



cascaderocopper

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2020

The following Management's Discussion and Analysis ("MD&A") is intended to assist the reader to assess material changes in financial position and results of operations of Cascadero Copper Corporation (the "Company" or "Cascadero") as at August 31, 2020 and should be read in conjunction with the Company's condensed interim consolidated financial statements and related notes attached hereto. The Company's condensed interim 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 30, 2020. 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 the effective date of this MD&A.
- 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 to 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 "Cascadero") was incorporated pursuant to the Alberta Business Corporations Act on October 30, 2003 and continued into the Province of British Columbia on June 3, 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 Argentina. The Company is considered to be in the exploration stage. The Company's head office and principal address are located at #395, 901 West Third Street, North Vancouver, B.C. V7P3P9

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

CORPORATE

On June 25, 2020, the Company accepted the resignation of Mr. Brian Causey as officer and director and has appointed Mr. Lorne Harder and Mr. Christopher Ecclestone to the board.

On July 2, 2020, the Company announced the appointment of Mr. Greg Andrews to the Board of Directors. In addition, the Board has appointed Mr. Lorne Harder, Dr. George Gale, and Mr. Greg Andrews to both the Audit and Compensation Committees.

On August 6, 2020, the Company announced that Dr. George Gale has been appointed as Non-Executive Chairman of the Board.

On August 19, 2020, the Company announced that Mr. Christopher Ecclestone has tendered his resignation as the Chief Executive Officer of the Company, effective immediately. Mr. Ecclestone continued in his role as a non-executive director of the Company.

On September 14, 2020, the Company announced that Ms. Natasha Tsai has been appointed Chief Financial Officer of the Company.

On October 17, 2020, Mr. Christopher Ecclestone resigned as a director of the Company.

DESCRIPTION OF BUSINESS

The Company is in the process of exploring and developing mineral properties and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for investment in joint venture and exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the exploration and evaluation assets, 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 exploration and evaluation assets.

PERFORMANCE SUMMARY

The Company operates in one jurisdiction: Argentina. On November 30, 2016, the Company and Regberg Ltd. ("Regberg") closed an agreement that enabled Regberg to have a 30% beneficial interest in Cascadero Minerals Corporation ("CMC"), a wholly owned subsidiary of the Company. The Company has concluded that the Argentina Entities is a joint venture and the Company retained joint control in these entities, effective November 30, 2016. Subsequent to December 1, 2016, the Company has accounted for its interests in the Argentina Entities using the equity method on a 70/30 basis. During the three and nine months ended August 31, 2020 the Company's share of (loss) income of the Argentina Entities was (\$100,879) and \$36,818.

Effective on March 13, 2020, Regberg has, with the consent of the Company, transferred all of its shares in CMC to NB Projects Asia Pte. Ltd. ("NB Projects Asia"). CMC, the Company, Regberg and NB Projects Asia entered into an Assignment and Assumption Agreement dated March 13, 2020 pursuant to which NB Projects Asia has agreed to assume, be bound by, and discharge the obligations of Regberg under the CMC Shareholders' Agreement.

On December 2, 2019, the Company and its subsidiaries, CMC and Salta Geothermal S.A. ("SGSA"), entered into an Exploration and Development Earn-in Agreement (the "Earn-In Agreement") with Golden Minerals Company ("Golden"), a public company based in Golden, Colorado. Pursuant to the Earn-In Agreement, SGSA granted Golden the exclusive right to acquire a 51% ownership interest in the Sarita Este Concession by payment of:

- A non-refundable payment in cash of US\$150,000 (received);
- Incurring a total of US\$2.5 million of minimum work requirements for exploration and development expenditures; or
- By cash payments in lieu of annual work commitments, as follows: (1) US\$300,000 in the second year, plus a 2,000-metrecore drilling program on the Concession; (2) US\$500,000 in the third year; and (3) the remaining balance of US\$1.7 million by the end of the fourth year.

Golden has completed some technical work on the Sarita Este property as a start of the Earn-In Agreement. The work was divided into three stages: 1) initial data review and compilation, 2) field observations, data collection, sample prep and submittal and 3) data interpretation, data base organization.

