

STAKEHOLDER GOLD CORP.
MANAGEMENT DISCUSSION & ANALYSIS
For the period ended March 31, 2016

The following management's discussion and analysis (the "MD&A") of the financial condition and results of the operations of Stakeholder Gold Corp. ("Stakeholder" or "the Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the period ended March 31, 2016. This MD&A should be read in conjunction with the Company's unaudited financial statements and related notes for the periods ended March 31, 2016 and 2015. The financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") and reported in Canadian dollars unless otherwise stated.

Further information regarding the Company and its operations are filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) in Canada and can be obtained from www.sedar.com and or on the Company's website at www.stakeholdergold.com.

DATE OF MD&A

This MD&A was prepared May 26, 2016.

FORWARD-LOOKING INFORMATION

This management's discussion and analysis may contain forward-looking statements reflecting the Company's objectives, estimates and expectations. These statements are identified by the use of verbs such as "estimate", "believe", "anticipate", "intend", "expect", "plan", "may", "should", "will", and the negative thereof, or other variations thereon or comparable terminology. By their very nature, these types of statements involve risk and uncertainty. Consequently, results could differ materially from the Company's projections or expectations.

NATURE OF ACTIVITIES

Stakeholder, was incorporated on February 1, 2011 under the Canada Business Corporations Act and is a mineral exploration company engaged in the acquisition, exploration and development of mineral resource properties. The Company is currently focusing its exploration activities in Canada on precious metals properties located in the Yukon, and continues to evaluate and will acquire additional properties as capital and opportunities present themselves.

RECENT EVENTS

On February 26, 2016, the Company closed a non-brokered private placement. This private placement consisted of \$150,000 of flow-through financing (issuance of 1,500,000 shares priced at \$0.10) and \$600,000 of hard dollar financing (issuance of 6,000,000 shares priced at \$0.10), for total gross proceeds of \$750,000.

On March 30, 2016, the Company announced that John Nebocat was appointed as Vice President of Exploration. John brings almost 40 years of exploration experience to the Company, much of which was earned in the Yukon Territory (with Newmont Exploration).

Yukon Gold Exploration

On April 22, 2015 Stakeholder announced initiation of a geological data review by GroundTruth Exploration Inc. (a Shawn Ryan exploration Company) of Dawson City, Yukon. GroundTruth has completed the review of the Company's Ballarat gold property exploration data, and Shawn Ryan has joined the Company's Exploration Advisory Committee for review and consultation on Ballarat as well as other properties in the White Gold District.

The White Gold district is today one of the most exciting gold exploration camps in the world with a developing history of significant gold discoveries. GroundTruth have collected more than 250 thousand soil samples in the White Gold area which have resulted in discoveries such as the Golden Saddle deposit, the Coffee deposit, the Betty, QV and Rosebute and have identified several other high potential targets.

Stakeholder is reviewing exploration options on Ballarat and finalizing exploration plans for the 2016 summer season. Current exploration plans include using the GT Probe for enhanced upper bedrock sampling on the NW Gold Target and soil sampling on lines over two targets on the Eastern portion of the property. A DC Resistivity/IP survey over the two priority zones on the NW Gold Target is also anticipated. The Company believes that Ballarat represents a high potential mineral property for discovery of economic gold deposition.

For further information and a podcast covering GroundTruth exploration methods and the Ballarat property exploration potential, please refer to the Company's website which can be found at: www.stakeholdergold.com

Bass River Exploration Program

The Company has discontinued work in Nova Scotia due to funding requirements for the Company's projects elsewhere. A site visit was undertaken, and a geological assessment was made, by an independent geologist. This led management to believe that renegotiated terms were required to merit continued investment.

On April 15, 2015 the Company announced completion of drilling at Bass River. The drill results suggested that a reasonable mineralized system may be present at Bass River, and that the key target area for further work would be the newly detected Catlereagh VTEM anomaly located between 500 metres and 1,000 metres northeast from drill hole GL-06. Management concluded that given the results received and the investment required, a renegotiation of terms would be required to merit further work on the property. Reasonable terms could not be secured and the Company does not envision returning to Nova Scotia for exploration work. Stakeholder expects to focus future exploration initiatives on the developing gold opportunities of the Klondike in the Yukon Territories.

