

TORR METALS INC.

(the “Company” or “Torr”)

Form 51-102F1

MANAGEMENT’S DISCUSSION and ANALYSIS FOR THE THREE AND SIX MONTHS ENDED OCTOBER 31, 2021

The following Management’s Discussion and Analysis (“MD&A”) supplements, but does not form part of, the financial statements of the Company and the notes thereto for the three and six months ended October 31, 2021 and 2020 (the “Financial Statements”). Consequently, the following discussion and analysis of the results of operations and financial condition of Torr should be read in conjunction with the Financial Statements which have been prepared in accordance with International Financial Reporting Standards (“IFRS”). All amounts are stated in Canadian dollars unless otherwise indicated. The reader should be aware that historical results are not necessarily indicative of future performance. This MD&A has been prepared based on information known to management as of December 21, 2021.

Terms not otherwise defined herein have the meanings ascribed to them in the Prospectus.

Forward-Looking Statements

Certain statements contained in the following MD&A and elsewhere constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below. The Company assumes no obligation to update or revise forward looking statements to reflect new events or circumstances except as required by law.

Description of Business

Torr Metals Inc. (“Torr” or the “Company”) was incorporated under the Business Corporations Act (Alberta) on July 18, 2018 and continued its corporate existence from Alberta to British Columbia under the British Columbia Business Corporation Act. On November 26, 2021, the Company completed its Qualifying Transaction (“QT”) pursuant to the policies of the TSX Venture Exchange (“TSXV”) to acquire an aggregate 100% interest in the Latham Copper-Gold Project in northern British Columbia. Concurrent with the QT, the Company changed its name from Duro Metals Inc. to Torr Metals Inc. and now trades under the symbol “TMET” on the TSXV.

The Company’s principal business is to explore and develop the Latham Copper-Gold Project in northern British Columbia. The Company’s head office is at 250 Southridge NW, Suite 300, Edmonton, Alberta, T6H 4M9.

Recent Activity

Name change and share consolidation

On November 26, 2021 and immediately prior to the Company’s Qualifying Transaction as described on the following page, the Company changed its name from Duro Metals Inc. to Torr Metals Inc., and effected a consolidation of all of its issued and outstanding securities on the basis of 1.4538-to-1.

Overview of Qualifying Transaction

On November 26, 2021, the Company completed its Qualifying Transaction (the "QT") by acquiring the British Columbia mineral claims known as the Gnat claims, and mineral claims known as the Hu Property and Dalvenie Property, by way of an acquisition transaction and three-cornered amalgamation (as defined below) in conjunction with a concurrent financing (the "Concurrent Financing") raising aggregate gross proceeds of \$4,417,790, comprised of \$2,832,060 from a unit financing (as defined below) and \$1,585,730 from a flow-through financing (defined below), which constituted the Company's QT as defined under the policies of the TSXV. Together, the consolidated Gnat Claims, Hu Property and Dalvenie Property are now known as the Latham Copper-Gold Project, a mineral exploration property comprised of 41 mineral claims totaling 49,694 hectares in northern British Columbia.

Unit financing by 1306034 B.C. Ltd.

Prior to closing the QT, 1306034 B.C. Ltd. completed a non-brokered private placement for gross proceeds \$2,832,060 by issuing 9,440,200 units of 1306043 B.C. Ltd. at a price of \$0.30 per unit. Each unit consisted of one common share one-half common share purchase warrant. Each warrant entitles the holder to acquire one common share of any successor parent company at an exercise price of \$0.45 per share for a period of 24 months from date of issuance.

Acquisition and amalgamation of 1306034 B.C. Ltd.

As part of the QT, 1306034 B.C. Ltd. amalgamated with 1334885 B.C. Ltd., and continued as an amalgamated wholly-owned subsidiary of the Company. All existing common shares and warrants of both corporations were exchanged for shares of the Company on a one-to-one basis.

Flow-through financing

Immediately following the amalgamation, the Company completed a flow-through financing by issuing 4,805,241 post-consolidated flow through shares at a price of \$0.33 per share for gross proceeds \$1,585,730.

Acquisition of Gnat claims

Immediately following the amalgamation, the Company acquired the Gnat claims, by issuing 400,000 common shares of the Company and a \$100,000 cash payment. The vendor retains a 2% net smelter royalty.

Completion of QT

Effective December 7, 2021, as a consequence of completing the QT and all steps detailed above, the Company owns all the mineral properties comprising the Latham Copper-Gold Project, changed its name to Torr Metals Inc., and now trades under the symbol "TMET" on the TSXV.

