West Point Resources Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the financial year ended April 30, 2014

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited financial statements and notes thereto for the financial year ended April 30, 2014 of West Point Resources Inc. (the "Company"). Such financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

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

DATE

This MD&A is prepared as of July 17, 2014.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this report. These assumptions, which include management's current expectations, estimates and assumptions about current mineral property interests, the global economic environment, the market price and demand for commodities and our ability to manage our property interests and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) a decreased demand or price of precious metals, (3) delays in the start of projects with respect to our property interests, (4) inability to locate and acquire additional property interests, (5) the uncertainty of government regulation and politics in the Yukon regarding mining and mineral exploration, (6) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, (7) inability to complete an initial public offering and (8) other factors beyond our control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

DESCRIPTION OF BUSINESS

The Company was incorporated under the laws of the province of British Columbia on April 5, 2011. The Company is a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource properties and has recently focused on the acquisition of interests in, and exploration for, Gold in Canada.

The Company completed an initial public offering to list on the TSX Venture Exchange (the “Exchange”) on December 16, 2013 under the symbol “WPO”. Effective June 26, 2014, the Company delisted from the TSXV and listed on the Canadian Securities Exchange (“CSE”) under the symbol BLO. For further details, please see the Amended and Restated Final Prospectus of the Company dated September 26, 2013 which is available on SEDAR at www.sedar.com

The Company currently has one material exploration property, the Monster Lake South Gold Property, located in Quebec, Canada, the details of which are set out below. The Company is also in the process of evaluating potential new projects, including but not limited to mineral properties. The Company has not yet determined whether its property interests contain reserves that are economically recoverable. The recoverability of amounts shown for resource properties and related deferred exploration expenditures are dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development of the resource property and upon future profitable production or proceeds from the disposition thereof.

EXPLORATION ACTIVITY

MONSTER LAKE SOUTH GOLD PROPERTY, QUEBEC, CANADA

On February 10, 2014 the Company entered into an agreement to purchase 100% of the early stage exploration property known as the Monster Lake South or “Hazeur” gold property (the “Property”) in Quebec, Canada. As consideration, the Company paid $7,800 in cash and issued 300,000 common shares of the Company valued at $15,000, subject to a 2% NSR of which 1% can be purchased for $1 million. The Monster Lake South property consists of 6 claims totaling 112 hectares and contains historical drilling by Homestake Mining (Canada) Ltd. and Westminer Canada Ltd. The Monster Lake South gold property located less than 1.6 kilometers (1 mile) south of Tomagold Corporation's Monster Lake gold discovery property where Iamgold Corp. recently agreed to exploration work commitments of $16-million over a period of five years. The area also hosts the Philibert (Soquem), Meston Lake, Joe Mann and Chevrier Zone deposits and Vanstar Mining Resources’ Nelligan project which may host a significant new discovery less than 10 kilometres south of the Monster Lake South gold property.

RUBY RANGE PROPERY, YUKON, CANADA

On November 9, 2011, amended last on September 10, 2013, the Company entered into an option agreement with Rockhaven Resources Ltd. for a 100% interest in the Ruby Range Property in consideration for certain payments, property expenditures and issuances of Common Shares.

On February 10, 2014 the the Ruby Range Property Option agreement was terminated and the Company returned the property in good standing. Furthermore, pursuant to the option agreement, the Company issued 1,500,000 common shares of the Company valued at $45,000 to Rockhaven Resources Ltd. upon termination. The Company also paid cash termination costs of $36,855. All acquisition costs previously capitalized, totaling $50,000, were written-off. All claims in the Ruby Range property were returned to Rockhaven Resources Ltd.