During the second quarter of 2015, management, terminated the Agreement with Cogonov and determined that its Bass River E&E assets were impaired and accordingly and judgementally wrote-off the full amount of the asset. In its determination of cost to sell and value in use, management assessed the nature of expenses incurred, almost all of which were labour and associated costs, rents, and third party assessments, and accordingly, the total impairment charge taken was \$1,648,442.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUES WITHOUT SIGNIFICANT REVENUE

Bass River Expenditures

The Bass River project was impaired and written down to zero during the second quarter of 2015. Comparative information from March 31, 2015 is as follows: A total spend of approximately \$1,620,914 on the Bass River project was accounted for approximately as follows: \$314,177 was allocated for the option payment of which \$250,000 was non-cash, \$315,000 was paid to management and corporate management, \$415,600 was paid to consultants, surveyors and field staff, \$173,545 was spent on analysis and assays, \$57,762 was required for leases, vehicles and equipment, \$5,292 was spent on field supplies, \$19,289 was spent on mapping, \$16,162 was spent on line-cutting, \$223,687 was spent on drilling and \$80,400 was spent on transportation, meals, accommodation, and general site and vehicle maintenance and repairs.

	Period ended March 31, 2016 \$	Period ended March 31, 2015 \$
Capitalized exploration expenditures (Bass River)	-	1,620,914
Impairment of exploration and evaluation assets (Bass River)	-	-
Management and consulting fees	227,545	37,995
Investor and shareholder expenses	27,302	32,567
Professional fees	1,289	5,000
Office expense	18,076	9,373
Exploration expenses	4,050	4,850
Stock-based compensation	279,300	432,200
Interest income	2,457	353

OVERVIEW

As of March 31, 2016 the Company incurred a net loss of \$555,105 (March 31, 2015– \$521,632) and had a deficit of \$9,363,066 (December 31, 2015–\$8,807,961). The Company had positive working capital of \$531,846 (December 31, 2015–\$74,151). These material uncertainties cast a significant doubt regarding the Company's ability to continue as a going concern.

OPERATING ACTIVITIES

The main expenses for the first quarter of 2016 are as follows:

- ◆ \$227,545 (2015–\$37,995) The large increase in management and consulting fees of \$189,550 comes from several factors including a contingency fee paid for recovery of certain receivables, a management bonus which was tied to the successful campaign to raise sufficient funding to commence work on the Ballarat property and other consulting fees tied with investigative work on several new investment opportunities.
- ◆ \$27,302 (2015–\$32,567) The decrease period on period is marginal however, during the period in the prior quarter, management was promoting its Bass River project. In the current quarter, management has yet to commence full promotion of its Ballarat property.
- ◆ \$1,289 (2014–\$5,000) Professional fees decreased due to smaller audit fees.
- ◆ \$18,076 (2015–\$9,373) Office expenditures increased principally due to an increase in rent expense in the current period when compared to the comparative period. Additionally, there were certain costs associated with prepping for the Company's move which took place in April of 2016.
- ◆ Stock based compensation expense decreased due to the number of options issued and relative fair value derived by using the Black Scholes pricing model.

SUMMARY OF QUARTERLY INFORMATION

	Three months ending			
	March 31 2016 \$	December 31 2015 \$	September 30 2015 \$	June 30 2015 \$
Net loss for the period	(555,105)	(129,511)	(91,245)	(1,758,883)

Net loss per share	(0.05)	(0.00)	(0.00)	(0.03)
Total assets	667,085	327,424	294,086	268,512

	Three months ending			
	March 31 2015	December 31 2014	September 30 2014	June 30, 2014
	\$	\$	\$	\$
Net loss for the period	(521,632)	(121,204)	(317,162)	(135,320)
Net loss per share	(0.07)	(0.01)	(0.01)	(0.00)
Total assets	1,996,402	2,207,167	1,357,446	812,930

INVESTING ACTIVITIES

The Company holds a portfolio of mineral properties located in the Yukon. The Company explores for its own account. The Company may also derive revenue and furthers exploration or development by farming out mineral property interests in whole, or in part, to other exploration companies for a mix of cash, shares and work expenditure commitments.

White Gold Area

The Dawson Range area overlaps with the Klondike and Stewart gold camps where over 20 million ounces of placer gold have been produced to date. The hard rock gold potential of the Dawson Range had not been fully recognized until 2009 when Underworld Resources Inc. announced the Golden Saddle discovery. This discovery led to a massive staking rush in 2010, followed by a second major discovery by Kaminak Gold Corp. on its Coffee Creek project. The Dawson Range is currently one of the busiest exploration districts in Canada. Stakeholder holds a total of 17,046 hectares in the Dawson Range. Ballarat is located midway between Golden Saddle (now held by Kinross) and Coffee Creek. The Coffee property is also located in the district.