In July 2020, the Company learned of an agreement dated September 3, 2015 with an Argentine drilling contractor, pursuant to which the Company agreed to pay up to a maximum amount of US\$1 million in the event of the sale of part, or whole, of any of the mining concessions in the Company's Taca Taca Group. The Taca Taca Group, for the purposes of this agreement, consists primarily of (a) Sarita Sur, (b) Sarita Este, (c) La Sarita I, (d) La Sarita II, (e) the 50% interest over Francisco 1, (f) the 50% interest over Francisco 2, (g) the 33.3% interest over Desierto I, and (h) the 33.3% interest over Desierto II. Management assessed and determined that no event has incurred that would trigger such payable or payment as at August 31, 2020.

HISTORIC EXPLORATION INFORMATION

ARGENTINA

In 2016, the Company focused on reorganizing its Argentine property portfolio. Field work did not get underway until mid-2016 when it was decided to conduct a second drill program on the Taron property. Taron was the focus of field work and the drill program was completed. As discussed above, and on November 30, 2016, the Company and Regberg closed an agreement that enabled Regberg to have joint control with the Company on Argentine properties' operations. No project spending on Argentine properties occurred in 2019 and in 2020 to date.

SELECTED 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 August 31, 2020.

	August 31, 2020	May 31, 2020	February 28, 2020	November 30, 2019
Total assets	\$353,257	\$235,893	\$323,344	\$368,444
Exploration & evaluation assets	---	---	---	---
Working capital (deficiency)	(1,502,663)	(1,321,314)	(1,167,944)	(1,284,464)
Shareholder s deficiency	(1,333,815)	(1,151,710)	(998,340)	(1,114,860)
Net income (loss)	(364,742)	(151,375)	63,079	504,088
Basic and diluted income (loss) per share	(0.002)	(0.001)	0.000	0.003

	August 31, 2019	May 31, 2019	February 28, 2019	November 30, 2018
Total assets	\$552,037	\$701,664	\$810,798	\$690,729
Exploration & evaluation assets	---	---	---	---
Working capital (deficiency)	(1,555,150)	(1,303,880)	(991,388)	(788,193)
Shareholder's deficiency	(1,385,545)	(1,134,155)	(821,541)	(618,225)
Net income (loss)	(267,579)	(382,135)	(392,850)	(356,353)
Basic and diluted loss per share	(0.002)	(0.002)	(0.000)	(0.000)

Total assets for the quarter ended February 28, 2019 increased as a result of the private placement closed during the quarter.

Total assets for the quarters ended May 31, 2019 and August 31, 2019 as a result of decreases in cash which was spent to pay expenses for the quarters.

For the quarter ended November 30, 2019, net income increased as a result of the share of income of investment in joint venture (instead of a loss) recorded during the quarter, which also led to a decrease in share of net liabilities in joint venture and therefore working capital deficiency.

Net income for the quarter ended February 28, 2020 increased as a result of a gain on disposition of marketable securities and the non-refundable deposit income from earn-in agreement of \$197,881.

The working capital deficiency has been increasing during most of the last eight quarters, as a result of the increases in accounts payable and accrued liabilities and due to related parties and the Company having insufficient cash to pay these liabilities.

RESULTS OF OPERATION

Three months ended August 31, 2020

The Company had a net loss of \$364,742 (\$0.002 per share) for the quarter ended August 31, 2020 compared to a loss of \$267,579 (\$0.002 per share) for the quarter ended August 31, 2019. The increased loss during the quarter ended August 31, 2020 compared with the same period of last year was mainly due to the increase of \$96,978 in professional fees and accretion expense of \$169,490 on the loans payable, offset by decrease in share of loss of investment in joint venture of \$143,789. Professional fees increased as a result of legal fees incurred with respect to all the management changes. Accretion expense was incurred as a result of the Company entering into a loan agreement with Mr. Lorne Harder, a Director of the Company and former Chief Financial Officer and Corporate Secretary.

Significant expenses incurred during the quarter ended August 31, 2020 were as follows: \$107,328 (2019 - \$10,350) in professional fees and accretion expense of \$169,490 (2019 - \$nil).

