GEOMEGA RESOURCES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE MONTHS PERIOD ENDED AUGUST 31, 2010

GENERAL

This Management's Discussion and Analysis of **Geomega Resources Inc.** ("**GeoMegA**" or the "**Company**") is dated October 29, 2010 and provides an analysis of GeoMegA financial results for the three months period ended August 31, 2010. The following discussion and analysis should be read in conjunction with the Company's unaudited interim financial statements for the three months ended August 31, 2010 which are available on the SEDAR website, www.sedar.com.

The unaudited interim financial statements were prepared by the Company's management in accordance with Canadian generally accepted accounting principles ("GAAP"). All dollar amounts mentioned in this discussion are expressed in Canadian dollars.

Our discussion contains «**forward-looking statements**» not based on historical facts. Forward-looking statements express, as of the date of this discussion, our estimates, forecasts, projections, expectations and opinions as to future events or results. Forward-looking statements herein expressed are reasonable, but involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

STRATEGY and OVERVIEW: Focus, focus, focus.

GeoMegA is a Quebec-based exploration company focused on the identification and discovery of **carbonatites** containing economic deposits of **21st century strategic metals**. On April 15, 2010, Quebec received, for the third year in a row, the coveted award of the **world's most attractive jurisdiction for mineral exploration and development**[1]. No surprise, exploration expenditures engaged and paid in Quebec are applicable to reimbursable tax credits of more than 40% when paid with non flow-through funds.

Strategic metals are those metals which are required for the economic development and national defense of a country. As society emerges from fossil energy to a more efficient eco friendly source, GeoMegA believes the 21st century strategic metals are the Rare Earth Elements ("REE") family (the 15 elements called Lanthanides plus Scandium and Yttrium), Niobium and Tantalum.

These elements are **critical to clean energy technologies** (electric vehicles, wind power turbines, light-emitting diode light source), existing and emerging **high-tech uses** (cell phones, fiber optics, lasers, hard disk drives) and numerous **defense applications**. These elements are the **foundation** of the **21st century's economic sustainability and durable development**.

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[1] The Fraser Institute.

Carbonatites are very special and relatively rare magmatic rocks. In 2008, the Natural Resources Ministry of Canada completed a geological survey identifying 527 carbonatites occurrences around the world. They are **often enriched in REE, niobium and tantalum** and can be major sources for these rare metal ores.

Historically, roughly one carbonatite out of five contains an economic deposit of ore. The **world's current most prolific deposits of REE**, namely **Bayan Obo** (Inner Mongolia, China), **Mountain Pass** (California, US) and **Mount Weld** (Australia) **are all carbonatites**. GeoMegA plans to secure interests in as many carbonatites as possible within Quebec's geographical limits.

INDUSTRY OUTLOOK

95% of the world's supply in REE comes from mines in China. Since August 2009, reports around the world indicate that China has called for a total ban on foreign shipments of terbium, dysprosium, yttrium, thulium, and lutetium. Other metals such as neodymium, europium, cerium, and lanthanum will be restricted to a combined export quota of 35,000 **metric tons (mt)** per year, far below global needs.

Total global demand for REE is expected to increase from 124,000 mt in 2008 to 180,000 mt by 2014[2]. China consumes approximately 55% of global demand, leaving **45% in need of supply**. The supply shortage for the rest of the world following China's retraction from the rare earth market will take years to gap.

Realizing the sudden critical supply risk, countries around the world are scrambling to secure REE resources. Consequently, REE prices have soared drastically since January 2010:

Rare Earth Oxide	2009	October 25, 2010	Increase
Neodymium Oxide	$ 19,12	$ 80,00	**318 %**
Praseodymium Oxide	$ 29,05	$ 76,00	**161 %**
Lanthanum Oxide	$ 4,88	$ 50,00	**924 %**
Cerium Oxide	$ 3,88	$ 50,00	**1,188 %**

Prices are quoted in US$/kg on an FOB China basis[3].

