

FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: **La Imperial Resources Inc.** (the “Issuer”).

Trading Symbol: **LAI**

This Quarterly Listing Statement must be posted on or before the day on which the Issuer’s unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer’s first, second and third fiscal quarters. This statement is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

All related party transactions have been disclosed in the Issuer's financial statements for the interim period ended November 30, 2023.

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

2. Summary of securities issued and options granted during the period.

All securities issued and options granted by the Issuer have been disclosed in the Issuer's financial statement notes for the interim period ended November 30, 2023.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

- (a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

3. Summary of securities as at the end of the reporting period.

A summary of securities has been provided in the financial statements for the interim period ended November 30, 2023.

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,
- (b) number and recorded value for shares issued and outstanding,
- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

4. **List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.**

Name of Director	Position(s) Held
Marilyn Miller	President, CEO and Director
Gary MacDonald	CFO and Director
Bob Lane	Director
Willie Kushner	Director

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

See Management's Discussion & Analysis attached.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated January 25, 2024

Marilyn Miller
Name of Director or Senior Officer

Marilyn Miller
Signature

President, CEO and Director
Official Capacity

Issuer Details - Name of Issuer	For Quarter Ended	Date of Report (YY/MM/DD)
La Imperial Resources Inc.	November 30, 2023	January 25, 2024
Issuer Address		
Suite 600-666 Burrard Street		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Vancouver, B.C. V6C 2X8	(604) 689-9619	(604) 689-9600
Contact Name	Contact Position	Contact Telephone No.
Marilyn Miller	Director	(604) 689-9600
Contact Email Address	Web Site Address	
laimperialresourcesinc@gmail.com	laimperialresourcesinc@gmail.com	

Schedule "A"

LA IMPERIAL RESOURCES INC.

Consolidated Financial Statements

November 30, 2023

(unaudited – Prepared by Management)

LA IMPERIAL RESOURCES INC.

Consolidated Statements of Financial Position

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

ASSETS	November 30, 2023	August 31, 2022
CURRENT		
Cash	\$0	\$10
GST receivable	4,737	4,624
	4,737	4,634
EXPLORATION AND EVALUATION ASSETS <i>(Note 3)</i>	1	1
TOTAL ASSETS	\$4,738	\$4,635
LIABILITIES AND DEFICIT		
CURRENT		
Trade payables and accrued liabilities	\$414,578	\$415,776
Unsecured advances <i>(Notes 4 and 5)</i>	1,646,949	1,637,880
	2,061,527	2,053,656
DEFICIT		
Share capital <i>(Notes 6 and 7)</i>	1,441,788	1,441,788
Deficit	(3,498,577)	(3,490,809)
	(2,056,789)	(2,049,021)
TOTAL LIABILITIES AND DEFICIT	\$4,738	\$4,635

Going concern *(Note 1)*

Approved by the Board of Directors:

"Marilyn Miller" Director

"Gary MacDonald" Director

The accompanying notes are an integral part of these consolidated financial statements.

LA IMPERIAL RESOURCES INC.

Consolidated Statements of Comprehensive Loss

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

	For the Three Months Ended	
	November 30,	
	2023	2022
EXPENSES		
Interest and bank charges	\$18	\$18
Office occupancy and miscellaneous	5,500	5,000
Transfer agent & filing fees	2,250	1,500
	(7,768)	(6,518)
NET COMPREHENSIVE LOSS FOR THE YEAR	(\$7,768)	(\$6,518)
Loss per share - basic and diluted	(\$0.00)	(\$0.00)
Weighted average number of shares outstanding - basic and diluted	12,085,970	12,085,970


The accompanying notes are an integral part of these consolidated financial statements.

LA IMPERIAL RESOURCES INC.

