

**Form 51-102F1**

**COPPER CREEK GOLD CORP.  
(Formerly Copper Creek Ventures Ltd.)**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**FOR THE THREE MONTHS ENDED MARCH 31, 2016**

This Management's Discussion and Analysis ("MD&A") of Copper Creek Gold Corp. ("Copper Creek" or the "Company") has been prepared by management as of May 27, 2016 and are based on and derived from the unaudited condensed interim financial statements of the Company for the three months ended March 31, 2016 and accompanying notes thereto.

This discussion should be read in conjunction with the audited financial statements and the accompanying notes for the year ended December 31, 2015 and December 31, 2014, as well as the unaudited condensed interim financial statements of the Company for the three months ended March 31, 2016 and accompanying notes thereto. These unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard 34 Interim Financial Reporting ("IAS 34").

These condensed interim financial statements, together with this MD&A, are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as potential future performance. Please refer to the risk factors at the end of this MD&A and forward-looking statements

On March 4, 2013 the Company completed a share consolidation on a one (1) post-consolidated share for ten (10) pre-consolidated share basis. The Company's number of outstanding options and warrants and the accompanying exercise prices were consolidated on the same basis. Unless otherwise stated, the number of shares, options, warrants and the exercise prices of options and warrants presented in these financial statements have been adjusted to include the effect of this share consolidation.

All dollar amounts are stated in Canadian dollars unless otherwise indicated.

**Forward-Looking Statements**

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements.

This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of the Company's exploration properties. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Aside from factors identified in this MD&A, additional important factors, if any, are identified here.

The table below sets forth the significant forward-looking information included in this MD&A.

<b>Forward Looking Information</b>	<b>Key Assumptions</b>	<b>Most Relevant Risk Factors</b>
Future funding for ongoing operations	The Company will be able to raise these funds	The Company has disclosed that this may be difficult and failure to raise these funds would materially impact the Company's ability to continue as a going concern.
The progress in adoption of International Financial Reporting Standards	Adoption is successful due to the planning and changeover governing in the year of 2011.	The Company's ability to meet the future obligations for compliance reporting Requirements.

Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.

### **1.1 Date of Report**

May 27, 2016

This MD&A was reviewed by the Audit Committee and authorized for issue by the Board of Directors on May 27, 2016.

### **1.2 Overall Performance**

Copper Creek focuses on high potential resource exploration throughout North America. Copper Creek's corporate strategy is to generate profitable growth through a strategic combination of acquisitions and joint ventures opportunities.

The Company was incorporated under the *Company Act (British Columbia)* on June 19, 1987 and continued to the jurisdiction of the *Canada Business Corporation Act* on August 13, 1997. The Company trades on the TSX Venture Exchange under the symbol CPV. On July 26, 2010 the Company changed its name to Copper Creek Gold Corp. and continues to trade under the symbol CPV on the TSX Venture Exchange.

During the years ended December 31, 2013 and December 31, 2014 the Company relinquished its interests in the Santa Lucia Property in Sonora Mexico, and in the Bonsai and Badger properties located in British Columbia.

#### **Blackwater Properties**

##### **Bandit Property**

Pursuant to a Purchase and Sale Agreement dated March 2, 2011, between the Company and Mr. William Gary Thompson the Company acquired a 100% interest in one mineral claim known as the Bandit Property, located 130 km southeast of the city of Vanderhoof, British Columbia, encompassing 3,858.29 hectares. In consideration, the Company paid \$3,200 in cash and issued 300,000 pre-consolidated common shares. Pursuant to an Agreement dated June 5, 2012, the Company entered into an option agreement with Stina Resources Ltd. ("Stina") which allows Stina to earn a 60% interest in this property by issuing 400,000 shares of its common stock to the Company over a period of three years, and by expending \$2,000,000 on exploration over a four year period. During the year ended December 31, 2012, the Company received 100,000 shares from Stina Resources Ltd. and credited the market value of these shares to the Property's acquisition cost. On July 24, 2014 Stina Resources Ltd. advised the Company it had terminated its option to acquire a 60% interest in the Bandit property.

