



## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022

May 1, 2023

The following management's discussion and analysis ("MD&A") of Stratabound Minerals Corp. ("Stratabound" or the "Company") for the year ended December 31, 2022 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company, and unless otherwise noted, should be read in conjunction with the Company's annual audited financial statements for the fiscal years ended December 31, 2022 and 2021, and the notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

### Description of Business

Incorporated in March 1986, Stratabound is in the business of mineral exploration and development. On August 16, 2021, the Company acquired California Gold Mining Inc. This acquisition resulted in the Company acquiring a 100% wholly owned interest in its new flagship advanced-stage Fremont Gold Project, located in the California Mother Lode Gold Belt, and the Dingman Gold Project located in southern Ontario. The acquisition of the advanced-stage Fremont Project fulfills the corporate strategy to more swiftly transition the Company from gold exploration and development into a gold-producing Company.

The Company continues to advance its other early-stage Golden Culvert Property in the southeastern Yukon and the McIntyre Brook gold property option in northern New Brunswick as well as develop its fourth priority 100%-owned Captain copper-cobalt-gold project in Central New Brunswick.

### Overview

#### *Recent Developments*

In April 2023, the Company made the final option payment with respect to the Golden Culvert property option of \$175,000, and as a result the Company is deemed to have acquired an undivided 100% right, title and interest in and to the Golden Culvert mineral claims.

In March 2023, the Company filed a technical Preliminary Economic Assessment ("PEA") report for the Fremont Gold Project, in Mariposa County, California. The PEA highlighted the following results:

- After-tax net present value, using a discount rate of 5%, of USD \$217,000,000, internal rate of return of 21% and a payback of 4.2 years with gold prices of USD \$1,750/oz.
- 11-year mine life producing 1,303,000 ounces of gold
- Average annual gold production of 118,000 ounces over the life of the mine
- Average cash cost of US \$924/oz and all-in sustaining cost of US \$1,162/oz
- Initial capital expenditure of US \$203,000,000.

- Annual process plant rate of 2.19M tonnes at an average feed grade of 2.4 g/t Au and average overall gold recovery, including offsite processing, of 75.4%

In January 2023, the Company closed the final tranche of its private placement financing with subscriptions of \$100,000 at a price of \$0.05 per unit for a total of 2,000,000 units. Each unit consists of 1 common share of the Company and 1 common share purchase warrant, with an exercise price of \$0.07 and expiring 24 months from the date of closing.

At May 1, 2023, the number of common shares issued is 218,976,847.

### ***Fremont Gold Project***

On August 16, 2021 the Company announced the completion of the plan of arrangement to acquire all of the issued and outstanding common shares of California Gold Mining (the "California Gold Shares"). As a result of the Arrangement, California Gold Mining became a wholly owned subsidiary of Stratabound. The assets acquired through the transaction included the advanced-stage Fremont Gold Project and associated land parcel located in the Mother Lode Gold Belt of California, USA and the Dingman Gold Project located in southern Ontario, Canada. The Fremont Property hosts several gold-mineralized occurrences including the Pine Tree-Josephine and Queen Specimen deposits.

The Company announced on August 18, 2022 that it had received an updated National Instrument 43-101 Mineral Resource Estimate ("MRE") relating to the Fremont Gold Property. The MRE has an effective date of June 30, 2022. The MRE was prepared in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards on Mineral Resources and Reserves (2014) and Best Practices Guidelines (2019).

Independent Qualified Persons determined that pit-constrained Mineral Resources are reported using a cut-off grade of 0.25 g/t Au for oxide material, and 0.45 g/t Au for sulphide material. Out-of-Pit (underground) Mineral Resources are reported using a cut-off grade of 1.45 g/t Au. Underground Mineral Resources have been constrained within potentially mineable longhole shapes based on block grade and continuity. Historical mining has been depleted from the Mineral Resource Estimate by assigning a zero-volume percentage block inclusion for known areas of mining and development.

A summary of the MRE is provided in Table 1. The economic assumptions used for the MRE are provided in the notes to the table.

**Table 1. Summary of Mineral Resource Estimate<sup>(1-12)</sup>**

| INDICATED       | TONNES<br>(k) | GRADE<br>(g/t Au) | OUNCES<br>(k) |
|-----------------|---------------|-------------------|---------------|
| PIT-CONSTRAINED | 18,891        | 1.90              | 1,154         |
| OUT-OF-PIT      | 121           | 2.21              | 9             |
| <b>TOTAL</b>    | <b>19,011</b> | <b>1.90</b>       | <b>1,163</b>  |

  

|                 |               |             |              |
|-----------------|---------------|-------------|--------------|
| INFERRED        |               |             |              |
| PIT-CONSTRAINED | 22,507        | 2.06        | 1,488        |
| OUT-OF-PIT      | 5,816         | 2.87        | 536          |
| <b>TOTAL</b>    | <b>28,323</b> | <b>2.22</b> | <b>2,024</b> |

## Table notes:

- 1) Mineral Resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions (2014) and Best Practices Guidelines (2019) prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.
- 2) The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.
- 3) Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
- 4) Mineral Resources are reported within a constraining conceptual pit shell.
- 5) Inverse distance weighting of capped composite grades within domains was used for grade estimation.
- 6) Composite grade capping was implemented prior to grade estimation.
- 7) Bulk density was assigned by redox domain.
- 8) A gold price of US\$1,700/oz was used.
- 9) A cut-off grade of 0.25 g/t Au for oxide material, 0.45 g/t Au for sulphide material and 1.45 g/t Au for underground material was used.
- 10) Pit-constrained Mineral Resources were determined to be potentially economic based on a mining cost of US\$3/t mined, heap leach processing of US\$9.16/t, flotation processing of US\$10.02/t and G&A costs of US\$2.50/t, with metallurgical recoveries of 85% by heap leach and 90% by flotation.
- 11) Out-of-Pit Mineral Resources were determined to be potentially economic with the longhole mining method based on an underground mining cost of US\$40/t mined, processing of US\$10.02/t and G&A costs of US\$2.50/t, with a metallurgical recovery of 90%. Out-of-Pit grade blocks that did not demonstrate potentially mineable configurations were removed from the Resource Estimate.
- 12) Totals may not sum due to rounding.

