial liabilities	Amortized cost

RISK FACTORS

The following is a brief discussion of those distinctive or special characteristics of the Company’s operations and industry that may have a material impact on, or constitute risk factors in respect of, the Company’s future financial performance.

Exploration and Development Risks

There is no assurance given by the Company that its exploration programs and mineral property interests will result in the discovery, development or production of a commercially viable ore body.

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company’s mineral exploration and development, if any, activities will result in any discoveries of bodies of commercial ore. The economics of developing gold and other mineral properties are affected by many factors including capital and operating costs, variations of the grades and tonnages of ore mined, fluctuating mineral market prices, costs of mining and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Substantial expenditures are required to establish reserves through drilling and other work, to develop metallurgical processes to extract metal from ore, and to develop the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that funds required for development can be obtained on a timely basis. The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the

Company's control and which cannot be accurately foreseen or predicted, such as market fluctuations, the global marketing conditions for precious and base metals, the proximity and capacity of milling and smelting facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection. In order to commence exploitation of certain properties presently held under exploration concessions, it is necessary for the Company to apply for exploitation concessions. There can be no guarantee that such concessions will be granted.

Financing Risks

There is no assurance given by the Company that it will be able to secure the financing necessary to explore, develop and produce its mineral property interests.

The Company does not presently have sufficient financial resources or operating cash flow to undertake by itself all of its planned exploration and development, if any, programs. The development of the Company's mineral property interests may therefore depend on joint venture partnerships and on the Company's ability to obtain additional required financing. There is no assurance the Company will be successful in obtaining the required financing, the lack of which could result in the loss or substantial dilution of its interests (as existing or as proposed to be acquired) in its mineral property interests as disclosed herein. The Company's ability to continue as a going concern is dependent on the ability of the Company to raise debt and equity capital financings, the attainment of profitable operations, external financings, and further share issuance to satisfy working capital and operating needs.

The Company may have to mainly rely on its controlling shareholder, Royal Road, to inject the capital, by way of private placement debt or equity financings, required to pay for exploration expenditures and administrative expenses. Royal Road has no obligation to participate in any further debt or equity capital injections in the Company. Also, although Polygon has been supportive of the Company's recent financing efforts, there is no assurance that Polygon will provide additional financial contributions to the Company in the future.

Estimates of Mineral Deposits

There is no assurance given by the Company that any estimates of mineral deposits herein will not change.

No assurance can be given that any identified mineralized deposit will ever become a commercially viable mineable ore body that can be legally and economically exploited. Estimates regarding mineralized deposits can also be affected by many factors such as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grades and tonnages of ore ultimately mined may differ from that indicated by drilling results and other work. There can be no assurance that gold recovered in small-scale laboratory tests will be duplicated in large-scale tests under on-site conditions. Material changes in mineralized tonnages, grades, dilution and stripping ratios or recovery rates may affect the economic viability of projects. The existence of mineralized deposits should not be interpreted as assurances of the future delineation of ore reserves or the profitability of future operations.

Mineral Prices

The mining industry is competitive and mineral prices fluctuate so that there is no assurance, even if commercial quantities of a mineral resource are discovered, that a profitable market will exist for the sale of same. Factors beyond the control of the Company may affect the marketability of any substances discovered. The prices of precious and base metals fluctuate on a daily basis, have experienced volatile and significant price movements over short periods of time, and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations (specifically, the U.S.

dollar relative to other currencies), interest rates, central bank transactions, world supply for precious and base metals, international investments, monetary systems, and global or regional consumption patterns (such as the development of gold coin programs), speculative activities and increased production due to improved mining and production methods. The supply of and demand for gold are affected by various factors, including political events, economic conditions and production costs in major gold producing regions, and governmental policies with respect to gold holdings by a nation or its citizens. The exact effect of these factors cannot be accurately predicted, and the combination of these factors may result in the Company not receiving adequate returns on invested capital or the investments retaining their respective values. There is no assurance that the prices of gold and other precious and base metals will be such that the Company's properties can be mined at a profit.

Title Matters

There is no assurance given by the Company that it owns legal title to certain of its mineral property interests.

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to any of the Company's mining concessions may come under dispute. While the Company has diligently investigated title considerations to its mineral properties, in certain circumstances, the Company has only relied upon representations of property partners and government agencies. There is no guarantee of title to certain of the Company's mineral property interests. The properties may be subject to prior unregistered agreements or transfers, and title may be affected by unidentified and undetected defects. Native land claims or claims of aboriginal title may be asserted over areas in which the Company's mineral property interests are located.