Changes to Board of Directors

Following completion of the Qualifying Transaction, the Board of Directors of the Company is now comprised of Malcolm Dorsey, Sean Mager, Nicholas Stajduhar, John Williamson, and Ewan Webster, and the Officers of the Company are Malcolm Dorsey (President and Chief Executive Officer) and Justin Bourassa (Chief Financial Officer and Corporate Secretary).

Fieldwork and data compilation at the Latham Property

Ground Magnetic Survey

Four grid blocks totaling a planned 20 km² of high-resolution ground magnetic surveys was initiated in late November 2021 to overlap with significant historic copper soil anomalies and geophysics surveys at the Gnat Pass – Gnat South, Dalvenie, Moss, and Hu occurrences (Figure 1). This will be the first modern ground magnetics dataset completed on the property and is essential for understanding the mineralization trends on the property.

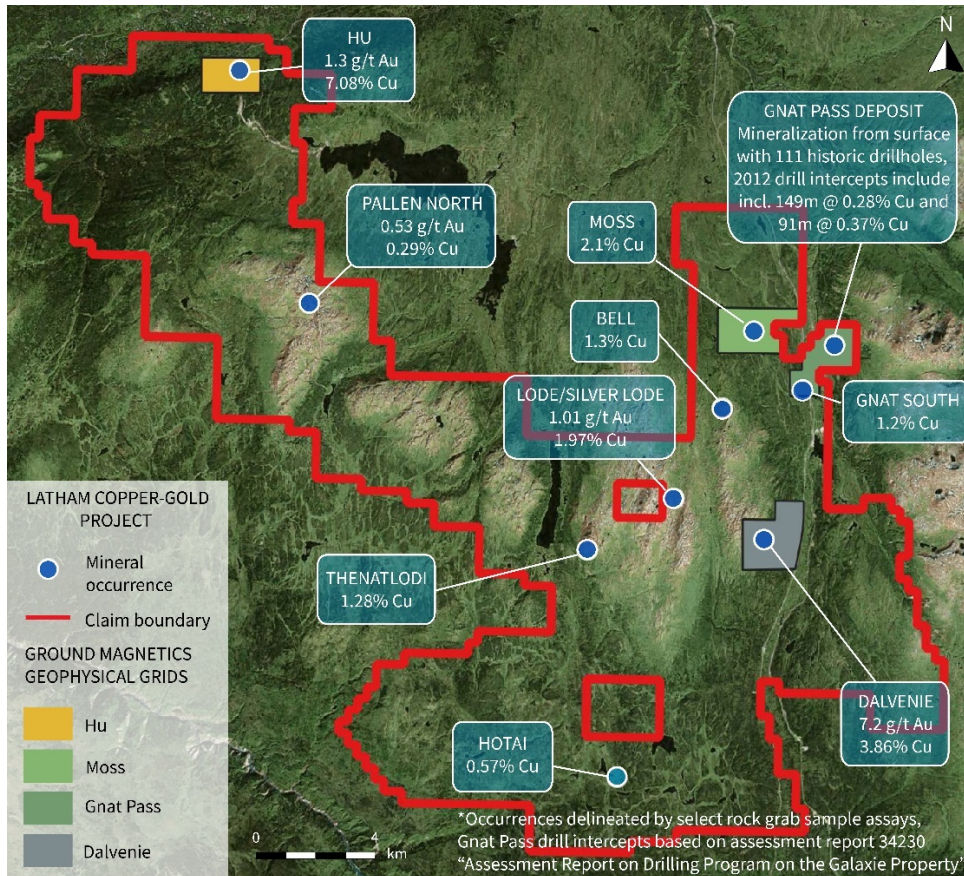


Figure 1. Latham Property location with mineral occurrences and planned ground magnetic geophysics

Full Compilation of Historical Data

A full compilation and digitization of historic and recent data from 1960 to 2021 was initiated in November 2021 and is currently ongoing, this includes a significant amount of 2011 to 2013 exploration data that has been acquired from Quartz Mountain Resources in December 2021, this dataset includes:

- 261 line kilometres of IP ground geophysical surveys.
- A total of 119 silt, 5000 soil, and 432 rock samples.
- 2 drillholes with core totaling 1164 metres.

For further information on the Latham Property, see "Mineral Properties" on page 8.

