cascaderocopper

# MANAGEMENT DISCUSSION AND ANALYSIS
# FOR THE QUARTER ENDED AUGUST 31, 2016

The following discussion and analysis of the operations, results, and financial position of Cascadero Copper Corporation ("CCD or "the Company") prepared as of October 28, 2016, should be read in conjunction with the Company's quarterly consolidated financial statements and related notes attached hereto. The Company's consolidated financial statements have been prepared in accordance with International Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The effective date of this report is October 28, 2016. All figures are presented in Canadian dollars unless otherwise indicated.

**FORWARD-LOOKING STATEMENTS**

Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as "plans", "intends", "anticipates", "should", "estimates", "expects", "believes", "indicates", "suggests" and similar expressions.

This MD&A contains forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors. Information concerning mineral resource estimates and the interpretation of drill results may also be considered as a forward-looking statement; as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed.

It is important to note that:

- Unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of October 28, 2016.

- Readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize. Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements, include, but are not limited to, possible variations in mineral resources, labour disputes, operating or capital costs; availability of sufficient financing to fund planned or further required work in a timely manner and on acceptable terms; failure of equipment or processes to operate as anticipated; and political, regulatory, environmental and other risks of the mining industry.

- Subject to applicable laws, the Company assumes no obligation or update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, please see "Risks and Uncertainties".

## GENERAL

Cascadero Copper Corporation (the "Company" or "CCD") was incorporated pursuant to the Alberta Business Corporations Act on October 30th 2003 and continued into the Province of British Columbia on June 3rd, 2004. The Company is listed on the TSX Venture Exchange and trades under the symbol "CCD". The Company is engaged in the business of acquiring and exploring mineral properties located in Canada and Argentina. The Company is considered to be in the exploration stage. The Company's head office, principal address, and records office are located at 554 Kings Road East, North Vancouver, British Columbia, Canada V7N 1J3.

Additional information related to the Company is available on its website at www.cascadero.com and on SEDAR at www.sedar.com.

## DESCRIPTION OF BUSINESS

The Company is in the process of acquiring and exploring its mineral properties and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of the C$ amounts shown for mineral properties and the related deferred exploration costs are dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the mineral properties, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production or proceeds from the disposition of the mineral properties.

Cascadero Copper Corporation operates in two jurisdictions: Argentina and Canada. In Argentina, it is engaged, through its 100% interest in Cascadero Mineral S.A. and is acquiring a 100% interest in Salta Geothermal S.A. CCD also has a 70% interest in SESA Holdings LLC (SHL) which is a 70/30% Joint Venture with Regberg Ltd. SHL is in the business of acquiring and managing resource properties. SHL is governed by an Operating Agreement, signed on July 10th, 2008.

On May 26th, 2015, the Company and Cypress River Holdings completed the separation of property interest as outlined by the Plan of Arrangement dated December 6th 2013 and revised on December 16th, 2013.

In Canada, the Company has a 51/49 Joint Venture with Gold Fields Ltd Joint Venture manages CCD's Toodoggone Project, located in north central British Columbia, Canada. GFTE is vested as to a 51% interest in the Toodoggone Project and is the Operator.

## PERFORMANCE SUMMARY

### 2014

Due to market conditions and the lack of adequate equity financing the Company's portfolio of properties is on a care and maintenance basis and future exploration in any jurisdiction is uncertain.

The Company accounts for the investment as a joint venture and uses the equity method of accounting for its investment in SHL. The results of operations of SHL for the year ended November 30, 2014 are as follows:

| | **Nov 30, 2014** |
|---|---|
| Current Assets | 8,450 |
| Non-current assets | 6,190,778 |
| Current liabilities | 522,127 |
| Non-current liabilities | 7,559,939 |
| Revenue | - |
| Expense | 1,429,903 |
| Net Loss | (1,429,903) |

*Excludes trade and other payables and provisions

The reconciliation of the Company's carrying value of SHL as at May 26, 2015 and November 30, 2014 is as follows:

| | | May 26, 2015 | November 30, 2014 |
|---|---|---|---|
| Acquisition cost of SESA Holdings LLC | $ | **947,540** | **947,540** |
| Capital contributions | | **3,608,764** | **3,558,514** |
| Write-down of advances | | **(1,714,081)** | **(1,663,831)** |
| Loss in SESA Holdings LLC | | **(2,842,222)** | **(2,842,222)** |
| Carrying value of SESA Holdings LLC | $ | **1** | **1** |

The Company's share of SHL losses for the period until the date of CRH's withdrawal of its 50% interest in SHL have not been recorded as the Company's interest has been previously reduced to $1. The Company has not incurred legal or constructive obligations or made payments on behalf of the joint venture and as a result no additional losses have been recorded. The Company wrote down the remaining balance of the capital to $nil, as the amounts were deemed to be uncollectible.

