



Form 51 – 102F1

Interim Management’s Discussion and Analysis

Nevada Energy Metals Inc.
(formerly Southern Sun Minerals Inc.)

For the three months ended 31 September 2019

NEVADA ENERGY METALS INC.

Management's Discussion and Analysis of Financial Results
For the period ended 30 September 2019

The following management discussion and analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements and accompanying notes ("Consolidated Financial Statements") of Nevada Energy Metals Inc. (the "Company") for the year ended 30 June 2019. Results have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All monetary amounts are reported in Canadian dollars unless otherwise indicated.

For further information on the Company reference should be made to the Company's public filings which are available on SEDAR.

This MD&A contains forward-looking information. See "Forward-Looking Information" and "Risks and Uncertainties" for a discussion of the risks, uncertainties and assumptions relating to such information.

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Introduction

The following discussion of performance and financial condition should be read in conjunction with the condensed consolidated interim financial statements of Nevada Energy Metals Inc. (formerly Southern Sun Minerals Inc.) (the "Company" or "BFF") for the period ended 30 September 2019. The Company's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The Company's reporting currency is Canadian dollars unless otherwise stated. This Management's Discussion and Analysis ("MD&A") is dated 26 November 2019.

Description of Business

The Company was incorporated under the laws of the province of British Columbia on 2 June 2011.

The Company is a reporting issuer in British Columbia and Alberta. The Company has been listed on the TSX Venture Exchange since 28 October 2013 under the trading symbol "BFF".

On 24 January 2018, the Company consolidated its share capital on one (1) new common share without par value for every two (2) existing common shares without par value basis. All common shares and per share amounts have been restated to give retroactive effect to the share consolidation.

The head office and principal address is located at Suite 1220, 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

The Company's business consists of the acquisition, exploration and development of brine based lithium exploration targets and mineral resource properties in Nevada, USA.

Project Overview

TEELS MARSH WEST

Nevada Energy Metals has acquired, by staking, 100 placer claims covering 2000 acres (809 hectares) at Teels Marsh, Nevada. The property, called Teels Marsh West is highly prospective for Lithium brines and is located approximately 48 miles northwest of Clayton Valley and the Rockwood Lithium Mine, North America's only producing brine based Lithium mine supporting lithium production since 1967. Access to Teels Marsh is via dirt road, west of Highway 95 and northwest of Highway 360.

Teels Marsh West is a highly prospective Lithium exploration project, 100% owned without any royalties, located on the western part of a large evaporation pond, or playa (also known as a salar). Structural analysis reveals that Teels Marsh is bounded by faults and is tectonically active. Tectonic activities supply additional local permeability that could be provided by the faults that bound the graben and sub-basins.