## 1.2 Overall Performance (cont'd)

### Smokey and Little Bear Properties

On March 14, 2011 the Company entered into a purchase and sale agreement to purchase two mining claims known as the Smokey and Little Bear Properties, located approximately 130 km southeast of Vanderhoof, British Columbia, encompassing a total of 6,478.9 hectares. The properties lie in close proximity to New Gold Inc.'s important Blackwater Gold Project. The Smokey Property lies approximately seven km southeast of Blackwater and the Little Bear Property lies just 2500m due east of Blackwater. The Company paid \$30,000 in cash and issued 400,000 (pre-consolidated) common shares in consideration for 100% of the mining claims.

## 1.3 Selected Annual Information

	For the Year Ended December 31		
	2015*	2014*	2013*
Net sales/total revenues	-	-	53
Net loss	\$ 449,769	\$ 1,704,816	\$ 946,221
Net loss per share (basic & diluted)	\$0.03	\$0.14	\$0.08
Total assets	\$ 351,342	\$ 309,346	\$1,950,109
Total long-term financial liabilities	NIL	NIL	NIL
Cash dividends declared	NIL	NIL	NIL

\* - prepared in accordance with IFRS.

## 1.4 Results of Operations

### Bonsai Project, Eskay Creek, BC

During the financial year ended December 31, 2013, the Company terminated its Bonsai option agreement and in the year ended December 31, 2014, the Company had the Bonsai property written-off.

### Santa Lucia, Sonora, Mexico

As of November 22, 2013, due to poor market conditions and inability to raise sufficient funds, the Company relinquished its interest in the Santa Lucia Property. The Company had incurred expenditures of \$612,956 as of December 31, 2013 which was written-off at the year end.

### Bandit, Smokey and Little Bear properties

On July 12, 2011, field crews conducted a regional program of prospecting, MMI soil sampling and rock sampling, stream sediment sampling, and geological mapping. A significant 2km X 5Km MMI anomaly was detected on the Bandit property with anomalous in copper, gold, silver, and molybdenum.

#### 1.4 Results of Operations (cont'd)

Drill depths ranged from 54 meters to a maximum of 116 meters, all which collared within a basalt unit of prior unknown and variable thickness. Drilling was conducted to encounter the directly underlying sedimentary unit inferred to host mineralization which produced the MMI anomalies of the prior surface soil sampling program. Eight of the fifteen holes drilled failed to pierce through the overlying volcanic unit highlighting that the overlying volcanic sequence is in excess of 100 meters of thickness in areas of the property.

On June 5, 2012, the Company entered into an option agreement with Stina Resources Ltd. which allowed Stina to earn a 60% interest in the Bandit property by issuing 400,000 shares of its common stock to the Company over a period of three years, and by expending \$2,000,000 on exploration over a four year period. The Company was the operator of the project for the 2012 exploration season. During the financial year ended December 31, 2012, the Company received 100,000 shares from Stina Resources Ltd. and credited the market value of these shares to the Property's acquisition cost.

During the year period ended December 31, 2012, the British Columbia Ministry of Energy and Mines awarded a drilling permit regarding the Company's Bandit property. The Company completed a 15 hole (1,402m) percussion drilling program in the property during the period, which incurred exploration costs of \$273,438 and has been fully recovered from Stina Resources Ltd. For the nine month period ended September 30, 2013, the Company incurred exploration costs of \$4,716 which has been fully recovered from Stina Resources Ltd. No further work has been conducted on the property.

