SOUTH PACIFIC METALS CORP.

(formerly Kainantu Resources Ltd.)

MANAGMEMENT'S DISCUSSION AND ANALYSIS

(Presented in United States Dollars)

FOR THE FIFTEEN MONTHS ENDED MARCH 31, 2025

Introduction

The following Management Discussion and Analysis ("MD&A") of the operations, results, financial position and outlook of South Pacific Metals Corp. (the "Company") is the responsibility of management and has been prepared using information available up until July 28 2025. This MD&A should be read in conjunction with the Company's financial statements for the fifteen-months ended March 31, 2025 and the notes attached thereto, which have been prepared in accordance with IFRS Accounting Standards ("IFRS"). All financial results presented in this MD&A are expressed in United States Dollars unless otherwise indicated.

The Company was incorporated under the Business Corporations Act (British Columbia) on July 4, 2018, as a Capital Pool Company under the policies of the TSX Venture Exchange (the "TSX-V"). On December 3, 2020, the Company completed its Qualifying Transaction by completing a reverse take-over of an Kainantu Resources Ltd.

On February 6, 2024, the Company changed its name to South Pacific Metals Corp. The Company's shares trade on the TSX-V under the symbol SPMC, on the OTCQB under the symbol SPMEF and on the Frankfurt Stock Exchange under the symbol 6JO.

This MD&A contains forward-looking statements. Please refer to the "Note Regarding Forward-Looking Statements".

Description of Business

South Pacific Metals Corp. is an Asia-Pacific focused exploration company and is focused on developing gold-copper resources from its four highly prospective projects located in Papua New Guinea ("PNG"). The Company's core projects include: Anga, Osena, May River, and Kili Teke. All projects are located in premier mining regions within PNG.

Both Anga and Osena show potential to host high-grade epithermal and porphyry mineralization, as seen elsewhere in the high-grade Kainantu Gold District.

The May River project is in close proximity to the world-renowned Frieda River Copper-Gold Project, with historical drilling indicating the potential for significant copper-gold porphyry and epithermal gold discoveries along with volcanogenic massive sulphide (VMS) Cu-Au-Ag-Zn discoveries.

Kili Teke has an NI 43-101 inferred resource of 237Mt @0.62% CuEq* along with extensional high-grade Cu-Au-Ag-Zn skarn and alkalic epithermal gold potential.

The Company has a highly experienced board and management team with a proven track record of mineral exploration and operating in the region with an established in-country partner. The Company's strategy is to build shareholder value through exploration at its principal Kainantu projects (Anga and Osena) in conjunction with pursuing value accretive corporate initiatives at May River and Kili Teke. The Company intends to continue to develop its portfolio of mining ventures

throughout the geologically rich Asia-Pacific region.

Refer to "*Exploration Projects*" below for further details on the Company's projects.

Performance Summary and Outlook

Corporate Updates

During the fifteen-months ended March 31, 2025 and up to the date of this MD&A, the Company restructured management and the board with seasoned industry professionals. Board and management appointments making up the current executive team include:

- Micheal Murphy – Executive Chairman
- Jonathan Rubenstein – Director
- Alexander Davidson –Director
- Timo Jauristo – Chief Executive Officer
- Scott Kelly – Chief Financial Officer

Change in Auditors and Year End

On December 20, 2024, the Company announced it changed its auditors from Smythe LLP to Davidson & Company LLP and changed its year end from December 31 to March 31. As a result of the change in year end, the Company's current financial year will cover the 15-month period from January 1, 2024, to March 31, 2025, with comparative financial statements as at and for the year ended December 31, 2023.

Financings

- On February 3, 2025, the Company completed a private placement and issued 13,125,000 Units at a price of $0.33 (CAD$0.48) per share for gross proceeds of $4,314,240 (CAD$6,300,000).

- On May 28, 2024, the Company completed a private placement and issued 3,750,000 Units at a price of $0.29 (CAD$0.40) per share for gross proceeds of $1,099,800 (CAD$1,500,000).

- On April 18, 2024, the Company completed a private placement and issued 7,500,000 common shares at a price of $0.15 (CAD$0.20) per share for gross proceeds of $1,091,100 (CAD$1,500,000).

- On March 20, 2024, the Company completed a share-for-debt transaction to settle the outstanding principal and accrued interest owing to the secured convertible debenture holders). In total, the Company issued 6,748,631 common shares of the Company with a fair value of $1,377,688.

- On February 6, 2024, the Company completed a consolidation of the issued and outstanding shares of the Company at a ratio of ten (10) pre-consolidation common shares for one (1) post-consolidation common share (the "Consolidation").

- On January 3, 2024, the Company announced the closure of the second round and final tranche of its previously announced private placement financing and issued an aggregate of 1,250,000 shares at a price of $0.15 (CAD$0.20) per share to raise gross proceeds of $187,175 (CAD$250,000).

Outlook

On July 2, 2025, the Company announced the appointment of Timo Jauristo as the Company's new Chief Executive Officer. Mr. Jauristo has conducted an initial assessment of the Company's projects and is working with the PNG team. The Company recently purchased a diamond drill rig. The Company intends to embark on an initial drill program in the coming months. As well, the Company has initial exploration programs on going at May River and Kili Teke with results expected before the end of 2025.

As at March 31, 2025, the Company has working capital of $3,215,792 (December 31, 2023 - $720,913 deficit). As the Company has no source of revenue at this time, it will continue to deplete capital to operate potential drill programs, fieldwork, office and administrative expenses and continual investigations of new projects and opportunities. Accordingly, the Company will be required to obtain additional financing in the future.

Exploration Projects

Overview

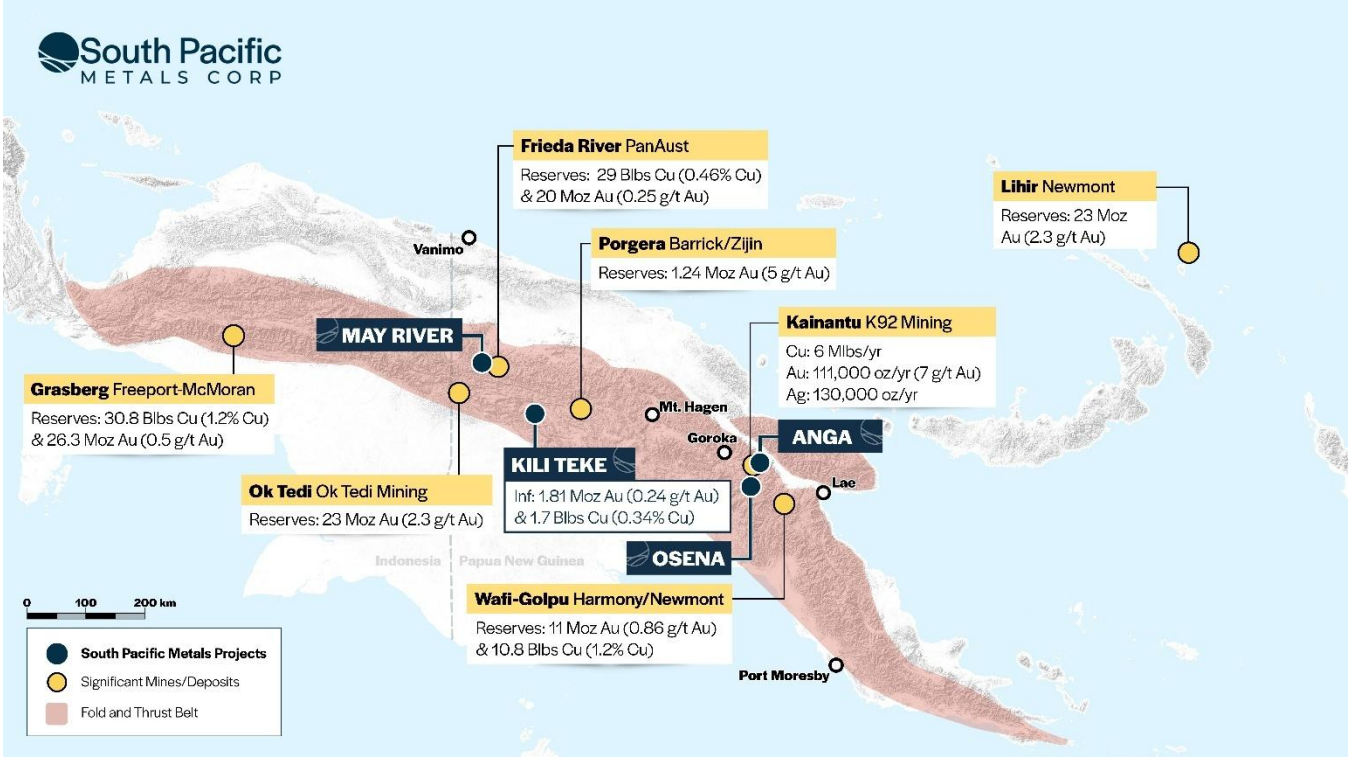
The Company is focused on mineral exploration, discovery and future development in the world-class mineral provinces of PNG. The Company holds multiple exploration licenses (tenements) across four core projects:

- **Anga Project:** located ~130 km WNW of the port city of Lae. The project contains several mineralized prospects immediately adjoining K92 Mining Inc.'s Kainantu Mine leases, 3 km along strike from K92's Arakompa Discovery.
- **Osena Project:** located ~130 km WNW of the port city of Lae. The project contains several mineralized prospects adjoining K92 Mining Inc.'s Kainantu Mine leases and proximal to K92's Aifunke Prospect.
- **May River Project:** located approximately 200 km SW of the port of Wewak in the Western Highlands. The project hosts several historically drilled gold and copper mineralized deposits immediately adjoining PanAust Ltd's large scale Frieda River Copper-Gold Porphyry Project.
- **Kili Teke Project:** located ~40 km west of the Porgera Gold Mine in the Western Highlands of PNG. Kili Teke includes a previously announced porphyry copper-gold mineral resource estimate and numerous other skarn, porphyry and alkalic epithermal prospects targets.

All exploration licenses are in good standing and renewed (or currently under renewal) in accordance with PNG mining laws and regulations.

The location of the Company's projects are set out in Figure 1 below:

Figure 1: Location of Projects



Readers are cautioned that mineral deposits on adjacent properties are not indicative of mineral deposits on the Company's properties. The scientific and technical information disclosed herein has been compiled by the Company from both their own exploration and review of exploration by previous explorers. Much of the information presented in this report is compiled from reports of previous explorers. Although care has been taken to validate the historical information, this data is historic in-nature and pending further verification.

Anga Project

The Anga Project (formerly KRL North) sits along strike, NNE, on the mineralized trend representing a portion of the Kainantu Transfer Zone (KTZ) (Figure *2*). K92 Mining Ltd. is currently actively mining the Kora-Judd Au-Cu-Ag vein system located within KTZ. Furthermore, K92 Mining Ltd.'s Arakompa and Maniape Prospects are located within 3 km of SPMC's Anga Project boundary.

Previous work at the Anga Project has included stream-sediment sampling, soil sampling, mapping/reconnaissance rock chip sampling and geophysics. Gold in soil anomalies extend over wide areas along with rock chips / float samples up to 2.28 g/t Au and 2.7% Cu have been identified on the Anga Project (Figure *3*). Similarly to K92 Mining Ltd.'s area, mobile magnetotellurics show strong apparent conductivity on the Anga Project suggestive of a substantial alteration and sulphide developed system.

The Company has completed a full review of the Anga Project data and completed a preliminary surface sampling program. The data review included the validation of previously collected data and construction of new data systems. Specific targets have been identified and a work program was designed. Field crews mobilized in July 2024 (see news release July 25, 2024) for a three week soil/rock sampling and reconnaissance mapping program ahead of drill planning. The in-field portion of the program was completed in August 2024 (see news release September 5, 2024). Results yielded several areas of interest requiring follow up work as announced November 23, 2024. These include a new shear zone discovery, with sulfide-bearing, strongly phyllic altered diorite extending over a 17 m by 2 m zone, hosting up to 0.4 g/t Au and showing several geological similarities to K92's Arakompa lode gold-copper-silver vein including a strong Bi-Te metal signature in surface samples; and high-grade gold-carbonate-base metal veins including a cluster of up to 50 cm wide northeast oriented structures up to 25 m in length which returned up to 2.28 grams per tonne ("g/t") Au in a rock sample from 2022 sampling. The surface program results have defined a 2 km-wide mineralized NE trending corridor at SW Anga Project in the Irinke area, with orientation and strike continuations comparable to K92's Arakompa discovery located only 3 km to the southwest.