During the year the Company initiated a corporate reorganization of the Argentine property portfolio and the management of the business. The initial parties that signed the Operating Agreement (SHL) in July 2008 as Members of SHL were Coralbrook Ltd (CBL) and Argentine Frontier Resources Inc (AFRI). AFRI and CCD were related parties as each had a common director. In 2008, AFRI sold its interest in SHL to CCD effective November 2008. CBL, ZP, and CRH are related parties.

Cascadero Copper Corp owns 100% of the issued and fully paid shares of Cascadero Minerals Corporation (CMC). CMC is a Canadian private company and currently has no assets. The extent of its activity to date is related to incorporation activities. CMC holds 19,415,333 shares of Cascadero Copper and Cascadero Copper holds 4,240,626 of its own shares.

CCD is acquiring 1,980 shares of Salta Geothermal S. A. (SGSA) of the 2,000 shares issued and currently owned by AFRI. Bill McWilliam owns 20 shares as two shareholders are required under Argentine corporate law. McWilliam has assigned the 20 shares to CCD. SGSA has interests ranging from 33 1/3% to 100% in nine (9) properties each of these tenures is subject to the 1% NSR in favour of CRH. SGSA has only completed its incorporation documents and has accepted the transfer of the nine properties from SESA. There was no other corporate or financial activity.

CCD also formed Cascadero Minerals S.A. (CMSA) an Argentine registered company that has 2,000 shares issued and fully paid, of which CCD owns 1,980 shares. Twenty (20) shares are owned by Bill McWilliam. McWilliam has assigned the 20 shares to CCD. CMSA holds a 100% interest in fifteen (15) Argentine mineral tenures transferred to it from SESA as a condition of the buy-sell agreement. Eleven of these tenures are subject to a 1% NSR in favour of CRH.

In 2015, Cascadero Minerals S.A (CMSA), Cascadero Minerals Corporation (CMC), Salta Exploraciones S.A. (SESA), Salta Geothermal S.A. (SGSA) and SESA Holdings Ltd. (Nevada) (SHL) were or became related parties to CCD as existing companies or newly incorporated companies that were created by CCD to affect a new corporate structure, which is now mostly complete. The parties directly involved in the Plan of Arrangement were ZP, CBL, CRH, SESA, SHL and CCD. Of these companies only SHL is a related party to CCD.

**2015**

In December 2008, the Company paid US$200,000 and TSX Venture Exchange approval was granted for the Company to issue 28,000,000 of its common shares with a fair value of $700,000 to Argentine Frontier Resources Inc. ("AFRI") for its 50% membership interest in SHL, a limited liability company formed under the laws of the State of Nevada, USA. SHL is the legal and beneficial holder of 100% of the issued and outstanding equity interest in Salta, a company duly formed under the laws of Argentina which holds certain mineral rights and properties. AFRI is controlled by the chief executive officer ("CEO) and director of the Company. The Company's 50% partner in SHL initially was Coralbrook Ltd. ("CBL"). On June 28 2013, by way of an Assignment and Assumption agreement CBL was replaced by Zoneplan Ltd ("ZP"). On June 30 2014, the interest of Zoneplan in SHL was assigned to Cyprus River Holdings Ltd ("CRH").

On May 26, 2015, CRH and the Company consented to the withdrawal of CRH as a member of SHL. This meant that the Company became the sole member of SHL and has exclusive authority to manage the affairs of SHL. In connection with CRH's withdrawal, CRH agreed to return 19,415,333 shares of the Company to the treasury of Cascadero Minerals Corp, a 100% owned subsidiary of CCD and make a cash payment of US$118,614, of which $71,404 (US$58,605) was received in 2015. CRH made a prior payment of US$60,000 in December 2013. The Company agreed to transfer the Castor-Quevar property's 1% net smelter return to CRH and grant CRH a 1% net smelter return on an additional 20 properties in Salta. The Company has determined the acquisition represents an asset acquisition.

The fair values of the assets acquired and liabilities assumed in the acquisition at May 26, 2015 (the "Acquisition Date") are as follows:

| | **Amount**<br>**$** |
|---|---|
| Cash | 308,069 |
| Accouns payable and accrued liabilites | (785,780) |
| | **(477,711)** |

The 19,415,333 shares of the Company received was measured at the value of $776,613 based on the trading price of the Company's shares at the Acquisition Date. The fair value of the Company's share received and the cash payment received from CRH net of the net liabilities assumed has been recorded as the partial recovery of the investment in and advances to SHL.