#### Alogo Wells. Coutts. Alberta

Due to poor natural gas market conditions, in 2009 the Company wrote-off its investment in the Alogo Wells, Coutts Project, located in Alberta in the amount of \$1,038,118. Additional closing costs of \$9,160 were written off in 2010. During the year ended December 31, 2011, additional costs of \$70,365 were written off. The Company retains ownership of 50% of the two Alogo Wells and associated leases and will receive 75% of the future revenue until Copper Creek recovers 100% of its expenditures. The operator, Alogo Energy Inc, and Copper Creek will review the economics of tying in these two wells once the market conditions improve for natural gas.

#### 1.5 Summary of Quarterly Results

	Mar 016*	Dec 015*	Sept 015*	Jun 015*	Mar 015*	Dec 014*	Sept 014*	Jun 014*
Net Sales/ Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Profit (Loss)	(\$119,433)	(\$100,131)	(\$115,228)	(\$145,883)	(\$88,527)	(\$1,552,405)	(\$58,144)	(\$45,289)
Basic and diluted Earnings(Loss) per share	(\$0.00)	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.13)	(\$0.00)	(\$0.00)

\* - prepared in accordance with IFRS.

For the three months period ended March 31, 2016, total costs incurred were \$119,442 compared to \$88,536 for the same period in 2015. The major increases (decreases) were as follows:

	Costs incurred (\$)	Increase (Decrease) (\$)
Management fee	48,000	8,000
Filing and transfer agent fees	8,182	7,000
Office and miscellaneous	9,964	823
Accounting and legal fees	2,708	858
Rent	19,500	-
Travel, promotion and automotive	27,666	18,972

## **1.5 Summary of Quarterly Results (cont'd)**

The increases of overheads for the three months period were in-line with Company's forecasts for investigating new business opportunities.

During the year ended December 31, 2015, the Company wrote-off exploration assets for the amount of \$22,356; For the year ended December 31, 2014, the Company wrote-off total exploration assets of Badger and Bonsai properties for the amount of \$1,665,237 and unpaid payables of \$170,000.

As at March 31, 2016, \$274,498 was due to related parties. The repayment of this amount has been agreed by the parties to postpone for a period of twelve months.

## **1.6 Liquidity**

At March 31, 2016, the Company had a bank balance of \$72,331 and marketable securities of \$1 compared to a bank deposit balance \$82,065 at December 31, 2015. At March 31, 2016, the Company had working capital (deficiency) of (\$128,108) compared to working capital (deficiency) of (\$123,590) at December 31, 2015.

The Company will continue to rely on the raising of funds through private placements and the exercise of warrants to fund its exploration programs and its general working capital requirements.

## **1.7 Corporate**

On March 4, 2013 the Company completed a share consolidation on a one (1) post-consolidated share for ten (10) pre-consolidated share basis. The Company's number of outstanding options and warrants and the accompanying exercise prices were consolidated on the same basis. Unless otherwise stated, the number of shares, options, warrants and the exercise prices of options and warrants presented in these condensed consolidated interim financial statements have been adjusted to include the effect of this share consolidation.

On July 8, 2015 shareholders approved a change of name to "AirMoolah eCommerce Inc.", or such other name as the Board of Directors of the Corporation may determine in their sole discretion and the Director under the CBCA and the TSX Venture Exchange may approve. The directors of the Corporation are authorized to not proceed with the implementation of the change of name, if, for any reason, they consider that it would not be in the best interests of the Corporation to so proceed.

### **Stock Options**

An aggregate of 134,500 stock options granted to former directors and officers expired during the three months period ended March 31, 2016. An aggregate of 40,000 stock options granted to an employee and a director were voluntarily cancelled in the period.