The Dawson Range remained free of ice during the last period of glaciation. Because of this, the region is characterized by rolling hills with steep-sided, V-shaped valleys. There is very little bedrock exposure and a thick local soil has developed which prevented early prospectors from finding much by traditional "pack and boots" prospecting. Modern, GPS-guided soil geochemical surveys have proven to be a very effective tool for identifying large mineralized systems. At this early stage, it appears that the geology is prospective for a range of deposits from narrow, low-tonnage, high-grade deposits to broad, large-tonnage, low-grade gold deposits. This part of Yukon is relatively accessible by a number of summer roads and airstrips built by placer miners. The Yukon River also offers a transportation corridor to barge in fuel, equipment and supplies.

Ballarat

The 200 claim (4,140ha) Ballarat property lies approximately 100km due south of Dawson City, Yukon. Stakeholder holds Ballarat 100%. In July 2012, the Company completed a five hole, 753 metre core drilling program to test two strong gold-in-soil trends outlined in work completed during 2010. Drill results were below expectations although low grade gold mineralization was intersected in three of the five holes. Management feels that the drilling program did not follow the identified gold anomalies. In December 2012, the Company wrote off all development expenses. Geochemical surveys completed in 2011 identified a number of gold-in-soil anomalies on the eastern part of the property. Recent GroundTruth interpretation of results coupled with the property's known geological merits and a history of successful placer mining suggests that more investigation should be undertaken. In particular a more detailed soil sampling program has been recommended, which is expected to be followed by surface trenching and GT Probe sampling. This program could provide useful information quickly and cost effectively in relation to near surface or subsurface gold deposition that may lend themselves to economic gold recoveries similar to the known and more extensively tested deposits nearby.

Coffee

Stakeholder holds the 10-claim (208ha) Coffee property claims adjacent to, and enclosed by, Kaminak's Coffee property. These claims are located approximately 5km east of Kaminak's Supremo discovery, announced on May 26, 2010.

FINANCING ACTIVITIES

On February 26, 2016, the Company closed a non-brokered private placement. This private placement consisted of \$150,000 of flow-through financing (issuance of 1,500,000 shares priced at \$0.10) and \$600,000 of hard dollar financing (issuance of 6,000,000 shares priced at \$0.10), for total gross proceeds of \$750,000.

LIQUIDITY

As of March 31, 2016 the Company incurred a net loss of \$555,105 (March 31, 2015– \$521,632) and had a deficit of \$9,363,066 (December 31, 2015–\$8,807,961). The Company had positive working capital of \$531,846 as of March 31, 2016 (December 31, 2015–\$74,151). These material uncertainties cast a significant doubt regarding the Company's ability to continue as a going concern.

The Company is involved in funding activities and will continue to source additional financing; however, there is no assurance that such financing will be available when required, or under terms that are favourable to the Company. The Company may also elect to advance the exploration and development of mineral properties through joint-venture participation. When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its activities, or may slow its activities until conditions improve.

DISCLOSURE OF OUTSTANDING SHARE DATA (AS OF MAY 26, 2016)

	Number
Shares	15,163,782
Options	1,310,000
Warrants	884,959
	17,358,741

FINANCIAL INSTRUMENTS

The Company is exposed to various financial risks resulting from both its operations and its investments activities. The Company's management manages financial risks. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes. The Company's main financial risk exposure and its financial risk management policies are as follows:

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The term deposits bear interest at a fixed rate and the Company is therefore exposed to the risk of changes in fair value resulting from interest rate fluctuations. Because these financial assets are recognized at amortized cost, the fair value variations have no impact on profit (loss).

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is subject to concentrations of credit risk through cash and term deposits and its HST receivable. The Company has no trade accounts. The exposure to credit risk for cash and term deposits is considered negligible since the counterparties are reputable banks with high quality external credit ratings. As at March 31, 2016, the Company's maximum exposure to credit risk is limited to the carrying amount of these financial assets at the reporting date totaling \$622,167 (December 31, 2015-\$99,429).