The Company is focused on advancing the Fremont Gold Project towards a production decision as swiftly and efficiently as possible. In that regard it engaged consultants and commenced activities including technical studies and economic analyses for a Preliminary Economic Assessment (“PEA”), mine permitting, and engagement with the community and all stakeholders. The acquisition of the advanced-stage Fremont Gold Project fulfills the corporate strategy to more swiftly transition the Company from gold exploration and development into a gold-producing Company.

The carrying value of the exploration and evaluation assets of the Fremont Property is \$9,469,873 (December 31, 2021 - \$7,902,732), and the carrying value of the associated land parcel is \$7,149,546 (December 31, 2021 - \$7,149,546).

### ***Golden Culvert Property, Yukon***

The Golden Culvert Property is located in the Little Hyland Valley District of the Southeastern Yukon, approximately 205 kilometres north of the town of Watson Lake. The property lies parallel to and about 25 km northeast of the 3 Aces Project owned by Seabridge Gold Ltd. Gold occurrences in the upper Hyland River valley form a 50-km-long belt that is considered to be the easternmost portion of the Tombstone Gold Belt (Hart and Lewis, 2008). The entire 800-kilometre-long Tombstone Belt of gold deposits and occurrences lies within the greater Tintina Gold Belt that includes Donlin Creek, Fort Knox, Pogo, Brewery Creek and Dublin Gulch.

Golden Culvert covers 83.8 square kilometres across a 24-kilometre strike. Work conducted by Stratabound since 2018, including 25 diamond drill holes and 24 trenches, confirms that a 130-metre-wide corridor of at least six parallel gold-bearing structures occurs within a >30 ppb gold-in-soil anomaly, extends for at least 970 metres of strike and to at least 225 metres in depth. The structures remain open along strike and depth. A new gold-bearing structure was discovered in 2019 to occur 7.1 kilometres along strike to the north with no exploration conducted in between.

During the period ended September 30, 2021, the Company completed an option agreement to acquire the Win Property, which is 11 kilometres from the original Golden Culvert claim. The Win Property comprises 78 quartz mining claims covering an area of 15.7 km<sup>2</sup> adjacent to and along strike of its Golden Culvert and Little Hyland projects. The Win Property lies strategically along the main Golden Culvert Gold Trend where it projects approximately 11 km directly southeast of the Main Discovery area. The Win Property has been subjected to minimal historic exploration which has neither been gold-focused nor occurring within the projected gold trend. Even so, one historic off-trend grab sample yielding 0.52 g/t gold, 100 g/t silver and 0.63% lead has been confirmed by the Company's 2020 due diligence site investigation which yielded two outcrop samples assaying 0.64 g/t gold, 155 g/t silver, 1.25% lead, and 0.46 g/t gold, 28.8 g/t silver, respectively.

Exploration work on both the Little Hyland and Win Properties comprised of detailed groundwork following up on last year's property-scale soil geochemistry survey was completed in Q3 2022. Partial assay results have been received to date from rock and soil sampling programs on selected anomalies and targets.

The carrying value of the Golden Culvert property claim group is \$6,605,842 (December 31, 2021 - \$5,756,581)

### ***Bathurst, New Brunswick Base Metal Properties***

Stratabound owns a 100% interest in the CNE/Captain and Taylor Brook claim groups, totaling 158 claims, and a 100% interest in the CNE Mining Lease, within the Bathurst Mining Camp in northeast New Brunswick, Canada, one of the world's largest zinc-lead-

silver districts. All are subject to a 1% net smelter return royalty on production, other than a portion of the CNE/Captain Group, which is royalty-free.

These 100%-owned properties are all situated in the heart of the Bathurst camp, with three world-class base metal mines occurring within a 20-kilometre radius, namely Brunswick No. 12, Brunswick No. 6, and Heath Steele. The wholly owned claims host three known base metal sulphide bodies: The Captain, CNE and Taylor Brook deposits, on properties with potential that has not been fully explored.

### ***1. Captain Copper-Cobalt-Gold Deposit***

The Captain Deposit hosts an NI 43-101 Measured and Indicated Resource totaling 1,006,000 tonnes averaging 1.03% Cu, 0.051% Co, and 0.20 g/t Au at a 0.60% CuEq%, plus an Inferred Resource of 960,000 tonnes averaging 0.64% Cu, 0.039% Co and 0.12 g/t Au at a 0.60% CuEq%, (“Technical Report on an Updated Mineral Resource Estimate, Stratabound Minerals Corp. Captain Cu-Co Deposit”; Mercator Geological Services Limited, Dec. 8, 2010). The Deposit is located along the “Brunswick Horizon”, within a 20-km radius and the same stratigraphic contact that hosts the world-class Glencore Brunswick No.12 and No.6 mines with past production totaling an aggregate 149.4 million tons of 8.72% zinc, 3.3% lead, 0.35% copper and 99 g/t silver. The Captain is a volcanic massive sulphide, or VMS-type deposit, similar to the above-described deposits (source: Government of New Brunswick DNR Mineral Occurrence Database).