Consolidated Statements of Changes In Deficit

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

	Number of shares	Amount \$	Deficit \$	Total \$
Balance as at August 31, 2022	12,085,970	1,441,788	(3,442,620) 	(2,000,832)
Comprehensive loss for the period	-	-	(6,518)	(6,518)
Balance as at November 30, 2022	12,085,970	1,441,788	(3,449,138)	(2,007,351)
Balance as at August 31, 2023	12,085,970	1,441,788	(3,490,809)	(2,049,021)
Comprehensive loss for the period	-	-	(7,768)	(7,768)
Balance as at November 30, 2023	12,085,970	1,441,788	(3,498,577)	(2,056,789)

The accompanying notes are an integral part of these consolidated financial statements.

LA IMPERIAL RESOURCES INC.

Condensed Statements of Cash Flows

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

	For the Three Months Ended	
	November 30,	
	2023	2022
Cash flow from operating activities:		
Net loss for the period	(\$7,768)	(\$6,518)
Changes in non-cash working capital:		
GST receivable	(113)	(75)
Trade payables and accrued liabilities	(1,198)	5,000
Net cash used in operating activities	(9,079)	(1,593)
Cash flow from financing activities		
Unsecured advances	9,069	2,376
Net cash provided by financing activities	9,069	2,376
Cash increase during the period	(10)	783
Cash, beginning of period	10	6
Cash, end of period	\$0	\$789

The accompanying notes are an integral part of these financial statements.

LA IMPERIAL RESOURCES INC.

Notes to the Consolidated Financial Statements
For the Three Months Ended November 30, 2023
Expressed in Canadian Dollars – (Unaudited)

1. GENERAL BUSINESS DESCRIPTION AND GOING CONCERN

La Imperial Resources Inc. (the “Company”) was incorporated on October 4, 2004 under the Canada Business Corporations Act and its principal activity is the acquisition and exploration of mineral properties.

The Company is a reporting issuer in British Columbia, Alberta and Ontario and its shares are listed on the CNQ Stock Exchange under the symbol LAI.

The address of the Company’s corporate office and principal place of business is 600-666 Burrard Street, Vancouver, British Columbia, Canada V6C 2X8.

The consolidated financial statements were prepared on a going concern basis in accordance with International Financial Accounting Standards (“IFRS”), with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations rather than through a process of forced liquidation. The Company has incurred losses since its inception and had an accumulated deficit of \$3,498,577 at November 30, 2023. The Company’s ability to continue as a going concern is dependent upon the ability of the Company to obtain financing and generate positive cash flows from its operations. Management of the Company does not expect that cash flows for the Company’s operations will be sufficient to cover all of its operating requirements, financial commitments and business development priorities during the next twelve months. Accordingly, the Company expects that it will need to obtain further financing in the form of debt, equity or a combination thereof for the next twelve months. There can be no assurance that additional funding will be available to the Company, or, if available, that this funding will be on acceptable terms. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

2. BASIS OF PRESENTATION

The consolidated financial statements of the Company for the year ended November 30, 2023 were authorized for issue by the Board of Directors on January 25, 2024.

The condensed interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”), and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”). Certain disclosures included in the notes to the annual financial statements have been condensed in the following note disclosures or have been disclosed on an annual basis only. Accordingly, these condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended August 31, 2014, which have been prepared in accordance with IFRS as issued by the IASB.

These condensed interim financial statements follow the same accounting policies and methods of application as the annual financial statements for the year ended August 31, 2023.

3. EXPLORATION AND EVALUATION ASSETS

Uruachi Concessions - Chihuahua, Mexico

State of Chihuahua, Mexico

On November 8, 2006, the Company acquired 99.9% of the outstanding common shares of La Kathrina in consideration for the issuance of 6,000,000 common shares at \$0.01 per share, for a total payment of \$60,000. La Kathrina has a 70% interest in six mining concessions covering 12,959 hectares in the State of Chihuahua, Mexico.

During the year ended August 31, 2012, the Company determined that the recoverable value of the mining concessions was impaired. Accordingly, the mining concessions were written-down to \$1.

