

Hilltop Cybersecurity Inc.

(formerly Big Wind Capital Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED MARCH 31, 2018

INTRODUCTION

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Hilltop Cybersecurity Inc. (formerly Big Wind Capital Inc.) (the "Company") prepared on May 24, 2018 constitutes management's review of the factors that affected the Company's financial and operating performance for the nine months ended March 31, 2018. The Company changed its name to Hilltop Security Inc. on February 19, 2018. This discussion should be read in conjunction with the Company's interim nine months ended March 31, 2018 financial statements and the audited financial statements for the year ended June 30, 2017.

This MD&A was written to comply with the requirements of National Instrument 51-102 Continuous Disclosure Obligations. The Company's consolidated financial statements have been prepared in accordance with and using accounting policies consistent 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).

This MD&A also includes Selected Annual Information for the years ended June 30, 2017, 2016 and 2015. All dollar amounts included are expressed in Canadian dollars except where noted. Statements in this report that are not historically based fact are forward looking statements involving known and unknown risks and uncertainties which could cause actual results to vary considerably from these statements. Readers are cautioned not to place undue reliance on forward-looking statements. In the opinion of management all adjustments considered necessary for a fair presentation have been included. All amounts following are expressed in Canadian dollars unless otherwise stated.

Additional information regarding the Company and its activities is available on SEDAR at www.sedar.com or by requesting further information from the Company's head office located in Kelowna, British Columbia, Canada.

GENERAL OVERVIEW

The Company was incorporated under the provincial laws of British Columbia, Canada, on June 30, 2005. The Company's common shares are listed on the Canadian Securities Exchange ("CSE") under the symbol "CYBX".

The Company was formerly a natural resource company formerly engaged in the acquisition and exploration of resource properties in North America. On December 19, 2017, the Company entered into a definitive agreement (the "Agreement") with Hilltop Security, Inc. ("HTSI"). On February 14, 2018, the Company acquired 25% of HTSI which constituted a fundamental change of the Company within the policies of the CSE. The Company is a technology company engaged primarily in the development of cyber security and cryptocurrency software.

Third Quarter Highlights of Hilltop Security, Inc.

Investment in Hilltop Security, Inc.

On December 19, 2017, the Company entered into an Agreement with HTSI. Pursuant to the Agreement:

- The Company will acquire 49% of the issued and outstanding common shares of HTSI and certain of HTSI's assets (as defined) in two sequential closings. The selling shareholders will retain 51% of the post-issuance outstanding common shares of HTSI.
- On February 14, 2018, the Company acquired 25% of HTSI from a founder of HTSI by making aggregate cash payments of USD \$660,000 for the shares and the cancellation of a promissory which constituted a fundamental change of the Company within the meaning of the policies of the CSE.
- At the second closing, the Company will acquire an additional 24% interest of HTSI. The Company will pay HTSI USD \$1,500,000 (paid) and the Company will issue shares to the selling shareholders equal to an aggregate post-issuance interest of 45% of the Company. The second closing, and completion of the reverse takeover transaction is expected to complete in the latter half of May 2018.
- The Company will grant HTSI a perpetual, worldwide, royalty-free license in the assets and all inventions and improvements derived from the assets.

On February 26, 2018, the CSE granted final approval of the listing application in connection with the Agreement with HTSI.

Vauban Cybersecurity Platform

In September 2016, the Company released "Vauban" as its Minimum Viable Product ("MVP") offering for security incident response. The Company's military management team identified the vulnerability of national infrastructures and, more particularly, small-to medium-sized businesses ("SMBs") facing the realities of cyber warfare in the 21st century. And in response, the Company developed a unique, military-grade, cyber security platform for SMBs called Vauban. With previous services including software development, big data analytics, project management, system architecture and sustainability, the Company has focused on the Vauban platform as its comprehensive product. It is comprised of blockchain event validation, cyber tagging, incident response and rapid restoration. While Vauban, was originally developed for governments and large businesses, the Company has made it available to the SMB sector.

Vauban is a military-grade security platform for small-to-medium businesses that enables rapid detection and comprehensive response for cyber security incidents. Vauban automates the detection and remediation of network security incidents with patent-pending technology for digital cybertagging™ and security event validation. Vauban also provides end-to-end visibility of security events with role-specific dashboards that enhance situational awareness and collaboration.

Vauban is architected as a complete solution for small-to-medium businesses with the options of a cloud-delivered SaaS model, an on-premise service or a hybrid approach. All options provide the same set of comprehensive, integrated capabilities.