Nine months ended August 31, 2020

The Company had a net loss of \$453,038 (\$0.003 per share) for the nine months ended August 31, 2020 compared to a loss of \$1,042,564 (\$0.006 per share) for the nine months ended August 31, 2019. The reduced loss during the nine months ended August 31, 2020 compared with the same period of last year was mainly due to the decrease in share of loss of investment in joint venture of \$823,862.

Significant expenses incurred during the nine months ended August 31, 2020 were as follows: \$48,960 (2019 - \$nil) in interest and penalties (Part VII.6 tax), \$62,152 (2019 - \$nil) in share-based compensation, \$156,893 (2019 - \$130,672) in professional fees, and management fees of \$50,500 (2019 - \$80,000).

FINANCING ACTIVITIES

As of November 30, 2019, the Company had a loan advance of \$101,500 from Mr. Lorne Harder, a Director and former Chief Financial Officer and Corporate Secretary of the Company. This loan was non-interest bearing and was secured by 3,000,000 shares of Amarc Resources Ltd. ("Amarc") owned by the Company. This loan was repaid in full in January 2020.

On July 7, 2020, the Company has obtained a loan of \$200,000 (the "Loan") from Mr. Lorne Harder, a Director and former Chief Financial Officer and Corporate Secretary of the Company, through his wholly-owned company, Springhill Investments Ltd. ("Springhill"). The Loan is non-interest bearing, is payable at the end of one year, may be repaid at any time without penalty and is unsecured. As a condition of the Loan, the Company has issued to Springhill 8,000,000 warrants, each warrant being exercisable for one common share of the Company at an exercise price of \$0.025 per common share (the "Loan Bonus Warrants 2"). The Loan Bonus Warrants 2 expire one year from issuance.

LIQUIDITY AND CAPITAL RESOURCES

The Company has defined its capital as common shares, contributed surplus and retained earnings. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, to maintain appropriate cash reserves on hand to support continued operations and shareholder returns, maintain capital structure while keeping capital costs at a minimum, and to invest cash on hand in highly liquid, highly rated financial instruments. The Company is not exposed to externally imposed capital restrictions, and the Company's objectives and strategies described above have not changed since last year. These objectives and strategies are reviewed on a continuous basis.

As at August 31, 2020, the Company held cash of \$128,477 and had a working capital deficiency of \$1,502,663. During the nine months ended August 31, 2020, net cash used for operating activities was \$147,415. Net cash provided by financing activities consisted of proceeds from loan payable of \$200,000, offset by repayment of due to related parties of \$127,286. The Company received \$27,451 from its investment in joint venture and proceeds of \$175,461 from disposition of marketable securities as part of investing activities. The Company needs to complete additional financings in order to maintain its current activity levels and to fund ongoing operations. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the future.

As at August 31, 2020, the Company had not yet achieved profitable operations and had an accumulated deficit of \$28,372,602 since inception. The condensed interim consolidated 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. 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. The condensed interim consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business. Such adjustments could be material.

Historically the Company has financed its operations primarily through equity issuances and through loans from directors and officers and has no regular source of revenue or cash flow. The Company currently has insufficient cash to fund its operations for the next twelve months. The Company is dependent upon its ability to obtain the necessary financing to generate enough cash and cash equivalents, in the short and long term to meet its obligations as they become due and finance its exploration programs. Since February 2020, the coronavirus ("COVID-19") has threatened a slowdown in the global economy and caused volatility in the global financial markets. While the full impact of COVID-19 on the global economy is uncertain, rapid spread of COVID-19 may have an adverse effect on the Company's financial position, results of operations and cash flows in future periods. The outcome of these matters cannot be predicted at this time. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. The above factors indicate the existence of a material uncertainty that may cast significant doubt upon the

Company's ability to continue as a going concern.

CAPITAL EXPENDITURES

No capital expenditures were incurred during the nine months ended August 31, 2020. The Company does not currently have any capital expenditure commitments.

