



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE PERIOD ENDED JUNE 30, 2020

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Generic Gold Corp. ("Generic Gold" or the "Company") constitutes Management's review of the factors that affected the Company's financial and operating performance for the six month period ended June 30, 2020 and 2019. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This MD&A should be read in conjunction with Company's audited consolidated financial statements for the year ended December 31, 2019 and 2018 together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. Information contained herein is presented as at August 31, 2020, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Generic Gold's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should",

“might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward looking statements.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Generic Gold’s ability to predict or control. Please also make reference to those risk factors referenced in the “Risk Factors” section below. Readers are cautioned that the information in this MD&A does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Generic Gold’s actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

DESCRIPTION OF BUSINESS

Generic Gold was incorporated by articles of incorporation dated May 30, 2017 under the Business Corporations Act (Ontario) as Generic Gold Corporation (“Original Generic”).

Generic Gold’s principal business activity is the acquisition and exploration of potentially high-grade gold properties in Yukon, Canada. The registered head office of the Company is located at 217 Queen Street West, Suite 401, Toronto, Ontario, M5V 0R2.

As at June 30, 2020, the Company has acquired the rights to explore eight gold properties in the Yukon Territory of Canada through the acquisition of all of Nevada Zinc Corporation’s (“Nevada Zinc”) Yukon assets through a property sale agreement dated May 30th, 2017.

On July 7, 2020, Generic Gold acquired three blocks of claims (the “Project”) in the Abitibi region of northwestern Quebec, proximal and to the east of the town of Normétal. The Project is comprised of 169 mineral claims covering approximately 8,148 hectares of prospective Archean stratigraphy of felsic through to mafic volcanic rocks, sediments, and numerous intrusions of varying age and compositions.

OVERALL PERFORMANCE

As at June 30, 2020, the Company had total consolidated assets of \$64,919, (the Company expenses all of its exploration and acquisition costs), and total shareholders' deficiency of \$280,103 compared to total consolidated assets of \$37,149 and total shareholders' deficiency of \$282,386 as at December 31, 2019. The Company had amounts payable and other liabilities of \$345,022 as at June 30, 2020 compared to \$319,535 as at December 31, 2019, resulting in working capital deficiency of \$280,103 as at June 30, 2020 compared to working capital deficiency of \$282,386 as at December 31, 2019.

SUBSEQUENT EVENTS

On July 7, 2020, Generic Gold acquired three blocks of claims (the "Project") in the Abitibi region of northwestern Quebec, proximal and to the east of the town of Normétal. The Project is comprised of 169 mineral claims covering approximately 8,148 hectares of prospective Archean stratigraphy of felsic through to mafic volcanic rocks, sediments, and numerous intrusions of varying age and compositions. The Project has been explored sporadically over the years following the discovery and mining of the Normétal polymetallic mine, which was discovered in 1929 and mined until 1975, reaching a depth of 2,400 metres below surface. In order to acquire a 100% interest in the Project, the Company will grant to the vendors, who are arms-length parties, \$300,000 cash and 4.5 million shares issued in several tranches. In addition to the cash and common share consideration, Generic Gold must complete a minimum of \$300,000 of exploration work on the Project within the first 12 months, and grant to the vendors a 3% NSR.

On July 14, 2020, the Company announced the resignation of Mr. Kelly Malcolm as President and Chief Executive Officer ("CEO") of the Company, effective immediately. Mr. Malcolm will remain a director of Generic Gold. The Company appointed Mr. Richard Patricio as President and Chief Executive Officer. In addition, the Company granted an aggregate 1,100,000 options to purchase common shares of the Company exercisable at a price of \$0.39 per share for a period of five (5) years from the date of grant, to certain directors, officers and consultants of the Company. The common shares issuable upon exercise of the options are subject to a statutory hold period of four months and one day from the original date of grant.