### **Financings & Property Acquisitions**

On April 9, 2015, the Company closed a non-brokered private placement financing by the issuance of 6,641,033 units at a purchase price of \$0.06 per unit for gross proceeds of \$398,462. Each unit consists of one common share and one transferable share purchase warrant, each warrant entitling the holder to purchase one common share of the Company on or before October 11, 2016 at a purchase price of \$0.10 per share. A finder's fee of \$480 was paid. All securities pursuant to the private placement are subject to a hold period until August 10, 2015. If, prior to the expiry date of the warrants, and once the warrants are free from the statutory resale restrictions (4 months plus one day ending August 10, 2015), the closing price of the common shares of the Company on the TSX Venture Exchange equals or exceeds \$0.15 for a period of not less than 10 consecutive trading days, the period during which the warrants may be exercised will be reduced (the "Forced Exercise Provision"). In such event, the warrants will expire on the date which is the 31st day after the date on which the Company issues a press release announcing that the Forced Exercise Provision has been triggered. Such press release will set out,

## 1.7 Corporate (cont'd)

among other things, that the Forced Exercise Provision has been triggered, the 10 consecutive trading days for which the closing price of the common shares of the Company was equal to or exceeded \$0.15, and the new expiry date of the warrants.

On December 15, 2015, the Company, closed the first tranche by way of a non-brokered private placement, raised \$313,400 through the issuance of 5,223,332 non-flow-through (NFT) units at a price of \$0.06 per unit. Each NFT unit consists of one common share and one transferable share purchase warrant which entitles the holder to purchase one additional common share in the capital of the Company on or before June 15, 2017 at a purchase price of \$0.10 per share. If, prior to the expiry date of the warrants, and once the warrants are free from the statutory resale restrictions (4 months plus one day ending April 16, 2016), the closing price of the common shares of the Company on the TSX Venture Exchange equals or exceeds \$0.15 for a period of not less than 10 consecutive trading days, the period during which the warrants may be exercised will be reduced (the "Forced Exercise Provision"). In such event, the warrants will expire on the date which is the 31st day after the date on which the Company issues a press release announcing that the Forced Exercise Provision has been triggered. Such press release will set out, among other things, that the Forced Exercise Provision has been triggered, the 10 consecutive trading days for which the closing price of the common shares of the Company was equal to or exceeded \$0.15, and the new expiry date of the warrants.

On February 15, 2016, the Company, by way of a non-brokered private placement, raised \$151,500 through the issuance of 2,525,000 non-flow-through (NFT) units at a price of \$0.06 per unit. Each NFT unit consists of one common share and one transferable share purchase warrant which entitles the holder to purchase one additional common share in the capital of the Company on or before August 15, 2017 at a purchase price of \$0.10 per share. If, prior to the expiry date of the warrants, and once the warrants are free from the statutory resale restrictions (4 months plus one day ending June 16, 2016), the closing price of the common shares of the Company on the TSX Venture Exchange equals or exceeds \$0.15 for a period of not less than 10 consecutive trading days, the period during which the warrants may be exercised will be reduced (the "Forced Exercise Provision"). In such event, the warrants will expire on the date which is the 31st day after the date on which the Company issues a press release announcing that the Forced Exercise Provision has been triggered. Such press release will set out, among other things, that the Forced Exercise Provision has been triggered, the 10 consecutive trading days for which the closing price of the common shares of the Company was equal to or exceeded \$0.15, and the new expiry date of the warrants

## 1.8 Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

## 1.9 Transactions with Related Parties

During the three months ended March 31, 2016, the Company incurred the following expenses charged by directors and/or a company controlled by a director:

	<u>Mar 2016</u>	<u>Mar 2015</u>
Management fees	\$ 48,000	\$ 40,000
Office rent	19,500	19,500
Office and miscellaneous	7,500	7,500
Telephone charges	1,035	1,035
	<u>\$ 76,035</u>	<u>\$ 68,035</u>

As at March 31, 2016, the Company owed directors and officers of the Company of \$274,498 (2015 \$515,882), these amounts represented management fee payable to and loan amount due to directors and

officers of the Company, and they agreed to postpone payment of these amounts for a period of twelve months.

#### **1.9 Transactions with Related Parties (cont'd)**

The Company's lease for rent and office expenses will terminate effective May 15, 2016. The Company will not be renewing the lease arrangements.