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet the obligations associated with its financial liabilities. The Company manages its financial resources to ensure that there is sufficient working capital to fund near-term planned exploration work and operating expenditures. As of December 31, 2015, the Company had positive working capital; however, management is continuing to follow-up on additional financing opportunities including equity financing, participation by joint venture partners or by selling property interests in whole or in part. There is no assurance that such financing will be available when required, or under terms that are favourable to the Company. The Company may also elect to advance the exploration and development of mineral properties through joint-venture participation. When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its activities, or may slow its activities until conditions improve. Accounts payable and accrued liabilities are due within three months.

Fair Value

The carrying value of cash, restricted cash, other receivable and accounts payable and accrued liabilities is considered to be an approximation of fair value because of the short-term maturity of these instruments.

COMPENSATION TO KEY MANAGEMENT AND RELATED PARTY DISCLOSURES

Compensation to key management

Related party transactions conducted in the normal course of operations are measured at the exchange value established and agreed to by the related parties

Key management includes directors, the chief executive officer and the chief financial officer. Key management compensation includes the following expenses:

	Three months ended March 31, 2016	Three months ended March 31, 2015
	\$	\$
Short-term compensation		
Management and consulting fees ¹	153,000	48,000
Total short-term compensation		
Stock-based compensation	83,790	432,200
Total compensation	236,790	480,200

¹ Management and consulting fees of for March 31, 2016 of \$nil (March 31, 2015-\$15,000) were capitalized to E&E assets

- (a) As at March 31, 2016 accounts payable and accrued liabilities include \$nil (December 31, 2015-\$95,016) due to officers and directors.
- (b) Included in accounts payable and accrued liabilities is \$24,910 (December 31, 2015-\$106,597) payable to companies controlled by officers and/or directors.
- (c) For the period ended March 31, 2016 the Company incurred sublease rental expense of \$6,573 (2015 - \$2,775), payable and or paid to a corporation with common directors and or officers.
- (d) The Company incurred management and consulting fees relating to exploration work charged by companies with common officers and/or directors of \$nil (2015 - \$60,000) which was capitalized to exploration and evaluation assets.

OFF-BALANCE SHEET ARRANGEMENTS

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

CRITICAL ACCOUNTING ESTIMATES

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses, are discussed below.

Significant management judgment

Impairment of exploration and evaluation assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases.

Determining whether to test for impairment of E&E assets requires management's judgment, among others, regarding the following: the period for which the entity has the right to explore in the specific area has expired, or will expire, in the near future and is not expected to be renewed; substantive expenditure on further E&E of mineral resources in a specific area is neither budgeted nor planned; E&E of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the E&E asset is unlikely to be recovered in full from successful development or by sale.

Provision for reclamation and rehabilitation

Determining when to account for reclamation and rehabilitation costs requires judgement. An obligation to incur restoration, rehabilitation and environmental costs arises when the environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors, such as the life and nature of the asset, the operation license conditions and, when applicable, the environment in which the mine operates. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset through amortization, using either the unit-of-production or the straight line method. The corresponding liability is progressively increased as the effect of discounting unwinds, creating an expense in profit or loss. Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The Company has judgementally determined that there are no reclamation or rehabilitation costs to record at this time. The operations of the Company may, in the future, be affected from time to time in varying degrees by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

Deferred income taxes

The assessment of availability of future taxable profits involves judgment. A deferred tax asset is recognized to the extent that it is probable that taxable profits will be available, against which deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary

differences expected to reverse within the carry-forward period.

Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment.

Estimation uncertainty

Impairment of exploration and evaluation assets

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset must be estimated. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit, to which the asset belongs, must be determined. Identifying the cash generating units requires considerable management judgment. In testing an individual asset or cash generating unit for impairment, and identifying a reversal of impairment losses, management estimates the recoverable amount of the asset or the cash-generating unit. This requires management to make several assumptions as to future events or circumstances. These assumptions and estimates are subject to change if new information becomes available.

Actual results with respect to impairment losses or reversals of impairment losses could differ in such a situation and significant adjustments to the Company's assets and earnings may occur during the next period.

Provision and Contingent liabilities

In the instance of provisions, management makes its best estimate as to the amount of expected economic outflow required to settle a provision. Provisions arise from to day to day operations but may also arise from constructive and or contractual obligations. From time to time the Company may be faced with the judgemental determination as to whether an event or transaction should give rise to a provision or contingent liability. In the instance of contingent liabilities, management must assess the level of disclosure if any. In its determination, management assesses the likelihood of a Company resource being used to settle the contingency. It reviews the fact patterns surrounding the contingency and makes its best estimate about the probable outcome. When management determines the likelihood of settlement to be highly improbable, no disclosure would be required. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimates made.