Figure 2: The Anga Project Regional Geology

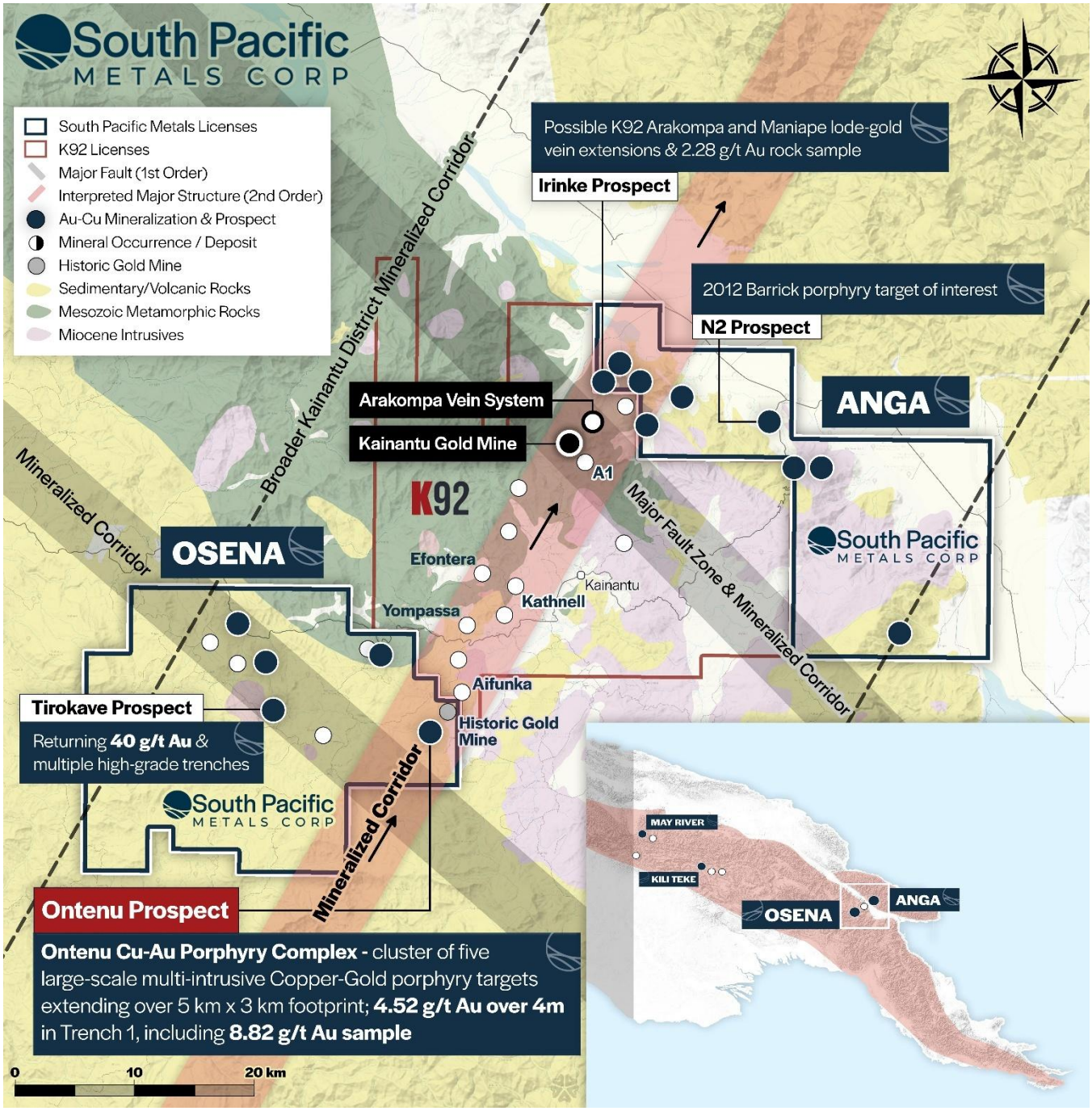
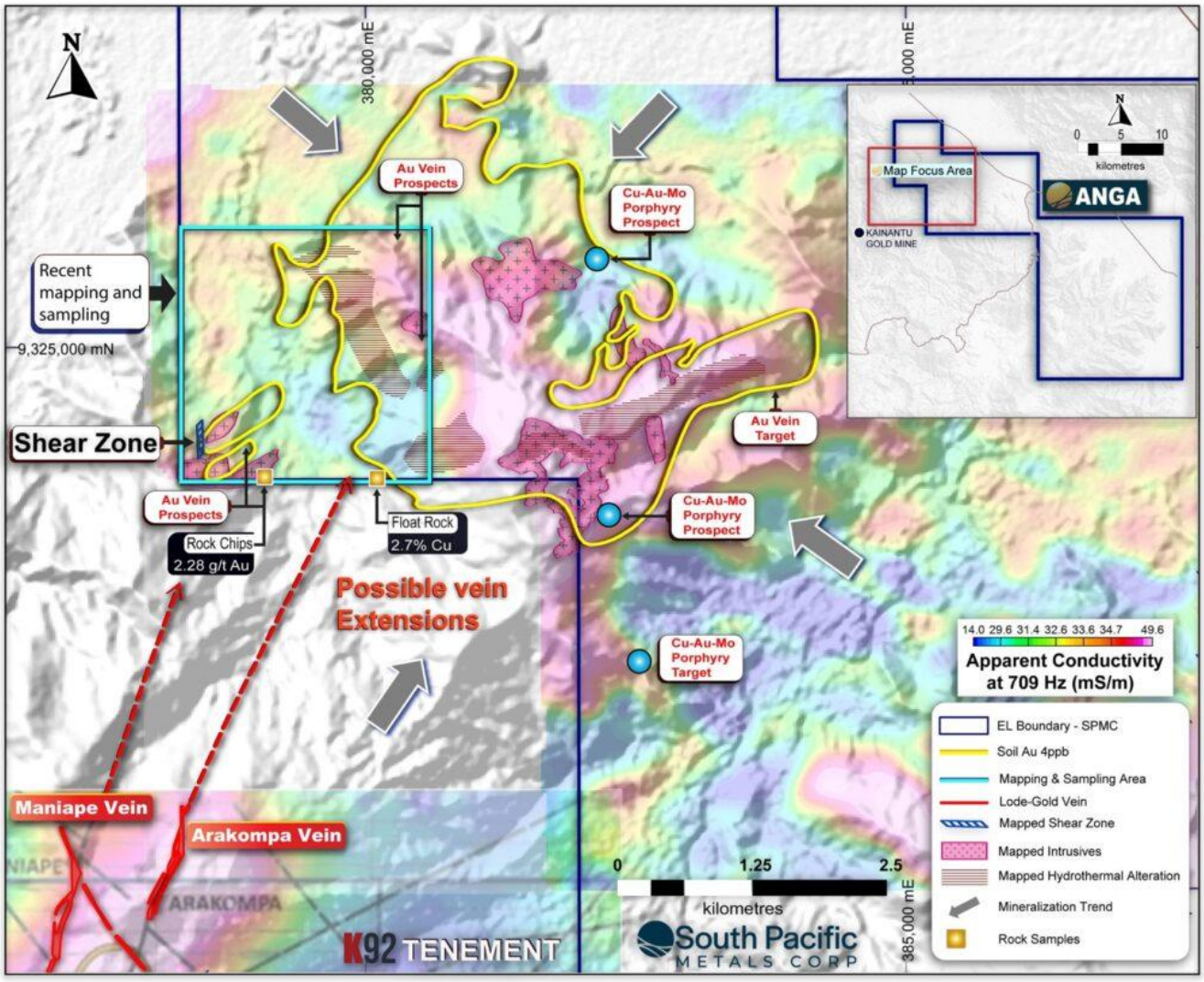


Figure 3: Anga Project soil sampling contours, apparent conductivity (mobile MT) and significant results



Osena Project

The Osena Project (formerly KRL South) is located around the Tirokave River, where substantial alluvial gold has been recovered historically (**Figure 4**). As with Anga, Osena also sits along elements of the Kainantu Transfer Structure. The area has been of particular interest to SPMC, given the presence of extensive outcrops with identified Akuna Igneous complex rocks and a large body, including scattered dykes and plugs, of the Elandora Porphyry (as identified at K92).

At the Osena Project, the initial focus of the Company was centered around the Tirokave area, where mapping in conjunction with significant geochemical results (inclusive of one sample of 40 g/t Au) led to identifying prospects in 2021.

The Ontenu Prospect is located to the SE of Tirokave and consists of strong copper and gold in soil anomalies with coincident geophysical anomalies. Locally, an intrusive andesitic diorite breccia and microdiorite intrudes sediments and volcanics (**Figure *5***). Ontenu sits along strike, within the Kainantu Transfer Structure, of K92's projects. Previous (historic) drilling has focused on the near surface and includes mineralization from surface of 88m @ 0.36g/t Au (KD005), 36m @ 0.2g/t Au (KD004) and 28m @ 0.32g/t Au. The 2022 Mobile MT survey identified several distinct conductivity and magnetic highs including the O6 and O2 priority targets, which are inferred to be potentially mineralized porphyry bodies at ~300m depth.

Figure 4: Osena Project Regional Geology

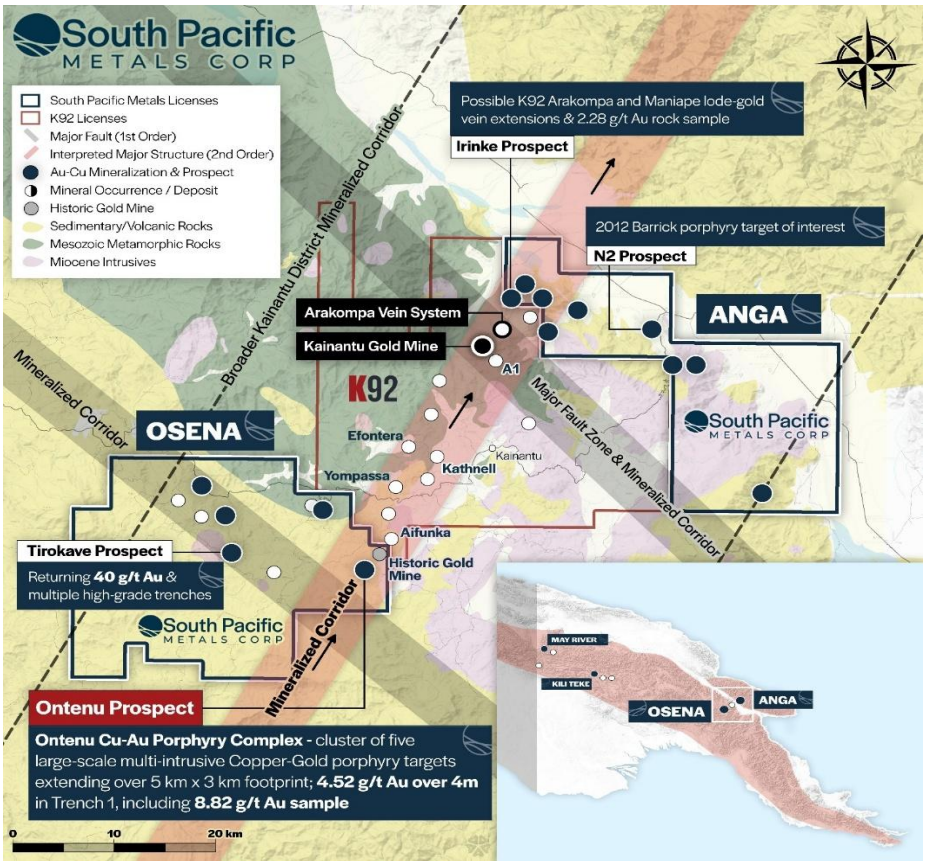
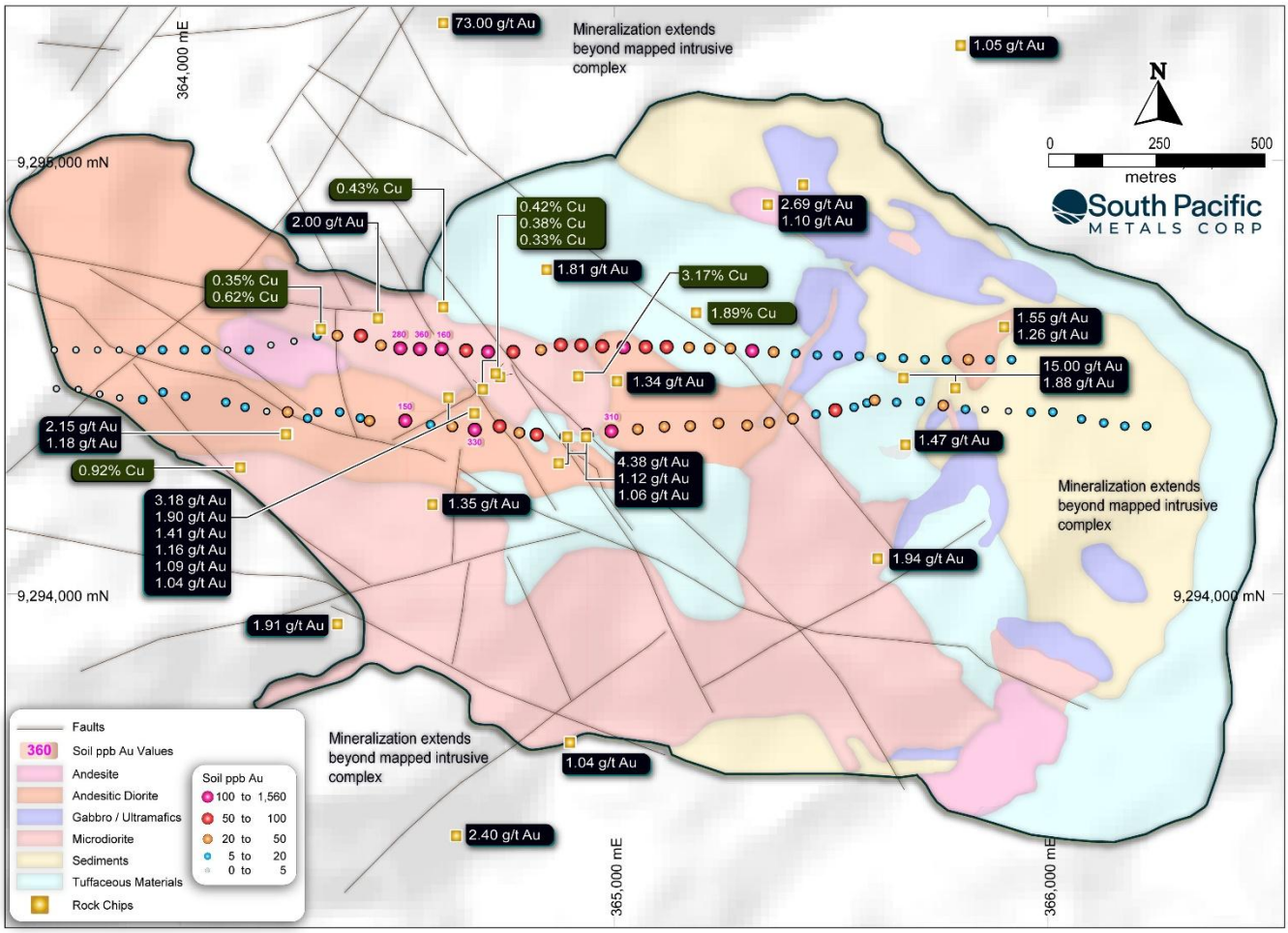