In light of the much-improved positive outlook for base metals including battery-metals such as copper and cobalt in particular, the Company completed a drilling program at the Captain Deposit consisting of 15 tightly spaced and shallow diamond drill holes, during the fourth quarter of 2020 for the purpose of defining the near-surface potential for a small-scale direct-shipping mining project. Twelve of the 15 holes intercepted high-grade copper-cobalt-gold-silver mineralization within 6-9m of surface at the bedrock interface, across an average 9.6m true width and along approximately 120m of strike length.

The deposit also contains minor but potentially recoverable amounts of cobalt, gold and silver. Management is continuing to explore the possibility of a small-scale, high-grade, direct-shipping mining project to generate near-term cash flow. The Captain Deposit is strategically located 100km by road to the deep-water port of Belledune near Bathurst, NB, and 40km to the nearest railroad.

### ***2. CNE Deposit***

No activity occurred at the CNE Deposit during the period.

### ***3. Taylor Brook Deposit***

During February 2017 and as amended in May 2019 and July 2020, the Company and Jaeger Resources Corp. (“Jaeger”) entered into an option agreement whereby Jaeger can earn an 80% interest in the Taylor Brook property in the Bathurst Camp in New Brunswick through exploration expenditures, the assumption of the Company’s work and payment obligations relative to the Taylor Brook claims and the issuance to the Company of shares of Jaeger.

In July 2020, the Company and Jaeger agreed to amend the Taylor Brook Option Agreement to provide Jaeger Resources Corp. to fulfill its work commitments on the property. Jaeger Resources Corp. now has until Feb. 22, 2024 to meet its spending requirement of \$500,000.

The carrying value of the Bathurst properties is \$598,321 (December 31, 2021 - \$592,026).

### ***McIntyre Brook, New Brunswick***

On December 5, 2019, the Company signed a Definitive Agreement to option and acquire 100% of the mineral rights to the McIntyre Gold Project located adjacent to Highway 180 about 80 kilometres west of Bathurst, New Brunswick. The Project consists of two known gold occurrences that occur 1.5 kilometres along strike of each other, the McIntyre Brook and the Big Pit. The McIntyre Brook occurrence features 40 significant gold values between 0.20 and 41.56 gpt gold out of a total of 46 grab samples collected from bedrock exposed in trenches along 300 metres of strike length. The zone remains open at both ends and occurs within a 480-metre wide, 8 to 165 ppb gold-in-soil anomaly that remains open beyond 500 metres of strike length. The Big Pit Cu-Au occurrence comprises a chalcopyrite-hematite vein that contains gold. At the Big Pit occurrence, rock samples yielded up to 1.44% Cu and 7.33 gpt gold.

In February 2020 the Company also announced it had concluded option agreements to acquire an additional 2,450 hectares of favourable prospective ground adjacent to and along strike of its previously optioned 375-hectare McIntyre Brook Gold Project through staking and further property option and purchase agreements. The total acquisition package extended the strike component from 1.2 km to approximately 12 km and includes three recorded gold and base metals showings approximately 10 km along strike to the west of the main McIntyre Brook Gold Occurrence. The new acquisitions included the McIntyre-Moose Brook and Gold Brook Option Agreements plus 625 hectares of newly staked land.

### ***Acquisition of Tardif Brook***

During October 2020, Stratabound had signed a definitive option agreement which sets out the terms under which Stratabound has the option to earn 100% interest in 7 claims comprising 2,675 hectares (26.75 km<sup>2</sup>) located north and south of the Company's existing optioned claims which are adjacent to the original McIntyre Brook property (See "Commitments" below for details on the property option and purchase agreements).

### ***Expansion of existing McIntyre Brook Claim***

In November 2020, the Company completed an amendment to the initial McIntyre Brook property acquisition to acquire an additional 7 claims adjacent to the original McIntyre Brook (See "Commitments" below for details on the property option and purchase agreements).

### ***Additional expansion of existing McIntyre Brook Claim***

In May 2022, the Company completed acquisitions of 19 claims comprising 5,956 hectares located adjacent to and east of the Company's existing McIntyre Brook claims. On acquisition, the Company made a cash payment of \$50,000 and issued 1,761,000 common shares, recorded at their market value of \$132,075, and an agreement to pay 400,000 common shares in the future. Subsequent payments on the first, second, third and fourth anniversaries of \$154,000, \$199,000, \$236,500 and \$275,500 respectively, are required to maintain the Options, \$865,000 of which may be paid at the Company's election up to 50% in shares. Upon completion of the fourth anniversary payments Stratabound will have earned 100% ownership in the claims. Stratabound has the option to accelerate the payments to exercise the Options sooner if it so desires. The Company has also agreed to pay the owners a 2% NSR royalty on production from the claims of which may be bought back in increments of \$1,000,000 for each 1% of the NSR. All the Options have a provision for performance payments upon completing the following milestones:

- a one-time cash payment of \$25,000 upon a Positive Preliminary Economic Assessment
- a one-time cash payment of \$50,000 upon a Positive Feasibility Study
- a one-time cash payment of \$100,000 upon Commercial Production

### ***2022 Exploration on McIntyre Brook Property***

On October 20, 2022 the Company reported results of a soil sampling program completed in 2021 covering the new claims acquired in 2020 noted above. Three new target zones were identified on three parallel gold trends featuring surface grab sample values up to 19.85 g/t gold on the Moose Brook zone. A subsequent soil sampling program was concluded in Q3 2022 across the additional new claims acquired in 2022. Soil sampling is now 100% complete over the entire project; however, assay results are still pending for those collected this 2022 season on the remaining eastern half.

The project is still at a very early stage and much remains to be determined with further work (See "Commitments" below for details on the property option and purchase agreements). At December 31, 2022, the McIntyre Brook Claim Group comprises the McIntyre Brook, McIntyre-Moose Brook, Gold Brook, and Tardif Brook properties.