LA IMPERIAL RESOURCES INC.

Notes to the Consolidated Financial Statements
For the Three Months Ended November 30, 2023
Expressed in Canadian Dollars – (Unaudited)

4. UNSECURED ADVANCES

As at November 30, 2023, a total of \$1,646,949 (2022 - \$1,637,880) is owing to the lenders. These amounts are unsecured and have no specified terms of repayment. Certain of the advances bear interest at 12% per annum.

5. RELATED PARTY TRANSACTIONS

As at November 30, 2023 and 2022, the Company did not owe any amounts to related parties.

6. SHARE CAPITAL

Authorized, issued and outstanding common shares:

The authorized share capital of the Company consists of an unlimited number of common shares no par value.

7. FINANCIAL RISK AND CAPITAL MANAGEMENT

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

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company currently does not have sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in bank accounts which are available on demand. As a result, liquidity risk is assessed as high.

Interest rate risk

The Company's bank account earns interest income at variable rates. The fair value of its cash is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to short-term rates.

The Company has some advances which bear interest at a fixed rate and, thus, do not expose the Company to interest rate risk.

Classification of financial instruments

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Cash is classified as loans and receivables. Trade payables and unsecured advances are classified as other financial liabilities

LA IMPERIAL RESOURCES INC.

Notes to the Consolidated Financial Statements
For the Three Months Ended November 30, 2023
Expressed in Canadian Dollars – (Unaudited)

7. FINANCIAL RISK AND CAPITAL MANAGEMENT (Continued)

Capital Management

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of mineral properties, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises all the components of shareholders' equity. There were no changes in the Company's approach to capital management during the year.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

LA IMPERIAL RESOURCES INC.

**Management's Discussion and Analysis of Results of
Operations and Financial Condition of La Imperial Resources Inc.
For the three months ended November 30, 2023
(Expressed in Canadian Dollars)**

The following discussion and analysis of the results of operations and financial condition ("MD&A") for La Imperial Resources Inc. ("the Company") should be read in conjunction with the audited financial statements for the year ended August 31, 2023 and related notes thereto.

The financial information in this MD&A is derived from the Company's financial statements prepared in accordance with International Financial Reporting Standards.

All monetary amounts are in Canadian dollars unless otherwise specified. The effective date of this MD&A is January 25, 2024.

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

FORWARD-LOOKING INFORMATION

This MD&A together with the Company's financial statements for the twelve month period ended August 31, 2023 contain certain statements that may be deemed "forward-looking statements". Forward looking statements in this document are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "continue", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management are inherently subject to significant business, economic and competitive uncertainties and contingencies. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Inherent in forward-looking statements are known and unknown risks, and factors may include, but are not limited to: unavailability of financing, changes in government regulation, general economic condition, general business conditions, limited time being devoted to business by directors, escalating professional fees, escalating transaction costs, competition, fluctuation in foreign exchange rates, competition, stock market volatility, unanticipated operating events and liabilities inherent in industry. Readers are cautioned that the foregoing list of important factors and assumptions is not exhaustive. Forward-looking statements are not guarantees of future performance. Events or circumstances could cause the Company's actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

Description of Business

La Imperial Resources Inc. (the "Company") was incorporated on October 4, 2004 under the Canada Business Corporations Act and its principal activity is the acquisition and exploration of mineral properties located in Mexico.

The Company is a reporting issuer in British Columbia, Alberta and Ontario and its shares are listed on the CNSX Stock Exchange under the symbol LAI.

The Company has its corporate and administrative office in Vancouver and a field office in Chihuahua, Mexico.

Subsidiary

The Company acquired on November 8, 2006 a 99.9% interest in La Kathrina de Mexico, S.A de CV ("La Kathrina"), a Mexican company, by issuing 8 million common shares valued at \$300,000, subject to an escrow restriction, to the La Kathrina shareholders, which included two company directors and certain family members. La Kathrina's sole asset and undertaking are the Uruachi concessions located in the state of Chihuahua, Mexico.