Overall Performance

Selected Annual Information

The following table summarizes audited financial data for operations reported by the Company for the year ended April 30, 2021 and 2020:

Fiscal period ended	April 30, 2021	April 30, 2020
Total Revenue (\$)	-	-
Total assets (\$)	257,258	334,414
Current liabilities (\$)	14,444	55,134
Non-current liabilities (\$)	-	-
Net loss (\$)	(36,466)	(174,479)
Basic and diluted loss per common share (\$)	(0.01)	(0.16)
Weighted average number of common shares outstanding	3,000,000	1,093,151

Summary of Quarterly Results

The following table summarizes financial data for the most recently completed quarters:

Quarter ended	Oct 31, 2021	Jul 31, 2021	Apr 30, 2021	Jan 31, 2021	Oct 31, 2020	Jul 31, 2020	Apr 30, 2020	Jan 31, 2020
Total Revenue (\$)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net income (loss) (\$)	(77,428)	(109,426)	(19,948)	(9,771)	7,051	(13,798)	(110,064)	(39,608)
Basic and diluted net income (loss) per common share (\$)	(0.03)	(0.04)	(0.00)	0.00	0.00	(0.00)	(0.02)	(0.01)

Results of Operations

During the three months ended October 31, 2021 (“the current quarter”), the Company incurred loss of \$77,428 (2020 – profit of \$7,051) which includes the following:

- Office and administrative expenses of \$3,210 (2020 – \$3,362) which includes rent expense and bank fees;
- Professional fees of \$12,640 (2020 – \$5,610) which includes accounting and bookkeeping services;
- Project evaluation fees of \$45,303 (2020 - \$nil) which includes costs related to evaluating exploration projects;
- Regulatory and filing fees of \$16,586 (2020 – \$4,377) which includes filing fees with the TSXV and securities commissions.

Partially offsetting expenses, the Company received interest income of \$400 (2020 – \$400). In 2020, the Company received a refund of professional fees totaling \$20,000 relating to a potential transaction that never transpired.

During the six months ended October 31, 2021 (“the current quarter”), the Company incurred loss of \$186,854 (2020 – \$6,747) which includes the following:

- Office and administrative expenses of \$6,845 (2020 – \$7,060) which includes rent expense and bank fees;
- Professional fees of \$18,141 (2020 – \$6,037) which includes accounting and bookkeeping services;
- Project evaluation fees of \$144,140 (2020 - \$nil) which includes costs related to evaluating exploration projects;
- Regulatory and filing fees of \$18,389 (2020 – \$15,327) which includes filing fees with the TSXV and securities commissions.

Partially offsetting expenses, the Company received interest income of \$661 (2020 – \$1,677). In 2020, the Company received a refund of professional fees totaling \$20,000 relating to a potential transaction that never transpired.

Financial Instruments

Fair value of financial instruments

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of hierarchy are:

- Level 1 - Quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - Inputs for the asset or liability that are not based on observable market data.

The Company’s cash is classified as Level 1, whereas accounts payable and accrued liabilities are classified as Level 2. As at October 31, 2021, the Company believes that the carrying values of cash, accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

Financial instruments risk

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

Credit risk

Credit risk is defined as the risk of loss associated with counterparty’s inability to fulfill its payment obligations. The maximum exposure to credit risk is the carrying amount of the Company’s financial assets. The credit risk is assessed as low.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle its obligations as they come due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company’s normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds available to meet its short-term business requirements by taking into account the anticipated cash expenditures for its exploration and other operating activities, and its holding of cash and cash equivalents. The Company will pursue further equity or debt financing as required to meet its commitments. There is no assurance that such financing will be available or that it will be available on favourable terms.

As at October 31, 2021, the Company's financial liabilities consist of its accounts payable and accrued liabilities, which are all current obligations.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to foreign exchange risk is minimal. The foreign currency risk is assessed as low.

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	<u>October 31</u> <u>2021</u>	<u>April 30</u> <u>2021</u>
Financial assets at FVTPL:		
Cash	\$ 207,092	\$ 256,625
	<u>\$ 207,092</u>	<u>\$ 256,625</u>

Financial liabilities included in the statement of financial position are as follows:

	<u>October 31</u> <u>2021</u>	<u>April 30</u> <u>2021</u>
Non-derivative financial liabilities:		
Accounts payable and accrued liabilities	\$ 159,610	\$ 14,444
	<u>\$ 159,610</u>	<u>\$ 14,444</u>

Capital management

The Company monitors its equity as capital.

The Company's objectives in managing its capital are to maintain a sufficient capital base to support its operations and to meet its short-term obligations and at the same time preserve inventor's confidence and retain the ability to seek out and acquire new projects of merit. The Company is not exposed to any externally imposed capital requirements.