Figure 5: Gold in soils and rock chips at Ontenu Prospect.



During the reporting period, new management at SPMC commenced a full review of the Osena Project technical data. This work included the validation of previously collected data and construction of new data systems. Soil, trench and rock chip samples collected in late 2023 under previous management were submitted to ITS (Intertek) laboratory for assaying. Initial results of this program returned encouraging results, as reported August 27, 2024 (**Figure 6 & Figure** *7*):

Highlights:

- Trench 1 returned significant results including a peak trench rock sample value of 8.82 g/t Au, 13.8 g/t Ag, 0.25% Cu, 580 ppm Mo, 0.93% Zn.
    - 79 m averaging 0.75 g/t Au, 981 ppm Cu, 1.73 g/t Ag, 1877 ppm Zn, including:
        - 16 m averaging 1.25 g/t Au, 0.15% Cu, 0.18% Zn; and
        - 4 m averaging 4.52 g/t Au, 0.13% Cu, 0.23% Zn (see **Figure 6**).
- Trench 1 mineralization occurs across the entire 79 m trench and is expected to extend to the east and west over more than 200 m width.

Regional rock samples returned up to 2.69 g/t Au, 71.3 g/t Ag, 0.26% Cu, 5.3% Zn (Figure 7).

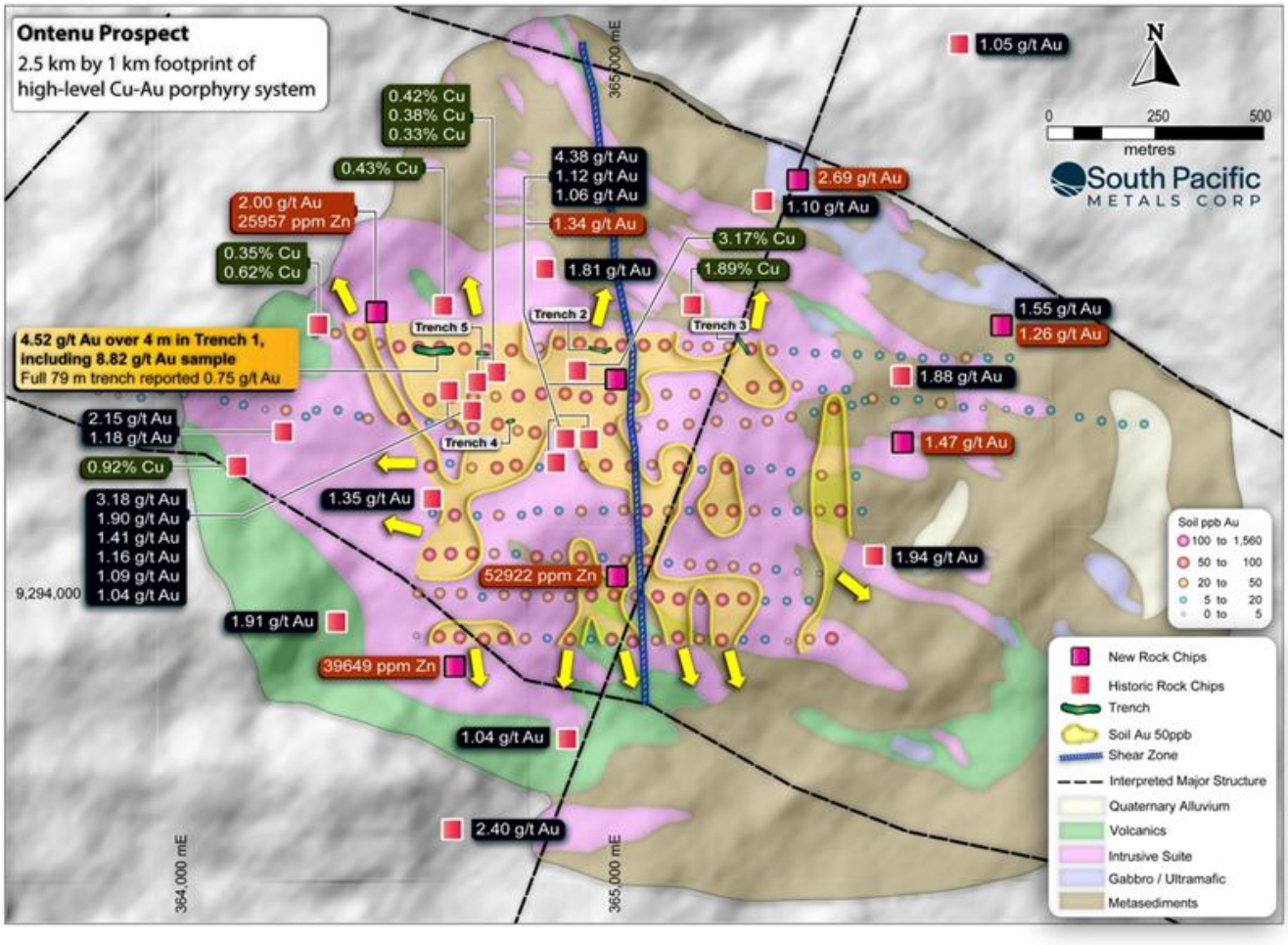
- The Ontenu Prospect is part of an interpreted multi-intrusive, large-scale gold-copper porphyry system spanning an area of at least 2.5 km by 1 km.

Metal signatures (Au-Te-Bi) in assayed soils and rocks suggest a later metal-bearing event overprinting an earlier porphyry Cu-Au-Mo event, similar to that observed at other major deposits such as at the Kainantu and Porgera Mines.

Figure 6: Trench 1 at Ontenu Cu-Au Prospect Gold and Copper Results



Figure 7: Ontenu Cu-Au Prospect Recent Soil and Rock Sample Results



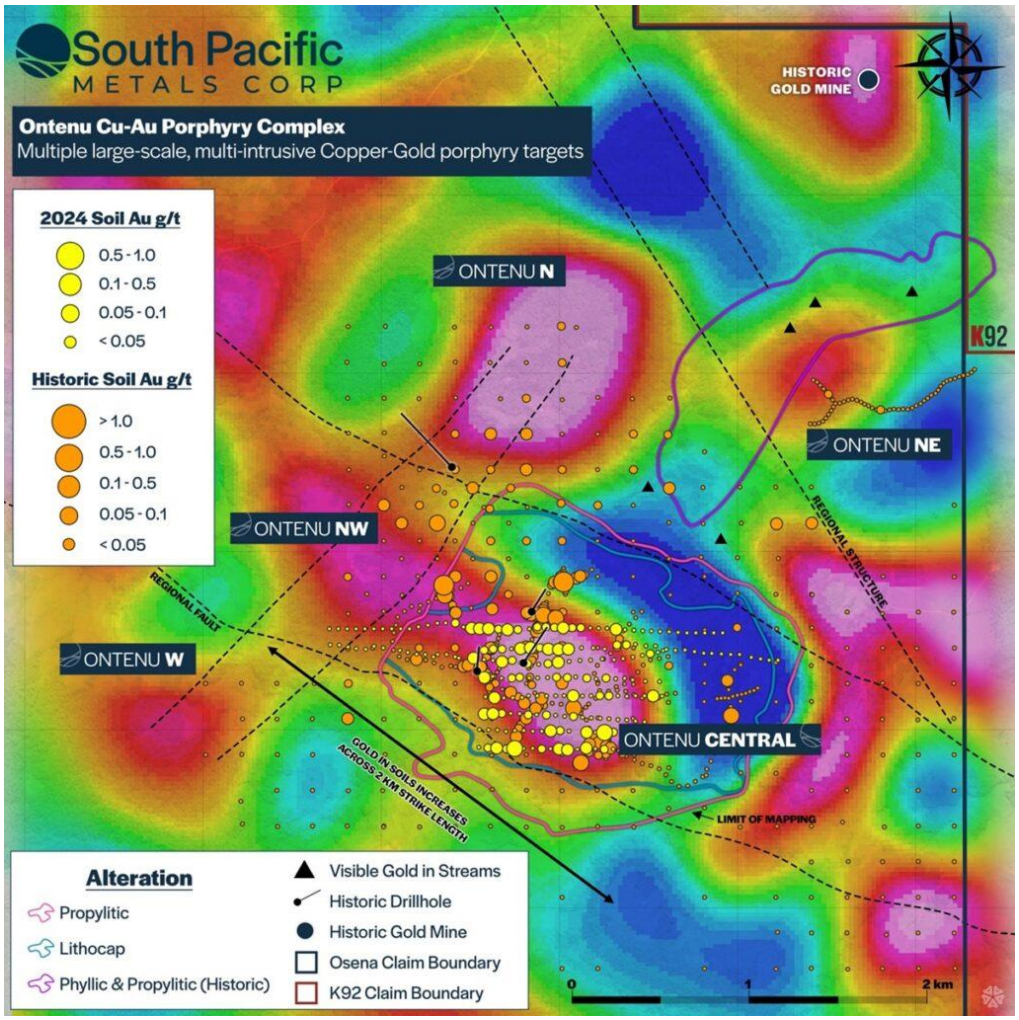
In a continued review of the Ontenu district, a number of satellite targets emerged, as reported October 16 2024 (**Figure 8**):

- **Ontenu Northeast:** Visible gold identified in stream sampling from 1985, draining this topographic high that is also a coincident apparent conductivity-magnetic geophysical anomaly. Historic work by RGC identified phyllic and propylitic alteration proximal to this feature and completed limited soil sampling returning anomalous Au and Cu. They interpreted the area to be prospective for lode-gold type mineralization (they were pursuing bulk-style gold only). This is a top-priority prospect.
- **Ontenu North:** Strong coincident apparent conductivity-magnetic anomaly with 900 m x 900 m footprint with Au in soils anomaly from historic data up to 130 ppb Au.
- **Ontenu Northwest:** Strong coincident apparent conductivity-magnetic anomaly with 800 m x 600 m footprint with Au in soil anomaly from historic data up to 130 ppb Au.
- **Ontenu West:** Strong apparent conductivity anomaly with 700x600m footprint, largely unsampled.

In addition to hosting confirmed gold-bearing breccias and outcropping bornite, covellite and chalcopyrite in stockwork veined diorite, there is strong potential to host multiple other styles of mineralization across the Ontenu Prospect area including:

- Epithermal vein Au-Cu-Zn intermediate sulfidation systems analogous to veins currently being mined at the adjacent Kainantu Gold Mine (K92 Mining Ltd);
- Au-Bi-Te alkalic epithermal systems analogous to the world-class Porgera Gold Mine (Porgera JV/Barrick Gold Corporation) located in the Western Highlands of PNG; and
- Ag-Pb-Zn rich low-sulfidation skarn associated with limestones and metasediments.