Conflicts of Interest

There is no assurance given by the Company that its directors and officers will not have conflicts of interest from time to time.

The Company's directors and officers may serve as directors or officers of other public mineral exploration or mining companies or have significant shareholdings in other public mineral exploration or mining companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The interests of these companies may differ from time to time. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against any resolution involving any such conflict. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of the Province of British Columbia, Canada, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in any particular exploration or mining project at any given time, the directors will primarily consider the upside potential for the project to be accretive to shareholders, the degree of risk to which the Company may be exposed and its financial position at that time.

Uninsured Risks

Mineral exploration and mining and processing operations, if any, involve many risks and hazards, including, among others, metallurgical and other processing problems, unusual and unexpected rock formations, ground or slope failures or underground cave-ins, environmental contamination, industrial accidents, fires, flooding and periodic interruptions due to inclement or hazardous weather conditions or other acts of nature, organized labour disputes or work slow-downs, mechanical equipment failure and facility performance problems, and the availability of critical

materials, equipment and skilled labour. These risks could result in damage to, or destruction of, the Company's properties or production facilities, personal injury or death, environmental damage, delays in mining or processing, increased production costs, asset write downs, monetary losses, and legal liability.

The Company cannot be certain that its insurance will cover all of the risks associated with mineral exploration and mining and processing, if any, or that it will be able to maintain insurance to cover these risks at economically feasible premiums. The Company could also become subject to liability for hazards against which it cannot insure or against which the Company may elect not to insure because of high premium costs or commercial impracticality. Such events could result in a prolonged interruption in operations that would have a negative effect on the Company's ability to generate revenues, profits and cash flow. Losses from such events may increase costs and decrease profitability.

Mining is inherently risky and subject to conditions or events beyond the Company's control, which could have a material adverse effect on the Company's business

Mining involves various types of risks and hazards, including environmental hazards, industrial accidents, metallurgical and other processing problems, unusual or unexpected rock formations, structural cave-ins or slides, flooding, fires, power outages, labour disruptions, explosions, landslides and avalanches, mechanical equipment and facility performance problems, availability of materials and equipment, metals losses and periodic interruptions due to inclement or hazardous weather conditions.

These risks could result in damage to, or destruction of, mineral properties, production facilities or other properties, personal injury or death, including to employees, environmental damage, delays in mining, increased production costs, asset write downs, monetary losses and possible legal liability. The Company may not be able to obtain insurance to cover these risks at economically feasible premiums or at all. Insurance against certain environmental risks, including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from production, is not generally available to the Company or to other companies within the mining industry. The Company may suffer a material adverse impact on its business if it incurs losses related to any significant events that are not covered by its insurance policies.

Environmental and Other Regulatory Requirements

There is no assurance given by the Company that it has met all environmental or regulatory requirements.

The current or future operations of the Company, including exploration or, if any, development activities or, if any, commencement of production on its mineral property interests, require permits from various foreign, federal, state and local governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, exploration, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required in order for the Company to commence exploration or, if any, production on its various property interests will be obtained. Further, in May 2016, the Company's application for an environmental permit for the Piedra Iman project was denied, which impedes the ability of the Company to proceed with drilling at such project. Item 1.2(ii) provides further details. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, are necessary prior to operation of the other properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence exploration, or construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. New laws or regulations or amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation of current laws, regulations or permits, could have a material adverse impact on the Company and cause increases in 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.

Reclamation

There is a risk that monies allotted for land reclamation may not be sufficient to cover all risks. Therefore additional funds, or reclamation bonds or other forms of financial assurance may be required over the tenure of the project to cover potential risks. These additional costs may have material adverse impact on the financial condition and results of the Company.

Foreign Countries and Regulatory Requirements

The Company's mineral property interests are located in countries outside of Canada, and mineral exploration and mining activities, if any, may be affected in varying degrees by political stability and government regulations relating to the mineral exploration and mining industry. Any changes in regulations or shifts in political attitudes may vary from country to country and are beyond the control of the Company and may adversely affect its business. Such changes have, in the past, included nationalization of foreign owned businesses and properties. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income and other taxes and duties, expropriation of property, environmental legislation and safety. These uncertainties may make it more difficult for the Company and its joint venture partners to obtain any required exploration and production, if any, financing for its mineral properties.