The Company's Vauban security platform provides integrated modules that deliver powerful processing capabilities. Business modules may be tailored to specific industries or organizational functions to use data to drive better business performance. The benefit to customers is the ability to process, capture and learn from business processes with a system that is significantly more flexible and cost effective than comparable market

offerings. Vauban makes cyber incident detection and response more efficient and more accurate, preventing breaches and avoiding losses.

In terms of distribution, the Vauban SMB Platform is sold as Software as a Service (SaaS) subscriptions on 1, 2, or 3 year contracts with discounts for 2 and 3 year contracts. SaaS is a software distribution model in which a third-party provides customers applications over the Internet.

As of August 2017, HTSI filed a patent titled "Computerized System and Method for Providing Cybersecurity Detection and Response Functionality" for the Vauban platform's sophisticated cybersecurity event processing system. This intellectual property describes novel technology and processes for addressing some of the most relevant issues in computer network security and is, therefore, important in the current market climate. Vauban has been developed by a team of security experts with substantial military and commercial experience and the company holds a top-secret clearance based on the work it currently carries out for the U.S. government.

Enterprise Information Service (EIS)

The EIS is a cloud-based, Federal Information Processing Standard, Financial Information Audit Readiness ("FIPS-FIAR") compliant portfolio management platform. Initially deployed in classified US Department of Defense cloud environments, the EIS has received an Authority to Operate ("ATO") in one of the most secure computing environments in the world. The EIS provides risk-aware planning, budgeting, execution, project management, contract management and financial reporting capabilities.

The EIS provides additional functionality that allows organizations to transparently manage investments and attain a complete view of their project portfolios. Considering EIS is a U.S. Government specific application for tracking and managing public funds consistent with federal regulations, this product is delivered to government agencies by way of various procurement contracts.

Cryptocurrency Platform Development

The Company's "MineCoin" is an advanced-stage development to create a highly secure cryptocurrency platform for mining industry traders that will facilitate buying, selling and exchange of precious metals across international borders in a secure environment and using any national currency. Users of the platform will be able to exchange their own currency for cryptocurrency and purchase or sell precious metals on the open market. Transactions will be executed online, securely and in real-time. As a developmental product, the distribution methods of MineCoin are in development.

Financial Results for the Three Months Ended March 31, 2018

During the three months ended March 31, 2018, the Company incurred a net loss of \$816,342 (March 31, 2017 - \$51,953 net loss). Overall loss increase is due to recognition of stock based compensation expense, a ramp up of consulting and administrative activity and professional services due to the acquisition of Hill Top Security, Inc. acquisition.

Financial Results for the Nine Months Ended March 31, 2018

During the nine months ended March 31, 2018, the Company incurred a net loss of \$2,574,562 (March 31, 2017 - \$350,019 net loss). Overall loss increase is due to recognition of stock based compensation expense, a ramp up of consulting and administrative activity and professional services due to the Hill Top Security, Inc. acquisition.

Hilltop Cybersecurity Inc.
(formerly Big Wind Capital Inc.)
Management's Discussion and Analysis
For the Nine Months Ended March 31, 2018

CSE: BWC

Selected Annual Information

For the year ended June 30,	2017	2016	2015
Net loss and comprehensive loss	\$ (492,397)	\$ (190,510)	\$ (274,142)
Total assets	147,450	324,231	43,742
Total liabilities	231,418	105,802	724,992
Shareholders Equity (Deficiency)	-83,968	218,430	(681,250)
Basic and diluted loss per common share	(\$0.02)	(\$0.02)	(\$0.06)

Summary of Quarterly Results

Quarter Ended	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017
Total Assets	\$ 3,290,449	\$ 2,926,986	\$ 566,424	\$ 147,450
Working capital (deficiency)	2,224,025	1,812,817	175,875	83,968
Net loss for the period	(1,046,232)	(1,383,932)	(144,397)	(142,378)
Basic and diluted loss per common share	\$ (0.02)	\$ (0.04)	\$ (0.01)	\$ (0.01)

Quarter Ended	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
Total Assets	\$ 260,493	\$ 295,866	\$ 316,061	\$ 324,231
Working capital	151,354	(1,068)	(120,784)	(79,071)
Net loss for the period	(237,398)	(70,908)	(41,713)	(48,460)
Basic and diluted loss per common share	\$ (0.01)	\$ 0.01	\$ (0.01)	\$ (0.01)

Related Party Transactions

The following related party transactions were in the normal course of operations and measured at the exchange amount, which is the amount established and agreed to by the related parties. Unless otherwise noted, amounts due to and from related parties were non-interest bearing, unsecured and had no fixed terms of repayment.