On August 11, 2020, the Company completed a brokered private placement financing through the issuance of an aggregate of 16,858,298 units (the "Units") of the Company at a price of \$0.35 per Unit and an aggregate of 2,857,500 flow-through units (the "FT Units" and together with the Units, the "Offered Securities") of the Company at a price of \$0.40 per FT Unit for gross proceeds of \$7,043,404.30 (the "Offering"). The Offering was led by StephenAvenue Securities Inc., as sole agent and sole bookrunner (the "Agent"). Each Unit is comprised of one common share (each, a "Common Share") in the capital of the Company and one Common Share purchase warrant (each, a "Unit Warrant"). Each Unit Warrant entitles the holder thereof to acquire one Common Share at a price of \$0.50 until August 10, 2022. Each FT Unit is comprised of one Common Share, which shall qualify as "flow-through shares" (as such term is defined in subsection 66(15) of the Income Tax Act (Canada)) (each, a "FT Share") and one-half of one common share purchase warrant, issued on a non-flow-through basis (each, whole warrant a "FT Unit Warrant"). Each FT Unit Warrant entitles the holder thereof to purchase one additional Common Share, issued on a non-flow-through basis, at a price of \$0.50 until August 10, 2022. As consideration for the services provided by the Agent in connection with the Offering, the Agent received: (i) a cash commission of \$394,524.26; and (ii) an aggregate of 1,109,147

compensation warrants (“Compensation Warrants”). Each Compensation Warrant entitles the holder thereof to acquire one Common Share at a price of \$0.40 until August 10, 2022.

EXPLORATION ACTIVITIES

During the period ended June 30, 2020 the Company reviewed the newly acquired Belvais property in Quebec ahead of acquisition and began compilation studies of the Belvais project. The Company also continues its review of its Yukon property portfolio. Of particular interest is the Goodman & Seattle property package, located near the town of Mayo, Yukon. The neighbouring property to Goodman, owned by Victoria Gold Corp., has been actively mining its Eagle Gold Mine in the commercial production phase. The Company continues to review and compare the Goodman & Seattle project in contract to the Eagle Gold Mine to identify new exploration targets.

TECHNICAL INFORMATION

Kelly Malcolm, P.Geo., is the “qualified person” within the meaning of NI-43,101, who has approved all scientific and technical information disclosed in this MD&A. Mr. Malcolm is a Director of the Company.

ENVIRONMENTAL LIABILITIES

As at the date of this report, the Company is not aware of any environmental liabilities or obligations associated with its mining property interests. The Company is conducting its operations in a manner that meets or exceeds governing environmental legislation.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Company does not have any off-balance-sheet arrangements.

SELECTED QUARTERLY FINANCIAL INFORMATION

	Net income (loss) and comprehensive income (loss) (\$)	Basic income (loss) per share (\$)	Total assets (\$)
Three months ended June 30, 2020	(46,930)	(0.00)	64,919
Three months ended March 31, 2020	49,213	(0.00)	52,490
Three months ended December 31, 2019	(39,297)	(0.01)	37,149

Three months ended September 30, 2019	(88,112)	(0.00)	22,809
Three months ended June 30, 2019	(72,468)	(0.00)	45,082
Three months ended March 31, 2019	(58,161)	(0.00)	60,891
Three months ended December 31, 2018	(372,499)	(0.01)	58,645
Three months ended September 30, 2018	(501,321)	(0.01)	490,935

Condensed consolidated net income and comprehensive income for the six months ended June 30, 2020 of \$2,283 resulted from other income of \$100,000 less general and administrative expenses of \$97,717 (which is comprised of professional fees of \$9,167; salaries of \$64,097; transfer agent fees of \$1,360; accounting fees of \$15,000; office & administrative expenses of \$4,343; and investor relations fees of \$3,750).

Condensed consolidated net loss and comprehensive loss for the three months ended June 30, 2020 of \$46,930 resulted from general and administrative expenses of \$46,930 (which is comprised of professional fees of \$2,500; salaries of \$31,904; transfer agent fees of \$730; accounting fees of \$7,500; office & administrative expenses of \$2,796; and investor relations fees of \$1,500).

LIQUIDITY AND FINANCIAL POSITION

As at June 30, 2020, the Company had cash and cash equivalents of \$9,296 (December 31, 2019 - \$nil) and sales tax receivable of \$55,623 (December 31, 2019 - \$27,149).