Pursuant to the Amended Rockhaven Option Agreement, the Company was required to effect the following payments, property expenditures and issuance of Common Shares:

payments to Rockhaven totalling $525,000 in the aggregate as follows:

(i) $25,000 upon execution of the Rockhaven Option Agreement, which has been paid,

(ii) $25,000 on or before 60 days following execution of the Rockhaven Option Agreement, which has been paid,

(iii) an additional $100,000 upon Exchange Acceptance,

(iv) an additional $50,000 on or before December 31, 2014,

(v) an additional $175,000 on or before December 31, 2015, and

(vi) an additional $150,000 on or before December 31, 2016;

property expenditures of not less than an aggregate of $1,000,000 as follows:

(vii) $100,000 on or before December 31, 2012 , which has been satisfied,

(viii) an additional $250,000 on or before December 31, 2014,

(ix) an additional $350,000 on or before December 31, 2015, and

(x) an additional $300,000 on or before December 31, 2016;

issuances of Common Shares to Rockhaven as follows:

(xi) 2,200,000 Common Shares.

(xii) an additional 750,000 Common Shares on or before December 31, 2013, and

(xiii) an additional 1,050,000 Common Shares on or before December 31, 2014.

Pursuant to the terms of the Amended Rockhaven Option Agreement, the Company had the right to accelerate the cash payments and the property expenditures in its sole discretion.

OVERALL PERFORMANCE

The Company was incorporated on April 5, 2011. As an exploration stage company, the Company has not generated revenues to date from its properties and anticipates that it will continue to require equity financing to fund operations until such time as its properties are put into commercial production on a profitable basis. Since incorporation, the Company identified the potential for gold mineralization at the Ruby Range property, Yukon, Canada as a viable business opportunity to increase shareholders' value. More recently, the Company completed a 100% purchase agreement for the Monster Lake South gold property, Quebec. Managements intends to concentrate its activities on the gold sector and anticipates that expenses will increase during the foreseeable future as the Company carries out its exploration activities on its Quebec exploration property. The Company has incurred costs in connection with the acquisition and an exploration program on the project. Throughout 2013 the company has incurred costs related to the prospectus and IPO. Net loss for the year ended April 30, 2014 was $503,407 compared to $78,284 for the year ended April 30, 2013.

SELECTED ANNUAL INFORMATION

The following information sets out the Company's audited selected annual information for the years ended April 30 2014, 2013, and 2012:

	Year Ended April 30, 2014	**Year Ended April 30, 2013**	**Year Ended April 30, 2012**
	($)	**($)**	**($)**
Net Loss	(503,407)	(78,284)	(220, 073)
Basic and Diluted Loss Per Share	(0.06)	(0.02)	(0.08)

	As at April 30, 2014	**As at April 30, 2013**	**As at April 30, 2012**
	($)	**($)**	**($)**
Mineral Properties	22,800	50,000	50,000
Total Assets	306,786	89,951	96,169

As a mineral exploration company, the Company has not generated any revenues to date from its properties. The Company incurred a net loss of $503,407 during the year ended April 30, 2014 largely as a result of its IPO and administrative costs in operating the Company. During the year ended April 30, 2013, the Company incurred expenses related to its initial public offering, and all general and administrative costs.

The remainder of the expenses were similar during the company's regular operations from such items as overhead legal and accounting. The Company anticipates that expenses will continue to rise in connection with the Company's focus on the identification and development of its exploration and technology business. See the discussion under the headings "Liquidity" and "Capital Resources" for more information.

RESULTS OF OPERATIONS

Year ended April 30, 2014

During the year ended April 30, 2014, the Company incurred expenses of $503,407, primarily investor relations fees of $164,859, share-based payments of $78,264, professional fees (accounting and legal) of $38,178, filing fees of $29,266, impairment of mineral property costs of $50,000, and mineral property option termination costs of $81,855. Net loss for the year ended April 30, 2014 was $503,407.

The Company owns a 100% legal and beneficial interest in the early stage exploration property known as the Monster Lake South gold property, also described under the heading "Description of Business". The Company has no work commitments related to the Monster Lake South gold property.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	Quarter Ended April 30 2014 $	**Quarter Ended January 31 2014 $**	**Quarter Ended October 31 2013 $**	**Quarter Ended July 31 2013 $**	**Quarter Ended April 30, 2013 $**	**Quarter Ended January 31, 2013 $**	**Quarter Ended October 31, 2012 $**	**Quarter Ended July 31, 2012 $**
	04/30/2014	01/31/2014	10/31/2013	7/31/2013	4/30/2013	01/31/2013	10/31/2012	7/31/2012
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss	(308,948)	(107,278)	(67,766)	(19,414)	(57,340)	(4,620)	(8,359)	(7,965)
Loss per share, basic and diluted	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)	(0.00)	(0.00)

On a quarter-by-quarter basis the loss can fluctuate significantly due to exploration activities during the period, and the timing of stock option grants.