- During the 9 months ended March 31, 2018, a private company owned by the former Chief Executive Officer charged \$90,000 in fees to the Company (2017-\$90,000). Included in accounts payable and accrued liabilities is \$233,004 (June 30, 2017 – \$230,558) for unpaid fees.
- During the 9 months ended March 31, 2018, a company with common director (former CEO) charged the Company \$Nil (2017-\$2,355) in office and rent expenses.
- During the 9 months ended March 31, 2018, a private company owned by the Chief Executive Financial charged \$14,500 in fees to the Company (2017-\$Nil).

- d) In April 2016, RD Capital Inc. loaned the Company \$25,000. The amount is non-interest bearing with no fixed terms of repayment. In January 2017, an additional \$25,000 was loaned to the Company from RD Capital Inc. with the same terms. In March 2017, the Company repaid the loans.
- e) As part of Agreement between the Company and HTSI, the Chief Executive Officer of the Company advanced USD\$100,000 (\$124,800) to HTSI on July 6, 2017. A promissory note for USD\$100,000 was signed by the Company. The promissory note is unsecured, non-interest bearing, due on demand and can be repaid in whole or in part at any time without notice, penalty or bonus. The full balance was repaid on February 13, 2018.
- f) On October 23, 2017, and November 2, 2017, the spouse of the CEO loaned the Company \$455,000 and \$258,840, respectively. The amounts are non-interest bearing with no fixed terms of repayment. The funds were used as part of the HTSI advance. The full balance was repaid by February 13, 2018.

Outstanding Share Data

As at the date of this document, the Company had 55,855,915 common shares issued and outstanding, 5,451,590 share purchase options issued and outstanding, and 8,042,855 share purchase warrants issued and outstanding.

Private Placement and Warrants

On April 17, 2018, 100,000 share purchase options were exercised for gross proceeds of \$40,000.

During the period ended March 31, 2018, the Company issued 3,840,000 shares from related share warrant and option exercises for gross cash proceeds of \$284,000.

On November 5, 2017, the Company closed the first tranche of its July 4, 2017, previously announced private placement issuing 3,355,000 shares at \$0.15 per share for gross proceeds of \$503,250.

On November 24, 2017, the Company closed the second tranche of its July 4, 2017, previously announced private placement issuing 3,290,247 shares at \$0.15 per share for gross proceeds of \$493,537.

On November 30, 2017, the Company closed the first tranche of its July 4, 2017, previously announced private placement issuing 4,377,299 Units at \$0.35 per share for gross proceeds of \$1,532,055. Each Unit comprises one common share and one share purchase warrant exercisable for two years at \$0.40 per share.

On February 13, 2018, the Company closed 6,688,086 common shares at a price of \$0.15 per common share for gross proceeds of \$1,003,213.

On February 13, 2018, the Company closed 2,765,556 \$0.35 units for gross proceeds of \$967,945. Each Unit comprises one common share and one share purchase warrant exercisable for two years at \$0.40 per share.

On February 13, 2018, the Company closed 1,000,000 units at a price of \$0.60 per unit ("\$.60 Units"). Each \$.60 unit comprises one common share and one common share purchase warrant, with each \$.60 Unit

Warrant entitling the holder thereof to acquire a common share at an exercise price of \$0.70 per Common Share for a period of 18 months from the issuance thereof, for gross proceeds of \$600,000.

On March 20, 2017, the Company completed a non-brokered private placement 3,800,000 units ("Units") at a price of \$0.05 per Unit for aggregate gross proceeds of \$190,000. Each Unit is comprised on one common share ("Share") and on Share purchase warrant of the Company ("Warrant"). Each Warrant will entitle the holder to purchase one Share at an exercise price of \$0.07 per Share for a period of 12 months. The Units are subject to a four month hold period expiring on July 18, 2017. The proceeds from the financing will be used for working capital purposes. The company is looking at opportunities for gold and silver in Canada, the US and Mexico.

Share Based Compensation

On July 17, 2017 the Company granted 3,000,000 stock options to various officers, directors and consultants. The options are exercisable at \$0.45 per share and expire on July 17, 2019, and follow a vesting schedule whereby 10% of the options vest immediately and the remaining options vest in equal portions on the dates that are three, six, nine, twelve, fifteen and eighteen months after grant date.