Related party transactions

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company incurred and paid fees to directors and officers for management and professional services as follows:

For the six months ended	October 31, 2021	October 31, 2020
Professional fees paid to a corporation controlled by key management	\$ 4,000	\$ -
Rent fees paid to a corporation controlled by key management	6,000	-
	<u>\$ 10,000</u>	<u>\$ -</u>

As at October 31, 2021, \$3,150 (2020 – nil) was payable to corporations controlled by key management personnel and is included in accounts payable and accrued liabilities in the financial statements. Such amounts are unsecured, non-interest bearing and will be paid under normal trade terms.

Liquidity and Capital Resources

The financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to obtain adequate financing in the future. Working capital at October 31, 2021 was \$55,960. As of the date of this MD&A, the Company has working capital of approximately \$3,700,000.

In connection with completing the QT, the Company completed a non-brokered private placement for gross proceeds \$2,832,060 by issuing 9,440,200 units at a price of \$0.30 per unit. Each unit consisted of one common share one-half common share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at an exercise price of \$0.45 per share for a period of 24 months from date of issuance. In connection with the placement, the Company issued 660,814 broker warrants exercisable to acquire one additional common share at \$0.30 per share until 12 months from issuance.

The Company also completed a flow-through financing by issuing 4,805,241 flow through shares at a price of \$0.33 per share for gross proceeds \$1,585,730. In connection with the placement, the Company issued 336,367 broker warrants exercisable to acquire one additional common share at \$0.33 per share until 12 months from issuance.

In addition, the Company paid finders fees in the amount of \$309,245 in connection with both the above financings.

Outstanding Share Data

The following table summarizes the Company's outstanding share capital:

	December 21, 2021
Common shares outstanding	31,831,294
Options outstanding (average exercise price \$0.125)	433,250
Warrants outstanding (average exercise price \$0.43)	5,717,281
Fully Diluted	37,981,825

As of the date of this MD&A, the Company had 13,442,922 common shares held in escrow.

Mineral Properties

The Latham Property comprises 41 mineral claims totaling 46,694 hectares (ha) within the central portion of the Golden Horseshoe in northwest British Columbia. This region is also host to a number of major copper-gold deposits including the Red Chris, Saddle North, Schaft Creek, Galore Creek, and Kerr-Sulphurets-Mitchell-Snowfield (KSM) deposits. The town and regional airport of Dease Lake is located approximately 16 kilometres (km) north of the property boundary along Highway 37 (Figure 2), which transects the eastern portion of the property, connecting with the access road to the Red Chris copper-gold mine 40 km to the south. An independent Technical Report was prepared in accordance with NI 43-101 by Lakehead Geological Services Inc. who visited the Latham Copper-Gold Project in July 2021 and filed the report on SEDAR in November 2021.