As at June 30, 2020, the Company had current assets of \$64,919 (December 31, 2019 - \$37,149) and current liabilities of \$345,022 (December 31, 2019 - \$319,535) resulting in working capital deficiency of 280,103 compared to working capital deficiency of \$282,386 at December 31, 2019.

RELATED PARTY TRANSACTIONS

The following individuals transacted with the Company in the reporting period. The terms and conditions of the transactions with key management personnel and their related parties are unsecured, non-interest bearing, and due on demand, and were no more favourable than those available, or which might reasonably expected to be available, to similar transactions to non-key management personnel related entities on an arm's length basis.

The remuneration of key management personnel is comprised of fees paid to officers for the period ended June 30, 2020 and 2019 as detailed below:

	2020	2019
Kelly Malcolm, an officer, for salaries relating to a position of office for the Company	\$ 60,000	\$ 60,000
Arvin Ramos, an officer, for consulting services relating to a position of office for the Company	15,000	12,500

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's unaudited condensed interim consolidated financial statements for the period ended March 31, 2020, in conformity with IFRS, required management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited condensed interim consolidated financial statements and reported amounts of expenses during the period ended March 31, 2020. Actual outcomes could differ from these estimates. The Company's unaudited condensed interim consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the unaudited condensed interim consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that Management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to the following:

(i) Income, value added, withholding and other taxes: The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

(ii) Decommissioning, restoration and similar liabilities: Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates

are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

(iii) The Company uses the Black-Scholes option model to estimate the fair value of options and warrants. The main factor affecting the estimates of options and warrants is the stock price volatility used. The Company uses historical price data and comparables in the estimate of stock price volatility.

ACCOUNTING POLICIES

The following summarizes the Company's significant accounting policies in accordance with IFRS:

A. Exploration and evaluation expenditures

The Company expenses acquisition, exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include property option payments, exploration and evaluation activity. Once a project has been established as commercially viable and technically feasible, related development expenditures will be capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization will cease when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

B. Financial instruments

I. Financial assets:

All financial assets are recognized and derecognized on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following categories: financial assets 'at fair value through profit or loss' ("FVTPL"), which are measured at fair value through profit or loss, 'available-for-sale' financial assets, which are measured at fair value through comprehensive income, 'held-to-maturity investments' and 'loans and receivables', which are measured at amortized cost. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

II. Financial liabilities:

Financial liabilities are classified as either financial liabilities at 'FVTPL' or 'other financial liabilities'.

III. Other financial liabilities:

Other financial liabilities including borrowings are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost

using the effective interest method, with interest recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition.

IV. *De-recognition of financial liabilities:*

The Company derecognizes financial liabilities when the obligations are discharged, cancelled or expire.

The Company's financial instruments consist of the following:

<u>Financial assets</u>	<u>Classification</u>
Cash	Loans and receivables
Cash equivalents	FVTPL
Marketable securities	FVTPL
<u>Amounts receivable</u>	<u>Loans and receivables</u>
<u>Financial liabilities</u>	<u>Classification</u>
<u>Amounts payable and other liabilities</u>	<u>Other financial liabilities</u>

C. Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include: significant financial difficulty of the issuer or counterparty; or default or delinquency in interest or principal payments; or the likelihood that the borrower will enter bankruptcy or financial reorganization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of accounts or loan receivable, where the carrying amount is reduced through the use of an allowance account. When an accounts or loan receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount

of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

D. Financial instruments recorded at fair value

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

E. Management of Capital

The Company manages its capital with the following objectives:

- I. to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- II. to maximize shareholder return through enhancing share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures and other investing and financing activities. The forecast is updated based on activities related to the Company's mineral properties. Selected information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the period ended March 31, 2020.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

FINANCIAL RISK FACTORS

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterpart's inability to fulfill its payment obligations. The Company's credit risk is attributable to cash. Cash is held with select major Canadian chartered banks, from which management believes the risk of loss to be remote.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to capital markets is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. As at March 31, 2020 the Company had cash of \$13,186 to settle current liabilities of \$285,663. All of the Company's financial liabilities as at March 31, 2020 are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

I. Interest rate risk

The Company has cash balances and regularly monitors its cash management policy. As a result, the Company is not subject to significant interest rate risk. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered bank.

II. Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Foreign currency risk is the risk that future cash flows of financial instruments will fluctuate as a result of changes in foreign exchange rates.

III. Commodity and equity price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of precious and base metals and other minerals. Precious and base metals and other mineral prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals and other minerals are produced in the future, a profitable market will exist for them.

SHARE CAPITAL

As at the date of this report, the Company has the following outstanding share data and outstanding securities that are convertible into common shares:

Common shares	57,669,186
Stock options	3,420,000 (i)
Warrants	24,959,086 (ii)
Finder Warrants	84,000 (iii)
Compensation Warrants	1,109,147 (iv)

- (i) 2,050,000 have a strike price of \$0.30 with a maturity date of February 20, 2023; 270,000 have a strike price of \$0.25 with a maturity date of October 17, 2021; 1,100,000 have a strike price of \$0.39 with maturity date of July 14, 2025.
- (ii) all the warrants have a strike price of \$0.50 per share with the following maturity dates: 2,817,473 mature July 20, 2020; 2,443,195 mature September 22, 2020; 1,134,000 mature July 23, 2021; 193,400 mature September 21, 2021; and 18,287,048 mature August 10, 2022.
- (iii) finder warrants allow the holder to purchase units of the Company at a strike price of \$0.30 per unit. Each unit consists of one share and one share purchase warrant at a strike price of \$0.50 per share. The finder warrants have maturity date of July 23, 2021.
- (iv) all compensation warrants have a strike price of \$0.40 per share and mature August 10, 2022.

COMMITMENTS AND CONTINGENCIES

The Company's exploration activities are subject to various federal, provincial, municipal, and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment, and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

RISK FACTORS

An investment in the securities of the Company involves a high degree of risk and should only be considered by persons who can afford to lose their entire investment. The following are certain risk factors relating to an investment in securities of the Company which investors should carefully consider before deciding whether to purchase any securities of the Company. Such risk factors

may have a material adverse affect on the financial position or results of operations of the Company or the value of securities of the Company.

Coronavirus (COVID-19)

On January 30, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a “Public Health Emergency of International Concern” and on March 11, 2020, declared COVID-19 a pandemic. The current COVID-19 pandemic is significantly impacting the global economy and commodity and financial markets. The full extent and impact of the COVID-19 pandemic is unknown and to date has included extreme volatility in financial markets, a slowdown in economic activity, extreme volatility in commodity prices and has raised the prospect of an extended global recession. As well, as efforts are undertaken to slow the spread of the COVID-19 pandemic, the operation and development of projects may be impacted as governments have declared a state of emergency or taken other actions. If the operation or development of one or more of the operations or projects of the Company is suspended, it may have a material adverse impact on the Company’s profitability, results of operations, and financial condition. The broader impact of the COVID-19 pandemic on investors, businesses, the global economy or financial and commodity markets may also have a material adverse impact on the Company’s profitability, results of operations and financial conditions. The extent to which the coronavirus impacts the Company’s results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and actions taken to contain the coronavirus or its impact, among others.

Liquidity

The Company has limited financial resources, and has not earned any revenue since commencing operations. It has no source of operating cash flow and there is no assurance that additional funding will be available for further exploration and development of the Company’s properties or to fulfill its obligations under any applicable agreements. 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 delay or indefinite postponement of further exploration and development of the Company’s properties with the possible loss of such properties.

Negative Operating Cash Flow

None of the Company’s properties have advanced to the commercial production stage and the Company has no history of earnings or cash flow from operations. The Company does not expect to generate material revenue from mining operations or to achieve self-sustaining commercial mining operations for several years, if at all.