The carrying value of the McIntyre Brook Claim Group is \$1,188,672 (December 31, 2021 - \$670,311).

### ***Dingman Gold Project***

As a consequence of the August 2021 California Gold Mining acquisition the Company also acquired the Dingman Gold Project located on the boundary between Madoc and Marmora Townships in Hastings County, southeastern Ontario, approximately 175 km northeast of Toronto, Ontario, and 55 km north of Belleville, Ontario.

In October 2022, the Company announced that it had filed on SEDAR a current and updated National Instrument 43-101 Technical Report (the "updated Technical Report") relating to the Company's Dingman Gold Property (the "Property") located in southern Ontario. The purpose of the updated Technical Report is to disclose the results of an updated Mineral Resource Estimate ("updated MRE") for the Dingman deposit and to

document the change of ownership for the Property. The updated report titled “Technical Report on the Dingman Project, Madoc and Marmora, Southern Ontario Report for NI 43-101” prepared by SLR Consulting (Canada) Ltd. (SLR) has an effective date of March 15, 2022. The updated Technical Report conforms to National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101).

The updated Mineral Resource estimate is presented in following table.

**Table 2: Summary of Mineral Resources - March 15, 2022**  
Stratabound Minerals Corp. - Dingman Project

| Category                          | Tonnage<br>(000 t) | Grade<br>(g/t Au) | Contained Metal<br>(000 oz Au) |
|-----------------------------------|--------------------|-------------------|--------------------------------|
| Measured                          | -                  | -                 | -                              |
| Indicated                         | 12,500             | 0.94              | 376                            |
| <b>Total Measured + Indicated</b> | <b>12,500</b>      | <b>0.94</b>       | <b>376</b>                     |
| Inferred                          | 2,100              | 0.71              | 47                             |

Notes:

1. CIM (2014) definitions were followed for Mineral Resources.
2. Mineral Resources are estimated at a cut-off grade of 0.36 g/t Au.
3. Mineral Resources are estimated using a long-term gold price of US\$1,800 per ounce, and a US\$/C\$ exchange rate of US\$0.80:CAD\$1.00.
4. Bulk density is 2.71 t/m<sup>3</sup>.
5. No Mineral Reserves are estimated for the Dingman Project.
6. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
7. Mineral Resources are estimated using a pit shell generated using the Lerchs-Grossman algorithm.
8. Numbers may not add due to rounding.

The Dingman claim group is in good tenure standing until 2025. The Dingman property is subject to a 2% NSR royalty, half of which may be purchased by the Company at any time for \$250,000.

The carrying value of the Dingman claim group is \$41,354 (December 31, 2021 - \$3,202).

### **Share Issuances**

The Company had the following share issuances during the year ended December 31, 2022:

- i) In February 2022, the Company issued 353,535 common shares, valued at their market price of \$31,818, in connection with the McIntyre Brook property option.
- ii) In May 2022, the Company issued 1,761,000 common shares, valued at their market price of \$132,075, in connection with the McIntyre Brook expansion.
- iii) In October 2022, the Company issued 47,620 common shares, valued at their market price of \$2,381, in connection with the Tardif Brook property option.
- iv) In November 2022, the Company issued 50,000 common shares, valued at their market price of \$2,500, in connection with the McIntyre Brook property option.
- v) In November 2022, the Company issued 81,278 common shares, valued at their market price of \$4,064, in connection with the Tardif Brook property option.



- vi) In December 2022, the Company issued 3,794,366 common shares, valued at their market price of \$170,747, in connection with the Golden Culvert property option.
- vii) In December 2022, the Company issued 2,168,211 common shares, valued at their market price of \$97,570, in connection with the Little Hyland property option.
- viii) During December 2022, the Company closed a private placement consisting of 31,100,000 units. Each common share unit was comprised of one common share and one common share purchase warrant for \$0.05/unit, with gross proceeds raised of \$1,555,500. Each whole warrant entitles the holder to purchase one common share of the Company at \$0.07 per share for a period of two years from the date of issue. The warrants were valued using the residual difference between the share issuance price and the market price, with a total warrant value of \$155,500 for this issuance.

The Company had the following share issuances during the year ended December 31, 2021:

- i) In January 2021, the Company issued 117,300 common shares, valued at their market price of \$28,152, in connection with the acquisition of the Win option, which is a property adjacent to the Golden Culvert project.
- ii) On August 16, 2021, the Company acquired 100% of the outstanding common shares of California Gold Mining Inc. by issuing 65,108,269 common shares of the Company to the former shareholders of California Gold Mining Inc.
- iii) On October 26, 2021, the Company issued 1,426,498 common shares in connection with a private placement offering. The total capital raised from this issuance was \$171,180.
- iv) On October 26, 2021, the Company issued 3,010,001 common shares on a flow-through basis in connection with a private placement offering. The total capital raised from this issuance was \$361,200.
- v) On October 28, 2021, the Company issued 83,334 common shares, valued at their market price of \$7,500, as part of its property option payment for the Tardiff Brook property.
- vi) On November 3, 2021, the Company issued 100,000 common shares, valued at their market price of \$8,500, as part of its property option payment for the McIntyre Brook property.
- vii) On November 10, 2021, the Company issued 9,266,701 common shares in connection with a private placement offering. The total capital raised from this issuance was \$1,112,004.
- viii) On November 10, 2021, the Company issued 2,427,067 common shares on a flow-through basis in connection with a private placement offering. The total capital raised from this issuance was \$291,248.
- ix) On December 10, 2021, the Company issued 2,011,200 common shares, valued at their market price of \$191,064, as part of its property option payment for the Golden Culvert property.