On February 26, 2018, the Company granted 2,491,590 stock options to various officers, directors and consultants. The options are exercisable at \$0.70 per share and expire on February 26, 2020, and follow a vesting schedule whereby 10% of the options vest immediately and the remaining options vest in equal portions on the dates that are three, six, nine, twelve, fifteen and eighteen months after grant date. The weighted average fair value of \$0.70 per stock option was determined using the Black-Scholes option pricing model using the following assumptions: share price on grant date of \$0.69, expected life of stock option of 2 years, volatility of 111.14%, annual rate of dividends of 0.00% and a risk free rate of 0.66%. The Company recognized stock-based compensation of \$97,600 during the period ended March 31, 2018.

Liquidity and Capital Resources

The Company is engaged in the acquisition, exploration and development of mineral properties and has yet to determine whether its properties contain mineral resources that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets, including acquisition costs and related exploration and evaluation costs, are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production. The Company expects to rely upon equity financing and/or joint venturing project development as primary sources of funding.

The accompanying consolidated financial statements for the nine months ended March 31, 2018 have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The consolidated financial statements for the period ended December 31, 2017 do not give effect to any adjustments that would be necessary should the Company not be able to continue as a going concern. The Company's ability to continue as a going concern is dependent upon successful completion of additional financing and upon its ability to attain profitable operations. There can be no assurances that this capital will be available in amounts or on terms acceptable to the Company, or at all. This creates material uncertainty which casts significant doubt about the Company's ability to continue as a going concern.

The Company is actively pursuing joint venture partners and has minimized its exploration activities and over-all operations in an effort to conserve cash.

Financial Instruments

The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities and are measured at amortized cost. The fair values of these financial instruments approximate their carrying values unless otherwise noted.

Critical Accounting Estimates

The preparation of consolidated financial statements in conformity with IAS 3 requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Accounts that require significant estimates as the basis for determining the stated amounts include exploration and evaluation assets and share-based compensation. The assessment of any impairment of exploration and evaluation assets is based on the estimated recovery of future exploitation or sale where the activities have not reached a stage which permits a reasonable assessment of existence of reserves. Share-based compensation expense is calculated using Black-Scholes valuation model which requires significant judgment as to considerations such as stock option lives and stock volatility.

Significant Accounting Policies

A summary of the Company's significant accounting policies is included in Note 3 of the audited consolidated financial statements for the year ended June 30, 2017.

Risks and Uncertainties

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to; environmental, social, political, financial, economic and fluctuation of metal prices. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable.

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not listed in order of importance nor are they inclusive of all the risks and uncertainties the Company may be subject to as other risks may apply.

(1) The mineral property interests of the Company are in the exploration stage only and consequently, exploration of the Company's mineral property interests may not result in any discoveries of commercial bodies of mineralization.

The property interests owned by the Company are in the exploration stages only, are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. The Company's mineral exploration activities may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations.

(2) Government expropriation may result in the total loss of the Company's mineral property interests.

Even if the Company's mineral property interests are proven to host economic reserves of copper or other precious or non-precious metals, governmental expropriation may result in the total loss of the Company's mineral property interests without any compensation to the Company.

(3) Governmental regulation may have negative impacts on the Company.

The Company's assets and activities are subject to extensive American federal and state, laws and regulations governing various matters, including, but not limited to:

- environmental legislation and protection;
- management and use of toxic substances and explosives;
- management of natural resources;
- exploration, development of mines, production and post-closure reclamation;
- exports;
- price controls;
- taxation;
- mining royalties;
- onerous development criteria;
- restrictions on the movement of capital into and out of USA which could impact the Company's ability to repatriate funds and therefore, pay dividends;
- labour standards and occupational health and safety, including mine safety; and
- historic and cultural preservation.

The costs associated with compliance with these laws and regulations are substantial and possible future laws and regulations, changes to existing laws and regulations or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expenses, capital expenditures, restrictions on or suspensions of the Company's operations and delays in the development of its properties.

Moreover, these laws and regulations may allow governmental authorities and private parties to bring lawsuits against the Company based upon damage to property and injury to persons resulting from the environmental, health and safety impacts of the Company's past and current operations, or possibly even those actions of parties from whom the Company acquired its properties, and could lead to the imposition of substantial fines, penalties or other civil or criminal sanctions. It is difficult to strictly comply with all regulations imposed on the Company. The Company retains competent and well trained individuals and consultants in jurisdictions in which it does business; however, there is no certainty that the Company will continuously be compliant with all applicable laws.