There can be no assurance that any proven or probable mineral reserves will be discovered on any of the Company’s properties or that any particular level of recovery of minerals will in fact be realized or that an identified mineral reserve or mineral resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. The Company’s ability to continue operations and fund its liabilities is dependent on management’s

ability to secure additional financing. Although the Company has been successful in pursuing additional sources of financing since its date of incorporation, there can be no assurance it will be able to do so in the future. There can be no assurances that additional funding will be available, or available under terms favourable to the Company, or at all. The Company's ability to continue its business operations and exploration activities is dependent on Management's ability to secure additional financing and any failure to do so is likely to have a material adverse affect on the Company's business and its financial condition.

Exploration and Mining Operations Risks

The Company's properties are in the exploration stage, or pre-exploration stage, are without known bodies of commercial ore and require extensive expenditures for exploration.

There is no certainty that the expenditures to be made by the Company will result in discoveries of mineralized material in commercial quantities. Most exploration projects do not result in the discovery of commercially mineable ore deposits, and no assurance can be given that any particular level of recovery of ore reserves will in fact be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short term factors relating to ore reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale tests will be duplicated in large-scale tests under on-site conditions or in production scale. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenditures may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including regulations relating to land tenure, prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact affect 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.

The Company does not currently operate a mine on any of its properties. There is no certainty that the expenditures made by the Company towards the search for and evaluation of mineral deposits will result in discoveries that are commercially viable. The commercial viability of a mineral deposit, once discovered, is also dependent upon a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal

prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. In addition, assuming discovery of a commercial ore-body, depending on the type of mining operation involved, several years can elapse from the initial phase of drilling until commercial operations are commenced. Most of the above factors are beyond the Company's control.

Mining operations generally involve a high degree of risk. Such operations are subject to all the hazards and risks normally encountered in the exploration for, and development and production of, gold and other precious or base metals, including unusual and unexpected geologic formations, wall failure, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequential liability.

Metal Prices

The development and success of the Company's properties will be primarily dependent on the future price of base and precious metals and, in particular, the future price of gold. Base and precious metal prices are subject to significant fluctuation and are affected by a number of factors which are beyond the Company's control. Such factors include, but are not limited to, interest rates, exchange rates, inflation, deflation, fluctuation in the value of the United States dollar, global and regional supply and demand and the political and economic conditions of major metal-producing countries throughout the world. The price of base and precious metals has fluctuated widely in recent years and future serious price declines could cause continued development of and commercial production, if any, from the Company's properties to be impracticable. Depending on the price of base and precious metals, projected cash flow from planned mining operations may not be sufficient and the Company could be forced to discontinue development and may lose its interest in, or may be forced to sell, all or a portion of its properties. Any future production from the Company's properties will be dependent, in part, on precious or base metal prices that are adequate to make these properties economic.

Key-Man and Liability Insurance, Uninsurable Risks

The success of the Company will be largely dependent upon the performance of its key officers. The Company has not purchased any "key-man" insurance with respect to any of its directors, officers or key employees, and has no current plans to do so.

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

Financing Requirements

The Company will need to raise additional financing to continue in business and to implement future exploration and development programs and there can be no assurance that such financing will be available or, if available, will be on reasonable terms. To the extent financing is not available, renewal fees, work commitments, rental payments and option payments, if any, may not be satisfied within the time required and could result in a loss of property ownership or potential earning opportunities by the Company.

Environmental Regulations

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

Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. 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 on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

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

Title

The Company's properties may be subject to undetected prior unregistered agreements, interests or aboriginal land claims and title to the Company's properties may be affected by these undetected defects. If title defects do exist, it is possible that the Company may lose all or a portion of its right, title, estate and interest in and to the properties to which the title defect relates. Title to mineral interests in some jurisdictions is often not susceptible of determination without incurring substantial expense. In accordance with industry practice, the Company conducts such

title reviews in connection with its properties as it believes are commensurate with the value of such properties. The actual interest of the Company in certain properties may vary from the Company's records.

There is no guarantee that title to the Company's properties will not be challenged or impugned.

Governmental and Regulatory Requirements

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

Infrastructure

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. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the operations, financial condition and results of operations of the Company.