Electro mobility and **wind turbines** are dependent on rare earth metals, especially the one element called **neodymium**.

Projected growth in megawatts (MW) from the World wind energy Association (WWEA[4]) are astonishing. In 2009, worldwide capacity reached 159,213 MW of wind power (equaling 2% of global electricity consumption), out of which 38,312 MW were added in 2009 alone. Based on accelerated development and further improved policies, WWEA has increased its predictions and sees a global capacity of **1,900,000 MW as possible by the year 2020**. Considering that every **three (3) MW of wind power needs one (1) metric ton (2,200 lbs) of neodymium** alone, finding buyers for that one element should not be a problem.

[2] Roskill Consulting Group Ltd, a metal market consultant.
[3] Metal-page.com
[4] www.wwindea.org

ACTIVITY HIGHLIGHTS FROM JUNE 1 to October 29, 2010

Listing of GeoMegA on the Venture Exchange, sold out IPO

On September 30, 2010 and October 7, 2010, GeoMegA announced the closing of the first and final tranche of its initial public offering ("IPO") by prospectus for **total gross proceeds of $2,905,000**. Industrial Alliance Securities inc. ("IAS") acted as agent in connection with the IPO, for which the prospectus was filed and receipted pursuant to the provisions of the Alberta, Ontario and Quebec Securities Acts. The common shares of GeoMegA commenced trading on **TSX Venture Exchange** under the symbol **GMA** at the opening on September 30, 2010.

In connection with the IPO, GeoMegA issued a total of 8,300,000 units at a price of $0.35, each unit consisting of one (1) common share and one-half warrant. Each full warrant entitles the holder to purchase, during a period of eighteen (18) months from the date of the closing, one (1) common share at an exercise price of $0.55 per share.

In consideration for its services, IAS received a cash commission of $186,828 and 415,000 options, each option entitling IAS to purchase one (1) common share at an exercise price of $0.35 per share, during a period of eighteen (18) months from the date of the closing.

Other Equity issuances

On July 2, 2010, GeoMegA issued 355,000 Units at $0.35 for net proceeds of $124,250. Each Unit contains one common share and one common share purchase warrants. Each purchase warrant entitles the holder to purchase one common share at a price of $0.55 for a period of eighteen (18) months.

On August 17, 2010, GeoMegA issued 200,000 common shares at a price of $0.35 per share, and also paid a cash amount of $15,960, in consideration for the acquisition of the 270 claims constituting the Oriana property.

RESULTS OF OPERATIONS

Summary of exploration activities

During the three months period ended August 31, 2010 the Company incurred $62,597 (net of $50,446 of tax credits) in exploration expenses compared to $0 in the same period of previous year.

Pre-tax credit exploration expenses total $103,552 and are mainly related to drilling ($68,631) on the Montviel property.

Additionally, during the three months period ended August 31, 2010 the Company issued 200 000 common shares for 270 claims constituting the Oriana property at a deemed price of $0.35 per common share ($70,000) and paid $20,656 in claims acquisitions and renewals. No acquisition costs incurred in the same period of previous year.

Exploration expenses incurred during the quarter ended August 31, 2010 are as follows:

Work performed	Montviel	Pump Lake	Sydney	Total
Drilling	$ 68,631	-	-	**$ 68,631**
Geology	$ 11,250	$ 4,349	-	**$ 15,599**
43-101 reports	-	$ 11,130	$ 6,369	**$ 17,499**
Analysis	-	-	$ 442	**$ 442**
Permits	$ 1,381	-	-	**$ 1,381**
	$ 81,262	$ 15,479	$ 6,811	**$ 103,552**

As of August 31, 2010, mineral properties and deferred exploration expense (DEE) are:

Properties	Balance, beginning of year	Acquisition costs	Deferred exploration expenses	Subsidies	Balance, end of year
Montviel	$ 51,872	$ 2,616	$ 81,262	$ (32,139)	**$ 103,611**
Pump Lake	$ 54,681	-	$ 15,479	$ (6,122)	**$ 64,038**
Sydney	$ 10,400	-	$ 6,811	$ (2,694)	**$ 14,517**
Oriana	-	$ 85,960	-	-	**$ 85,960**
Émilie	-	$ 2,080	-	-	**$ 2,080**
	$ 116,953	$ 90,656	$ 103,552	$ (40,955)	**$ 270,206**

PROPERTY DESCRIPTION

On April 30, 2010, GeoMegA signed a Letter Agreement with NioGold Mining Corp. (NioGold) which gives GeoMegA an option to earn up to seventy five percent (75%) interest in the Montviel and Pump Lake properties by making a cash payment of $100,000, paid on April 30, 2010, and by issuing 1,500,000 shares of GeoMegA over a three-year period following the completion of an IPO (see **ACTIVITY HIGHLIGHTS, page 3**) and incurring at least $3,350,000 in exploration expenditures over four years.

1. Montviel (Option, interest up to 75%)

The Montviel property is located in the Northern Abitibi of Quebec, 200 km due north of Val-d'Or, where services and manpower are available. The property is easily accessible via a network of logging roads, after a 50 km drive from highway 113, which connects Val d'Or and Chibougamau. The Montviel property consists of 104 mining claims covering 5,776 ha.

The property encompasses the Montviel alkaline-carbonatite intrusive complex that has only been briefly explored since its discovery by Jowsey Mining in 1958 while drilling for base metals on a geophysical target. From the limited geological data available, the complex is made up of several syenite facies forming an irregular bilobate structure around a core of carbonatite. The carbonatite is multi-phase with distinct iron, magnesium or calcium facies and hosts mineralization in niobium, rare earth elements (REE) and phosphorus. From the extrapolation of the geophysical signature, the complex would extend over 8 km by 3 km.

Scheduled exploration work going forward:

Work – Phase 1	Expected cost	Timeline
Program preparation	$3,500	Fall 2010
Data integration and database	$40,000	Fall 2010
Permits (forestry intervention, etc.)	$5,000	Fall 2010
Diamond drilling – 10,000m @ $150/m, all inclusive	$1,500,000	Fall 2010
Report at the end of phase 1, and filing for statutory purposes	$15,000	Fall 2010
Access and drilling grid	$200,000	Fall 2010
Camp and site preparation	$125,000	Fall 2010
	$1,888,500	

All scheduled expenses, save for camp and site preparation, are applicable to reimbursable tax credits of more than 40%.

A short 500 m diamond drill program was undertaken at the end of June and beginning of July 2010 on Montviel in order to generate sufficient exploration credits for the purposes of renewing critical claims. The core was carefully stored and was not split or assayed with the objectives to not interfere with the ongoing IPO process. This core will be eventually assayed sometime in the Fall of 2010.

The program was adjusted after completing the listing on September 30, 2010. Considering the historical information on the Montviel property, management has decided to increase the drilling program to 10,000 m in an attempt to identify REE resources. A first set of five holes will be drilled at a depth of 500 m, adjustments will be made once the core is analyzed and the technical team grows in knowledge of the carbonatite complex.

2. Pump Lake (Option, interest up to 75%)

The Pump Lake property is located 200 km southeast of Val-d'Or and 50 km north of the Mt-Laurier district, where services and manpower are available. The property is easily accessible by road from Ste-Anne-du-Lac. The Pump Lake property consists of 414 mining claims covering 23,869 ha.

The property has never been drilled. An early stage project, prospecting and trenching over the area resulted in the discovery of several magnetite, copper-gold-silver-molybdenite, uranium-niobium-REE-phosphorus occurrences associated with an ***alkaline-carbonatite intrusive complex*** recently uncovered by regional mapping conducted by the Ministry of Natural Resources of Quebec.