(4) Failure to comply strictly with applicable mining laws, regulations and local practices may have a material adverse impact on the Company's operations or business.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriations of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. Any such loss, reduction or imposition of partners could have a material adverse impact on the Company's operations or business. Further, the increasing complexity of mining laws and regulations may render the Company incapable of strict compliance.

(5) The exploration and future development of the Company's property interests is subject to extensive environmental laws and regulations.

The Company's exploration activities are subject to extensive laws and regulations governing the protection of the environment, waste disposal, workplace safety, mine development and protection of endangered and protected species. The Company's ability to obtain permits and approvals and to successfully operate in particular communities may be adversely impacted by real or perceived detrimental events associated with the Company's activities or those of other mining companies affecting the environment, human health and safety of the surrounding communities. Delays in obtaining or failure to obtain government permits and approvals may adversely affect the Company's ability to explore or develop its properties. The Company has made, and expects to make in the future, significant expenditures to comply with such laws and regulations and to the extent possible, create social

and economic benefit in the surrounding communities. Future changes in applicable laws, regulations and permits or changes in their enforcement or regulatory interpretation could have an adverse impact on the Company's financial condition.

(6) The Company may not be able to obtain or renew permits that are necessary to its operations.

In the ordinary course of business, the Company is required to obtain and renew governmental permits for existing operations and any ultimate development, construction and commencement of new mining operations. Obtaining or renewing the necessary governmental permits is a complex and time-consuming process involving numerous jurisdictions and often involving public hearings and costly undertakings on the Company's part. The duration and success of the Company's efforts to obtain and renew permits are contingent upon many variables not within its control, including the interpretation of applicable requirements implemented by the permitting authority. The Company may not be able to obtain or renew permits that are necessary to its operations, or the cost to obtain or renew permits may exceed what the Company believes it can recover from a given property once in production. Any unexpected delays or costs associated with the permitting process could delay the development or impede the exploration or development of the Company's mineral properties, which could adversely impact the Company's operations.

(7) The Company has no significant source of operating cash flow and failure to generate revenues in the future could cause the Company to go out of business.

The Company has no revenues from ongoing operations and has recorded losses since inception. Based upon current plans, the Company expects to incur operating losses in future periods due to continuing expenses associated with the holding and exploration of the Company's mineral property interests. The Company has limited financial resources and its ability to achieve and maintain profitability and positive cash flow is dependent upon the Company being able to:

- locate a profitable mineral property;
- generate revenues in excess of expenditures; and
- reduce exploration and administrative costs in the event revenues are insufficient.

Additional funds raised by the Company through the issuance of equity or convertible debt securities will cause the Company's current shareholders to experience dilution. Such securities may grant rights, preferences or privileges senior to those of the Company's common shareholders. There is no certainty the Company will be able to raise funds in the event it needs to do so.

The Company does not have any contractual restrictions on its ability to incur debt and accordingly, the Company could incur significant amounts of indebtedness to finance its operations. Any such indebtedness could contain covenants, which would restrict the Company's operations.

(8) The mineral exploration industry is intensely competitive in all its phases and the Company competes with many companies possessing greater financial resources and technical facilities.

The mineral exploration industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical abilities than itself for the acquisition of mineral concessions, claims, leases, other mineral interests, and equipment required to conduct its activities as well as for the recruitment and retention of qualified employees. In addition, there is no assurance that even if commercial quantities of minerals are discovered, a ready market will exist for their sale. Factors beyond the control of the Company may affect the marketability of any minerals discovered. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, international economic and political trends, expectations of inflation, currency exchange fluctuations (specifically, the U.S. dollar relative to other currencies), interest rates and global or regional consumption patterns, speculative activities, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital or losing its invested capital.

(9) Substantial expenditures are required to be made by the Company to establish mineral reserves and the Company may not either discover minerals in sufficient quantities or grade or may not have the necessary required funds.

Substantial expenditures are required to establish mineral reserves through drilling and the estimation of mineral reserves or mineral resources in accordance with the Canadian Institute of Mining (CIM) Guidelines.