Warrants and option exercises and expiries

During the year ended December 31, 2022, the following warrants expired:

April 2022:

- 247,000 with a strike price of \$0.24

August 2022:

- 3,009,975 with a strike price of \$0.30
- 242,000 with a strike price of \$0.35

September 2022:

- 590,500 with a strike price of \$0.35
- 9,801,250 with a strike price of \$0.30

October 2022:

- 2,470,000 with a strike price of \$0.35
- 1,505,000 with a strike price of \$0.250

November 2022:

- 300,000 with a strike price of \$0.15
- 1,213,534 with a strike price of \$0.25

December 2022:

- 2,211,803 with a strike price of \$0.45
- 796,246 with a strike price of \$0.31

In June 2022, the Company extended and re-priced 300,000 warrants held by Romspen. The warrants initially expired November 6, 2022, with an exercise price of \$0.15. The warrants were extended to June 30, 2023, and re-priced to their market value of \$0.085.

During the year ended December 31, 2022, 800,000 options with an average strike price of \$0.227 expired.

No warrants or options were exercised during the year ended December 31, 2022.

During the year ended December 31, 2021, the Company issued 2,402,777 common shares related to warrant exercises, for total proceeds received of \$219,500.

In addition, during March 2021, the estate of a former director of the Company exercised 300,000 options at \$0.10 per common share on a net settlement basis. As a result, the Company issued 178,844 common shares as a result of this exercise.

## Overall performance

### *Results of operations*

The Company had a comprehensive loss of \$2,948,056 for the year ended December 31, 2022, as compared to a comprehensive loss of \$1,708,253 in 2021. The Company incurred significantly more expenditures related to advancing the Fremont Gold property and the increased administration cost as a result of acquiring California Gold Mining Inc. for the entire year in 2022, as compared to 4.5 months of ownership in 2021. In addition, the Company had finance costs related to the acquisition of California Gold Mining Inc. of \$572,092 for the full year in 2022, compared to \$262,111 for 4.5 months in 2021. During the year ended December 31, 2022, the Company recognized a foreign exchange loss of \$96,706 (2021 - \$17,720) as a result of the increase in the relative price of the US dollar compared to the Canadian dollar.

Exploration expenditures incurred during 2022 were \$3,108,785, as compared to exploration expenditures of \$1,494,480 in 2021. The Company spent significantly to advance the Fremont Gold property, conducted additional analysis of the McIntyre Brook property and significantly expanded the McIntyre Brook land package.

Expenses related to exploration and evaluation of mineral properties and their acquisition are capitalized as Mineral Exploration and Evaluation Assets on the statements of financial position.

### Selected Financial Information

The financial data are presented in accordance with IFRS. The reporting currency is the Canadian dollar.

### *Summary of Quarterly Results*

| 2022                             | Dec 31<br>2022 | Sep 30<br>2022 | Jun 30<br>2022 | Mar 31<br>2022 |
|----------------------------------|----------------|----------------|----------------|----------------|
| Loss for the period              | (\$796,048)    | (\$816,296)    | (\$805,507)    | (\$599,206)    |
| Loss and comprehensive loss      | (\$701,958)    | (\$841,385)    | (\$805,507)    | (\$599,206)    |
| Basic and diluted loss per share | (\$ 0.005)     | (\$ 0.005)     | (\$ 0.005)     | (\$ 0.003)     |

| 2021                             | Dec 31<br>2021 | Sep 30<br>2021 | Jun 30<br>2021 | Mar 31<br>2021 |
|----------------------------------|----------------|----------------|----------------|----------------|
| Loss for the period              | (\$867,192)    | (\$332,242)    | (\$347,847)    | (\$91,972)     |
| Loss and comprehensive loss      | (\$867,192)    | (\$332,242)    | (\$347,847)    | (\$91,972)     |
| Basic and diluted loss per share | (\$ 0.006)     | (\$ 0.003)     | (\$ 0.004)     | (\$0.001)      |

### ***Fourth quarter analysis***

During the fourth quarter of 2022, the Company recognized \$107,550 (2021 - \$157,572) of interest expense related to the loans acquired as part of the California Gold Mining Inc. acquisition which occurred in August 2021. General and administrative expenditures were \$680,211, as compared to \$354,088 in Q4 2021. The higher expenditures in Q4 2022 were related to the additional general and administrative costs required for the acquisition of California Gold Mining Inc. and the additional legal fees incurred in order to manage the litigations related to California Gold Mining Inc.

### ***Select annual financial information***

|  | December 31,<br>2022 | December 31,<br>2021 | December 31,<br>2020 |
|--|----------------------|----------------------|----------------------|
| Total revenues                                   | \$ -                 | \$ -                 | \$ -                 |
| Losses from operations                           | (\$3,017,056)        | (\$1,804,453)        | (\$1,604,385)        |
| Comprehensive loss for the year                  | (\$2,948,056)        | (\$1,708,253)        | (\$1,520,274)        |
| Basic and diluted loss from operations per share | (\$0.018)            | (\$0.016)            | (\$0.029)            |
| Basic and diluted comprehensive loss per share   | (\$0.017)            | (\$0.015)            | (\$0.026)            |
| Total assets                                     | \$27,048,034         | \$26,986,137         | \$11,682,512         |
| Working capital (deficit)                        | (\$4,790,214)        | (\$1,185,128)        | \$5,885,022          |
| Total non-current financial liabilities          | \$14,066             | \$13,858             | \$13,702             |
| Dividends declared per share                     | \$ -                 | \$ -                 | \$ -                 |

In 2022 compared with 2021, the Company:

- Incurred interest costs of \$572,092 (2021 - \$217,125), related to the assumptions of debts as part of the California Gold Mining Inc. acquisition and holding the debt for a full year in 2022, compared to 4.5 months in 2021
- Spent \$nil (2020 - \$91,048) in pursuit of potential acquisitions
- Recognized stock-based compensation of \$465,019 (2021 - \$619,243)
- Total assets increased by \$61,897 during 2022. Cash reserves were used to push projects forward, resulting in near-flat total assets year over year.