RELATED PARTY TRANSACTIONS

- a) The Company has the following balances owed to and from related entities as at August 31, 2020:
- (i) \$423,667 (November 30, 2019 - \$457,916) due to the estate of Bill McWilliam ("Mr. McWilliam"), a director of the Company until March 2020 when he passed away;
 - (ii) \$307,912 (November 30, 2019 - \$310,888) due to the estate of Judith Harder ("Ms. Harder), a director and CEO of the Company until December 2018 when she passed away;
 - (iii) \$142,226 (November 30, 2019 - \$124,682) due to Argentine Frontier Resources Inc. ("AFRI"), an entity controlled by the estate of Mr. McWilliam and estate of Ms. Harder;
 - (iv) \$Nil (November 30, 2019 - \$6,105) due to the Company's Chief Financial Officer until June 2020 (the "Former CFO");
 - (v) \$15,126 (November 30, 2019 - \$15,126) due to Cosmos Minerals SA Inc., an entity controlled by the estate of Mr. McWilliam and the estate of Ms. Harder;
 - (vi) \$Nil (November 30, 2019 - \$101,500) due to Mr. Lorne Harder, non-interest bearing and secured by 3,000,000 Amarc shares owned by the Company. The entire amount was paid in January 2020; and
 - (vii) \$168,848 (November 30, 2019 - \$168,848) due from Cosmos Minerals S.A. an entity controlled by the estate of Mr. McWilliam and the estate of Ms. Harder.

- b) Effective October 3, 2017, the Company enter into a loan agreement with Ms. Harder and Mr. McWilliam (the "Lenders") whereby the Lenders agreed to advance up to \$300,000 in readily available funds to the Company. The loan bears an interest rate of 6% per annum. The loan has a minimum term of one year and can be repaid by the Company at any time after the one-year period. The Company has agreed to issue as a loan bonus share purchase warrants that enable each of the Lenders to purchase 1,875,000 shares in the Company at \$0.08 per share exercisable over a term of five years (the "Loan Bonus Warrants 1").

During the year ended November 30, 2017, the Company received \$200,000 from the Lenders and issued 3,750,000 Loan Bonus Warrants 1 with a fair value of \$0.06 per warrant. The Company allocated \$160,654 to the loan and \$139,346 to the Loan Bonus Warrants 1 using the relative fair value method. Two-third of the allocated Loan Bonus Warrants valued in the amount of \$92,898 was treated as financing charges to the loan proceeds of \$200,000 received and the remaining one-third in the amount of \$46,448 was treated as a deferred financing charge. During the year ended November 30, 2018, as the remaining \$100,000 loan proceeds was not received, the deferred financing charge was expensed. The loan has an effective interest rate of 67% and the accretion expense for the year ended November 30, 2018 was \$132,080 including the deferred financing charge in the amount of \$46,448. As at August 31, 2020, the loan has not been repaid and remains outstanding.

- c) On July 7, 2020, the Company has obtained a loan of \$200,000 (the "Loan") from Mr. Lorne Harder, through his wholly-owned company, Springhill Investments Ltd. ("Springhill"). The Loan is non-interest bearing, is payable at the end of one year, may be repaid at any time without penalty and is unsecured. As a condition of the Loan, the Company has issued to Springhill 8,000,000 warrants, each warrant being exercisable for one common share of the Company at an exercise price of \$0.025 per common share (the "Loan Bonus Warrants 2"). The Loan Bonus Warrants 2 will expire one year from issuance. The fair value of the Loan Bonus Warrants 2 of \$169,490 has been treated as financing charges to the loan proceeds of \$200,000 received. Accretion expense of \$169,490 has been recorded during the three and nine months ended August 31, 2020 in relation to the Loan.

- d) During the nine months ended August 31, 2020, the Company had the following transactions with related parties:
- (i) Incurred \$nil (2019 - \$9,000) in office rent to AFRI;
 - (ii) Incurred \$1,200 (2019 - \$nil) in office rent to Mr. Brian Causey, the former President of the Company;

- (iii) Incurred \$nil (2019 - \$80,000) in management consulting fees to Mr. McWilliam;
- (iv) Incurred \$50,500 (2019 - \$30,000) in management consulting fees to Mr. Brian Causey, the former President of the Company; and
- (v) Incurred \$nil (2019 - \$5,400) in accounting fees to Ms. Sharon Lewis, the former CFO of the Company.

e) Key management compensation

Key management includes the Chairman of the Company, CEO and CFO. The compensation paid or payable to key management for services during the nine months ended August 31, 2020 and 2019 is identical to the disclosure above other than share-based payments. During the three and nine months ended August 31, 2020, key management received share-based payment of \$nil and \$62,152 (2019 - \$nil and \$nil). Key management personnel were not paid post-employment benefit, termination fees or other long-term benefits during the nine months ended August 31, 2020 and 2019.