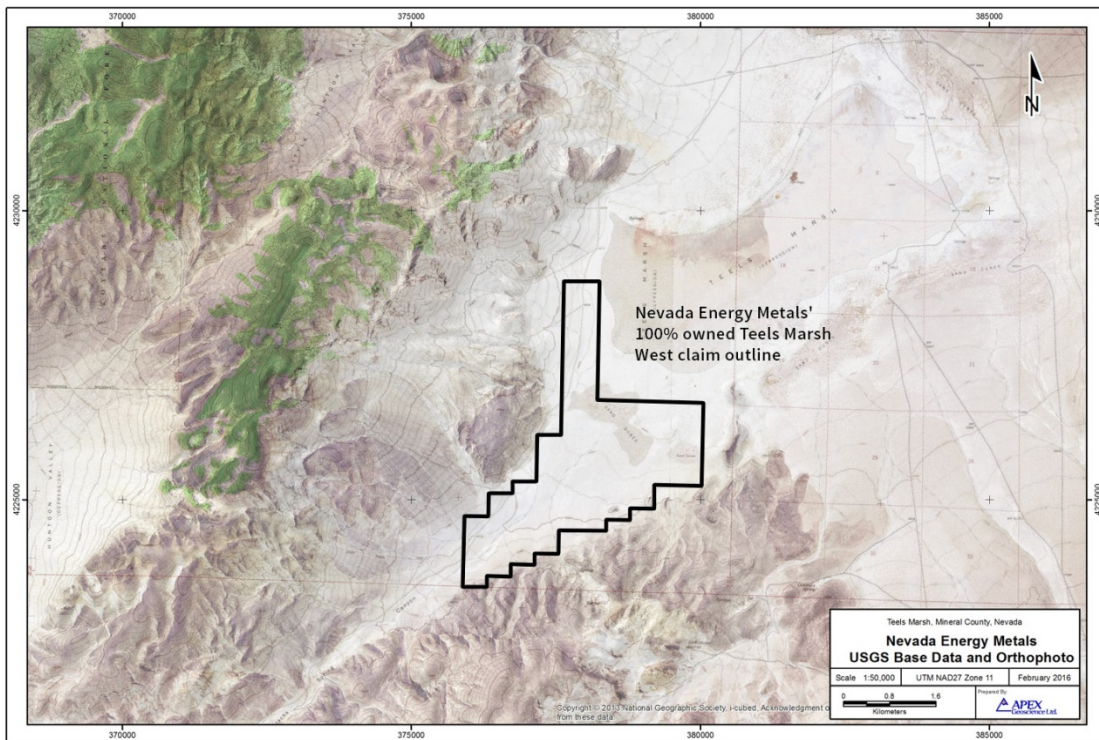
Shallow auger holes and drill-holes (<60 m) show that unconsolidated basin fill deposits include clays, clastic rocks silts and sands), evaporate deposits, and volcanic ash. With the exception of clays, these rocks represent potential sources of permeability. Volcanic ash beds could host significant zones of permeability, due to the relative proximity of Teels Marsh to young volcanic centers at Mono Craters (near Mono Lake)

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and Long Valley, California, both located approximately 70 km to the southwest. These ash layers have proven to be the most productive brine sources in Clayton Valley (an active geothermal area). The Bishop Tuff, which is believed to represent an important zone of permeability at Clayton Valley, (site of active lithium production 80 km to the SE) is likely present in the subsurface at Teels Marsh.

Direct evidence of an active geothermal system in the Teels Marsh area has recently been gathered by researchers at the Nevada Bureau of Mines and Geology, University of Nevada, Reno and the Desert Research Institute. This evidence comes from mapping anomalously high temperatures at a depth of only 2 meters below the basin surface: these temperatures are as high as 35C compared to background temperatures of approximately 16-18C. The temperature anomalies occur in two separate zones, both of which are adjacent to a Quaternary fault on the western margin of Teels Marsh basin. The two temperature anomalies have a combined strike length parallel to the fault of almost 4 km. A USGS geochemical survey conducted in 1976 reported lithium values as high as 850 ppm from samples taken from springs marginal to these fault structures.



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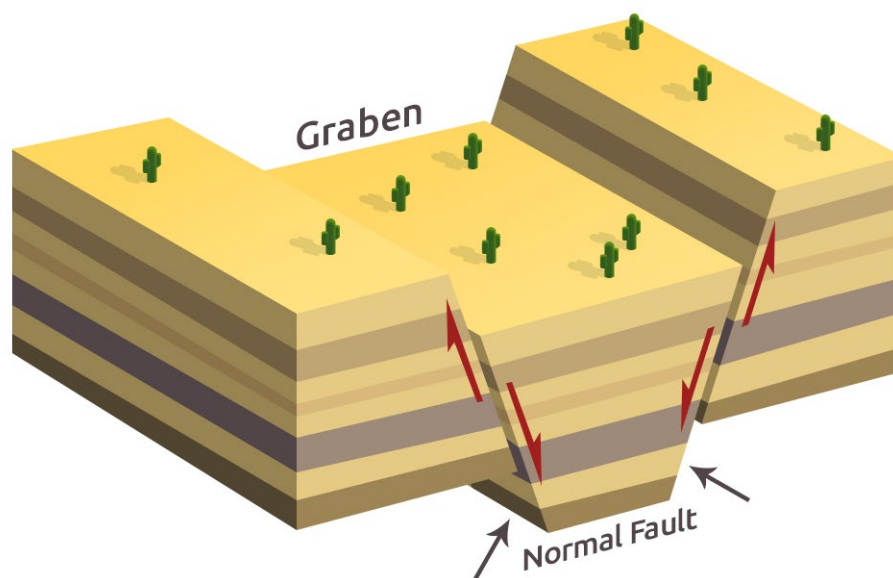
For the period ended 30 September 2019