### **General and administrative expenses**

General and administrative expenses were \$1,844,438 in 2022 compared with \$915,914 in 2021. Significant expenses included in general and administrative costs include:

|                    | December 31,<br>2021 | December 31,<br>2021 |
|--------------------|----------------------|----------------------|
| Consulting fees    | \$421,128            | \$286,405            |
| Investor relations | \$342,679            | \$240,692            |
| Professional fees  | \$342,536            | \$183,653            |

During the year, the Company incurred additional costs related to investor relations in respect of the increasing awareness of the Company's new projects. These costs include shareholder communication costs, consultants paid to manage investor relations and web-based initiatives. Consulting fees increased from the prior year to accommodate the additional work required for the combined Stratabound and California Gold Mining Inc. entity.

### **Liquidity and capital resources**

At December 31, 2022, the Company had working capital deficit of \$4,790,214 and at December 31, 2021 the Company had a working capital deficit of \$1,185,128. The working capital deficit has been created by the assumption of the debts of California Gold Mining Inc. on acquisition. The Company plans to address this deficit by a strategic review of the payables that have been incurred historically, and by raising capital through private placement to address the residual debts of California Gold Mining Inc.

The Company has funded its 2022 exploration programs and the interest on its loans payable through the use of its cash reserves. The Company will raise capital through private placements on an as needed basis going forward to raise working capital, fund its exploration activity, and meet its interest and other debt obligations.

### **Related-Party Transactions**

Compensation awarded to key management included non-cash stock-based compensation of \$444,287 (2021 - \$582,000) along with consulting fees of \$343,000 (2021 - \$289,000). Key management includes the Company's officers and directors.

During 2021, the estate of a former director exercised 300,000 options with an exercise price of \$0.10 per share on a net settlement basis, resulting in 178,844 shares issued to the estate.

As part of the acquisition of California Gold Mining Inc., the Company converted 300,000 common shares purchase warrants of purchase California Gold Mining Inc. to warrants to purchase shares of the Stratabound Minerals Corp. These warrants were owned by R.W. Tomlinson Ltd., an entity which is controlled by a director of Stratabound Minerals Corp., and have subsequently expired.

Included in accounts payable and accrued liabilities at December 31, 2022 is \$25,519 (2021 - \$nil) owing to officers and directors of the Company.

\$177,177 is included in accounts payable and accrued liabilities that is owed to R.W. Tomlinson Ltd. in respect of expenses paid on behalf of California Gold Mining Inc. R.W. Tomlinson Ltd. is also owed \$355,955 (2021 - \$139,076) in interest payable with respect to the loan payable.

### **Commitments**

#### ***Golden Culvert:***

The Company has the option to acquire 100% ownership of the Golden Culvert and Little Hyland properties (collectively, Golden Culvert) comprising 431 mineral claims in the Little Hyland Valley District of the Southeastern Yukon Territory, approximately 205 kilometres north of the town of Watson Lake.

The 2022 final payments for Golden Culvert and Little Hyland were made as scheduled, with the exception of the 50% cash portion of the Golden Culvert payment. The Company and the optionors agreed to defer the cash portion of the payment of \$175,000 to 2023, subject to an 8% per annum late payment penalty. As of December 31, 2022 the Company has earned a 40% interest in the Golden Culvert and 100% interest in the Little Hyland claims and Rubus claims respectively. The final \$175,000 cash payment was made in April 2023 upon which the Company now holds 100% interest in all claim groups. The 2022 payments totaled \$100,000 in cash and 5,962,577 common shares of the Company, recorded at their fair market value of \$268,317.

Exercise of the options will also require fulfillment of work requirements of \$350,000 at each of the Golden Culvert and Little Hyland properties during the period ending December 12, 2022, which has been completed. The Golden Culvert work commitment was fulfilled during 2018 and the Little Hyland work commitment was fulfilled during 2022. The claims are subject to net smelter return (NSR) royalties of 2.5%.

Upon completion of the December 2022 payments, the Company will be deemed to have earned a 100% interest in all of the property. The payments were completed in April 2023.

During 2021, the Company expanded the Golden Culvert claim group by completing a transaction to acquire 100% of the mineral rights to the Win property, which is 13 kilometres from the original Golden Culvert claim. In connection with this acquisition, the Company issued 117,300 common shares valued at their market value of \$28,152 and made a payment to the optionors of \$13,400, and also paid \$13,400 for the 2022 annual payment requirement.

Maintenance and exercise of the option will require the following annual payments:

- 2023 - \$20,100
- 2024 - \$20,100
- 2025 - \$26,800
- 2026 - \$40,200

Upon completion of all payments and expenditures up to the third anniversary payment, the Company will have earned a 50% interest in the property, and upon completion of

the fifth anniversary payment, the Company will have earned a 100% interest in the property.

The Win property is subject to a 2% NSR on production; however, the Company may re-purchase 1.5% (1.5% of the 2% NSR) for \$1,500,000 or increments of \$500,000 per 0.5% NSR.