Prior to the CRH's withdrawal, the Company accounted its investment in SHL using the equity method of accounting as the Company shares joint control over the strategic, financial and operating decisions and a right to the net assets of the arrangement with CRH. The results of operations of SHL for the year ended November 30, 2014 is as follows:

| | **Amount**<br>**$** |
|---|---|
| Current assets | 8,450 |
| Non-current assets | 6,190,778 |
| current liabilities | 522,127 |
| Non-current liabilities | 7,559,939 |
| Revenue | — |
| Expenses | 1,429,903 |
| Net loss | (1,429,903) |

During the year ended November 30, 2014, the Company's share of SHL losses was $714,952. In addition, the Company wrote down the remaining balance of the capital contributions to SHL in the amount of $1,663,831 to $1. The Company did not continue to recognize further losses of SHL as the Company does not have legal or contractual obligations to do so. From December 1, 2014 to the Acquisition Date, the Company has expensed the additional advances to SHL in the amount of $307,759.

## HISTORIC EXPLORATION INFORMATION

## BRITISH COLUMBIA

### 2014

GFTE conducted a small exploration program in 2014. Cascadero received an updated report on the Joint Venture. As of March 25th 2015 the Company has not received notice from GFTE regarding an exploration program for the 2015 season.

**Cascadero Toodoggone Project Summary of British Columbia Mineral Tenures**

| Mineral Tenures # | Map Number | Good To Date | Status | Area (ha) | NSR |
|---|---|---|---|---|---|
| 75 | 094E | July 1-2020 | Good | 31,409.35 | Yes |
| 12 | 094E | July 1-2020 | Good | 1,367.408 | No |
| **87** | | | | **32,776.76** | |

Total costs included in mineral properties for 2014 and 2013 are as follows:

| | November 30, 2013 $ Acquisition | Additions $ | Disposals/ Write-downs $ Total | November 30, 2014 & 2015 $ Total |
|---|---|---|---|---|
| **Toodoggone property** | | | | |
| BC, Canada | 6,445,586 | - | - | 6,445,586 |
| Deferred exploration – general | 3,098,388 | - | - | **3,098,388** |
| mineral property | 1,750 | - | - | **1,750** |
| Consulting | 48,969 | - | - | **48,969** |
| Staking | 84,306 | - | - | **84,306** |
| Prospecting | 15,506 | - | - | **15,506** |
| Others | 7,520 | - | - | **7,520** |
| Assay | 7,568 | - | - | **7,568** |
| Impairment recognized | - | - | (9,709,593) | **(9,709,593)** |
| | 9,709.593 | - | (9,709,593) | **-** |

### 2015

In April 2015, Gold Fields provided notice to the Company that it did not intend to carry out exploration in the Toodoggone in this field season.

## ONTARIO

### 2013

The Company finished its planned initial exploration programs, which included property scale geochemistry and geophysics on certain properties. The Company cancelled its option agreement on Marble Mountain due to lower assay values than expected from the drill results. Option agreements on the Jovan and Jerome properties were allowed to lapse. The Company is seeking an option partner on its remaining early stage properties. The remaining early stage properties expired in May 2014 and the Company is not planning any further work in Ontario.

## ARGENTINA

## 2014

Cascadero advised SESA and its joint venture partner SHL that due to weak capital markets the funding for the Argentine program would be decreased and employee layoffs are necessary. These austerity measures are underway. The Company intends to maintain the property portfolio. The Company continues to attempt to attract third parties to option certain properties that are ready for further exploration.

Due to a need to maintain the Company's cash reserves, the exploration programs on its Argentine properties is on hold until required funding or joint venture partners can be secured.

## 2015

Continuing exploration on in Argentina is subject to the Company's success at securing risk financing. The field season is essentially from September to June. As of July 28, 2016 the Company's Argentine operations continue on a care and maintenance basis.

## SELECTED ANNUAL INFORMATION

The following table provides a brief summary of the Company's annual financial operations. For more detailed information, refer to the audited consolidated financial statements.

| ITEM | November 30, 2015 | November 30, 2014 | November 30, 2013 |
|---|---|---|---|
| | $ | $ | $ |
| Working Capital | (2,173,239) | (973,439) | (417,422) |
| Deficit | (24,779,753) | (24,138,554) | (11,499,086) |
| Net Income (loss) | (641,199) | (12,639,468) | (1,558.073) |
| Basic and Diluted loss per share | (0.005) | (0.08) | (0.01) |
| Total Assets | 96,690 | 58,287 | 12,199,410 |

The Company earns interest revenue from cash held in banks. The Company has no present intention of paying dividends on its common shares as it anticipates that all available funds will be invested to finance the growth of its business.