Although substantial benefits may be derived from the discovery of a major mineralized deposit, the Company may not discover minerals in sufficient quantities or grades to justify commercial operation and the funds required for development may not be obtained on a timely basis. Estimates of mineral reserves and mineral resources can also be affected by environmental factors, unforeseen technical difficulties and unusual or unexpected geological formations. In addition, the grade of mineral ultimately mined may differ from that indicated by drilling results. Material changes in mineral reserve or mineral resource estimates, grades, stripping ratios or recovery rates may affect the economic viability of any project.

(10) The lack of available infrastructure may adversely affect the Company's operations and profitability.

Mining, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay development of the Company's projects. If adequate infrastructure is not available in a timely manner, there can be no assurance that the development of the Company's projects will be commenced or completed on a timely basis, if at all; the Company's operations will achieve anticipated results; or the construction costs and ongoing operating costs associated with the development of any of the Company's advanced stage exploration projects will not be higher than anticipated. In addition, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations and profitability.

(11) The Company currently has limited insurance covering its assets or operations and as a consequence, could incur considerable costs.

Mineral exploration involves risks which, even with a combination of experience, knowledge and careful evaluation, mineral exploration companies may not be able to overcome. Operations in which the Company has a direct or indirect interest may be subject to all the hazards and risks normally incidental to exploration of precious and non-precious metals, any of which could result in work stoppages, damage to property, and possible environmental damage. The Company presently has limited commercial liability insurance. As a result, the Company could incur significant costs that could have a materially adverse effect upon its financial condition and even cause the Company to cease operations. To date, the Company has not experienced any material losses due to hazards arising from its operations.

(12) The Company's mineral property interests may be subject to prior unregistered agreements or transfers and as such title to some of the Company's mineral property interests may be affected.

Although the Company has sought and received such representations as it has been able to achieve from vendors in connection with the acquisition of or options to acquire an interest in its mining properties and has conducted limited investigations of legal title to each such property, the mining properties in which the Company has an interest may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects.

(13) The price of base and precious metals has fluctuated widely in recent years and may adversely affect the economic viability of any of the Company's mineral properties.

The Company's revenues, if any, are expected to be in large part derived from the mining and sale of copper and other precious and non-precious metals. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control, including: international economic and political trends; expectations of inflation, currency exchange fluctuations; interest rates; consumption patterns; speculative activities; and increased production due to new mine developments and improved mining and production methods. The effect of these factors on the price of copper, base and precious metals and therefore, the economic viability of any of the Company's mining properties, cannot be accurately predicted but may adversely affect the Company's operation and its ability to raise capital.

(14) The business of exploration for minerals involves a high degree of risk; as a result, few properties that are explored are ultimately developed into producing mines.

The Company's exploration activities are subject to a high degree of risk due to factors that, in some cases, cannot be foreseen or anticipated. The operations of the Company may be disrupted by a variety of risks and hazards which may be beyond the control of the Company. These risks include, but are not limited to, labour disruptions, the inability to obtain adequate sources of power, water, labour, suitable or adequate machinery and equipment and consultants or other experts. In addition, the Company may be unable to acquire or obtain such things as water rights and surface rights which may be critical for the continued advancement of exploration activities on its mineral property rights.

(15) The possible issuance of additional shares may impact the value of the Company's common shares.

The Company is authorized to issue an unlimited number of common shares without par value. The Company may issue more common shares in the future. The Sale of substantial numbers of common shares (including shares issuable upon the exercise of stock options, the conversion of notes and the exercise of warrants), or the perception that such sales could occur, could materially adversely affect prevailing market prices for the common shares and the ability of the Company to raise equity capital in the future.

(16) The Company's future performance is dependent on key personnel. The loss of the services of any of the Company's executives or directors could have a material adverse effect on the Company's business.

The Company's performance is substantially dependent on the performance and continued efforts of the Company's executives and its board of directors. The loss of the services of any of the Company's executives or directors could have a material adverse effect on the Company business, results of operations and financial condition. The Company has limited resources and is currently unable to compete with larger organizations with respect to compensation and perquisites.

Disclosure of Internal Controls

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 consolidated 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 consolidated financial statements; and (ii) the audited consolidated financial statements fairly present all material respects the financial condition, results of the operations and cash flows of the Company, as of the date of and for the periods presented by the audited consolidated financial statements.

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

IFRS Standards, Amendments and Interpretations

The IASB issued a number of new and revised International Accounting Standards, IFRS amendments and related interpretations which are effective for the Company's financial year beginning on or after July 1, 2016. No new or revised standards or amendments are expected to have any significant impact to the Company's financial statements.