The related party transactions have been recorded at their fair value, which is the amount of consideration established and agreed to by the related parties.

#### **1.10 Proposed Transactions and Subsequent Events**

On April 4, 2016 the Company announced a non-brokered private placement consisting of up to 5,000,000 units ("Units") at a price of CDN \$0.06 per Unit to raise gross proceeds of up to CDN \$300,000 (the "Private Placement"). Each Unit will consist of one common share ("Common Share") in the capital of the Company and one transferable share purchase warrant ("Warrant"). Each Warrant will entitle the holder thereof to purchase one additional Common Share in the capital of the Company for a period of eighteen months from the closing date ("Warrant Expiry Date"), at a purchase price of CDN \$0.10 per share. The Warrants are subject to an early acceleration clause which provides that if the closing price of Copper Creek's Common Shares on the TSX Venture Exchange (following the expiry of the required statutory hold period), is equal to, or greater than CDN \$0.15 for a period of 10 consecutive trading days, the Company may accelerate the Warrant Expiry Date to the date which is 30 days following the date upon which notice of the accelerated expiry date is provided by the Company to the holders of the Warrants. The Warrants will automatically expire if the Warrant holders do not exercise them within this 30 day period. On May 2, 2016, the Company closed the first tranche of the private placement to raise \$85,000 through the issuance of 1,416,666 units. No finders' fees were paid. The Company also increased the size of the private placement to raise up to \$500,000 and extended closing of the second tranche to June 3, 2016.

The Company's lease for rent and office expenses has been terminated effective May 15, 2016.

#### **1.11 Critical Accounting Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of impairment of equipment and resource interests, useful lives for depreciation and amortization, and cost allocations to specific projects. Financial results as determined by actual events could differ from those estimates.

#### **1.12 New accounting standards and amendments to existing standards**

New accounting standards and amendments to existing standards

As of January 1, 2015, the Company adopted the new and amended IFRS pronouncements in accordance with transitional provisions outlined in the respective standards. The Company has adopted the following new standards without any significant effect on its financial statements.

IAS 32 – Financial Instruments: Presentation ("IAS 32")

The IASB amended IAS 32, "Financial Instruments: Presentation" to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas:

- the meaning of 'currently has a legally enforceable right of set-off';
- the application of simultaneous realization and settlement;
- the offsetting of collateral amounts; and
- the unit of account for applying the offsetting requirements.

### 1.12 New accounting standards and amendments to existing standards (cont'd)

#### IAS 36 – Impairment of Assets (“IAS 36”)

The amendments to IAS 36 restrict the requirement to disclose the recoverable amount of an asset or CGU to periods in which an impairment loss has been recognized or reversed. The amendments also expand and clarify the disclosure requirements applicable when an asset or CGU’s recoverable amount has been determined on the basis of fair value less cost of disposal.

#### IFRIC 21 – Levies (“IFRIC 21”)

An interpretation of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets (“IAS 37”), on the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (“obligating event”). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

#### New Standards Not Yet Adopted

#### IFRS 9 – Financial Instruments (“IFRS 9”)

New standard IFRS 9, Financial Instruments, classification and measurement is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, “Financial Instruments: Recognition and Measurement.” IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit and loss. This standard is effective for years beginning on or after January 1, 2018. The Company is currently assessing the impact that these standards will have on the Company’s financial statements. The Company plans to adopt these standards as soon as they become effective for the Company’s reporting period.

### 1.13 Financial Instruments & Other Instruments

The Company’s financial instruments consist of cash, marketable securities, amounts due from related parties, prepaid expenses and accounts payable and accrued liabilities.

The fair value of arms-length financial instruments approximates their carrying value due to their short-term maturity.

The fair value of related party balances cannot be reasonably determined as comparable risk and interest rate profiles are not readily available.