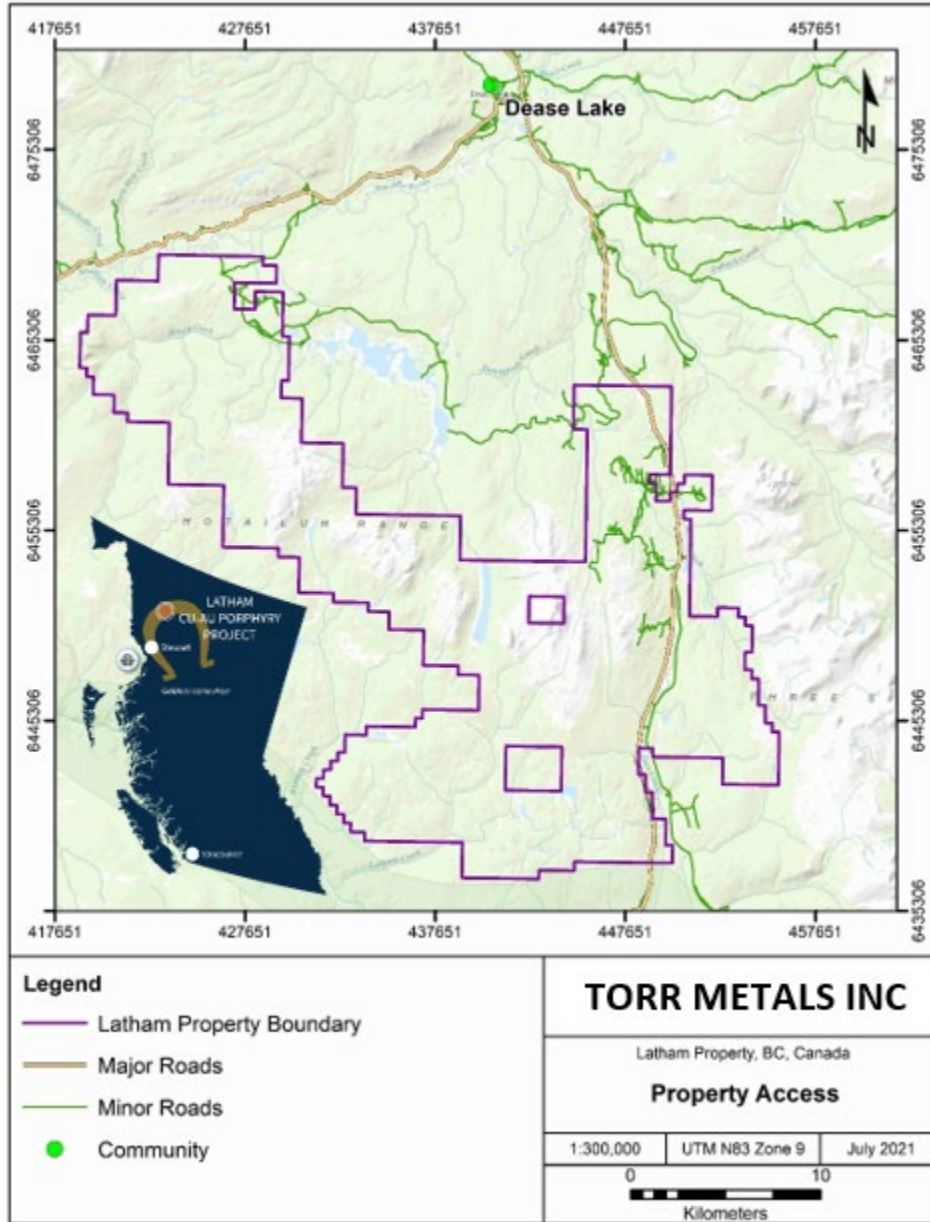


Figure 2. Latham Property location and boundary

Property History and Future Potential

The property has an exploration history dating back to 1899 with initial staking during the Dease Lake gold rush, followed by a majority of active exploration during the 1960's that resulted in the discovery of the Gnat Pass copper porphyry deposit. Since 1960 there has been at least 14 operators that have conducted a significant amount of work on claims that now constitute the Latham Property, culminating in the first regional exploration program conducted from 2011 to 2013 that identified an additional 8 copper-gold-silver-molybdenum occurrences beyond the historic Gnat Pass and Dalvenie zones. This work provides Torr Metals Inc. with substantial historical data to advance 10 known copper-gold-silver-molybdenum occurrences coincident with moderate to high magnetic anomalies, in addition to 17 greenfield exploration targets with comparable geophysical and geological characteristics (Figure 3). The author of the technical report considers the Latham Cu-Au Project to be highly prospective for the discovery of porphyry and related epithermal style base and precious metal mineralization, structurally controlled base and precious metal mineralization, as well as contact zone and skarn-style mineralization.