During the quarter ended April 30, 2014, the Company incurred expenses of $308,948, primarily investor relations fees of $125,953, stock based compensation of $78,264, termination costs of $81,855, impairment of mineral property costs of $50,000, travel of $10,849, exchange and filing fees of $10,947, and office and miscellaneous of $3,611. Net loss for the three months ended April 30, 2014 was $308,948.

An analysis of the quarterly results over the last eight quarters shows significant changes in financial performance during the quarters ended October 31, 2013, 2013, January 31, 2014 and April 30, 2014. There is a significant increase in expenditures and net loss for the Company during these quarters due to the Company incurring costs related to its prospectus and costs for completion of the IPO. During the quarters ended April 30, 2014 and January 31, 2014, the Company incurred expenses related to exploration costs or claims maintenance fees, and mineral property option termination costs on the Ruby Range Project. The Company did not have significant exploration expenditures during the other quarters. Exploration expenditures for the quarters ended January 31, 2014 and April 30, 2014 were $17,850 and $131,855 respectively. During the three month periods ended October 31, 2013, January 31, 2014 and April 30, 2014, the Company incurred share issue costs and other legal expenses primarily from the preparation and completion of the Company's IPO. Management anticipates expenditures to increase slightly from the last six quarters as exploration will increase on the Company's property and investor communications fees may increase slightly. Other expenditures should remain relatively stable going forward as management does not anticipate additional costs related to the Company's activities. General and administrative expenses incurred during last two quarters have increased slightly due to investor communications fees, advertising and promotion related to the IPO. Management expects general and administrative expenses to increase slightly over the next few quarters.

USE OF PROCEEDS FOR EXPLORATION

During the year ended April 30, 2013, the Company completed three private financing rounds. In December 2013, the Company closed its IPO. The flow-through portion of the proceeds was budgeted for exploration on its mineral property projects while the proceeds from the non flow-through financings were budgeted for general and administrative expenditures. Below is a summary of the budgeted proceeds and actual expenditures.

	Financing & Budget		Exploration	
	Non FT	Flow-through	Expenditures	Variance
Property	$	$	$	$
Ruby Range/Monster Lake	0	273,350	128,866	144,484

The Company has some variance from the budgeted amount and exploration expenses as the 2014 exploration program has yet to be conducted. In cases where there is a variance the proceeds are carried forward and spent on the future exploration programs or the budget is adjusted. $144,484 of the qualifying expenditures from flow-through proceeds have yet to be spent at the date of this MD&A.

LIQUIDITY

The Company has not begun commercial production on any of its resource properties and accordingly, the Company does not generate cash from operations. The Company finances exploration activities by raising capital from equity markets. The Company may encounter difficulty sourcing future financing in light of the recent economic downturn.

The Company had cash of $241,261 at April 30, 2014 and $6,024 at April 30, 2013, and the Company had working capital of $202,294 at April 30, 2014 and a working capital deficiency of $24,300 at April 30, 2013.

On December 16, 2013, the Company completed its Initial Public Offering ("IPO") for listing on the TSX Venture Exchange. The IPO consisted of issuing 6,628,100 units of the company at a price of 10 cents per unit and 859,000 flow-through units of the company at a price of 15 cents per FT unit for gross proceeds of $791,660. Each unit consists of one common share and one-half of one non-transferable common share purchase warrant exercisable at 20 cents per common share for a period of 60 months from the closing date of the IPO. Each FT unit consists of one common share and one-half of one non-transferable common share purchase warrant exercisable at 25 cents per common share for a period of 60 months from the closing date of the IPO.

On December 16, 2013, the Company issued 798,710 agent's shares to agents pursuant to the IPO, valued at $79,871.

On February 13, 2013 the Company issued 148,227 shares at $0.15 per share for gross proceeds of $22,234.