### Quarterly Information

The following are selected financial data from the Company's unaudited financial statements for the last eight quarters ending with the most recently completed quarter, being the three months ended February 29, 2016.

| | August 31, 2016 | May 31, 2016 | February 29, 2016 | November 30, 2015 |
|---|---|---|---|---|
| Total assets | $ 983,797 | $ 522,927 | $ 118,984 | $ 96,690 |
| Mineral properties | --- | --- | --- | --- |
| Working capital | (2,236,716) | (2,331,155) | (2,395,227) | (2,173,239) |
| Shareholder's equity | (1,948,907) | (2,289,271) | (2,393,394) | (2,171,183) |
| Net gain (loss) | (395,457) | (254,994) | (222,212) | (839,797) |
| Net loss per share | (0.00) | (0.00) | (0.00) | (0.00) |

**Three Month Period Ended**

| | August 31, 2015 | May 31, 2015 | February 28, 2015 | November 30, 2014 |
|---|---|---|---|---|
| Total assets | $ 1,782,565 | $ 1,194,140 | $ 50,128 | $ 58,287 |
| Mineral properties | 1,091,963 | 1,034,280 | --- | --- |
| Working capital | (1,687,222) | (1,411,085) | (1,111,082) | (973,439) |
| Shareholder's equity | (619,348) | (369,973) | (1,107,824) | (969,780) |
| Net gain (loss) | (249,375) | 703,687 | (255,714) | (12,365,153) |
| Net loss per share | (0.00) | (0.00) | (0.00) | (0.00) |

## Results of Operations

The Company had a loss of $(395,457) ($0.00 per share) for the quarter ended August 31, 2016 compared to a loss of $(249,375) ($0.00 per share) for the quarter ended August 31, 2015. The loss during the quarter ended August 31, 2016 was mainly due to accounting and audit, office and miscellaneous, travel costs and stock based compensation.

Significant expenses incurred during the quarter ended August 31, 2016 are as follows: $40,000 (2015 - $40,000) in management fees, $21,805 (2015 - $39,750 in accounting, audit and legal, $212,377 (2015 - $82,167) in office and miscellaneous, $38,809 (2015 - $nil) in travel, meals and promotion and $72,321 (2015 - $nil) in stock based compensation.

## Liquidity

The Company finances its activities by raising capital in the equity markets and has no regular source of revenue or cash flow. The Company is dependent upon its ability to obtain the necessary equity financing to generate sufficient amounts of cash and cash equivalents, in the short and long term to meet its obligations as they become due and finance its exploration programs. Certain mineral tenures could be sold for cash as well.

The financial statements have been prepared on a going concern basis which assumes that the Company will be able realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence operations in the future. The Company has an interest in properties proximal to the proposed location in north western Argentina of a copper mine. Management believes that a future sale of properties in this area is possible and that a sale, after costs and taxes, would result in liquidity to the Company. Net cash used in operating activities for the period consists primarily of the operating loss and a change in non-cash working capital.

Net cash used for operating activities for the quarter ended August 31, 2016 was $20,881 compared to net cash used for operating activities of $(306,147) for the quarter ended August 31, 2015.

Cash flows from investing activities for the quarter ended August 31, 2016 was $(495,549) compared to the investing activities of $(104,747) for the quarter ended August 31, 2015.

Cash flows from financing activities for the quarter ended August 31, 2016 was $702,631 compared to the financing activities of $194,334 for the quarter ended August 31, 2015.

## Related Party Transactions

a) The Company has the following balances owed to and from related entities as at August 31, 2016:
   i. $729,364 (Nov. 30, 2015: $635,935) due to the CEO who is also the director of the Company.
   ii. $325,372 (Nov. 30, 2015: $262,213) due to the Company's corporate secretary, who is also the immediate family member of the CEO for services provided.
   iii. $51,975 (Nov. 30, 2015: $88,435) due to AFRI, an entity controlled by the CEO who is a director of the Company.
   iv. $5,276 (Nov, 30, 2015: $64,803) due to the Company's chief financial officer (the "CFO") of the Company.

b) During the quarter ended August 31, 2016, the Company had the following transactions with related parties:
   i. Charged $4,500 (August 31, 2015: $4,500) in office rent to AFRI, a company controlled by the Company's CEO.
   ii. Incurred $40,000 (August 31, 2015: $40,000) in management fees to the CEO.
   iii. Incurred $21,000 (August 31, 2015: $18,000) in office and administrative fees charged by the Company's corporate secretary of the Company.
   iv. Incurred $14,225 (August 31, 2015: $14,750) in accounting fees charged by the CFO of the Company.