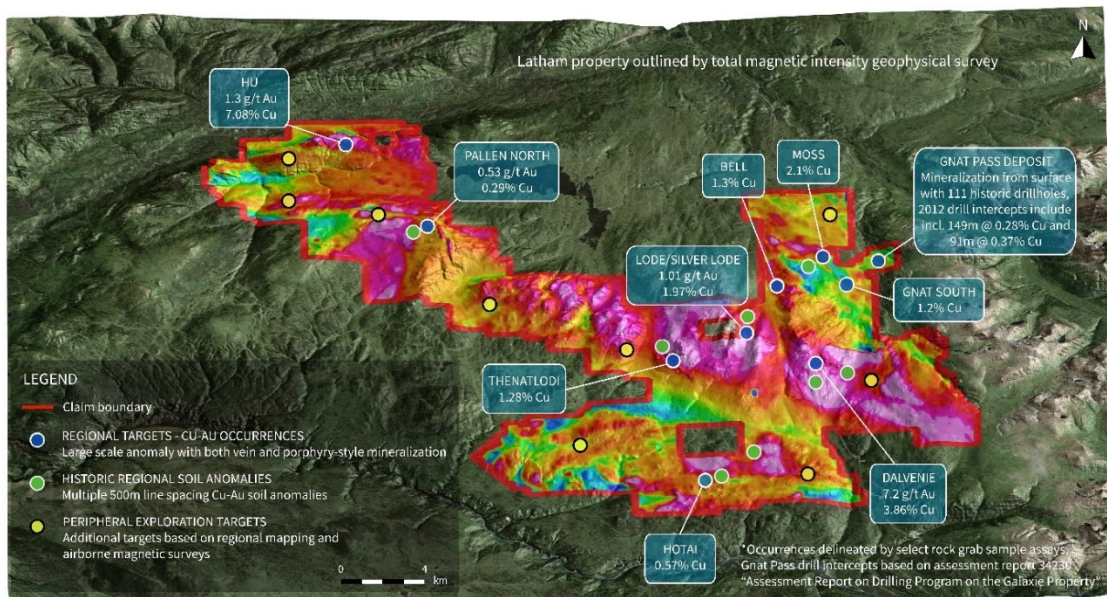


Figure 3. Latham Property location with airborne magnetic survey data and mineral occurrences

The Company intends to follow the recommendations outlined in the Technical Report for a Phase 1 work program that may include: assessing and validating historical exploration results, geochemical surface sampling field program, mapping and prospecting, relogging and resampling of historic drill core, and geophysical surveys. Following-up on Phase 1 the Phase 2 work program will consist of an initial 5000 metres of planned diamond drilling.

In addition to regional exploration work that will advance a number of the highly prospective occurrences across the Latham Property there will be a focus on developing zones that have had significant historical work and are road accessible from Highway 37, this includes the Gnat Pass deposit, Dalvenie, Moss, and Hu Zones. Summaries highlighting the prospectivity and future potential of these zones is provided below:

Gnat Pass Deposit

Modern exploration in the Gnat Pass deposit area dates back to 1960 with the discovery of surface copper mineralization near Lower Gnat Lake by Cassia Asbestos Corporation. Since then, numerous exploration companies have explored the Gnat Pass deposit area and have completed geological mapping, geochemical sampling, geophysical surveying and drilling. A historical estimate of mineralized material at the Gnat Pass deposit was completed by D.W. Ashbury in memo form for Deas Lake Mines Ltd. in 1972. The estimate was based on 83 vertical and inclined diamond holes drilled within the Main Zone of the deposit. Ashbury's memo reported an estimate of undiluted, mineralized material totaling 28 million tons grading 0.44% Cu and a diluted estimate of 33 million tons grading 0.39% Cu. Of this historic mineralized material estimate, including a dilution factor of 20% with 0.15% Cu in the wall rock, 28 million tons grading 0.38% Cu fall within roughly outlined pit limits with pit walls of -50° and an approximate mineralized material to waste ratio of 1:3 (Ashbury, 1972). The historical estimation was based on trapezoidal blocks with an assumed continuity of 100 ft north-south or east-west (Groome, 1975). The reader is cautioned that the estimate calculated by Ashbury in 1972 was constructed prior to the implementation of NI 43-101 standards and CIM standards for mineral resource estimation (as defined by the CIM Definition Standard on Mineral Resources or Ore Reserves dated May 10, 2014 and its predecessor documents). The historical estimate category terminology used by Ashbury does not conform to any of the mineral resource or reserve categories set out in sections 1.2 and 1.3 of NI 43-101 and does not meet the current standards set forth in NI 43-101 and CIM standards for mineral resource estimation. The author of this Technical Report has not done sufficient work to classify this historical estimate as a current mineral resource or a mineral reserve and has referred to the estimate as a historical estimate of mineralized material. Furthermore, the author is not treating it, or any part of it, as a current mineral resource or reserve. This historical estimate of mineralized material should not be relied upon and has only been included to demonstrate the mineral potential of the Latham Property and an indication of an exploration target area that will require further verification and follow up exploration; the historic estimate was comprised of historical "Indicated Reserves" of 30,387,850 tonnes grading 0.39% Cu, including 20% dilution by wallrock grading 0.15% Cu. As no technical report or other documentation of reserve estimation parameters is known to exist the reliability of the estimate cannot be assessed. There is no classification of "Indicated Reserves" under current standards and a qualified person has not done sufficient work to classify the estimate as current mineral resources or reserves. As such, Torr Metals is not treating the historical estimate as current.

In total the Gnat Pass area has been tested by 111 drillholes, with the most recent 2012 drilling consisting of two drillholes within the main deposit that for the first time extended mineralization from 300 to over 500 metres depth, suggesting the deposit remains open to expansion in width, depth, and along-strike to the north. This suggests that there is increasing potential to expand the deposit and establish a significant modern resource at the Gnat Pass deposit.