CLAYTON VALLEY BFF-1 PROJECT

The Clayton Valley BFF-1 Lithium Project southern boundary lies 250 meters from Albemarle Corporation's Silver Peak lithium mine and brine processing operations. The mine has been in operation since 1967 and remains the only brine based lithium producer in North America. It is also the location of Pure Energy Minerals' 816,000 metric tonnes Lithium Carbonate Equivalent (LCE) Inferred Resource NI 43-101 announced in July 2015. Clayton Valley's centralized location between Nevada and Reno and its highways, access to power, water and labor provide excellent infrastructure for mineral exploration and development. The Clayton Valley BFF-1 Lithium Project is approximately 3.5 hours away from Tesla's Gigafactory, which has a planned annual lithium-ion battery production capacity of 35 gigawatt-hours per year by 2020.

Clayton Valley is one of the few locations globally known to contain commercial-grade lithium-enriched brine. The Valley is an internally drained closed-basin and is surrounded by mountains, hills and ridges on all sides. It contains an underground unconsolidated water bearing system (or aquifer system) which is host to lithium-enriched brines and is contained by the surrounding rock.

The claims cover an area of playa, including the Goat Island graben (inferred from gravity inversion; Quantec, 2008; Petrick, 2008), that encompasses a portion of a deep-circulation geothermal system beneath basin-fill sediments locally blanketed with travertine in north-western Clayton Valley. The Goat Island graben segments Clayton Valley into a northerly-trending, 1-2 km-wide sub-basin with a distinct escarpment on each side. Geological modeling and assessment of historical drilling results by J.B. Hulen, PG, (31 July 2008 report) concluded that both shallow thermal-gradient and lithium-exploration drilling demonstrates that the northern portion of Clayton Valley contains the valley's highest subsurface temperatures and that these temperatures may be localized in the Goat Island graben and its structural projections to the northeast and south.



A graben is a depressed block of land bordered by parallel faults

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Significantly, within the graben and within the boundary of the claim block, a drill hole by Western Geothermal Partners 2007 logged as WGP#2 reported as follows: 'From 280 – to 305 ft., fine grained green sand and silt logged as volcanic ash was encountered. This unit may be correlative to the Main Ash Aquifer, which is a marker bed in other areas of the Clayton Valley Basin.' J.B. Hulen, PG, (31 July 2008.)

Nevada Energy Metals is planning a detailed summer/fall exploration program on the BFF-1 project. The property was acquired for cost of staking with no overriding royalties.

On 17 May 2016 the Company has agreed to grant 1074654 Nevada Ltd. an Option to acquire a seventy (70%) percent interest in the BFF-1 Clayton Valley Property by making certain Cash Payments, issuing Shares upon completion of a "Going Public Transaction", and completing Exploration Expenditures on its property at Silver Peak, Clayton Valley, Nevada.

In order to earn a 70% interest in the Clayton Valley BFF-1 Property, 1074654 Nevada Ltd. is required to issue shares, make payments and incur exploration expenditures as follows:

		Payments	Shares	Exploration Expenditures
		USD\$		USD\$
Payment on or before 2 June 2016	(received)	\$10,000	-	-
Payment on or before 30 June 2016	(received)	\$15,000	-	-
Payment on 19 July 2016	(received)	\$75,000	100,000	-
On or before 19 July 2017		\$100,000	100,000	\$100,000
On or before 19 July 2018		\$100,000	100,000	\$300,000
On or before 19 July 2019		-	-	\$600,000
		<u>\$300,000</u>	<u>300,000</u>	<u>\$1,000,000</u>

On 19 July 2017, the option agreement with 1074654 Nevada Ltd. expired without being exercised.