Figure 8: Ontenu Cu-Au Prospect Area – a 5 km by 3 km region hosting multiple large-scale, multi-intrusive Copper-Gold targets. Background is apparent conductivity from mobile MT.



May River Project

May River is located less than 15 km from the PanAust Mining Ltd.'s Frieda River Copper-Gold Project (**Figure 9** and

Figure 10). Historic drilling at May River has returned substantial intercepts of near-surface gold mineralization coupled with strong surface geochemical signatures.

There are five main prospects that have been identified within the southern part of the May River Project –Iku Hill, Skiraisa, Foya, Eserebe, and Mountain Gate. With several other regional projects throughout the extensive tenement holding. The southern prospects include gold in soil anomalies >100ppb Au covering large several square kilometers with accompanying high-grade gold rock chips (**Figure 12**). The Skiraisa prospect has had several drilling campaigns historically including 109m @ 1.53g/t Au from surface to end of hole.

The Ufuo prospect area, located on an exploration license application in the northern part of the May River regional project has received previous exploration attention for high grade VMS Cu-Au-Pb-Zn-Ag targets.

The Company has conducted a full review of the May River Project. This work included the validation of previously collected data and construction of new data systems. An external consultant was sourced to review historic data and to prioritize exploration plans on the very prospective May River Project area. The review of historic information from validated exceptional results with project highlights including:

- **Ufuo Polymetallic Massive Sulfide District** (**Figure 13**)**:** hosts a complex of five massive sulfide bodies, hosted in volcanics with a clear structural control. Two have been drilled with historical results returning high-grade Cu (+Au, Zn, Pb, Ag) near surface: 19 m @11.47% Cu, 2.17g/t Au from 13 m depth and 11 m @ 10.07% Cu, 2.03g/t Au from 13 m depth. Multiple other undrilled geophysical targets remain in this prospect area.

- **Skygate Cu-Au Trend** (**Figure 12**) **:** a 7-km long gold-copper mineralized trend lying 15 km west of the giant Frieda River Cu-Au deposit, which hosts 12 Mt Cu and 20 Moz Au. This trend features confirmed Cu-Au porphyry exposures and historically drilled gold-bearing diatreme breccias. New, advanced review, reprocessing and modelling of historic data has illustrated the potential for sub-surface porphyry targets. This trend lies within similar host rocks and structural setting to that of Frieda River.
    - Historical drilling intercepts include 109 m at 1.53 g/t Au from surface and 54 m at 1.83 g/t Au from 106 m depth, with holes ending in +1 g/t Au mineralization.

Figure 9: May River Project area

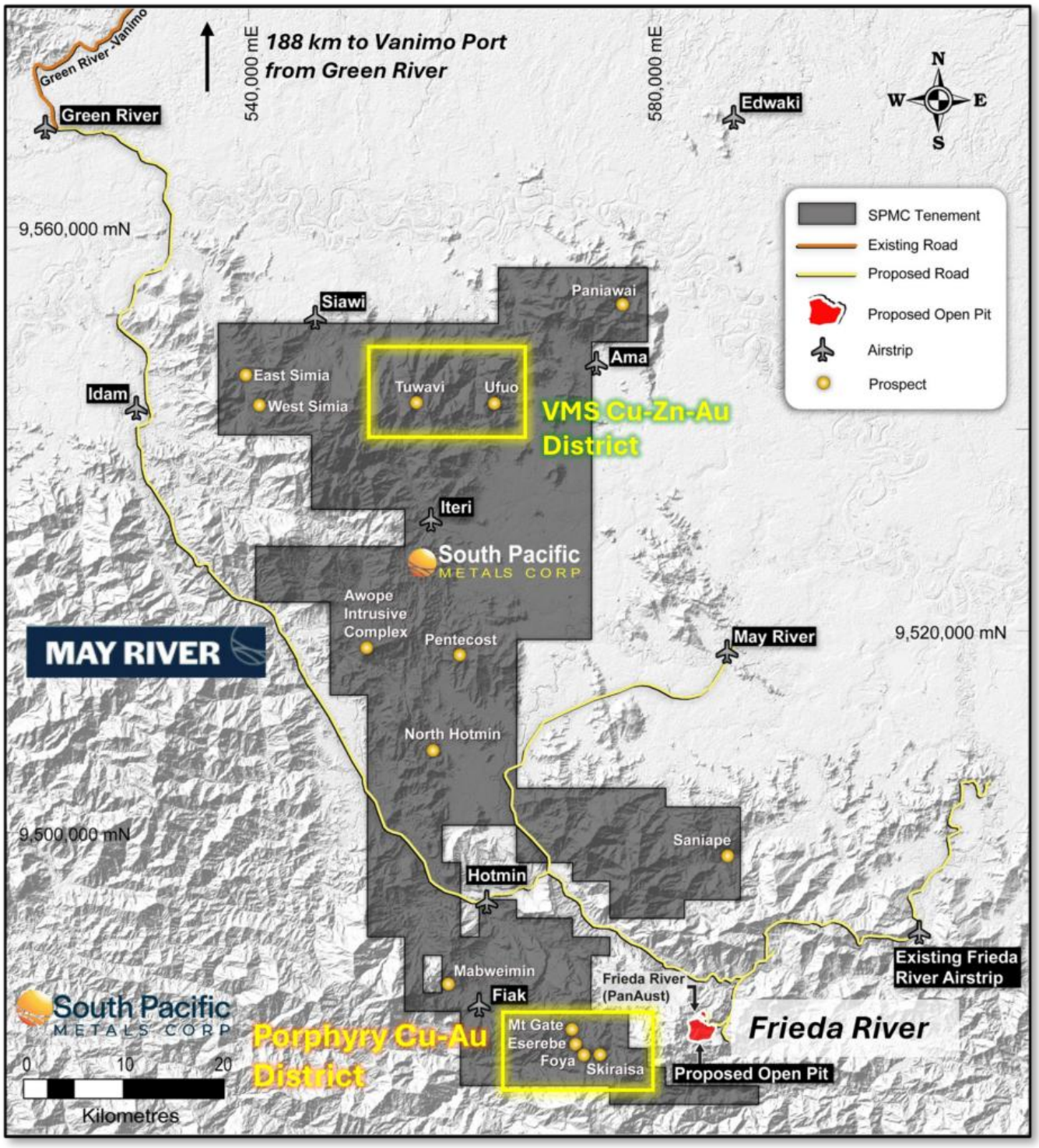


Figure 10: May River Project with regional prospect, geology and stream sediment map

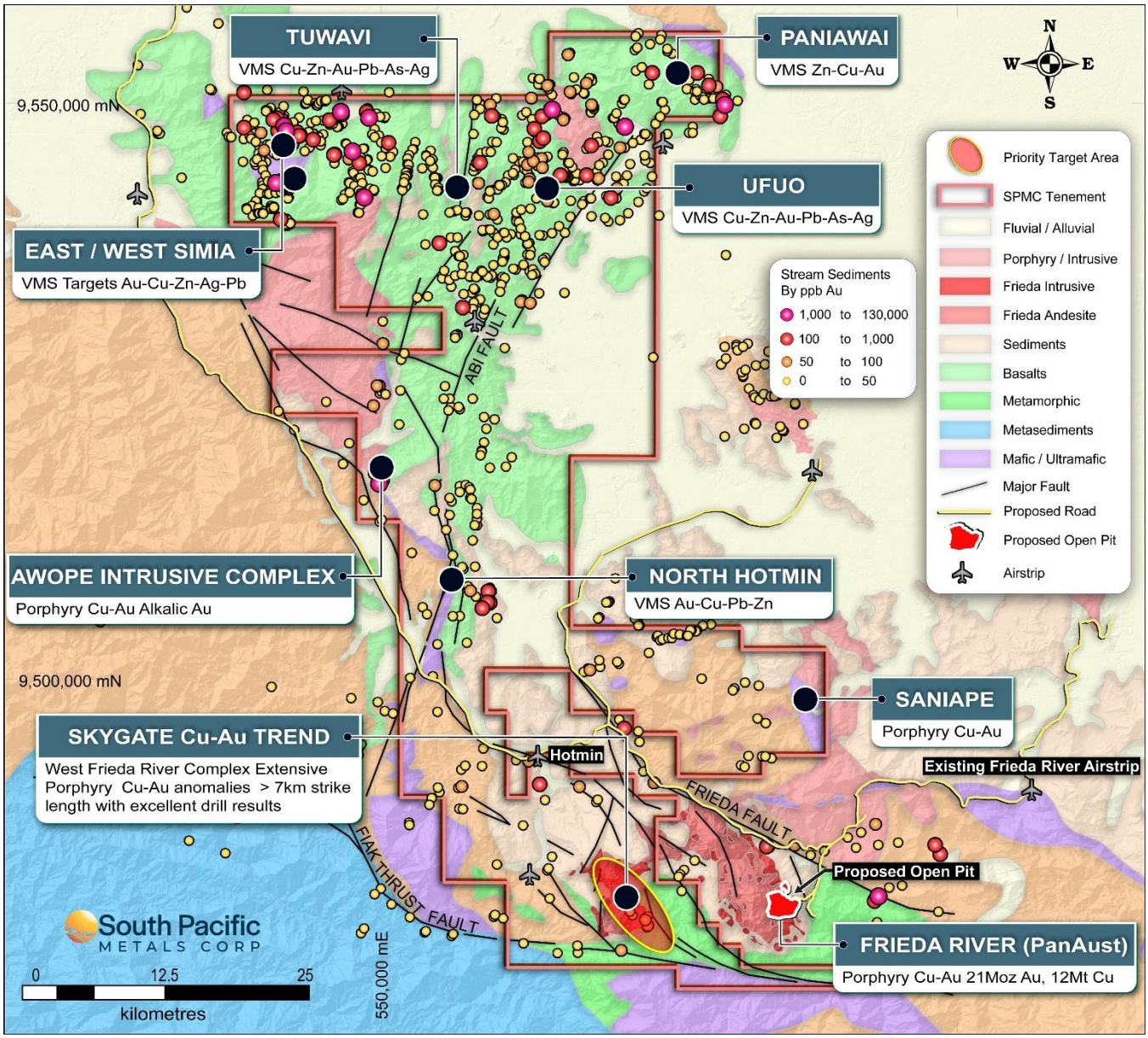


Figure 11: May River Project with proximity to the world-class Frieda River Prospect and regional geology

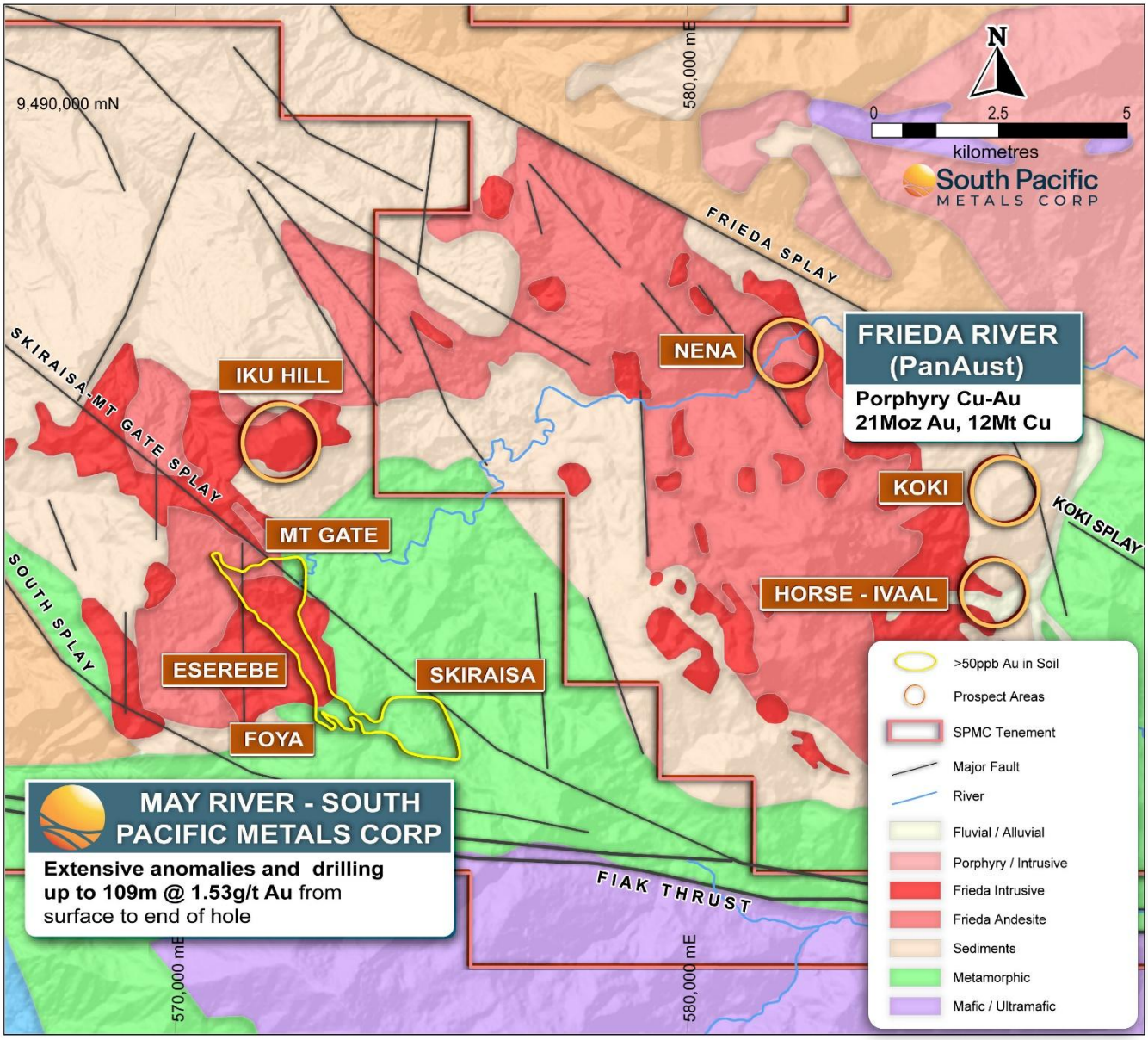


Figure 12: Soil anomalism and previous work on the Skiraisa to Mountain Gate Trend, May River Project