Share-based payments

The estimation of share-based payments costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own shares, the probable life of share options and warrants granted and the time of exercise of those share options and warrants. The model used by the Company is the Black-Scholes valuation model.

Change in Accounting Policies

There were no changes in accounting policies.

Future Accounting Pronouncements

Standards issued but not yet effective up to the date of issuance of the Company's financial statements, but which may affect the financial statements, are listed below. The Company intends to adopt those standards when they become effective.

IFRS 9 Financial Instruments (“IFRS 9”) was issued by the IASB in its final form in July 2014, and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company intends to adopt IFRS 9 on its effective date and has not reviewed the effects of this future policy change.

IFRS 15 Revenue from Contracts with Customers (“IFRS 15”) was issued by the IASB in May, 2014. IFRS 15 provides a comprehensive framework for recognition, measurement and disclosure of revenue from contracts with customers, excluding contracts within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 becomes effective for annual periods beginning on or after January 1, 2018 and is to be applied retrospectively. Early adoption is permitted. The Company intends to adopt IFRS 15 on its effective date and has not reviewed the effects of this future policy change.

RISK FACTORS

Exploration and Mining Risks

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At present, there are no known bodies of commercial ore on the mineral properties of which the Company intends to explore, and the proposed exploration program is an exploratory search for ore. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs. The Company from time to time augments its internal exploration and operating expertise with due advice from consultants and others as required. The economics of developing gold and other mineral properties is affected by many factors including the cost of operations, variation of the grade of ore mined and fluctuations in the price of any minerals produced. There are no underground or surface plants or equipment on the Company’s mineral properties, or any known body of commercial ore. Programs conducted on the Company’s mineral property would be an exploratory search for ore.

Titles to Property

While the Company has diligently investigated title to the various properties in which it has interest, and to the best of its knowledge, title to those properties are in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfer, or native or government land claims, and title may be affected by undetected defects.

Permits and Licenses

The Company’s operations may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

Metal Prices

Even if the Company’s exploration programs are successful, factors beyond the control of the Company may affect marketability of any minerals discovered. Metal prices have historically fluctuated widely and are affected by numerous factors beyond the Company’s control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.

Competition

The mining industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees.

Environmental Regulations

The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require submissions to, and approval of, environmental impact assessments. Environmental legislation is evolving in a manner, which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

Conflicts of Interest

Certain directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Stage of Development

The Company's properties are in the exploration stage and to date none of them has a proven ore body. The Company does not have a history of earnings or the provision of return on investment, and in future there is no assurance that it will produce revenue, operate profitably or provide a return on investment.

Industry Conditions

Mining and milling operations are subject to government regulations. Operations may be affected in varying degrees by government regulations such as restrictions on production, price controls, tax increases, expropriation of property, pollution controls or changes in conditions under which minerals may be mined, milled or marketed. The marketability of minerals may be affected by numerous factors beyond the control of the Company, such as government regulations. The Company undertakes exploration in areas that are, or could be, the subject of native land claims. Such claims could delay work or increase exploration costs. The effect of these factors cannot be accurately determined.

Uninsured Hazards

Hazards such as unusual geological conditions are involved in exploring for and developing mineral deposits. The Company may become subject to liability for pollution or other hazards, which cannot be insured against, or against which the Company may elect not to insure, because of high premium costs or other reasons. The payment of any such liability could result in the loss of Company assets or the insolvency of the Company.

Future Financing

Completion of future programs may require additional financing, which may dilute the interests of existing shareholders.

Key Employees

Management of the Company rests on a few key officers, the loss of any of whom could have a detrimental effect on its operations.

Canada Revenue Agency and provincial agencies

No assurance can be made that Canada Revenue Agency or provincial agencies will agree with the Company's characterization of expenditures as Canadian exploration expenses or Canadian development expense or the eligibility of such expenses as Canadian exploration expense under the *Income Tax Act* (Canada) or any provincial equivalent.

DISCLOSURE ON INTERNAL CONTROLS

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence, that (i) the year-end Financial Statements do not contain any untrue statements of material fact, or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements; and, (ii) the year-end Financial Statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of, and for, the periods presented. In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within time periods specified under securities legislation; and
- ii) process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer accounting policies.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109, may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.