However, the Company retained 38 of the original claims under Nevada Energy Metals USA Inc. and these are currently wholly-owned by the Company.

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DIXIE VALLEY PROJECT

The six Dixie Valley claim blocks cover the majority of the Humboldt Salt Marsh playa located in Dixie Valley, Churchill County, Nevada. There are 710 placer claims in total, covering about 5,764 hectares (22 square miles) of playa and alluvial fan. Hot Springs and other active geothermal features are found along a 30 km long fault system on the west side of Dixie Valley. Numerous geologic studies have been conducted on the geothermal system during production drilling and as a test case for geothermal exploration methods. Of seven characteristics of Lithium Brine deposits outlined in the USGS deposit model, all seven are found in Dixie Valley; however very little exploration work has been directed at lithium in this area. The lithium target model for Dixie Valley is a Clayton Valley style playa brine type deposit.

On 14 July 2016, amended on 30 August 2017, the Company entered into an Option Agreement with LiCo Energy Metals Inc. to acquire a 100% interest, subject to a 3% net smelter return, in 80 mineral claims located in Dixie Valley, Churchill County, Nevada. The Option Agreement is "non arms length", so constitutes a related party transaction due to the fact that Richard Wilson is a director of the Company and of Nevada Energy. The TSX Venture Exchange approved the transaction on 10 August 2016. Pursuant to the terms of the Option Agreement, the Company has 36 months within which to exercise the option as follows:

		Cash Payments	Share issuances	Exploration Expenditures
		USD\$		USD\$
Upon signing	(received)	20,000	-	-
Upon TSX Venture approval	(received)	180,000	2,000,000	-
On or before 30 August 2017	(received)	-	2,000,000	-
On or before 14 July 2018	(received)	-	2,000,000	-
On or before 14 July 2019		-	-	250,000
		<u>\$200,000</u>	<u>6,000,000</u>	<u>\$250,000</u>

On 31 August 2018, LiCo did not pay the annual property sustaining fees and dropped all the claims.

From the date of the amending agreement, LiCo will be responsible for paying 100% of the annual property sustaining fees due and payable on the property from time to time.

During the previous year ended 30 June 2018, the Company recorded a recovery of \$309,820 as a result of the option payments received from LiCo.

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BLACK ROCK DESERT PROJECT

A surface sampling program designed to test for lithium (Li) values in playa evaporates has returned significant geochemical results at the Company's 100% owned Black Rock Desert Project in Nevada. Geochemical sample points were arranged on a grid pattern of 11 lines spaced 400 meters apart with stations every 200 meters along the lines. One hundred and seventy (170) soil samples were collected. Results ranged from 82.8 to 520 parts per million (ppm) lithium with a median value of 182 ppm. Twelve samples carried over 300 ppm Li.

The Black Rock Desert results are comparable to those obtained at Teels Marsh, Nevada by Dajin Resources Corp. (55 -460 ppm Li) and in clay separates at Clayton Valley, Nevada (300 – 1,100 ppm Li). It is not known what relationship if any exists between lithium values in clay concentrates and those in bulk soil samples.

These results show that dissolved lithium has been transported into this portion of the Black Rock Desert and is available for potential concentration by evaporative brines. The exploration model for the Black Rock Project is a Clayton Valley evaporative brine deposit as described in USGS Open File Report 2013-1006.

Samples were collected by a contract crew and transported to the ALS sample preparation lab in Elko, Nevada. Samples were screened to -80 mesh at the ALS prep lab in Reno, Nevada and analyzed by Aqua Regia leach mass spectrometry at the ALS laboratory in North Vancouver, B.C. Canada. QA/QC standards were inserted into the sample stream with one in twenty samples being a standard. All standards were within 3% of their accepted value of 750 ppm.