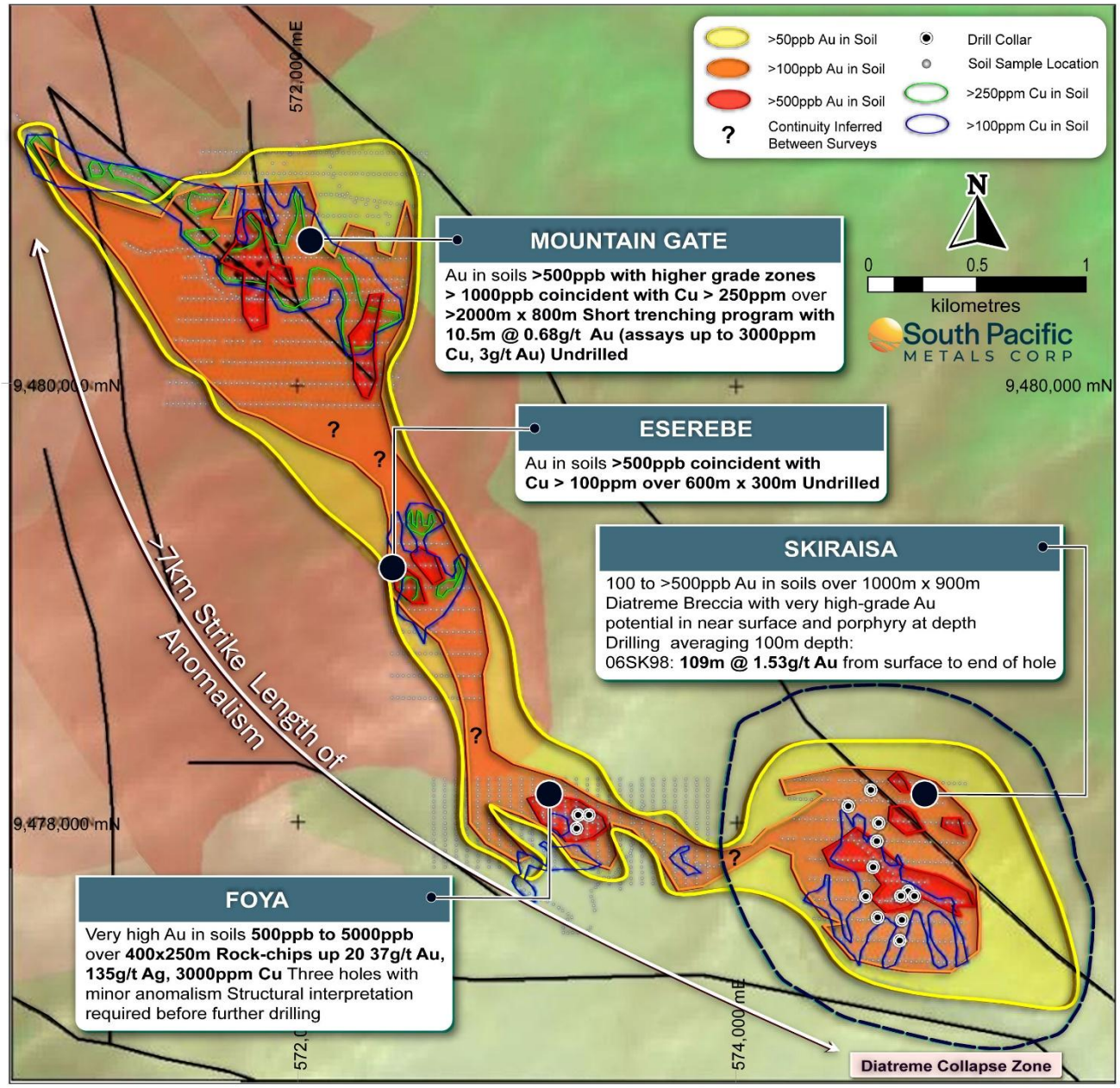
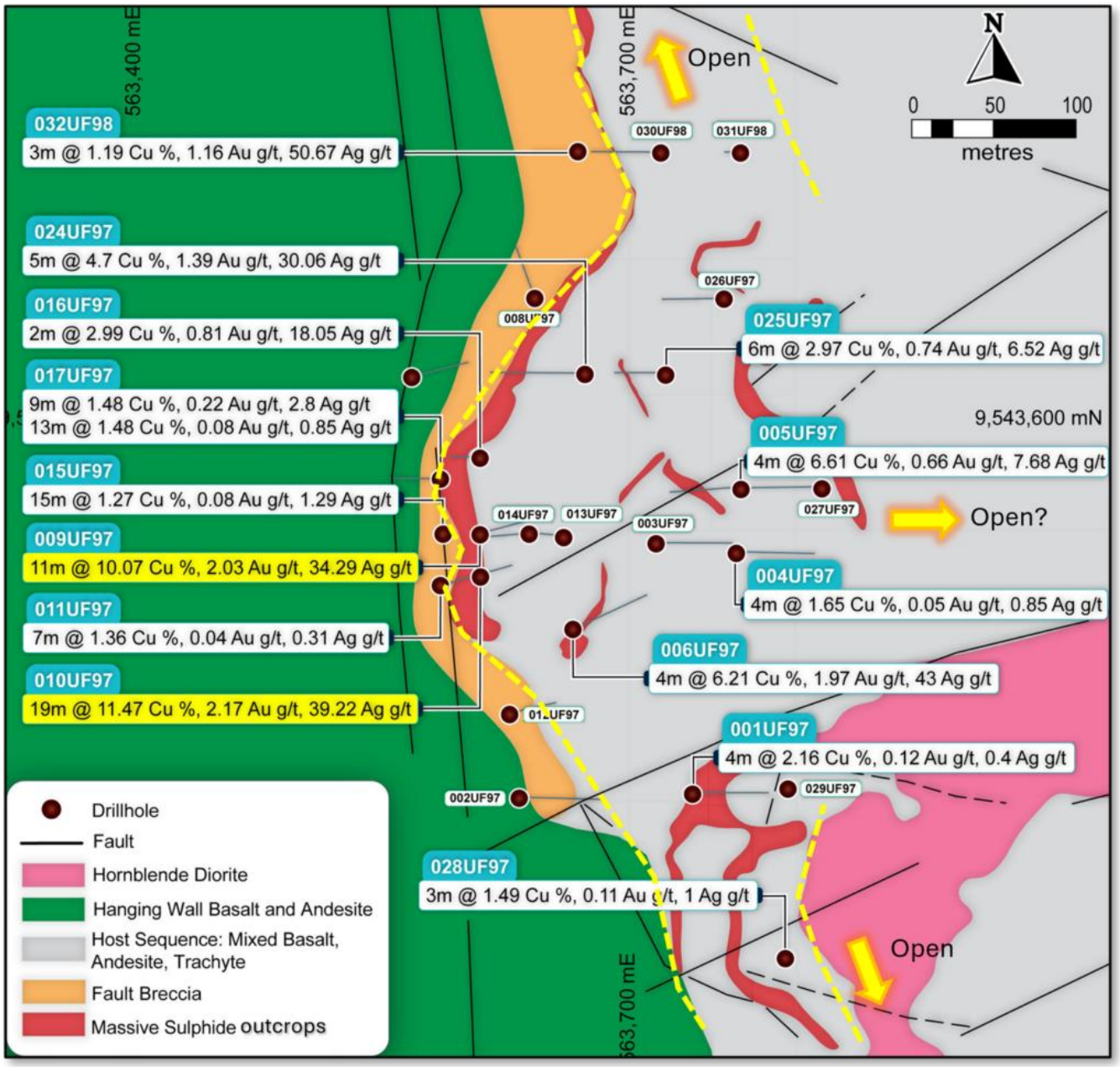


Figure 13: One of five prospects within the Ufuo Polymetallic Massive Sulfide District

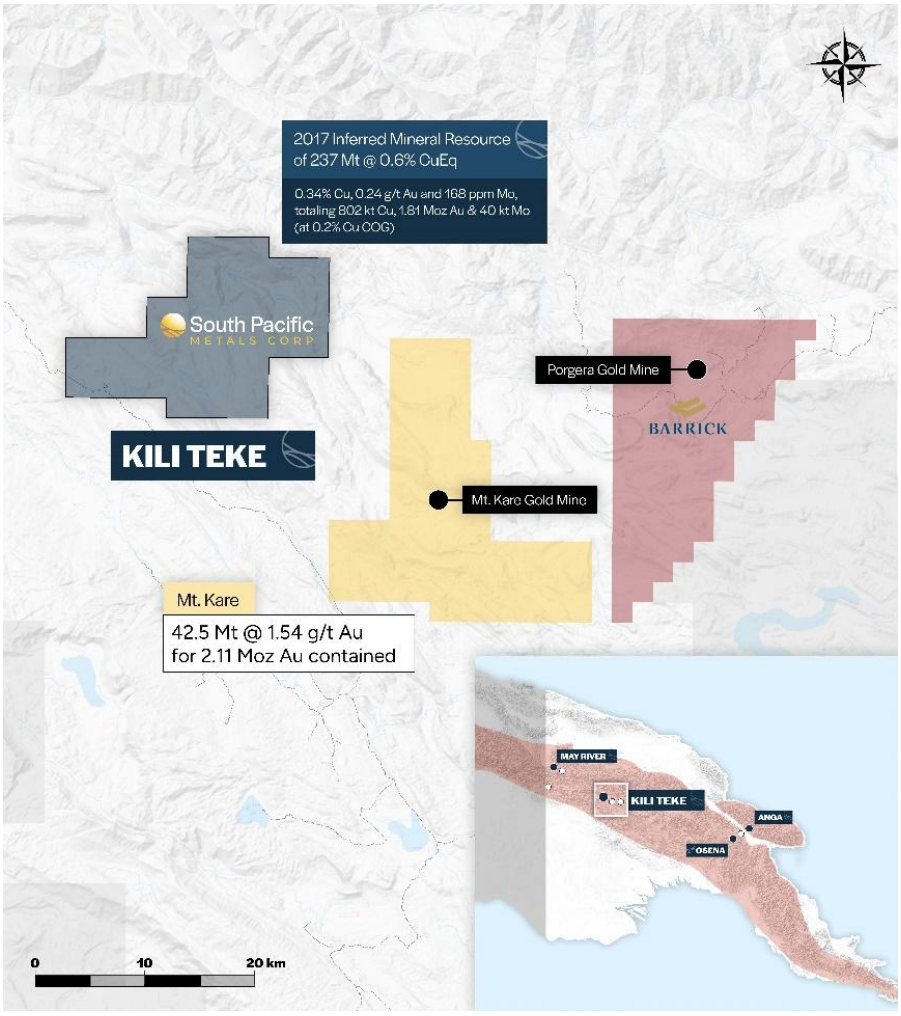


Kili Teke Copper-Gold Project

The Kili Teke Project is located 20 km NW of Mt Kare Gold Mine and 40 km west of the giant Porgera Gold Mine (**Figure 14**). This project was purchased from Harmony Gold (refer news release December 3, 2023). The Kili Teke tenement (EL2310) lies within the northern margin of the Papuan Fold Belt, a terrane of strongly folded and thrusted limestone and clastic sediments. Late Miocene/Pliocene dioritic to monzonitic (porphyry) bodies intrude along a linear trend parallel to the margins of the Papuan Fold Belt.