The acquisition was accounted for by the purchase method, with the Company identified as the acquirer, for consideration comprised of 6,000,000 shares valued at \$300,000, the amount was based on the estimated expenditures incurred on the property by La Kathrine prior to the acquisition. The purchase price was allocated entirely to mineral property acquisition costs.

Mineral Project

Uruachi Concessions - Chihuahua, Mexico

State of Chihuahua, Mexico

The Company entered into an agreement on November 30, 2005, subject to the expenditure of \$200,000 on exploration and also for due diligence, and on November 8, 2006 acquired 99.9% of the outstanding common shares of La Kathrina in consideration for the issue of six million Company common shares (issued) at \$0.05 per share, for a total payment of \$300,000. La Kathrina has a 70% interest in seven mining concessions covering 13,209 hectares.

The Property is located at approximately 27° 50' North Latitude, 108° 30' West Longitude in the Municipality of Uruachi, at 170km S56° W of Cuauhtemoc, 255km S 75° W of Chihuahua and 45km east of the boundary of the State of Sonora.

During the year ended August 31, 2012, the Company determined that the recoverable value of the property was impaired, and recognized an impairment provision of \$1,303,953.

Selected Annual Information

	Audited for the year ended August 31, 2023	Audited for the year ended August 31, 2022	Audited for the year ended August 31, 2021
Total Interest income	Nil	Nil	Nil
Total Profit (Loss)	\$ (48,189)	\$ (44,297)	\$ 779,493
Basic and Diluted Profit (Loss) per Share	\$ (0.00)	\$ (0.00)	\$ 0.06
Total Assets	\$ 4,635	\$ 3,690	\$ 3,439
Distributions or Cash Dividends Per Share	Nil	Nil	Nil

The Company's accounting policy is to record its mineral properties at cost. Cost related to the acquisition, exploration and development of mineral properties are capitalized by property. If, after management review, it is determined that capitalized acquisition, exploration and development costs are not recoverable over the estimated economic life of the property, or the property abandoned, the property is written down to its net realizable value.

Summary of Quarterly Results

The following is a summary of the Company's financial results for each of the eight most recently completed quarters in as far as available:

	Q1 Nov 30, 2023	Q4 Aug 31, 2023	Q3 May 31, 2023	Q2 Feb. 28, 2023	Q1 Nov 30, 2022	Q4 Aug 31, 2022	Q3 May 31, 2022	Q2 Feb 29, 2022
Total Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Profit (Loss)	(\$7,768)	(\$12,853)	(\$14,409)	(\$14,409)	(6,518)	(\$18,287)	(\$7,176)	(\$10,801)
Basic and Diluted Profit (Loss) per Share	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)

Overall, office occupancy and miscellaneous, and transfer agent and filing fees are the major components that caused variances in net profit/loss from quarter to quarter.

Liquidity

The Company has \$0 in cash on hand. The Company has a working capital deficiency of \$2,056,790 as at November 30, 2023 and deficit of \$3,498,577. The Company's continued existence as a going concern is dependent upon the continued support of related parties and its ability to raise adequate long-term financing.

The Company will continue to require funds and as a result, will have to continue to rely on equity and debt financing. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company. The Company does not have any commitments for material capital expenditures over either the near or long term or none are presently contemplated other than as disclosed above or over normal operating requirements.

Once the Company is operational, it will require further working capital in order to initiate the exploration activities and pay operating expenses and may seek to raise additional funds through one or more private placements.

Capital Resources

The Company will continue to require funds for exploration work on the Property, as well as to meet its ongoing day-to-day operating expenses and will continue to rely on equity financing during such period. There can be no assurance that any financing, will be available to the on terms satisfactory to the Company. The Company does not have any other commitments for material capital expenditures in the near and long term other than as disclosed above plus normal operating expenses.

Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

Transactions with Related Parties

As at November 30, 2023 and 2022, the Company did not owe any amounts to related parties.

Critical Accounting Estimates

The preparation of these financial statements in conformity of IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements is described below:

a) Exploration and Evaluation Expenditure

The application of the Company's accounting policy for deferred development expenditure requires judgement in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures is capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

b) Title to Mineral Property Interest

Although the Company has taken some steps to verify title to mineral properties in which it has interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfer and title may be affected by undetected defect.

c) Asset Retirement Obligations

The Company recognizes the liability for an asset retirement obligation. The relevant costs in associated with the assets retirement obligations are estimated based on the Company's interpretation of current regulatory requirements. Based on the assessment, the Company did not have any significant asset retirement obligations at the reporting dates.

d) Recovery of Deferred Tax Assets

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from un-utilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets.

e) Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

Changes in Accounting Policies Including Initial Adoption

Certain new accounting standards and interpretations have been published that are not mandatory for the August 31, 2019 reporting period. The following standards are assessed not to have any impact on the Company's financial statements:

- IFRS 9 "Financial Instruments" – This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 introduces new requirements for the classification and measurement of financial assets, additional changes relating to financial liabilities, a new general hedge accounting standard which will align hedge accounting more closely with risk management. 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 with early adoption permitted.

Financial Instruments and Other Instruments

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

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company currently does not have sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in bank accounts which are available on demand. As a result, liquidity risk is assessed as high.

Interest rate risk

The Company's bank account earns interest income at variable rates. The fair value of its cash is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to short-term rates.

The Company has some advances which bear interest at a fixed rate and, thus, do not expose the Company to interest rate risk.

Classification of financial instruments

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – inputs that are not based on observable market data.

Additional Information

Additional information relating to the Company is on SEDAR at www.sedar.com.

Disclosure of Outstanding Security Data

As at the date of this Management's Discussion and Analysis, the following securities are outstanding:

Common Shares: 12,085,970

Early stage – Need for additional funds

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to such enterprises, including undercapitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of its early stage of operations.

The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required.

Although the Company has been successful in the past in obtaining financing through the sale of equity securities or joint ventures, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

Operating Hazards and Risks

Mining operations involve many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production metals, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage.

Environmental Regulations, Permits and Licenses

The Company's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labour standards, occupational health, waste disposal, safety and other matters. 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 impositions 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 direction of stricter standards, and enforcement, and higher fines and penalties for non-responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact of the Company and cause increases in capital expenditures or productions costs or reduction in levels of productions at producing properties or requirements abandonment or delays in development of new mining properties.

Competition and Agreements with Other Parties

The mining industry is intensely competitive in all its phases. The Company competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

The Company may, in the future, be unable to meet its share costs incurred under agreements to which it is a party and it may have its interest in the properties subject to such agreements reduced as a result. Also, if other parties to such agreements do not meet their share of such costs, the Company may not be able to finance the expenditures required to complete recommended programs.

Price Volatility of Public Stock

In recent years securities markets have experienced extremes in price and volume volatility. The market price of securities of many early stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Company's shares will be subject to market trends generally and the value of the Company's shares on the CNSX may be affected by such volatility.

Economic Conditions

Unfavorable economic conditions may negatively impact the Company's financial viability as a result of increased financing costs and limited access to capital markets.

Dependence on Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Conflicts of interest

The Company's directors and officers may serve as directors and officers, or may be associated with other reporting companies or have significant shareholding in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the British Columbia *Business Corporations Act* ("Corporations Act") in dealing with conflicts of interest. These provisions state that where a director/officer has such a conflict, the director must arrange a meeting of the board to disclose his interest and must refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith and in the best interests of the Company.

Approval

The Audit Committee has reviewed and approved the disclosure included in this MD&A. A copy of the interim and annual and MD&A's will be provided to anyone who requests it.