On 10 November 2016, amended on 30 August 2017, the Company entered into an Option Agreement (the "Agreement") with LiCo Energy Metals Inc. ("LiCo") whereby LiCo can acquire an undivided 100% interest, subject to a 3% Net Smelter Royalty, in the Black Rock Desert Lithium Project. The property consists of 130 placer claims located in southwest Black Rock Desert, Washoe County, Nevada. Reno, a major population center lies 177 kilometers to the southwest. The Agreement is "non-arms' length" and so constitutes a related party transaction, as the "Company's" President and CEO is also the President and CEO of LiCo.

In order to earn a 100% interest in the Black Rock Desert Property, LiCo is required to issue shares, make payments and incur exploration expenditures as follows:

		Payments	Shares	Exploration Expenditures
Cash Payment upon execution	(received)	USD\$20,000	-	-
Cash Payment upon Exchange approval	(received)	USD\$150,000	1,500,000	-
On or before 30 August 2017	(received)	-	3,000,000	-
On or before 10 November 2019		-	-	USD\$250,000
		USD\$170,000	4,500,000	USD\$250,000

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SAN EMIDIO LI PROJECT

The San Emidio Li Project consists of 151 placer claims (approximately 3,100 acres/1255 hectares) in the San Emidio Desert, Washoe County, Nevada, 95 km northeast of Reno, the home of Tesla Corporation's new lithium-ion battery Gigafactory.

The San Emidio Desert basin is an alkali playa environment underlain by unconsolidated sediments and clays being fed by lithium bearing geothermal fluids (US. Geothermal analyses) reported in bounding faults, and/or faults along the east side of the basin. Since mid-Tertiary, the rocks on the eastern edge of the San Emidio Desert have undergone extensive hydrothermal alteration and the presence of near-surface thermal fluids, suggest that the thermal fluids represent deep circulation of meteoric water (Moore, J.N., 1997).

The property adjoins the Empire geothermal power plant with production of 4.6 MW of electricity from a 155°C resource thereby providing a substantial heat source for the circulation of meteoric groundwater believed important in the formation of lithium brine deposits as found at Clayton Valley, Nevada host to North Americas preeminent lithium brine production. US Geothermal has reported anomalous lithium values in the trace element analysis of their geothermal brines at Empire (USGS-Report 87-4062).

Previous work by other operators exploring the playa have reported lithium value in sediments up to 312 ppm and the average of sampling being in the order of 250 ppm.

On 31 August 2017, the Company did not renew and dropped all the claims.

The property is subject to a 1% NSR.

Qualified Person Statement

"Project Overview" and "Subsequent Event" sections of this report have been reviewed and approved for technical content by Alan Morris, CPG (Certified Professional Geologist), member of the advisory board of the Company and a Qualified Person under the provisions of NI 43-101.

SELECTED QUARTERLY FINANCIAL INFORMATION

The following selected financial information is derived from the unaudited consolidated financial statements of the Company. The figures have been prepared in accordance with IFRS.

	For the Quarters Ended (unaudited)							
	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec
		2019	2019	2018	2018	2018	2018	2017
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net income (loss)	(182,639)	(151,771)	(215,636)	(227,980)	(209,115)	(474,901)	481,810	534,584
Net income (loss) per share	(0.024)	(0.003)	(0.024)	(0.039)	(0.044)	(0.101)	0.005	0.057
Total assets	1,081,464	1,267,472	1,380,656	1,274,985	1,436,326	1,476,070	1,971,485	1,539,035

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RESULTS OF OPERATIONS

For the period ended 30 September 2019 compared to the same period in 2018.

Comprehensive loss for the period ended 30 September 2019 was (\$182,639) as compared to a (\$209,115) Comprehensive loss for the same period in 2018. Being at the exploration stage, the Company did not generate any revenue from operations. The decrease in comprehensive loss of \$26,476 was mainly attributable to the net effect of:

- Increase of \$90 in Bank charges and interest, from \$411 in 2018 to \$501 in 2019.
- Decrease of \$93,556 in Consulting fees, from \$175,500 in 2018 to \$81,944 in 2019.
- Decrease of \$3,060 in Marketing & communications, from \$4,501 in 2018 to \$1,441 in 2019.
- Increase of \$26,413 in Office and miscellaneous, from \$3,825 in 2018 to \$30,238 in 2019.
- Increase of \$9,922 in Professional fees, from \$3,441 in 2018 to \$13,363 in 2019.
- Increase of \$14,857 in Rent, from \$9,364 in 2018 to \$24,221 in 2019.
- Decrease of \$4,053 in Transfer agent fees, from \$4,053 in 2018 to \$Nil in 2019.
- Increase of \$29,842 in Travel, lodging and food, from \$Nil in 2018 to \$29,842 in 2019.
- Increase of \$6,933 in Foreign exchange gain, from (\$8,021) in 2018 to (\$1,088) in 2019.

Selected Financial Information

To date, the Company has not commenced commercial operations.

Liquidity and Capital Resources

As at 30 September 2019, the Company had working capital of \$772,666 (2018: \$973,150).

As at 30 September 2019, the Shareholders' equity of \$961,646 (2018: \$1,144,285) consisted of share capital of \$3,099,458 (2018: \$3,099,458), reserves of \$4,193,958 (2018: \$4,193,958) and deficit of \$6,331,770 (2018: \$6,149,131).

Outstanding Share Data

- a) Authorized Share Capital: unlimited common shares without par value.
- b) Issued and Outstanding as at 30 September 2019: 10,459,153 common shares (2018: 5,739,153).

The Company has adopted a "fixed" stock option plan (the "Plan"), pursuant to which a maximum of 2,091,831 common shares, being 20% of the issued and outstanding Common Shares of the Company at the time an option is granted, less any outstanding stock options previously granted, will be reserved for issuance as options and will be granted at the discretion of the Corporation's Board of Directors to eligible optionees (the "Optionees") under the Plan.

During the period ended 30 September 2019 and 2018, the Company issued common shares as follows:

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Common shares issuances

Private Placements

During the period ended 30 June 2019 and 2018, the Company issued shares through private placements.

On 16 January 2019, the Company issued 4,320,000 units at a price of \$0.075 per unit for gross proceeds of \$324,000. Each unit consists of one common share and one non-transferrable share purchase warrant. Each full warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.10 per share for a period of two years. Finder's fees in the amount of 400,000 common shares and 200,000 share purchase warrants were paid in connection with the private placement.

On 25 September 2018, the Company issued 1,000,000 units at a price of \$0.12 per unit for gross proceeds of \$120,000. Each unit consists of one common share and one non-transferrable share purchase warrant. Each full warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.16 per share for a period of two years. Finder's fees in the amount of 50,000 common shares and 25,000 share purchase warrants were paid in connection with the private placement.

Financial and Other Instruments

The Company's financial assets and liabilities consist of cash and cash equivalents, trade payables and related party loans. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The fair value of these instruments approximates their carrying value due to the short-term nature of their maturity.

RELATED PARTY TRANSACTIONS

For the period ended 30 September 2019 and 2018, the Company had related party transactions with the following companies related by way of management, directors or shareholders in common:

- LiCo, a company with management and directors in common with the Company. The Company provides office and consulting services to LiCo.
- TCF Ventures Corp., a company controlled by the Chief Operating Officer of the Company.
- Zeus Capital Ltd., a company controlled by the Chief Financial Officer of the Company.

During the previous period ended 30 June 2018, the Company received \$Nil in cash and 7,000,000 shares from LiCo in relation to option agreements for the Dixie Valley Project and Black Rock Desert Project (Notes 5, 6 and 14).