### 1.14 Other MD&A Requirements

#### Outstanding Share Data:

Authorized: unlimited common shares without par value  
Issued: 26,280,038 - \$13,006,660 as at March 31, 2016

#### Issued and outstanding:

	Period Ended March 31, 2016		Year Ended December 31, 2015	
	Number		Number	
Balance, beginning of year	23,755,038	\$12,855,160	11,890,673	\$12,143,778
Units under private placement	2,525,000	151,500	11,864,365	711,382
Balance, end of period	26,280,038	\$13,006,660	23,755,038	12,855,160

## **Disclosure Controls and Procedures and Internal Control Over Financial Reporting**

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that:

- (i) the audited annual and unaudited interim financial statements do not contain any untrue statement 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 audited annual and unaudited interim financial statements and
- (ii) the audited annual and unaudited interim 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 by the audited annual and unaudited interim financial statements.

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal controls over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing Venture Issuer Basic 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 the time periods specified in securities legislation; and
- ii) a 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's GAAP.

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 the Company 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.

Additional information relating to Copper Creek Gold Corp. can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Risk Factors**

Given the Company's current status as an exploration stage company, there are numerous risk factors that could affect the Company's business prospects and future performance, including the following. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not presently known to the Company, or that the Company currently deems immaterial, may also affect the Company's business prospects and future performance.

### *Operating history*

The Company has a limited history of operations and must be considered a start-up. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and an absence of revenues. There is no assurance that the Company will be successful in achieving a return on shareholder investment and the likelihood of success must be considered in light of its early stage of operations. The Company has no intention of paying any dividends in the foreseeable future.

## **Risk Factors (cont'd)**

### *Highly speculative business*

The nature of the Company's business is highly speculative due to its proposed involvement in the exploration, development and production of minerals. Exploration for minerals involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no assurance that any commercial quantities of ore will be discovered by the Company. The commercial viability of a mineral deposit, if discovered, depends upon a number of factors including the particular attributes of the deposit (principally size and grade), the proximity to infrastructure, the impact of mine development on the environment, environmental regulations imposed by various levels of government and the competitive nature of the industry which causes base metal prices to fluctuate substantially over short periods of time. Most of these factors are beyond the control of the Company. Mineral exploration and development are highly speculative and few properties that are explored are ultimately placed into commercial production.

### *Insufficient resources or reserves*

Substantial additional expenditures will be required to establish either minerals resources or reserves on the Company's mineral properties and to develop processes to extract the minerals. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis or at all.

### *Barriers to commercial production*

The Company will rely upon consultants and others for development and operating expertise. The economics of developing mineral properties are affected by many factors including, but not limited to, the cost of operations, grade of ore, fluctuating mineral markets, costs of processing equipment, competition, extensions on licenses and other factors such as government regulations, including regulations relating to title to mineral concessions, royalties, allowable production, importing and exporting of minerals and environmental protection. Many of the above factors are beyond the control of the Company. Depending on the price of minerals produced, the Company may determine that it is impractical to either commence or continue commercial production.

### *Additional capital*

The exploration and development of the properties will require substantial additional financing. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, development or production on a mineral property. The Company will also require additional funding to acquire further property interests. The ability of the Company to arrange such financing in the future will depend, in part, upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from treasury of the Company, control of the Company may change and security holders would suffer additional dilution.

### *Commodity price and exchange rate fluctuations*

The feasibility of mineral exploration is significantly affected by changes in the market price of the minerals expected to be produced. Mineral prices fluctuate widely and are affected by numerous factors beyond the Company's control. The level of interest rates, the rate of inflation, world supply of minerals and stability of exchange rates can all cause significant fluctuations in mineral prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments.

### *Key officers, consultants and employees*

The success of the Company will be largely dependent upon the performance of its key officers, consultants and employees. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration and development personnel involved. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's success. The Company has not purchased any key-man insurance with respect to any of its directors, officers or consultants and has no current plans to do so.