***McIntyre Brook:***

Exercise of the McIntyre Brook options, which comprise McIntyre Brook, McIntyre-Moose Brook, Gold Brook and Tardif Brook will require fulfillment of the following work requirements:

- 2023 - \$20,000
- 2024 - \$15,000

Maintenance and exercise of the McIntyre Brook options will require the following future annual payments:

- 2021:
  - i) \$75,000, with the option to pay up to \$30,000 with common shares
  - ii) 100,000 common shares
    - The Company has made payments of \$67,500 in cash and issued 183,334 common shares of the Company, recorded at their quoted market value of \$16,000. All annual payments for 2021 have been made.
- 2022:
  - i) \$115,000, with the option to pay up to \$42,500 with common shares
  - ii) 50,000 common shares
    - The Company has payments of \$72,500 in cash and issued 532,433 common shares of the Company, recorded at the market value of \$40,763. All annual payments for 2022 have been made.
- 2023:
  - i) \$309,000, with the option to pay up to \$134,500 with common shares
  - ii) 50,000 common shares
- 2024:
  - i) \$319,000, with the option to pay up to \$159,500 with common shares
- 2025:
  - i) \$236,500, with the option to pay up to \$118,250 with common shares
- 2026:
  - i) \$275,500, with the option to pay up to \$137,750 with common shares

All payments and work commitments required to maintain the option have been made to date. Upon completion of the fourth anniversary payments the Company will have earned 100% ownership in the McIntyre Brook claim group.

This claim group is subject to the following net smelter returns (“NSR”) on production:

- McIntyre Brook, McIntyre-Moose Brook, and Gold Brook - These claims are subject to a 2% NSR on production; however, the Company may re-purchase the NSR for either \$1,000,000 or increments of \$500,000 per 0.5% NSR;

- Tardiff Brook - This claim group is subject to a 2% NSR on production; however, the Company may re-purchase the NSR for either \$2,000,000 or increments of \$500,000 per 0.5% NSR; Tardif Lake South - This claim is subject to a 2% NSR on production; however, the Company may re-purchase 1% (one-half of the 2% NSR) for \$1,000,000;
- Ramsay Brook - With the exception of two claims (9743 and 10349) this claim group is subject to a 2% NSR on production; claims 9743 and 10349 are subject to a 1% NSR on production; however, the Company may re-purchase 1% of the NSR (being 100% of the 1% NSR on claims 9743 and 10349, plus one-half of the 2% NSR of the remaining claims) for \$1,000,000;
- Ramsay Brook Central - This claim is subject to a 2% NSR on production; however, the Company may re-purchase 1% (one-half of the 2% NSR) for \$1,000,000;
- Ramsay Brook Cobalt - This claim is subject to a 2% NSR on production; however, the Company may re-purchase 1% (one-half of the 2% NSR) for \$1,000,000;
- Ramsay Portage - This claim group is subject to a 2% NSR on production; however, the Company may re-purchase 1% (one-half of the 2% NSR) for \$1,000,000;
- Ramsay Brook Cobalt East - This claim group is subject to a 2% NSR on production; however, the Company may re-purchase 1% (one-half of the 2% NSR) for \$1,000,000;
- Greys Gulch - This claim is subject to a 2% NSR on production; however, the Company may re-purchase 1% (one-half of the 2% NSR) for \$1,000,000;

### **Share Capital**

The authorized capital of the Company consists of an unlimited number of common shares without par value. As at December 31, 2022, the number of common shares issued is 214,582,216 (fully diluted 268,003,816).

#### ***Warrants outstanding at December 31 2022***

| <b>Number of Warrants</b> | <b>Exercise Price</b> | <b>Expiry Date</b> |
|---------------------------|-----------------------|--------------------|
| 300,000                   | 0.085                 | June 30, 2023      |
| 713,249                   | 0.250                 | October 26, 2023   |
| 4,633,351                 | 0.250                 | November 10, 2023  |
| 31,100,000                | 0.07                  | December 21, 2024  |
| <b>36,746,600</b>         | <b>\$ 0.0963</b>      |                    |



### ***Options outstanding at December 31, 2022***

| <b>Number of Options</b> | <b>Exercise Price</b> | <b>Expiry Date</b> |
|--------------------------|-----------------------|--------------------|
| 1,000,000                | 0.10                  | July 16, 2024      |
| 300,000                  | 0.10                  | January 16, 2025   |
| 800,000                  | 0.10                  | May 19, 2025       |
| 3,500,000                | 0.25                  | September 28, 2025 |
| 100,000                  | 0.25                  | October 22, 2025   |
| 300,000                  | 0.22                  | November 3, 2025   |
| 5,325,000                | 0.13                  | August 18, 2026    |
| 5,350,000                | 0.055                 | October 17, 2022   |
| <b>16,675,000</b>        | <b>0.130</b>          |                    |

### **Risks and Uncertainties**

The business of exploration and mining is full of risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The operations to be conducted by the Company will be subject to all of the operating risks normally attendant upon mineral exploration and development. Failure to obtain financing can result in delay or indefinite postponement of exploration and development projects with the possible loss of such properties. While the Company has been successful in the past at raising funds, there can be no assurance that it will continue to do so. Equity financing opportunities require favorable market conditions and commodity prices that cannot be assured.

Whether a mineral deposit once discovered will be commercially viable depends on a number of factors, some of which depend on the particular attributes of the deposit, such as size, grade and proximity to infrastructure. These factors are beyond the control of the Company. The Company must also compete with companies that may have greater technical or financial resources. The Company is unable to predict the amount of time which may elapse between the date when any new mineral resource may be discovered, and the date production may commence from any such discovery.

The exploration and development of mineral properties and the marketability of any minerals contained in such properties can be affected by many other factors beyond the control of the corporation, such as metal prices, availability of adequate refining facilities, or the imposition of new government regulations affecting existing taxes and royalties or environmental and pollution controls.

The directors of the Company are engaged and will continue to be engaged in the search for mining interests on their own behalf and on behalf of other companies, and situations may arise where the directors and officers may be in direct competition with the Company. Conflicts of interest, if any, which arise will be subject to and governed by procedures prescribed by the *Business Corporations Act* (Alberta) which require a director or officer of a corporation who is a party to, or is a director or an officer of or has a material contract with the Corporation to disclose his interest and, in the case of

directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the *Business Corporations Act* (Alberta).