On December 31, 2012, the Company issued 126,000 flow-through shares at $0.25 per share for gross proceeds of $31,500.

On January 4, 2012, the Company issued 687,500 shares at $0.20 per share for gross proceeds of $137,200.

On December 30, 2011, the Company issued 452,000 flow-through shares at $0.25 per share for gross proceeds of $113,000. The Company paid finder's fees and commission of $18,897.

On July 4, 2011, the Company issued 3,000,000 founders' shares at $0.0084 per share for proceeds of $25,200.

On April 5, 2011, the Company issued 200 shares to Directors of the Company at $0.01 per share, these were subsequently returned to treasury on July 4, 2011.

On April 5, 2011, the Company issued and returned to treasury, one incorporation share.

If additional funds are required, the Company plans to raise additional capital primarily through the private placement of its equity securities. Under such circumstances, there is no assurance that the Company will be able to obtain further funds required for the Company's continued working capital requirements. Due to the recovery from the global financial crisis, the Company may find it increasingly difficult to raise the funds required to continue the Company's operations. Share prices have undergone significant decreases and any issuance of the Company's equity securities in the near future may result in substantial dilution to the Company's existing shareholders.

CAPITAL RESOURCES

(a) The Company closed a flow-through portion of the IPO on December 16, 2013 and is committed to spending approximately $128,850 by December 31, 2014, as part of the flow-through funding agreements related to mineral properties. As at April 30, 2014, the full spending commitment remains as no expenditures were incurred.

(b) The Company closed a flow-through portion of a private placement closed in December 2012. The Company is committed to spending approximately $31,500 by December 31, 2014, as part of the flow-through funding agreements related to mineral properties. As at April 30, 2014, the Company has spent $6,287 and has a remaining balance of $25,213.

(c) The Company indemnifies the subscribers of flow-through shares from any tax consequences that could arise if the Company failed to meet its commitments under the flow-through subscription agreements.

The Company will add and or drop claims based on geological merit and as financial resources allow.

Operating Activities

The Company used net cash of $335,451 in operating activities during the year ended April 30, 2014 compared to $80,350 during the year ended April 30, 2013.

Financing Activities

The Company received net cash of $578,488 in financing activities during the year ended April 30, 2014 through the completion of the Company's Initial Public Offering. The Company received net cash of $51,215 from financing activities during the year ended April 30, 2013.

Investing Activities

The Company used cash of $7,800 in investing activities during the year ended April 30, 2014 for mineral property acquisition costs compared to $nil during the year ended April 30, 2013.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

As at April 30, 2014, the amount of $1,800 (2013 - $1,800) was owed to directors of the Company, which is non-interest bearing, unsecured, and due on demand.

PROPOSED TRANSACTIONS

There are no proposed transactions that have not been disclosed herein.

SUBSEQUENT EVENTS

a) On June 10, 2014 the Company entered into a definitive licensing agreement ("Licensing Agreement") with Cannabix Breathalyzer Inc. ("Cannabix") to develop a marijuana breathalyzer for use by law enforcement to test for drug-impaired drivers, in particular drivers who are impaired due to the use of marijuana.

   In consideration, the Company issued 7,500,000 common shares to the current shareholders of Cannabix and issued 7,500,000 warrants exercisable at $0.075 for a period of one year to Cannabix. Cannabix will nominate two members to the Board of Directors of the Company. The Company is also required to issue 7,500,000 common shares as an additional milestone payment within 14 business days of the production/delivery of a prototype. The Company will obtain an exclusive licence for the patent once its complete. Furthermore, the Company will issue another 5,000,000 common shares to shareholders of Cannabix upon the completion of a patent that is transferred to the Company.