## **Risk Factors (cont'd)**

### *Title*

No assurances can be given that title defects to the properties do not exist. The properties may be subject to prior unregistered agreements, interests or land claims and title may be affected by undetected defects. If title defects do exist, it is possible that the Company may lose all or a portion of its right, title, estate and interest in and to the properties to which the title defect relates. Title to mineral interests in some jurisdictions is often not susceptible to determination without incurring substantial expense. In accordance with industry practice, the Company conducts such title reviews in connection with its properties as it believes are commensurate with the value of such properties. The actual interest of the Company in certain properties may vary from the Company's records.

### *Maintaining interests in mineral properties*

The Company's continuing right to maintain its ownership in its mineral property interests will be dependent upon compliance with applicable laws and with agreements to which it is a party. There is no assurance that the Company will be able to obtain and/or maintain all required permits and licences to carry on its operations. Additional expenditures will be required by the Company to maintain its interests in its properties. There can be no assurance that the Company will have the funds, will be able to raise the funds or will be able to comply with the provisions of the agreements relating to its properties which would entitle it to an interest therein and if it fails to do so its interest in certain of these properties may be reduced or be lost.

### *External market factors*

The marketability and price of minerals which may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. The Company will be affected by changing production costs, the supply or/and demand for minerals, the rate of inflation, the inventory levels of minerals held by competing companies, the political environment and changes in international investment patterns.

### *Governmental and regulatory requirements*

Government approvals and permits are currently, and may in the future, be required in connection with the Company's operations. To the extent that such approvals are required and not obtained, the Company may be restricted or prohibited from proceeding with planned exploration or development activities. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, which may include requirements for the Company to take corrective measures requiring capital expenditures, installation of additional equipment, or other remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in the development of properties.

### *Environmental regulations*

All phases of the Company's operations are subject to environmental regulation. Environmental legislation is becoming stricter, with increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that environmental regulation will not adversely affect the Company's operations. Environmental hazards may exist on a property in which the Company holds an interest which are unknown to the Company at present which have been caused by previous or existing owners or operators of the property. The Company has in place a program of regular environmental monitoring to ensure compliance with existing environmental regulations.

Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means standards, and enforcement, fines and penalties for non-compliance are more stringent.

**Risk Factors (cont'd)**

Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. The Company intends to fully comply with all environmental regulations in all of the countries in which it is active.

*Conflicts of interest*

Certain directors and officers of the Company are or may become associated with other natural resource companies which may give rise to conflicts of interest. In accordance with the *Canada Business Corporations Act*, directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Company. The directors and officers of the Company have either other full-time employment or other business or time restrictions placed on them and, accordingly, the Company will not be the only business enterprise of these directors and officers.

*Uninsured risks*

The Company currently has liability insurance in an amount which management considers adequate. However, in the future, the costs of such insurance may become prohibitive. The nature of the risks for mining companies is such that liabilities might exceed policy limits, certain liabilities and hazards might not be insurable, or the Company might, in the future, elect not to insure itself against such liabilities due to high premium costs or other reasons. Should such liabilities occur, the Company would incur significant costs that would have a material adverse effect upon its financial condition.

*Competition in acquiring additional properties*

Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, some of which is with large, better established mining companies with substantial capabilities and greater financial and technical resources, the Company may be unable to acquire rights to exploit additional attractive mining properties on terms it considers acceptable.

*Dividend policy*

No dividends on the common shares of the Company have been paid by the Company to date. The Company intends to retain its earnings, if any, to finance the growth and development of its business and has no present intention of paying dividends or making any other distributions in the foreseeable future.

*Share Structure*

The Company's authorized capital is an unlimited number of common shares without par value. As at the date of this MD&A there were 27,696,704 shares issued and outstanding. The Company has 15,806,031 share purchase warrants outstanding. Each warrant entitles the holder to purchase one common share at \$0.10 per share on or before November 2, 2017. There are no stock options outstanding.

"Bing Jung"

Bing Jung, Director & CEO

"Gordon Jung"

Gordon Jung, Director