Highlighted 2012 drillhole intervals at Gnat Pass include:

- 35 m at 0.29% Cu from 29 m depth in drillhole GT12001;
- 149 m at 0.28% Cu from 95 m depth in drillhole GT12001;
- 56 m at 0.44% Cu from 360 m depth in drillhole GT12001;
- 21 m at 0.35% Cu from 487 m depth in drillhole GT12001; and
- 103 m at 0.34% Cu from 94 m depth in drillhole GT12002.

Within close proximity to the historic Gnat Pass deposit there are also two copper-in-soil anomalies that have not been drill tested, these peripheral targets suggest there is potential for a larger porphyry cluster footprint to the Gnat Pass system. Details on the Gnat Pass soil and peripheral soil anomalies are provided below:

- The >100 ppm copper anomaly in the Gnat Pass deposit area measures approximately 300 metres east-west by 600 metres north-south, remaining open to the north; drilling in 2012 only tested ~260 metres of the soil anomaly strike-length suggesting significant expansion remains with further drill testing along-strike.
- Located ~1 kilometre west of the Gnat Pass deposit is the Creek Zone, a north trending >100 ppm copper soil anomaly measuring approximately 150-200 metres east-west by 600 metres north-south; the copper soil anomaly remains untested by drilling.
- A north trending >100 ppm copper anomaly situated ~650 metres southwest of Gnat Pass in the valley bottom between the Gnat Pass deposit and the Creek Zone. This zone measures approximately 150 metres east-west and 300 metres north-south and remains untested by drilling and open to expansion with additional soil sampling.

Dalvenie Zone

From 1966 to 1968, Copper Pass Mines Ltd. completed geological mapping, geochemical soil sampling, trenching, drilling and an IP geophysical survey over the Dalvenie prospect area. Results from the first phase of exploration work in 1968 included grab samples of up to 20.9 g/t (0.61 opt) Au and 9% Cu, 1.19% Cu over 7.3 metres in channel samples from Trench 1 and 1.05% Cu over 2.3 metres from drillhole No, X-Ray 66-01 (Roed, 1966). In 1968 seven shallow follow-up drillholes were completed in the Dalvenie prospect area totaling 627 metres. Results of the 1968 drill program were reported without known depths by Matich (1990) and are outlined below:

- 2.2 m of 0.89% Cu and 3.4 g/t (0.10 opt) Au from drillhole 68-3;
- 8.3 m of 0.40% Cu and 0.62 g/t (0.018 opt) Au from drillhole 68-10; and
- 1.5 m of 3.73% Cu and 4.8 g/t (0.14 opt) Au from drillhole 68-11.

From the 1980's to 1990 Equity Silver Mines Ltd. defined an approximate 1,000 metre long by 150 metre wide copper soil anomaly which remains open to the north along the main north-northeast trending Dalvenie shear. There is an additional paralleling north-northeast trending copper soil anomaly approximately 400 metres to the east of the Dalvenie trend, measuring an approximate 750 metres by 250 metres. This paralleling copper soil anomaly appears to coincide with a gap in the southern extension of the main Dalvenie soil trend as discussed above, giving the appearance of, or possibly suggesting an offset of the main Dalvenie shear 400 metres to the east. A third copper-in-soil anomaly occurs 750 metres along-strike and south of the main Dalvenie soil trend, measuring an approximate 300 metres by 200 metres and remaining open to the south. These large soil anomaly targets remain to be fully drill tested and represent significant upside-potential for delineated the extent of the Dalvenie mineralized trend.

Verification sampling was conducted in 2021 and found that a number of samples assayed up to 6.45 g/t Au and 8.86% Cu, consistent with the significant copper and gold grades and mineralization reported in historic sampling programs along the Dalvenie trend.

Moss Zone

From 1969 to 1971, Lytton completed trenching and drilling around the Moss occurrence area. Bowen (2013) states that Lytton's 1969 trench work delineated a mineralized zone of tourmaline veining with potassium feldspar alteration and chalcopyrite mineralization exposed over three trenches. The mineralized zone extends an apparent 75 metres in width and approximate 300 metres in strike-length that includes two higher grade intervals grading 0.27% Cu over a north-south channel sample length of 12.2 metres (Bowen, 2013).

Hu

During the period of 1969 to 2012, several exploration companies have completed geological mapping, geochemical sampling, IP and ground magnetic geophysical surveys and trench work in the area of the Hu mineral occurrence. The alteration assemblage is consistent with that associated with alkalic porphyry deposits including hornfels, skarn, and patchy clay-carbonate associated with shear structures and potassic alteration with copper mineralization. A fault zone exposed over 100 metres strike-length contains significant chalcopyrite as well as moderate to intense potassic alteration associated with fracturing and recessive clay gouge. Grab rock samples from 2012 yielded up to 1.14% Cu and 1.3 g/t Au from areas of intense fracturing, with proximal rock grab samples from potassium feldspar-rich syenite intrusions assaying up to 2.02% Cu and 0.71 g/t Au.