   For the rights granted, the Company shall pay Cannabix a royalty of three percent (3%) of the Company's selling price for each cannabis breath testing devise manufactured, used, or sold by the Company in North America or imported by the Company into North America.

b) On June 26, 2014, the Company delisted from the TSXV and listed on the CSE under the trading symbol BLO.

c) On June 30, 2014, the Company closed a non-brokered private placement for gross proceeds of $787,992 through the sale of 15,759,841 units. Each unit was priced at $0.05 and comprised of one common share and one-half of one non-transferrable common share purchase warrant exercisable at $0.10 per common share for a period of 12 months from the date of closing. All warrants are subject to an early acceleration provision which provides for the mandatory exercise or expiry of the warrants in the event the Company's shares close at $0.13 or higher for at least 10 consecutive trading days. In such event, the warrants will accelerate and expire 30 days after the company has given notice of the accelerated conversion to the warrant holders.

   In connection with the private placement, the Company paid finders' fees of $25,375 in cash and issued 564,900 common shares of the Company.

d) Subsequent to year-end, the Company issued 2,800,000 common shares for gross proceeds of $210,000 pursuant to the exercise of warrants by Cannabix.

ACCOUNTING STANDARDS ADOPTED DURING YEAR ENDED APRIL 30, 2014

The mandatory adoption of the following new and revised accounting standards and interpretations on May 1, 2013 had no significant impact on the Company's financial statements for the years presented:

IFRS 10 – *Consolidated Financial Statements*
IFRS 11 – *Joint Arrangements*
IFRS 12 – *Disclosure of Interests in Other Entities*
IFRS 13 – *Fair Value Measurement*
IAS 1 – *Presentation of Financial Statements*
IAS 27 – *Separate Financial Statements*
IAS 28 – *Investments in Associates and Joint Ventures*
IFRIC 20 – *Production Stripping Costs*

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended April 30, 2014, and have not been applied in preparing these financial statements:

IAS 36 – *Impairment of Assets*
IFRIC 21 – *Levies*
IFRS 9 – *Financial Instruments*

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash, amounts receivable, and accounts payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

During the years ended April 30, 2014 and 2013, the Company incurred the following expenses:

	Year Ended April 30, 2014	**Year Ended April 30, 2013**
Exploration costs	$18,489	$8,428
General and administrative costs	$355,578	$69,856

An analysis of material components of the Company's general and administrative expenses is disclosed in the audited financial statements for the year ended April 30, 2014 to which this MD&A relates. An analysis of the material components of the mineral property acquisition costs is disclosed in the notes to the audited financial statements for the year ended April 30, 2014 to which this MD&A relates.

The Company had two exploration properties during the year ended April 30, 2014 pursuant to the Ruby Range Option Agreement, dated November 16, 2011, and the Monster Lake purchase agreement dated February 10, 2014. On February 10, 2014, the Ruby Range Option Agreement was terminated.

DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares

At April 30, 2014, the Company's common shares were listed on the TSX Venture Exchange. The Company's authorized share capital consists of an unlimited number of common shares without par value. As at April 30, 2014 the Company had 14,572,537 common shares issued and outstanding.

Share Purchase Warrants

As at April 30, 2014, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price $	Expiry date
3,314,050	0.20	December 16, 2018
429,500	0.25	December 16, 2018
380,250	0.25	January 27, 2017
73,080	0.35	December 10, 2014
74,113	0.25	February 13, 2015
4,270,993		

Stock Options

The Company had 1,445,000 stock options outstanding as at April 30, 2014 which had the following characteristics:

Number of Options	Exercise Price	Expiry Date
1,445,000	$0.10	April 3, 2019

RISK FACTORS

Much of the information included in this report includes or is based upon estimates, projections or other forward-looking statements. Such forward-looking statements include any projections or estimates made by the Company and its management in connection with the Company's business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect the Company's current judgment regarding the direction of its business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. Except as required by law, the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of such statements.

Such estimates, projections or other forward-looking statements involve various risks and uncertainties as outlined below. The Company cautions readers of this report that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other forward-looking statements. In evaluating the Company, its business and any investment in its business, readers should carefully consider the following factors:

Risks Related to the Company's Business

Because of the unique difficulties and uncertainties inherent in mineral exploration ventures, the Company faces a high risk of business failure.