Significant mineralized porphyry systems are associated with the intrusions, including the world-class deposits at OK Tedi, Star Mountains and Frieda River, in the west, and the Porgera and Mt Kare deposits, to the east of Kili Teke. Prominent NE-SW striking transfer faults are regarded as a first-order control on porphyry mineralization.

Figure 14: Kili Teke project location relative to Mt Kare and Porgera Gold Mines



The Kili Teke Project consists of a main porphyry body intruding limestones. Mineralization occurs as stockwork veins with chalcopyrite ($CuFeS_2$) and bornite (Cu_5FeS_4) within a diorite host. Harmony Gold (and predecessors) have completed 55 diamond core holes for 36,917 meters of drilling and presented a mineral resource estimate (reviewed in the January 2023 Technical Report) as shown in the table below.

Table 2: Mineral Resource Estimate at Kili Teke*

Classification	Cutoff (% Cu)	Mt	Cu %	Au g/t	Mo ppm	Cu (Mt)	Au (MOz)	Mo (Mt)
Inferred	0.2	237	0.34	0.24	168	801,500	1.81	0.0397

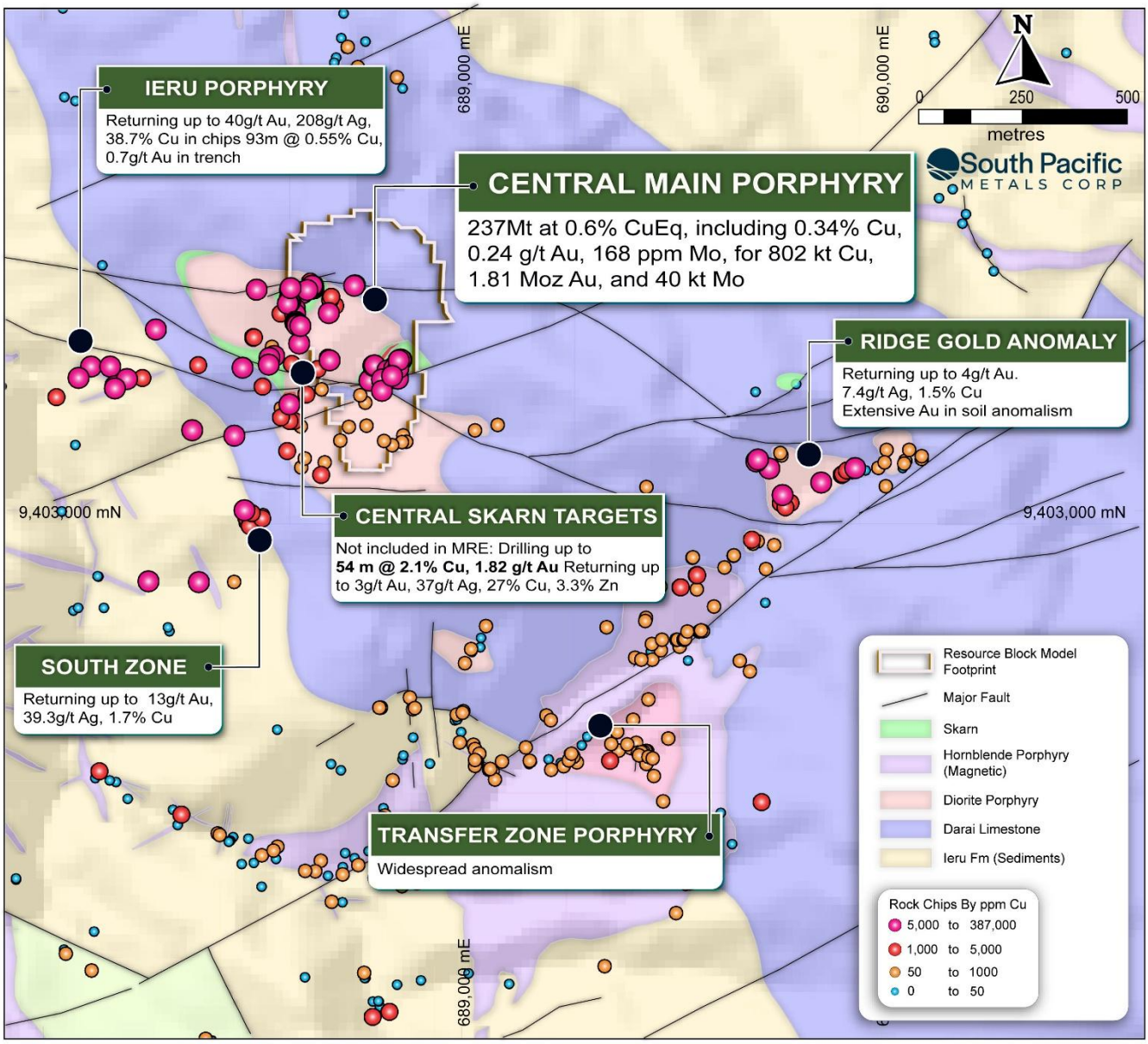
*Information on the Kili Teke inferred mineral resource estimate can be found in the independent technical report titled "Independent Technical Report on the Geology, Mineralization, and Recommended Exploration of the Kainantu Project, Papua New Guinea" dated November 18, 2022 (the "Technical Report"), which was prepared by Graeme J. Fleming, B. App. Sc., MAIG, and prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). Mr. Fleming is a "qualified person" under NI 43-101 and is an independent consultant to the Company, who has approved and verified the data and information as related to the mineral resource estimate. Reference should be made to the full text of the Technical Report, which is available for review on SEDARplus at www.sedarplus.ca.

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. As noted in the Technical Report, the resource estimate is considered as a bulk tonnage global estimate. There is a central high-grade core to the main mineral system, with previous mineralized intercepts including KTDD045 152 m @ 1.17% Cu, 0.93 g/t Au from 46 m**,** however, there is insufficient drilling to domain this for a separate high-grade porphyry mineral resource. Furthermore, the mineral resource estimate was only extended from surface to 1000 mRL (approximately 400-450 m below land surface). As such, there are several drill holes, with mineralized intercepts, not included in the resource.

The mineral system has been confirmed to extend to depth with Harmony Gold noting an increase in Cu:S ratios providing potential for deep high-grade porphyry targets. On the porphyry-limestone contact are several mineralized skarn breccias. The skarns host several high-grade copper-gold-silver drilling intersections including 54 m @ 2.1% Cu, 1.82 g/t Au, 3.87 g/t Ag (from 878 m depth down hole).

Surrounding the main porphyry at Kili Teke are several untested exploration targets (Figure 15). The Ridge Gold Anomaly (RGA) target, for example, is defined by a soil anomaly in Au-Te-Cu extending over an area approximately 700m by 400m. The RGA target has not been adequately tested with drilling. The Ieru Porphyry target area, located 1km to the west of the Central Main Porphyry at Kili Teke, has substantial mineralisation identified in trenching with 93m @ 0.55% Cu, 0.7g/t Au.

Figure 15: Kili Teke Project geology and surface sampling



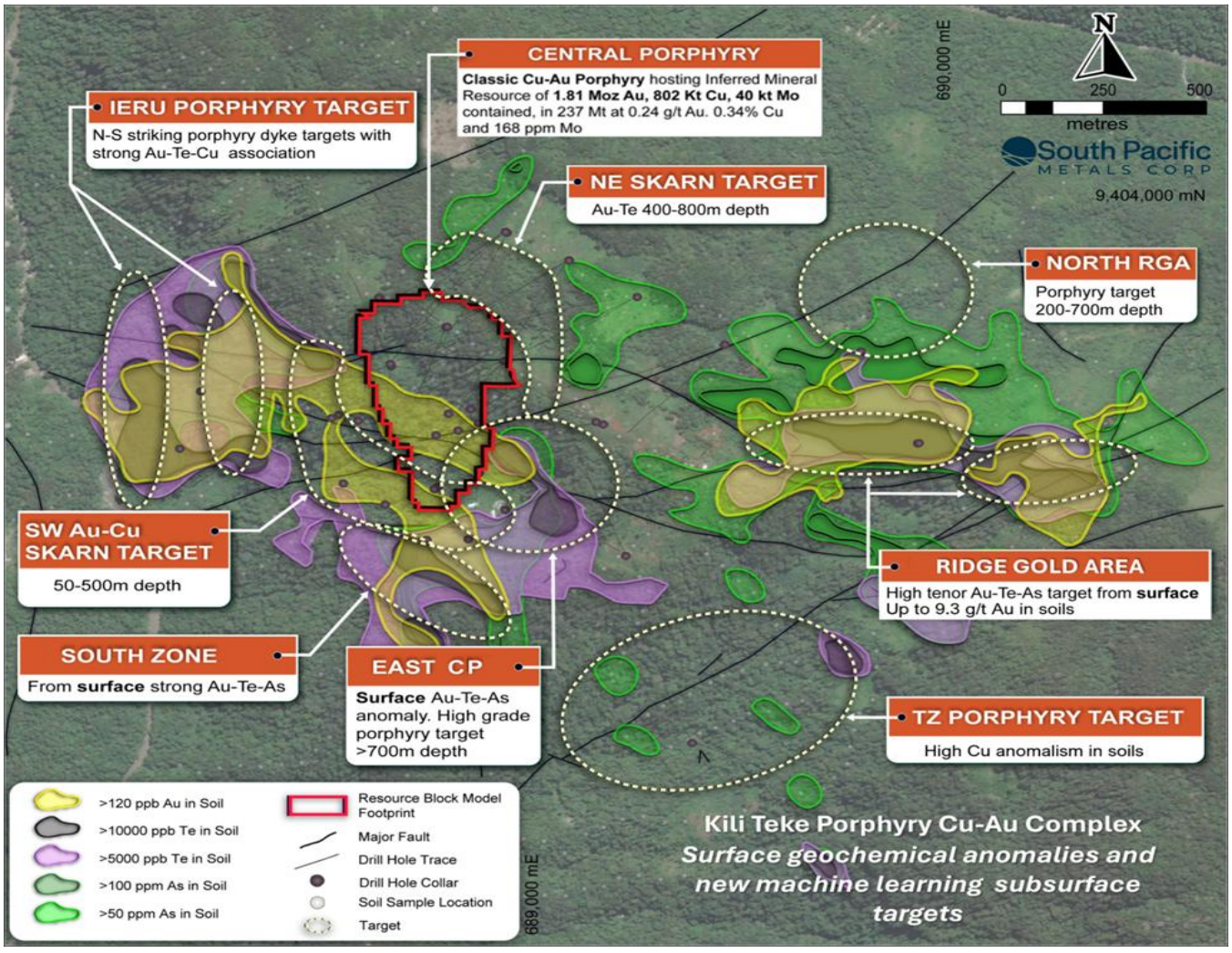
Refer to the Technical Report for further information.

The Company completed conducted a full review of the Kili Teke Project (see release dated October 1, 2024). This work involved a targeting exercise by ALS Gold Spot Discoveries Ltd ("ALS Geoanalytics"). Through the application of advanced technologies including geochemical analysis, 3D modelling and machine learning, 10 new exploration targets proximal to Kili Teke's Central Porphyry were revealed.

Targeting Highlights **(Figure 16):**

- **New Porphyry Targets:**
  - Identified at depth beneath the current resource;
  - The Ieru Porphyry, now confirmed as a distinct separate system. Previous trenching returned 132 m at 0.5% Cu and 0.6 g/t Au;
- **New Skarn Targets** identified adjacent to the current resource with potential to host high-grade Cu-Au, as evidenced by historically drilled skarns that returned 12.98 % Cu, 11.75 g/t Au and 21.07 g/t Ag over 7.8 m within 54 m @ 2.1% Cu, 1.82 g/t Au, 3.87 g/t Ag (from 878 m depth down hole) [2]; and
- **"Porgera-Style" Au Targets:** this style of mineralization is commonly associated with strong gold-tellurium-arsenic metal associations. Near to the current resource, the Ridge Gold Area ("RGA") demonstrates these associations. Additionally, soil Au values of up to 9.3 g/t Au occur over a broad region (900 m by 300 m).

Figure 16: Map illustrating the Kili Teke Cu-Au Porphyry Complex, newly identified sub-surface targets and the 2.5 km x 1.5 km Au-Te-As surface geochemical footprint



Environmental, Social & Governance (ESG)

The Company is committed to ensuring a sustainable approach to project development across all the tenements, in consultation with the local communities and remains focused on maintaining a strong social license. The Company's community relations programs have proven to be very effective through proactive and ongoing consultative engagement with the local clans and stakeholders. Where practical the Company engages local labor and acquires supplies and produce from local communities we operate in.