Currency Fluctuation and Foreign Exchange Controls

The Company maintains a portion of its funds in U.S. dollar and Nicaraguan Cordoba denominated accounts. Certain of the Company's property and related contracts may be denominated in the U.S. dollar and Nicaraguan cordoba. The Company's operations in countries other than Canada are normally carried out in the currency of that country and make the Company subject to foreign currency fluctuations and such fluctuations may materially affect the Company's financial position and results. In addition future contracts may not be denominated in Canadian dollars and may expose the Company to foreign currency fluctuations and such fluctuations may materially affect the Company's financial position and results of its operations. In addition, the Company is or may become subject to foreign exchange restrictions which may severely limit or restrict its ability to repatriate capital or profits from its properties outside of Canada to Canada. Such restrictions may have existed in the past in countries in which the Company holds property interests and future impositions of such restrictions could have a materially adverse effect on the Company's future profitability or ability to pay dividends.

General economic conditions may adversely affect the Company's growth, future profitability and ability to finance

The events in global financial markets in the past have had a significant impact on the global economy. Many industries, including the mining industry, are impacted by these market conditions. Specifically, the volatility of metal prices would impact the Company's revenues, profits, losses and cash flow, negative economic pressures could adversely impact demand for the Company's production construction related costs could increase and adversely affect the economics of any of the Company's projects, volatile energy, commodity and consumables prices and currency exchange rates would impact the Company's production costs and the devaluation and volatility of

global stock markets would impact the valuation of the Company's equity and other securities.

Third Party Reliance

The Company's rights to acquire interests in certain mineral property interests have been granted by third parties who themselves may hold only an option to acquire such properties. As a result, the Company may have no direct contractual relationship with the underlying property holder.

The Company may be subject to legal proceedings

Due to the nature of its business, the Company may be subject to numerous regulatory investigations, claims, lawsuits and other proceedings in the ordinary course of its business. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in litigation, including the effects of discovery of new evidence or advancement of new legal theories, the difficulty of predicting decisions of judges and juries and the possibility that decisions may be reversed on appeal. There can be no assurances that these matters will not have a material adverse effect on the Company's business.

Increased competition could adversely affect the Company's ability to acquire suitable producing properties or prospects for mineral exploration in the future

The mining industry is intensely competitive. Significant competition exists for the acquisition of properties producing or capable of producing metals. The Company must compete to acquire additional mining properties with other individuals and companies, many of which have greater financial resources, operational experience and technical capabilities than the Company or are further advanced in their development or are significantly larger, for the acquisition of mineral claims, leases and other mineral interests. The Company may also encounter increasing competition from other mining companies in its efforts to hire experienced mining professionals. Increased competition could adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future. If the Company is unsuccessful in acquiring additional mineral properties or qualified personnel, it will not be able to grow at the rate it desires, or at all.

There can be no assurance that the Company will successfully acquire additional mineral rights

Most exploration projects do not result in the discovery of commercially mineable ore deposits and no assurance can be given that any particular level of recovery of ore reserves will be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. Moreover, mines have a depleting asset base which needs to be continually renewed. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. If current exploration programs do not result in the discovery of commercial ore, the Company may need to write-off part or all of its investment in existing exploration stage properties, and may need to acquire additional properties. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

The Company's future growth and productivity will depend, in part, on its ability to identify and acquire additional mineral rights, and on the costs and results of continued exploration and development programs. Mineral exploration is highly speculative in nature and is frequently non-productive. Substantial expenditures are required to establish ore reserves through drilling and metallurgical and other testing techniques, to determine metal content and metallurgical recovery processes to extract metal from the ore, and to construct, renovate or expand mining and processing facilities.

If the Company does make further acquisitions, any positive effect on the Company's results will depend on a variety of factors, including, but not limited to, assimilating the operations of an acquired business or property in a timely and efficient manner, maintaining the Company's financial

and strategic focus while integrating the acquired business or property, achieving identified and anticipated operating and financial synergies, unanticipated costs, diversion of management attention from existing business, potential loss of key employees or key employees of any business acquired, unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition, decline in the value of acquired properties, companies or securities, implementing uniform standards, controls, procedures and policies at the acquired business, as appropriate and, to the extent that the Company makes an acquisition outside of markets in which it has previously operated, conducting and managing operations in a new operating environment.