### **Critical Accounting Estimates**

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. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in total comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

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

#### ***Exploration and evaluation expenditures***

##### *Estimates*

In situations where indicators of impairment are present for the Company's mineral exploration and evaluation assets, estimates of recoverable amounts must be determined as the higher of the Cash Generating Units (CGU's) estimated value in use or the estimated fair value less costs to sell. Value in use is based on the present value of the future cash flows expected to flow from the CGU to the Company, and actual cash flows may vary. Fair value less costs to sell is based on recent sales of comparable assets which may or may not be indicative of the CGU's fair value.

##### *Judgments*

Management uses judgment in determining whether or not there are indicators of impairment for its CGUs. The results of management's assessment could result in an impairment test not being performed when indicators did in fact exist, which could impact the valuation of the CGUs' carrying values. Management uses judgment in determining what constitutes a CGU.

The CGUs identified by the Company are as follows:

1. Golden Culvert Property
2. McIntyre Brook Property
3. Bathurst Group
4. Fremont Gold Project
5. Dingman Gold Project

## *Income taxes*

### *Estimates*

Deferred tax assets and liabilities are determined using the tax rates expected to be in effect at the time the assets are realized and liabilities settled. The actual tax rate in effect at that time may vary from the expected tax rates.

### *Judgments*

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may differ materially from the amount included in the tax liabilities.

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

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit

the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there will be future taxable profit available against which the unused tax losses can be utilized.

### ***Share-based payment transactions***

#### *Estimates*

The Company measures the cost of equity-settled transactions with directors, officers, employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted.

#### *Judgments*

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 valuation requires the determination of the most appropriate inputs including the expected life of the share option (based on historical times between vesting date and exercise date) and share price volatility (based on historical share price volatility). In addition, the amount recognized is based on the number of equity instruments expected to ultimately vest, which relies on estimates of forfeiture rates which is based on historical evidence of forfeitures. History may not always be indicative of the future and as a result, the value determined has significant estimation uncertainty. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in the December 31, 2022 audited financial statements. The same estimates are required for transactions with non-employees where the fair value of the goods or services received cannot be reliably determined.

### ***Acquisition of California Gold Mining Inc.***

#### *Estimates*

The Company estimated the fair value of the assets and liabilities that were acquired through the purchase of California Gold Mining Inc. and its subsidiaries.

#### *Judgments*

Estimating the fair value of the assets and liabilities of California Gold Mining Inc. required management's judgment in determining the value of the assets and liabilities, specifically the fair value of the land, exploration and evaluation assets, and the accrued liabilities. These valuations required estimates using third-party data (i.e. - property tax values, and the share price of Stratabound on the closing date of the transaction), reviews of the historical accounting data of California Gold Mining Inc., outreach from existing creditors, and estimates for contingent legal liabilities.

## ***Contingencies***

Refer to Notes 10 and 16 in the consolidated financial statements.

### **Financial instruments and risk management**

The Company is exposed through its operations to the following financial risks:

- Market risk
- Credit risk
- Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

### **General objectives, policies and processes**

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board of Directors receives monthly reports from the Company's financial controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board of Directors is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below:

#### **a) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk:

- i) Foreign currency risk;
- ii) Interest rate risk;
- iii) Commodity price risk; and,
- iv) Equity price risk.

The Company is exposed to foreign currency risk in that some of its accounts payables and loans are denominated in a foreign currency. Management believes that the Company is not exposed to significant foreign currency risk. In addition, the Company is exposed to equity price risk as a result of its marketable securities. The Company is not

exposed to interest rate risk as the interest rate on its debt is fixed. Management monitors the equity price of the investment to manage its exposure to the equity price risk.

#### **b) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk include cash and term deposits. Cash is maintained with financial institutions and may be redeemed upon demand. The financial institutions are considered reputable and creditworthy institutions.

The carrying amount of cash and term deposits represents the maximum credit exposure. The Company has gross credit exposure at December 31, 2022 and December 31, 2021 of \$1,424,402 and \$3,943,859, respectively. Management considers that all financial assets held are of good credit quality, and therefore credit risk is not considered significant.

#### **c) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will have sufficient cash to allow it to meet its liabilities when they become due.

Typically, the Company ensures that it has sufficient cash to meet expected operational expenses. To achieve this objective, the Company prepares annual capital expenditure budgets, which are regularly monitored and updated as considered necessary.

Further, the Company utilizes authorizations for expenditures on exploration projects to further manage expenditure.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing accounts payable and accrued liabilities and loans payable in conjunction with its daily cash position.

The Company's publicly filed documents are available on SEDAR at [www.sedar.com](http://www.sedar.com)

Additional information on the Company's projects including news releases, maps and photos can be viewed on the Company's website [www.stratabound.com](http://www.stratabound.com).

All scientific and technical data disclosed in this report has been reviewed and verified by R. Kim Tyler, P. Geo, a Qualified Person within the meaning of National Instrument 43-101. R. Kim Tyler, P. Geo is the Qualified Person for the Company.

*Certain information regarding the Company contained herein may constitute forward-looking statements. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such*

*expectations will prove to have been correct. These statements are subject to certain risks and uncertainties and may be based on assumptions that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements. The Company does not plan to update or alter any forward-looking statement except where required by law. Specific statements include plans for further drilling, acquiring properties and raising additional equity; and specific risks include operational and geological risks and the ability of the Company to raise necessary funds for exploration. The Company's forward-looking statements are expressly qualified in their entirety by this cautionary statement.*