The Community Relations team continues its focus on developing and maintaining good relationships within all the communities by:

- Establishing and maintaining positive community engagement through effective communication and consultation;
- Effectively managing community grievances; and
- Minimizing the adverse impact of the Company's work in the community and environment.

Selected Annual Information

The following table summarizes select annual information regarding the Company's operations on a yearly basis in accordance with IFRS.

	15-Months Ended March 31, 2025	Year Ended December 31, 2023	Year Ended December 31, 2022
Total revenue	-	-	-
Net loss	$2,556,034	$1,607,217	$1,485,324
Basic and diluted loss per share	$0.07	$0.16	$0.24
Total assets	$14,855,067	$11,394,318	$7,609,125
Total liabilities	$524,924	$3,173,299	$708,423

Results Of Operations

The Company recorded net loss of $2,556,034 for the fifteen months ended March 31, 2025 (the "current period") compared to a net loss of $1,607,217 for the twelve months ended December 31, 2023 (the "prior period"), an increase of $948,817, as explained in the following paragraphs.

- Accounting and legal expenses were $15,108 higher in the current period ($281,116) when compared to the prior period ($266,008). The Company incurred additional legal and audit fees in the current period as it worked to clean up the Company's balance sheet.
- Corporate and administrative expenses were $224,413 higher in the current period ($391,326) when compared to the prior period ($166,913). Additional costs were incurred in the current period as a result of working to reestablish efficient operations in PNG after the change in management during the current period.
- Board and management fees were $290,724 higher in the current period ($624,110) when compared to the prior period ($333,386). The Company incurred additional management fees in the current period relating to management changes and settling obligations from previous management.
- Marketing and investor relations expenses were $129,985 higher in the current period ($505,519) when compared to the prior period ($375,534). Additional costs were incurred as the Company worked to reestablish its awareness in the marketplace after the management changes that took place in the current period.
- Stock-based payments expense, a non-cash expense, was $615,261 higher in the current period ($634,117) when compared to the prior period ($18,856) as a result of the Company granting incentive stock options in the current period.
- Impairment on equipment was $150,958 lower in the current period ($37,257) when compared to the prior period ($188,215). The Company wrote down asset in the current year as a result of a change residual value whereas the Company wrote down the value of assets that held no future economic benefit.
- Gain on the settlement of accounts payable was $218,940 higher in the current period ($218,940) when compared to the prior period ($Nil) as a result of the Company working to settle outstanding liabilities incurred by previous management in the current year.
- Loss on debt settlement was $300,000 higher in the current period ($300,000) when compared to the prior period ($Nil). The Company settled convertible debentures during the current period, which resulted in the loss on debt settlement.
- Gain on revaluation of convertible debt was $129,030 lower in the current period ($Nil) when compared to the prior period ($129,030). The Company had outstanding convertible debentures at the prior period, which resulted in a revaluation of convertible debentures at the end of the prior period.

Summary of Quarterly Results

The following table summarizes selected information from the Company's unaudited condensed interim consolidated financial statements, prepared in accordance with IFRS, for the last eight quarters.

	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Total revenues	-	-	-	-
Loss for the quarter	$1,084,104	$303,105	$189,355	$521,345
Loss per share	$0.03	$0.01	$0.01	$0.01

	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Total revenues	-	-	-	-
Loss for the quarter	$458,125	$540,842	$435,110	$320,210
Loss per share	$0.01	$0.04	$0.04	$0.04

Discussion on Quarterly Results

The Company recorded a net loss of $1,084,104 for the three months ended March 31, 2025 (the "current quarter") compared to a net loss of $540,842 for the three months ended December 31, 2023 (the "prior quarter"), an increase of $543,262, as explained in the following paragraphs.

- Accounting and legal expenses were $124,561 higher in the current quarter ($136,116) when compared to the prior quarter ($11,555). The Company incurred additional legal fees and included accrued annual audit fees in the current quarter.
- Board and management fees were $211,460 higher in the current quarter ($217,110) when compared to the prior quarter ($5,650). The Company incurred additional management fees in the current quarter as previous management was terminated in the early part of the prior quarter with operations in PNG also coming to a stand still at that time.
- Marketing and investor relations fees were $241,308 higher in the current quarter ($251,589) when compared to the prior quarter ($10,281). The Company incurred additional marketing and investors relations fees in the current quarter as the Company has increased its business activities and its stakeholder engagement initiatives.
- Loss on the settlement of accounts payable was $341,060 higher in the current period ($341,060) when compared to the prior period ($Nil) as a result of the Company including disputed accounts payable balances on the Company's balance sheet at the period end. The Company continues to dispute these claims and will vigorously defend itself against any claims for payment that may arise from the associated vendors.

Liquidity and Capital Resources

The Company's working capital as at March 31, 2025 was $3,215,792, including a cash and cash equivalent balance of $3,581,403 to settle accounts payable and accrued liabilities of $524,924. The Company is in a strong working capital position with sufficient funds to finance its exploration activities and to fund general administrative costs. The consolidated 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.

While the Company currently has sufficient funds to complete the next phase of exploration activities, the Company does not have a source of income available to maintain liquidity indefinitely into the future. The Company will continue to seek capital. The Company has financed its operations to date primarily through the issuance of common shares. The Company continues to investigate additional financing opportunities and would consider raising capital via share issuances, debt facilities, joint venture arrangements, or a combination of these options. The Company's continuing operations rely on the ability of the Company to continue to raise capital.

Operating Activities

During the fifteen months ended March 31, 2025, cash used in operating activities was $2,649,818, including $850,671 to settle accounts payable.

Investing Activities

During the fifteen months ended March 31, 2025, cash used in investing activities was $1,158,163, including $1,090,781 in exploration expenditures on the Company's exploration and evaluation assets.

Financing Activities

During the fifteen months ended March 31, 2025, cash provided by financing activities was $6,116,400, including $6,651,400 in proceeds from private placements and expending $535,000 to settle an outstanding promissory note.

Share Capital and Disclosure of Outstanding Share Data

At March 31, 2025, the authorized share capital was an unlimited number of common shares.

On February 6, 2024, the Company announced a consolidation of its issued and outstanding shares at a ratio of ten (10) pre-consolidation common shares for one (1) post-consolidation common share.

At March 31, 2025 there were 51,853,920 common shares issued and outstanding on a post-consolidated basis. As at the date of this MD&A the Company had 51,853,920 common shares issued and outstanding.

Outstanding share data

As at the date of this report, the Company's fully diluted shares outstanding is as follows:

Common shares	51,853,920
Options	3,490,000
Warrants	15,485,384
Restricted Share Units	1,000,000
Fully diluted shares outstanding	71,829,304

Related Party Transactions

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties.

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has identified its directors and officers as its key management personnel and the compensation costs for key management personnel and companies related to them are recorded at their exchange amounts as agreed upon by transacting parties.

Key Management Compensation

Key management personnel compensation is comprised of fees paid and share-based compensation related to the fair value of the stock options granted to these key management personal.

Remuneration for key management personnel of the Company was as follows:

	March 31, 2025	December 31, 2023
Consulting fees	$ 494,164	$ 403,250
Share-based compensation	513,731	18,856
	$ 1,007,895	$ 422,106

As at March 31, 2025, $3,885 (December 31, 2023 - $99,125) was due to directors and officers of the Company.

Convertible Dentures

During the year ended December 31, 2023, the Company issued secured convertible debenture units with a fair value of $992,072. A company controlled by a director of the Company, and a director of the Company participated in the offering and subscribed for a combined fair value total of $305,185. On March 20, 2024, the Company completed a share-for-debt transaction to settle the outstanding principal and accrued interest owing to the secured convertible debenture holders. In total, the Company issued 6,748,631 common shares of the Company with a fair value of $1,377,688.

Off Balance Sheet Arrangements

There are no off balance sheet arrangements.

Contractual Obligations

Except as described herein, the Company had no material contractual obligations.

Proposed Transactions

Unless described elsewhere in this document, as at the date of this report the Company had no other proposed transactions under consideration.

Risk and Uncertainties

The Company is exposed to risks which may have a material effect on financial position, comprehensive income, cash flows and operations. Risks and uncertainties the Company considers material in assessing its financial statements are described below.

Liquidity Risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they become due. The Company has no revenue and will continue to seek capital to sustain operations. In the past the Company has raised capital through the issuance of common shares pursuant to private placements. All financial liabilities, including accounts payable and accrued liabilities and loans from related parties, are classified as current.

Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty is unable to fulfil its contractual payment obligations and arises primarily from the Company's financial assets. The Company is mainly exposed to credit risk on its cash and cash equivalents. Credit risk exposure is limited through depositing cash with high-credit quality financial institutions. The carrying value of these financial assets represents the maximum exposure to credit risk.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors and prices such as interest rates, foreign exchange rates, and commodity and equity prices. The Company is currently not exposed to any material market risks.

Foreign Currency Risk

Foreign currency risk is the risk that the Company's financial performance will be affected by fluctuations in the exchange rates between currencies. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities in Canada, Singapore and PNG and is exposed to risk from changes in the USD, CAD, Singapore dollar and the PNG Kina. The Company manages this foreign currency risk by matching payments in the same currency where possible and monitoring movements in exchange rates.

Other Risk Factors

The Company is subject to a range of additional risk factors, including operational, geological, environmental, licensing and financing risks and risks related to fluctuations in commodities prices, each of which are outlined below.

Exploration and Operational Risks

The Company's operations are focused on mineral exploration and evaluation which involve a high degree of risk. To mitigate this risk the focus of the Company is on areas which are prospective for economic deposits and in the proximity of current mining operations, but no assurance can be given

that the acquisition of and exploration of resource properties will result in the discovery of an economic mineral deposit which will be subsequently advanced to commercial production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of mineral markets 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, the combination of which factors may result in the Company not receiving an adequate return of investment capital. There is no assurance that the Company's mineral exploration and any development activities will result in any discoveries of commercial bodies of ore.

Substantial expenditures are required to establish reserves and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of major mineralized deposits, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

The Company's operations are subject to hazards and risks normally associated with exploration, which include all the hazards and risks normally encountered in exploration, including: unusual and unexpected geologic formations; seismic activity; rock bursts; cave-ins or slides; flooding; periodic interruption due to inclement or hazardous weather conditions, any of which could result in risk of injury or death and damage to property or the environment or possible legal liability. Operations may also be subject to disruptions caused by physical geography, environmental, extreme weather and community interrelations which are outside the Company's control.

Risks of Operating in Papua New Guinea

The Company's exploration activities are conducted in Papua New Guinea and, as such, its operations are exposed to relatively high levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, the existence or possibility of political or economic instability; conflict; terrorism; hostage taking; military repression; extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; war or civil unrest; expropriation and nationalization; uncertainty as to the outcome of any litigation in a foreign jurisdiction; uncertainty as to enforcement of local laws; uncertainty in relation to the impact of a new pandemic on mining operations and travel limitations on fly-in fly-out employees; the impact of any declared State of Emergency laws in Papua New Guinea on fly-in fly-out employees and on labour force generally; environmental controls and permitting; restrictions on the use of land and natural resources; renegotiation or nullification of existing concessions, licences, permits and contracts; illegal mining; changes in taxation laws or policies; restrictions on foreign exchange and repatriation; corruption; unstable legal systems; changing political conditions; changes in mining and social laws and policies; social unrest on account of poverty or unequal income distribution; local ownership legislation; currency controls and governmental regulations that favor or require the awarding of contracts to local contractors or require foreign contractors to employ

citizens of, or purchase supplies from, the foreign jurisdiction or require equity participation by local citizens; and other risks arising out of foreign sovereignty issues.

The Company's interests in exploration and development properties are located in Papua New Guinea, a developing country, and therefore its mineral exploration and mining activities may be affected by political instability and governmental legislation and regulations relating to foreign investment and the mining industry. Papua New Guinea can often experience periods of civil unrest and instability. Changes, if any, in mining or investment laws or policies, political attitude or the level of stability in Papua New Guinea may adversely affect the Company's operations or profitability.

Due to the potential for criminal activity and civil unrest in Papua New Guinea, the Company may need to maintain a minimum level of security to protect its assets and personnel; however, there is no guarantee that such measures will provide an adequate level of protection for the Company or its assets and personnel.

Limited Operating History

The Company has a limited operating history and its mineral properties are exploration stage properties. As such, the Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues.

The current state of the Company's mineral properties require significant additional expenditures before any cash flow may be generated. Although the Company possesses an experienced management team, there is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. There is no assurance that the Company can generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

Supply Chain Risks

Due to limited suppliers of equipment, materials, supplies and services available in Papua New Guinea, any disruption at supplier facilities could result in curtailment or suspension of activities. Any disruption in the transportation of or restriction in the flow of these goods or the imposition of customs clearance requirements may result in production delays.