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As at 30 September 2019, included in accrued liabilities is a balance of \$89,600 (30 June 2019: \$89,600) payable to related parties as follows:

Period ended 30 September	As at 30 September 2019	As at 30 June 2019
	\$	\$
TCF Ventures Corp.	60,000	60,000
Director	5,600	5,600
Corporate Secretary	24,000	24,000
Total accrued liabilities payable to related parties	89,600	89,600

Related party expenses

The Company's related party expenses are summarized as follows:

Period ended 30 September	2019	2018
	\$	\$
Shared office and administration recoveries from LiCo	-	(3,328)
Shared rent recoveries from LiCo	-	(4,864)
Consulting fees, former CFO	6,000	10,500
Consulting fees, Corporate Secretary	12,000	12,000
Consulting fees, TCF Ventures Corp.	12,000	12,000
Total related party expenses	30,000	26,308

KEY MANAGEMENT PERSONNEL COMPENSATION

The remuneration of directors and other members of key management for the year ended 30 June 2019 and 2018 were as follows:

	30 September 2019	30 September 2018
	\$	\$
Short-term benefits – management and consulting fees	30,000	34,500
Accrued costs – corporate development	-	-
Total key management personnel compensation	30,000	34,500

Critical Accounting Estimates

The preparation of consolidated financial statements requires the Company to select from possible alternative accounting principles, and to make estimates and assumptions that determine the reported amounts of assets and liabilities at the balance sheet date and reported costs and expenditures during the reporting period. Estimates and assumptions may be revised as new information is obtained, and are subject

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to change. The Company's accounting policies and estimates used in the preparation of the consolidated financial statements are considered appropriate in the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process.

Adoption of New and Revised Standards and Interpretations

The IASB issued a number of new and revised IASs, IFRSs, amendments and related IFRIC interpretations which are effective for the Company's financial year beginning on 1 July 2018. For the purpose of preparing and presenting the consolidated financial statements, the Company has consistently adopted all these new standards for the period ended 30 September, 2019.

IAS 28 Investment in Associates and Joint Ventures

As part of the annual improvements 2014-2016 cycle, this standard was amended to clarify whether an entity has an investment-by-investment choice for measuring investees at fair value in accordance with IAS 28 by a venture capital organization, or a mutual fund, unit trust or similar entities including investment linked insurance funds. The amendment is applicable for annual periods beginning on or after 1 January 2018.

IFRS 2 Share-based payment

IFRS 2, Share-based payment, issued in June 2016, is amended to provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a "net settlement" for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendment is applicable for annual periods beginning on or after 1 January 2018.

IFRS 7 Financial Instruments: Disclosures

IFRS 7 clarifies the definition for continuing involvement in a transferred financial asset. The amendment is effective for annual periods beginning on or after 1 January 2018.

IFRS 9 Financial Instruments

IFRS 9 amends the requirements for classification and measurement of financial assets, impairment, and hedge accounting and replaces IAS 39. IFRS 9 introduces an expected loss model of impairment and retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through profit or loss, and fair value through other comprehensive income. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The amendment is applicable for annual periods beginning on or after 1 January 2018.

IFRIC 22 Foreign Currency Transactions and Advance Consideration

This interpretation clarifies when an entity recognizes a non-monetary asset or non-monetary liability arising from payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The interpretation is applicable for annual periods beginning on or after 1 January 2018.

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The adoption of these standards did not have a material impact on the Company's consolidated financial statements.

Off-Balance Sheet Arrangements

The Company did not enter into any off-balance sheet arrangements during the period.

Management's Responsibility for Consolidated Financial Statements

The information provided in this report, including the consolidated financial statements, is the responsibility of Management. In the preparation of these statements estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying Consolidated Financial Statements.

Risks

The Investment in the common shares must be regarded as highly speculative due to the proposed nature of the Company's business and its present stage of development.

There can be no assurance that an active and liquid market for the Company's common shares will develop and an investor may find it difficult to resell the common shares.

Controls and Procedures

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's consolidated financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this MD&A.

Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company's financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and work load will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial reports.

Outlook

Although current management has demonstrated its ability to raise funds in the past, with the current financial market conditions and global economic uncertainty, there can be no assurance they will be able to do so in the future. The financial results and discussion do not include the adjustments that would be

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necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

Caution Regarding Forward Looking Statements

Except for historical information contained in this discussion and analysis, disclosure statements contained herein are forward-looking. Forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially, from those in such forward-looking statements. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.

Other Information

Additional information about the Company is available on SEDAR at www.sedar.com.

Subsequent Events

There are no subsequent events to report at this time.