CONTINGENT LIABILITY

The Company entered into an agreement dated September 3, 2015 with an Argentine drilling contractor, pursuant to which the Company agreed to pay up to a maximum amount of US\$1 million in the event of the sale of part, or whole, of any of the mining concessions in the Company's Taca Taca Group. The Taca Taca Group, for the purposes of this agreement, consists primarily of (a) Sarita Sur, (b) Sarita Este, (c) La Sarita I, (d) La Sarita II, (e) the 50% interest over Francisco 1, (f) the 50% interest over Francisco 2, (g) the 33.3% interest over Desierto I, and (h) the 33.3% interest over Desierto II. Management assessed and determined that no event has incurred that would trigger such payable or payment as at August 31, 2020.

SUBSEQUENT EVENT

Subsequent to August 31, 2020, 8,000,000 warrants with an exercise price of \$0.025 per share and an expiry date of July 21, 2021 have been exercised.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions.

Information about critical accounting estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustments to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

(i) Judgments

Valuation of exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Significant judgment is required when determining whether facts and circumstances suggest that the carrying amount of exploration and evaluation assets may exceed its recoverable amount.

Joint Arrangement

The accounting for investments in other companies can vary depending on the degree of control and influence over those other companies. Management is required to assess at each reporting date the Company's control and influence over the other companies. Management has used its judgment to determine which companies are

controlled and require consolidation and those which are significantly influenced or jointly controlled and require equity accounting. Determination of the date that the Company's interest in the Argentine Entities changed from control to joint control also required significant judgment. The Company has determined that effective November 30, 2016, the Company lost control in the Argentina Entities and retained joint control in these entities as the participating parties have joint control and a right to the net assets of the arrangement.

Significant judgments and estimates are also required to determine the fair value of the investments retained in the Argentina Entities that were the former subsidiaries.

At each reporting date, the Company determines whether there is objective evidence that the investment in associate or joint venture is impaired. Significant judgment is required when determining whether facts and circumstances suggest that the carrying amount of the investment in associate or joint venture may exceed its recoverable amount.

Business versus asset

Identifying a transaction as being considered a business or an asset requires judgment regarding whether the set of assets and liabilities acquired or disposed constitutes a business based on the particular circumstances.

Provision

Management assesses the probability of a liability being payable as either remote, more than remote or probable. If the liability is considered to be less than probable, then the liability is not recorded and it is only disclosed as a contingent liability.

(ii) Estimates

Share-based payment transactions

Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment are disclosed in Note 9(c) of the condensed interim consolidated financial statements.

Outstanding Share Capital as at the date of this MD&A

Authorized	Unlimited number of no par value common shares
Issued common shares	202,298,892
Treasury Shares held	<u>16,498,026</u>
Outstanding common shares	185,800,866
Stock Options	1,500,000
Warrants	3,750,000

Stock Options and Warrants outstanding at October 30, 2020:

OPTIONS ISSUED	EXERCISE PRICE PER SHARE	EXPIRY DATE
1,500,000	\$0.05	July 16, 2021

WARRANTS ISSUED	EXERCISE PRICE PER SHARE	EXPIRY DATE
3,750,000	\$0.08	October 3, 2022

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 financial statements for the three and nine months ended August 31, 2020 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.

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.

Since February 2020, the coronavirus ("COVID-19") has threatened a slowdown in the global economy as well as caused volatility in the global financial markets. While the full impact of COVID-19 on the global economy is uncertain, rapid spread of COVID-19 may have an adverse effect on the Company's financial position, results of operations and cash flows in future periods.