The Company is also exposed to price volatility in respect of key inputs, such as fuel. Increases in global fuel prices can materially increase operating costs, erode operating margins and project investment returns. Conversely, a significant and sustained decline in world fuel prices may offset other costs and improve returns. The Company may also be exposed to worldwide political, economic or other risks and uncertainties, including a risk of war or civil unrest. In particular, the

Company's business could be materially adversely affected by the conflict between Russia and Ukraine or any conflict involving China, which could in turn have potential impacts on commodity prices and negative implications on the financial markets. The effect of these factors cannot be predicted with any accuracy by the Company and its management.

Corruption and Compliance Risks

The Company is subject to certain Canadian and other anti-corruption laws and regulations (the "Anti-Corruption Legislation"). In general, these laws prohibit a company and its employees and intermediaries from bribing or making other prohibited payments to foreign officials or other persons to obtain or retain business or gain some other business advantage.

According to Transparency International, Papua New Guinea is perceived as having fairly high levels of corruption relative to Canada. The Company relies, to a great extent, on the Company's local advisors in respect of legal, environmental compliance, banking, financing and tax matters in order to ensure compliance with material legal, regulatory and governmental developments as they pertain to and affect the Company's operations in Papua New Guinea. The Company cannot predict the nature, scope or effect of future regulatory requirements to which the Company's operations might be subject or the manner in which existing laws might be administered or interpreted. The Company's operations in the Papua New Guinea may create the risk of unauthorized payments or offers of payments by the Company's employees, consultants or agents. Failure by the Company or its predecessors to comply with the applicable legislation and other similar foreign laws could expose the Company and its senior management to civil and/or criminal penalties, other sanctions and remedial measures, legal expenses and reputational damage, all of which could materially and adversely affect the Company's business, financial condition and results of operations. Likewise, any investigation of any alleged violations of the applicable Anti-Corruption Legislation by Canadian or foreign authorities could also have an adverse impact on the Company's business, financial condition and results of operations.

Relationship with Stakeholders Risks

As a mining business, the Company comes under pressure in the jurisdictions in which it operates to demonstrate that other stakeholders (including employees, communities surrounding operations and the countries in which it operates) benefit and will continue to benefit from the Company's commercial activities, and/or that the Company operates in a manner that will minimize any potential damage or disruption to the interests of those stakeholders. The Company may face opposition with respect to its current and future development and exploration projects which could materially adversely affect the Company's business, results of operations and financial condition.

Governments in many jurisdictions must consult with aboriginal peoples and local communities with respect to grants of mineral rights and the issuance or amendment of project authorizations. Consultation and other rights of Aboriginal people and local communities frequently require accommodations, including undertakings regarding employment, royalty payments and other matters. This may affect the Company's ability to acquire within a reasonable time frame effective

mineral titles, permits or licences in the jurisdictions in which it operates and may affect the timetable and costs of development of the Company's mineral properties.

Further, certain non-governmental organizations ("NGOs"), some of which oppose globalization and resource development, are often vocal critics of the mining industry and its practices, including the use of hazardous substances in processing activities. Adverse publicity generated by such NGOs or others related to extractive industries generally, or the Company's operations specifically, could have an adverse effect on the Company's reputation and financial condition and may impact its relationship with the communities in which the Company operates. They may also attempt to disrupt the Company's operations.

Licenses Risks

The Company's mineral exploration activities are subject to the issue, renewal and maintaining licenses from appropriate government authorities. Failure to renew, transfer or the loss of a license may impact the Company's operations. The Company is also required to meet minimum expenditure amounts on the exploration licenses to maintain them in good standing.

Financing Risks

The Company will require additional funding with no revenues from operations and expects to incur operating losses in future periods on exploration projects, new business opportunities and working capital costs. The Company has relied upon equity subscriptions to date and will likely continue to depend upon these sources to finance its activities, with finite financial resources the ability to advance its projects will depend upon the ability to secure near and long-term financing. The volatility of global capital markets over the past several years has generally made the raising of capital by equity or debt financing more difficult. There can be no assurances that the Company will be successful in raising the desired level of financing on acceptable terms. These financing requirements may result in dilution of existing shareholders and the inability to obtain financing may result in delay or postponement of operations.

Negative Cash Flow from Operating Activities

The Company has no history of earnings and had negative cash flow from operating activities since inception. The Company's mineral properties are in the exploration stage and there are no known mineral reserves and the proposed exploration programs on the Company's mineral properties are exploratory in nature. Significant capital investment will be required to achieve commercial production from the Company's existing projects. There is no assurance that any of the Company's mineral properties will generate earnings, operate profitably or provide a return on investment in the future. Accordingly, the Company will be required to obtain additional financing in order to meet its future cash commitments.

Title Risks

The Company's ability to carry out successful mineral exploration and development activities and mining operations will depend on a number of factors including changes to laws, compliance with the Company's obligations with respect to acquiring and maintaining title to the Company's interest in its properties. The acquisition of title to mineral properties is a very detailed and time-consuming process. No guarantee can be given that the Company will be in a position to comply with all such conditions and obligations, or to require third parties to comply with their obligations with respect to such properties. Furthermore, while it is common practice that permits and licences may be renewed, extended or transferred into other forms of licences appropriate for ongoing operations, no guarantee can be given that a renewal, extension or a transfer will be granted to the Company or, if they are granted, that the Company will be in a position to comply with all conditions that are imposed.

The interests in the Company's properties may not be free from defects or the material contracts between the Company and the entities owned or controlled by a foreign government may be unilaterally altered or revoked. There can be no assurances that the Company's rights and title interests will not be revoked or significantly altered to the Company's detriment. There can be no assurances that the Company's rights and title interests will not be challenged or impugned by third parties. The Company's interests in properties may be subject to prior unregistered liens, agreements, claims or transfers and title may be affected by, among other things, undetected defects or governmental actions.

Competition and Mineral Exploration

The mineral exploration industry is intensely competitive in all of its phases and the Company must compete in all aspects of its operations with a substantial number of large established mining companies with greater liquidity, greater access to credit and other financial resources, newer or more efficient equipment, lower cost structures, more effective risk management policies and procedures and/or greater ability than the Company to withstand losses.

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 of their operations, than the Company can. In addition, current and potential competitors may make strategic acquisitions or establish cooperative relationships among themselves or with third parties. Competition could adversely affect the Company's ability to acquire suitable new mineral properties or prospects for exploration in the future. Competition could also affect the Company's ability to raise financing to fund the exploration and development of its properties or to hire qualified personnel. 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 or results of operations.

Metals Prices Risks

The value and price of the Company's common shares, the Company's financial results, and exploration, development and mining activities of the Company, if any, may be significantly adversely affected by declines in the price of metals. Mineral prices fluctuate widely and are affected by numerous factors beyond the Company's control such as interest rates, exchange rates, inflation or deflation, global and regional supply and demand, and the political and economic conditions of mineral producing countries throughout the world.

Volatility of Share Price

The common shares are publicly traded and are subject to various factors that have historically made the common share price volatile. The market price of the common shares has experienced, and may continue to experience significant volatility, which may result in losses for investors. The market price of the common shares may increase or decrease in response to a number of events and factors, including as a result of the risk factors described in this MD&A.

In addition, the global stock markets and prices for mining company shares have experienced volatility that often has been unrelated to the operating performance of such companies. These market and industry fluctuations may adversely affect the market price of the common shares, regardless of the Company's operating performance.

Infrastructure

Exploration, development and processing activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important elements of infrastructure, which affect access, capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration or development of the Company's mineral properties. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploration or development of the Company's mineral properties will be commenced or completed on a timely basis, if at all.

Furthermore, unusual or infrequent weather phenomena, sabotage, terrorism, community, government or other interference in the maintenance or provision of necessary infrastructure could adversely affect our operations.

Exploration operations depend on adequate infrastructure. In particular, reliable power sources, water supply, transportation and surface facilities are necessary to explore and develop mineral projects. Failure to adequately meet these infrastructure requirements or changes in the cost of such requirements could affect the Company's ability to carry out exploration and future development operations and could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Dependence on Management and Key Personnel

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business. As the Company's business activity grows, the Company will require additional key financial, administrative and mining personnel as well as additional operations staff. There can be no assurance that these efforts will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increase. If the Company is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on the Company's operations and financial condition.

Skilled Personnel Risks

In Papua New Guinea, due to high levels of unemployment, it may be difficult for the Company to obtain skilled personnel that may be required in exploration. In addition, Papua New Guinea suffers from high levels of poverty. A significant proportion of the Papua New Guinea workforce can be classified as unskilled or semi-skilled labourers, as a result of which it may be difficult for the Company to find skilled personnel for specialized tasks. Shortages of suitably qualified personnel in Papua New Guinea could have a material adverse effect on the Company's business, financial condition and results of operations.

Claims and Legal Proceedings

The Company and/or its directors and officers may be subject to a variety of civil or other legal proceedings, with or without merit. From time to time in the ordinary course of its business, the Company may become involved in various legal proceedings, including commercial, employment and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses.

Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on the Company's business, operating results or financial condition.

Climate Risks

Governments are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Where legislation already exists, regulation relating to emission levels and energy efficiency is becoming more stringent. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, if the current regulatory trend continues, the Company expects that this could result in increased costs at some of its operations in the future.

The Company and the mining industry are facing continued geotechnical challenges, which could

adversely impact the Company's production and profitability. Unanticipated adverse geotechnical and hydrological conditions, such as landslides, floods, seismic activity, droughts and pit wall failures, may occur in the future and such events may not be detected in advance. Geotechnical instabilities and adverse climatic conditions can be difficult to predict and are often affected by risks and hazards outside of the Company's control, such as severe weather and considerable rainfall. Geotechnical failures could result in limited or restricted access to exploration sites, government investigations, increased monitoring costs, remediation costs and other impacts, which could cause one or more of the Company's projects to be less profitable than currently anticipated and could result in a material adverse effect on the Company's business results of operations and financial position.

Qualified Person

Project descriptions and disclosures regarding exploration have been reviewed and approved by Darren Holden, BSc (Hons), PhD, and Fellow of the Australasian Institute of Mining and Metallurgy. Dr. Holden is an employee of GeoSpy Pty Ltd, a geological advisory company and is a "qualified person" as defined under National Instrument 43-101, Standards of Disclosure for Mineral Projects.

Note Regarding Forward-Looking Statements

This MD&A contains forward-looking statements, which relate to future events or future performance and reflect management's current expectations and assumptions. Such forward-looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to the Company. All statements, other than statements of historical fact, are forward-looking statements or information. These forward-looking statements can generally be identified as such because of the context of the statements, including such words as "believes", "anticipates", "expects", "plans", "may", "estimates", or words of a similar nature. Forward-looking statements or information in this MD&A relate to, among other things: formulation of plans for drill testing; and the success related to any future exploration or development programs. These forward-looking statements and information reflect the Company's current views with respect to future events and are necessarily based upon a number of assumptions that, while considered reasonable by the Company, are inherently subject to significant operational, business, economic and regulatory uncertainties and contingencies.

These assumptions include; success of the Company's projects; prices for gold remaining as estimated; currency exchange rates remaining as estimated; availability of funds for the Company's projects; capital, decommissioning and reclamation estimates; prices for energy inputs, labour, materials, supplies and services (including transportation); no labour-related disruptions; no unplanned delays or interruptions in scheduled construction and production; all necessary permits, licenses and regulatory approvals are received in a timely manner; and the ability to comply with environmental, health and safety laws. The foregoing list of assumptions is not exhaustive.

The Company cautions the reader that forward-looking statements and information involve known

and unknown risks, uncertainties and other factors that may cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements or information contained in this news release and the Company has made assumptions and estimates based on or related to many of these factors. Such factors include, without limitation: fluctuations in gold prices; fluctuations in prices for energy inputs, labour, materials, supplies and services (including transportation); fluctuations in currency markets (such as the Canadian dollar versus the U.S. dollar); operational risks and hazards inherent with the business of mineral exploration; inadequate insurance, or inability to obtain insurance, to cover these risks and hazards; our ability to obtain all necessary permits, licenses and regulatory approvals in a timely manner; changes in laws, regulations and government practices, including environmental, export and import laws and regulations; legal restrictions relating to mineral exploration; increased competition in the mining industry for equipment and qualified personnel; the availability of additional capital; title matters and the additional risks identified in our filings with Canadian securities regulators on SEDAR in Canada (available at www.sedar.com).

Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, described, or intended. Investors are cautioned against undue reliance on forward-looking statements or information. These forward-looking statements are made as of the date hereof and, except as required under applicable securities legislation, the Company does not assume any obligation to update or revise them to reflect new events or circumstances. Mineralization hosted on adjacent and/or on nearby properties is not necessarily indicative of mineralization hosted on the Company's properties. The data disclosed in this release relating to drilling results is historical in nature. Neither the Company nor a qualified person has yet verified this data and therefore investors should not place undue reliance on such data, and no representation or warranty, express or implied, is made by the Company, its affiliated companies, or any other person as to its fairness, accuracy, completeness, or correctness.