At present time, the historical data is being gathered and analyzed. Considering the size of the property, management has decided to postpone the work program originally scheduled to increase chances of success on the eventual drilling program.

3. Other properties, 100% interest

The Company has three other properties owned at 100%, namely Émilie, Oriana and Sydney. Émilie is associated to the nearby Grevet carbonatite and Oriana encompasses the Dolodau carbonatite. The geological signature of the Sydney property remains to be determined.

These properties were acquired over the summer and are at an early stage. GeoMegA has approximately a 24 months period, granted by the Ministry of Natural Resources, to realize the exploration work.

Each property will be addressed in a timely manner.

Geological information presented herein was prepared or reviewed and approved by Mr. Benoit Moreau, P. Eng., a qualified person under National Instrument 43-101.

Summary of financial activities

Net loss for the three months period ended August 31, 2010 is $49,956 compared to a net loss of $412 in the same period of previous year. The loss is due to management salaries and benefits ($19,687) and professional fees ($25,606) incurred during the IPO process completed on September 30, 2010. No such expense in the same period of previous year.

Administrative expenses are expected to increase as we get to full speed in the upcoming months.

LIQUIDITY and COMMITMENTS

The working capital decreased by $9,990 over the three months period ended August 31, 2010 going from a surplus of $82,251 as at May 31, 2010 to a surplus of $72,261 as at August 31, 2010. The decrease is mainly explained by payments made for the mineral properties acquisitions ($20,656), exploration expenditures (net of $62,597) and administrative expenditures ($49,956) less the common shares issuance for proceeds of $124,250.

The cash totals $22,030 as at August 31, 2010 compared to $89,854 as at May 31, 2010.

On July 2, 2010, GeoMegA completed a private placement with accredited investors for 355,000 Units of GeoMegA at a price of $0.35 per Units for net proceeds of $124,250. Each Unit consists of one common share and one common share purchase warrant. One common share purchase warrant entitles the holder to acquire one additional common share of GeoMegA at a price of $0.55 over a period of 18 months following closing.

Please refer to the **IPO** disclosure under **ACTIVITY HIGHLIGHTS,** page 3.

The Company's ability to realize its assets and discharge its obligations and commitments depends on the Company's ability to raise additional funds over and above amounts raised to date to complete the exploration and development of its interests. While the IPO was a success, there can be no assurance that it will be able to finance its activities in the future.

Following the successful completion of the IPO, the Company considers the cash on hand sufficient to meet its known obligations as at October 29, 2010.

As at October 29, 2010 the Company had the following commitments on its properties:

	Montviel and Pump Lake		
Years	**1**	2 to 4	5 +
Exploration expenditures	**$500,000**	$2,850,000	-
Shares Issuance	**-**	400,000	-

Please refer to the **PROPERTY DESCRIPTION**, page 4.

CAPITAL RESOURCES

As at October 29, 2010:

- 14,155,001 common shares are outstanding;
- 4,505,000 whole share purchase warrants were issued, each warrant entitles the holder to purchase one common share at a price of $0.55; warrants expire between January 2012 and March 2012;
- 1,815,000 options, each option entitling the holder to purchase one (1) common share at an exercise price of $0.35 per share; options expire between March 2012 and September 2015.

Share Capital

On July 2, 2010, GeoMegA completed a private placement with accredited investors for 355,000 Units of GeoMegA at a price of $0.35 per Units for net proceeds of $124,250. Each Unit consists of one common share and one common share purchase warrant. One common share purchase warrant entitles the holder to acquire one additional common share of GeoMegA at a price of $0.55 over a period of 18 months following closing.

On August 17, 2010, GeoMegA issued 200,000 common shares at a price of $0.35 per share, and also paid a cash amount of $15,960, in consideration for the acquisition of the 270 claims constituting the property.