Soil sampling from 2012 has also delineated a >100 ppm copper soil anomaly trending to the northwest that measures an approximate 1700 metres by 1300 metres, coincident with a high chargeability IP anomaly. Located approximately 2 kilometres to the west is an additional >100 ppm copper soil anomaly measuring an approximate 2300 metres by 600 metres trending to the northeast that is coincident with a high resistivity IP anomaly. Both of these soil anomalies are associated with a magnetic low and remain to be drill tested.

Risks and Uncertainties

Mining Risks

The Company is subject to the risks typical in the mining business including uncertainty of success in exploration and development; operational risks including unusual and unexpected geological formations, rock bursts, particularly as exploration moves into deeper levels, cave-ins, flooding and other conditions involved in the drilling and removal of material as well as environmental damage and other hazards; risks that intended drilling schedules or estimated costs will not be achieved; and risks of fluctuations in the price of commodities and currency exchange rates. Metal prices are subject to volatile price movements over short periods of time and are affected by numerous factors, all of which are beyond the Company's control, including expectations of inflation, levels of interest rates, sale of gold by central banks, the demand for commodities, global or regional political, economic and banking crises and production rates in major producing regions. The aggregate effect of these factors is impossible to predict with any degree of certainty.

Business Risks

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

Operational risks include finding and developing reserves economically, marketing production and services, product deliverability uncertainties, changing governmental law and regulation, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations. Financial risks include commodity prices, interest rates and foreign exchange rates, all of which are beyond the Company's control.

Regulatory risks include possible delays in getting regulatory approval to the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings as well as the introduction of ever more complex reporting requirements, the cost of which the Company must meet in order to maintain its exchange listing.

Competition

The mineral exploration and mining business is competitive in all of its phases. The Company will compete with numerous other companies and individuals, including competitors with greater financial, technical and other resources, in the search for and the acquisition of attractive exploration and evaluation properties. The Company's ability to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable prospects for mineral exploration or development. There is no assurance that the Company will be able to compete successfully with others in acquiring such prospects.

No Operating History and Financial Resources

The Company does not have an operating history and has no operating revenues and is unlikely to generate any in the foreseeable future. It anticipates that its cash resources are sufficient to cover its projected funding requirements for the remainder of the fiscal year. Additional funds will be required for general operating costs, and for further exploration to attempt to prove economic deposits and to bring such deposits to production. Additional funds will also be required for the Company to acquire and explore other mineral interests. The Company anticipates that its cash resources will be sufficient to cover its projected funding requirements for the ensuing year. If its exploration program is successful, additional funds will be required for further exploration to prove economic deposits and to bring such deposits to production. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause the Company to forfeit its interests in some or all of its properties or to reduce or terminate its operations. Inferred mineral resources are not mineral reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability.

There is no guarantee that any part of the mineral resources discussed herein will be converted into a mineral reserve in the future.

Price Volatility and Lack of Active Market

In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any quoted market for the Company's securities will be subject to such market trends and that the value of such securities may be affected accordingly.

Key Executives

The Company is dependent on the services of key executives and a small number of highly skilled and experienced consultants and personnel, whose contributions to the immediate future operations of the Company are likely to be of importance. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. Due to the relatively small size of the Company, the loss of these persons or the Company's inability to attract and retain additional highly skilled employees or consultants may adversely affect its business and future operations. The Company does not currently carry any key man life insurance on any of its executives.

Potential Conflicts of Interest

Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions or investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulation, rules and policies.

Dividends

The Company has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and development. Any future determination to pay dividends will be at the discretion of the Board of Directors of the Company and will depend on the Company's financial condition, results of operations, capital requirements and such other factors as the Board of Directors of the Company deem relevant.

Nature of the Securities

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

Off-Balance Sheet Transactions and Outlook

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

Qualified Person

The disclosures contained in this MD&A regarding the Company's exploration & evaluation properties have been prepared by, or under the supervision of Michael Dufresne, M.Sc, P.Geol., P.Geol., a consultant to the Company who is a Qualified Person for the purposes of National Instrument 43-101.

Approval

The Audit Committee on behalf of the Board of Directors of the Company approved the disclosures contained in this MD&A.

Other Information

Additional information related to the Company is available for viewing on SEDAR at www.sedar.com.