Potential investors should be aware of the difficulties normally encountered by mineral exploration companies and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration program that the Company intends to undertake on its properties and any additional properties that the Company may acquire. These potential problems include unanticipated problems relating to exploration, and additional costs and expenses that may exceed current estimates. The expenditures to be made by the Company in the exploration of its properties may not result in the discovery of mineral deposits. Any expenditures that the Company may make in the exploration of any other mineral property that it may acquire may not result in the discovery of any commercially exploitable mineral deposits. Problems such as unusual or unexpected geological formations and other conditions are involved in all mineral exploration and often result in unsuccessful exploration efforts. If the results of the Company's exploration do not reveal viable commercial mineralization, the Company may decide to abandon some or all of its property interests.

Loss of Interest In Properties

The Company's ability to maintain an interest in the properties optioned by the Company will be dependent on its ability to raise additional funds by equity financing. Failure to obtain additional financing may result in the Company being unable to make the periodic payments required to keep the property interests in good standing and could result in the delay or postponement of further exploration and or the partial or total loss of the Company's interest in the properties optioned by the Company, including the Qualifying Property.

Because of the speculative nature of the exploration of mineral properties, there is no assurance that the Company's exploration activities will result in the discovery of any quantities of mineral deposits on its current properties or any other additional properties the Company may acquire.

The Company intends to continue exploration on its current properties and the Company may or may not acquire additional interests in other mineral properties. The search for mineral deposits as a business is extremely risky. The Company can provide investors with no assurance that exploration on its current properties, or any other property that the Company may acquire, will establish that any commercially exploitable quantities of mineral deposits exist. Additional potential problems may prevent the Company from discovering any mineral deposits. These potential problems include unanticipated problems relating to exploration and additional costs and expenses that may exceed current estimates. If the Company is unable to establish the presence of mineral deposits on its properties, its ability to fund future exploration activities will be impeded, the Company will not be able to operate profitably and investors may lose all of their investment in the Company.

The potential profitability of mineral ventures depends in part upon factors beyond the control of the Company and even if the Company discovers and exploits mineral deposits, the Company may never become commercially viable and the Company may be forced to cease operations.

The commercial feasibility of an exploration program on a mineral property is dependent upon many factors beyond the Company's control, including the existence and size of mineral deposits in the properties the Company explores the proximity and capacity of processing equipment, market fluctuations of prices, taxes, royalties, land tenure, allowable production and environmental regulation. These factors cannot be accurately predicted and any one or a combination of these factors may result in the Company not receiving an adequate return on invested capital. These factors may have material and negative effects on the Company's financial performance and its ability to continue operations.

Exploration and exploitation activities are subject to comprehensive regulation which may cause substantial delays or require capital outlays in excess of those anticipated causing an adverse effect on the Company.

Exploration and exploitation activities are subject to federal, provincial, state and local laws, regulations and policies, including laws regulating the removal of natural resources from the ground and the discharge of materials into the environment. Exploration and exploitation activities are also subject to federal, provincial, state and local laws and regulations which seek to maintain health and safety standards by regulating the design and use of drilling methods and equipment.

Environmental and other legal standards imposed by federal, provincial, state or local authorities may be changed and any such changes may prevent the Company from conducting planned activities or may increase its costs of doing so, which would have material adverse effects on its business. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus causing an adverse effect on the Company. Additionally, the Company may be subject to liability for pollution or other environmental damages that the Company may not be able to or elect not to insure against due to prohibitive premium costs and other reasons. Any laws, regulations or policies of any government body or regulatory agency may be changed, applied or interpreted in a manner which will alter and negatively affect the Company's ability to carry on its business.

Title to mineral properties is a complex process and the Company may suffer a material adverse effect in the event one or more of its property interests are determined to have title deficiencies.

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has either staked property or entered into property option agreements or joint venture agreements on its existing Project interests, the Company cannot give an assurance that title to such property will not be challenged or impugned. Further, the Company cannot give an assurance that the existing description of mining titles will not be changed due to changes in policy, rulings, or law in the jurisdiction where the property is located. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company does not have title to one or more of its properties could cause the Company to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

The properties optioned by the Company may now or in the future be the subject of first nations land claims. The legal nature of aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Company's ownership interest in the properties optioned by the Company cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the area in which the properties optioned by the Company are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the

Company may at some point be required to negotiate with first nations in order to facilitate exploration and development work on the properties optioned by the Company.