**FINANCIAL INSTRUMENTS**

Fair Value of Financial Instruments

The Company's financial instruments consist of cash, accounts receivables, and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying value due to the immediate or short term maturity of these items.

Financial Risk Factors

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

*Credit risk*

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

*Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

*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.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company is satisfied with the credit ratings of its banks.

(b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in US Dollars (US).

(c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. 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 of oil, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

**Outstanding Share Capital As at October 28, 2016**

| | | | |
|---|---|---|---|
| **Authorized** | Unlimited number of no par value common shares,<br>Unlimited number of preferred shares | | |
| **Issued common shares** | | | 169,806,195 |
| Treasury Shares held | | | 23,655,959 |
| Outstanding common shares | | | **193,462,154** |
| | | Stock Options | 19,320,000 |
| | | Warrants | Nil |

**Stock Options outstanding at October 28, 2016 (expiry date order)**

| OPTIONS ISSUED | EXERCISE PRICE C$ PER SHARE | EXPIRY DATE |
|---|---|---|
| 650,000 | $0.12 | DEC 22, 2016 |
| 400,000 | $0.08 | JUNE 28, 2017 |
| 300,000 | $0.12 | JULY 28, 2017 |
| 6,470,000 | $0.05 | SEPT 13, 2017 |
| 2,400,000 | $0.05 | SEPT 28, 2017 |
| 250,000 | $0.10 | OCT 24, 2017 |
| 6,950,000 | $0.05 | JAN 13, 2018 |
| 1,900,000 | $0.07 | MAY 5, 2018 |
| | | |
| 19,320,000 | | |

**At October 28, 2016 there are no warrants outstanding:**

## DISCLOSURE CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109) the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the quarterly financial statements for the period ended August 31, 2016 and accompanying MD&A.

In contrast to the full certificate under NI 52-109 the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Interim Filings on SEDAR at www.sedar.com.

### Commitments and Contingent Liability

Canada Revenue Agency ("CRA") has disallowed certain exploration expenditures incurred by the Company as non-eligible exploration expenditures that do not qualify for transfer of the tax deduction to holders of the flow-through shares. In this connection, the Company has been assessed by CRA on Part XII.6 tax, in respect of certain flow-through shares issued in the 2004 taxation year, in the amount of $237,976 (2014: $237,976) plus interest of $318,383. Of this total in tax and interest, the Company will not contest an amount of $204,606 (2014: $199,616). Accordingly, the full amount, contested and not contested, has been included in accrued liabilities in the Company's financial statements.

The balance in assessed Part XII.6 tax and interest is being formally contested by the Company as management disagrees with CRA's position on this amount. The outcome of this matter cannot be determined at this time. A provision has been made in these financial statements for the total amount of the contingent liability.

### Risks and Uncertainties

The exploration and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not be successful in overcoming. Few mineral properties which are explored ultimately develop into producing mines. There has been no commercial production of minerals on properties held by the Company to date and there is a high degree of risk that commercial production of minerals will not be achieved.

Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. The mining industry is intensely competitive. The commercial viability of a mineral deposit depends on a number of factors including the particular attributes of the deposits (principally size and grade), proximity to infrastructure, the impact of mine development on the environment, environmental regulations imposed by various levels of government and the competitive nature of the industry which causes mineral prices to fluctuate substantially over short periods of time. There can be no assurance that the minerals can be marketed profitably or in such a manner as to provide an adequate return on invested capital.

The operations of the Company are subject to all of the risks normally associated with the operation and development of mineral properties and the development of a mine, including encountering unexpected formations or pressures, caving, flooding, fires and other hazards, all of which could result in personal injuries, loss of life and damage to property of the Company and others. In accordance with customary industry practice, the Company is not fully insured against all of these risks and insurance may not be available for such risks.

The operations of the Company's properties will be subject to various laws and regulations relating to the environment, prospecting, development, production, waste disposal and other matters. Amendments to current laws and regulations governing activities related to the Company's mineral properties may have material adverse impact on operations.

The Company will need additional funding to complete its short and long term objectives. The ability of the Company to fund its operations in the future will depend on the prevailing market conditions, as well as the business performance of the Company. There can be no assurances that the Company will be successful in its efforts to raise additional financing on terms satisfactory to the Company. If adequate funds are not available or not available on acceptable terms, the Company may not be able to take advantage of opportunities, to acquire new projects or to otherwise respond to competitive pressures.

**Subsequent Events**

There is no material Subsequent Event to report.

All material events to October 28, 2016 are disclosed herein.