Land Use Restrictions

There are no land use restrictions or covenants overlying the Company's properties; however, overlapping land use interests are common in the Yukon Territory. Although the Company is unaware of any other overlapping land use interests, there is no guarantee that such interests do not exist. All land-based interests are exclusive to the holder and convey specific rights. There is no assurance the various land use interest holders will be able to work together to ensure there is no interference in each other's activities or restriction of work activities.

First Nations Traditional Territories

It is the responsibility of Yukon Energy, Mining and Resources to consult with First Nations as part of the process of granting Mining Land Use Permits. There is no assurance the First Nations will agree to the grant of the Mining Land Use Permits requested by the Company. If such

permission is not granted, or should the Company fail to comply with any procedures or protocols enforced by the First Nations at any time in the future, the same could have a material adverse impact on the Company. Approval from local First Nations communities may also be required to carry out proposed work programs on the Company's properties. There is no guarantee that the Company will be able to obtain approval from local First Nations or if the Company enters into an impact benefits agreement with such local First Nation, that the terms of such agreement will be favourable to the Company.

Costs of Land Reclamation

It is difficult to determine the exact amounts that will be required to complete all land reclamation activities in connection with the properties in which the Company holds title. Reclamation bonds and other forms of financial assurance represent only a portion of the total amount of money that will be spent on reclamation activities over the life of a mine. Accordingly, it may be necessary to revise planned expenditures and operating plans in order to fund reclamation activities. Such costs may have a material adverse impact upon the financial condition and results of operations of the Company.

No Market for Securities

There can be no assurance that an active public market for the Company's common shares will continue. The holding of the Company's common shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Market prices for shares of early stage companies are often volatile. Factors such as announcements of mineral discoveries and financial results could have a significant effect on the price of the Company's shares.

Currency Exchange Rates

Exchange rate fluctuations may adversely affect the Company's financial position and results. Gold is sold throughout the world, primarily in U.S. dollars. The Company's financial results are reported in Canadian dollars and costs are incurred primarily in Canadian dollars. The appreciation of the Canadian dollar against the U.S. dollar could increase the actual capital and operating costs of the Company's mineral exploration projects in Yukon and materially adversely affect the results presented in the Company's financial statements. Currency exchange fluctuations may also materially adversely affect the Company's future cash flow from operations, its results of operations, financial condition and prospects.

Competition

The mineral exploration and mining business is competitive in all phases of exploration, development and production. The Company competes with a number of other entities in the search for and the acquisition of productive mineral properties as well as for the recruitment and retention of qualified personnel. As a result of this competition the Company may be unable to acquire attractive properties in the future on terms it considers acceptable. The Company also

competes for financing with other resource companies. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

The ability of the Company to acquire properties depends on its success in exploring and developing its present properties and on its ability to select, acquire and bring to production suitable properties or prospects for mineral exploration and development. Increased competition could result in increased costs and reduced profitability which could materially adversely affect the Company's revenues, operations and financial condition.

Dividend Policy

The Company does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends received from the Company will remain subject to the discretion of the Board of Directors and will depend on results of operations, cash requirements and future prospects of the Company and other factors.

Conflicts of Interest

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development. To the extent that such other companies may participate in ventures which the Company may participate, there exists the possibility for such directors and officers to be in a position of conflict. Such directors and officers have duties and obligations under the laws of Canada to act honestly and in good faith with a view to the best interests of the Company and its shareholders. Accordingly, such directors and officers will declare and abstain from voting on any matter in which such director and/or officer may have a conflict of interest.

Factors Beyond the Company's Control

Location of mineral deposits depends upon a number of factors, not the least of which is the technical skill of the exploration personnel involved. The exploration and development of mineral properties and the marketability of any minerals contained in such properties will also be affected by numerous factors beyond the control of the Company. These factors include availability of adequate transportation and refining facilities and the imposition of new or amendments to existing taxes and royalties. The effect of these factors cannot be accurately predicted.

ADDITIONAL INFORMATION

Additional information related to the Company is available on Generic Gold's website www.genericgold.ca or on the Company's issuer profile at www.sedar.com.