Because the Company's property interests may not contain mineral deposits and because it has never made a profit from its operations, the Company's securities are highly speculative and investors may lose all of their investment in the Company.

The Company's securities must be considered highly speculative, generally because of the nature of its business and its stage of operations. The Company currently has exploration stage property interests which may not contain mineral deposits. The Company may or may not acquire additional interests in other mineral properties but the Company does not have plans to acquire rights in any specific mineral properties as of the date of this report. Accordingly, the Company has not generated significant revenues nor has it realized a profit from its operations to date and there is little likelihood that the Company will generate any revenues or realize any profits in the short term. Any profitability in the future from the Company's business will be dependent upon locating and exploiting mineral deposits on the Company's current properties or mineral deposits on any additional properties that the Company may acquire. The likelihood that any mineral properties that the Company may acquire or have an interest in will contain commercially exploitable mineral deposits is extremely remote. The Company may never discover mineral deposits in respect to its current properties or any other area, or the Company may do so and still not be commercially successful if the Company is unable to exploit those mineral deposits profitably. The Company may not be able to operate profitably and may have to cease operations, the price of its securities may decline and investors may lose all of their investment in the Company.

As the Company faces intense competition in the mineral exploration and exploitation industry, the Company will have to compete with the Company's competitors for financing and for qualified managerial and technical employees.

The Company's competition includes large established mining companies with substantial capabilities and with greater financial and technical resources than the Company. As a result of this competition, the Company may have to compete for financing and be unable to acquire financing on terms it considers acceptable. The Company may also have to compete with the other mining companies for the recruitment and retention of qualified managerial and technical employees. If the Company is unable to successfully compete for financing or for qualified employees, the Company's exploration programs may be slowed down or suspended, which may cause the Company to cease operations as a company.

The Company's future is dependent upon its ability to obtain financing and if the Company does not obtain such financing, the Company may have to cease its exploration activities and investors could lose their entire investment.

There is no assurance that the Company will operate profitably or will generate positive cash flow in the future. The Company requires additional financing in order to proceed with the exploration and development of its properties. The Company will also require additional financing for the fees it must pay to maintain its status in relation to the rights to the Company's properties and to pay the fees and expenses necessary to operate as a public company. The Company will also need more funds if the costs of the exploration of its mineral claims are greater than the Company has anticipated. The Company will require additional financing to sustain its business operations if it is not successful in earning revenues. The Company will also need further financing if it decides to obtain additional mineral properties. The Company currently does not have any arrangements for further financing and it may not be able to obtain financing when required. The Company's future is dependent upon its ability to obtain financing. If the Company does not obtain such financing, its business could fail and investors could lose their entire investment.

The Company's directors and officers are engaged in other business activities and accordingly may not devote sufficient time to the Company's business affairs, which may affect its ability to conduct operations and generate revenues.

The Company's directors and officers are involved in other business activities. As a result of their other business endeavours, the directors and officers may not be able to devote sufficient time to the Company's business affairs, which may negatively affect its ability to conduct its ongoing operations and its ability to generate revenues. In addition, the management of the Company may be periodically interrupted or delayed as a result of its officers' other business interests.

Risks Relating to the Company's Common Stock

A decline in the price of the Company's common stock could affect its ability to raise further working capital and adversely impact its ability to continue operations.

A prolonged decline in the price of the Company's common stock could result in a reduction in the liquidity of its common stock and a reduction in its ability to raise capital. Because a significant portion of the Company's operations have been and will be financed through the sale of equity securities, a decline in the price of its common stock could be especially detrimental to the Company's liquidity and its operations. Such reductions may force the Company to reallocate funds from other planned uses and may have a significant negative effect on the Company's business plan and operations, including its ability to develop new products and continue its current operations. If the Company's stock price declines, it can offer no assurance that the Company will be able to raise additional capital or generate funds from operations sufficient to meet its obligations. If the Company is unable to raise sufficient capital in the future, the Company may not be able to have the resources to continue its normal operations.

ADDITIONAL INFORMATION

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

BOARD APPROVAL

The board of directors of the Company has approved this MD&A.