In connection with the IPO, GeoMegA issued a total of 8,300,000 units at a price of $0.35, each unit consisting of one (1) common share and one-half warrant. Each full warrant entitles the holder to purchase, during a period of eighteen (18) months from the date of the closing, one (1) common share at an exercise price of $0.55 per share.

On September 30, 2010, as per the terms of the agreement with NioGold on the Montviel and Pump Lake option, following the completion of the IPO, GeoMegA issued 1,100,000 common shares to NioGold.

Variations in share capital as at October 29, 2010 are as follows:

Description	Number of shares	Amount $
As at May 31, 2010	**4,200,001**	**330,002**
Issuance – Mining properties	200,000	70,000
Issuance – Private placement	355,000	124,250
Attributed value – issued warrants	-	(42,600)
As at August 31, 2010	**4,755,001**	**481,652**
Issuance – IPO	8,300,000	2,905,000
Issuance - Financing fees	-	(186,828)
Issuance – Mineral properties	1,100,000	36,000
Attributed value – Warrants	-	(498,000)
Attributed value – Broker options	-	(66,400)
As at October 29, 2010	**14,155,001**	**2,671,424**

Warrants

Variations in warrants as at October 29, 2010 are as follows:

Date	Number of warrants	Exercise price $	Expiry date
As at May 31, 2010	**-**	**-**	**-**
Issued – private placement	355,000	0.55	January 2, 2012
As at August 31, 2010	**355,000**	**0.55**	**January 2, 2012**
Issued	4,150,000	0.55	March 30, 2012
As at October 29, 2010	**4,505,000**	**0.55**	

Options

In consideration for its services during the IPO, IAS received 415,000 options, each option entitling IAS to purchase one (1) common share at an exercise price of $0.35 per share, during a period of eighteen (18) months from the date of the closing.

In connection with the closing of the IPO, GeoMegA granted 1,400,000 options to Directors, Officers and consultants. Each option entitles the holder to purchase one (1) common share at an exercise price of $0.35 per share, during a period of five (5) years from the date of grant.

Variations in options as at October 29, 2010 are as follows:

Date	Number of options	Exercise price $	Expiry date
As at May 31, 2010	**-**	**-**	**-**
As at August 31, 2010	**-**	**-**	**-**
Issued	1,815,000	0.35	March 2012 and September 2015
As at October 29, 2010	**1,815,000**	**0.35**	

RELATED PARTY TRANSACTIONS

The Company conducts transactions with companies and entities controlled by its Officers and Directors. These transactions are conducted in the normal course of business and are accounted for at the fair value, which is the value agreed upon by both parties.

Description	August 31, 2010	August 31, 2009
Professional fees	**$10,481**	Nil

On September 10, 2010, GeoMegA re-priced the cost 900,000 common shares issued on May 7, 2010 to officers at a price of 0.04$ per common share for an additional cash consideration of $36,000.

OFF-BALANCE SHEET ARRANGEMENTS

During the three months period ended August 31, 2010 there are no off-balance sheet transactions.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Mining properties and deferred exploration expenses

The Company defers exploration costs, including: acquisition costs, geological, topographical, geochemical, geophysical studies, drilling, trenching, sampling and analysis and feasibility studies. These costs are aggregated on a property-by-property basis through the exploration and evaluation stage only after permits have been obtained; hence the capitalization of costs is supported by the existence of legal right. The end/conclusion of this stage would occur with the production of feasibility study or commercial viability which recommends or not that the property be developed.

The Company defers exploration costs until those properties are brought into production, at which time, they will be amortized on a unit of production basis based on proven and probable reserves or until the properties are abandoned, sold or considered to be impaired in value, at which time, an appropriate charge will be made.

The recoverability of the amounts shown for mining interests is dependent on the existence of economically recoverable reserves, the ability of the Company to obtain financing to complete the development of such reserves and meet its obligations under various agreements and the success of future operations or dispositions.

The Company reviews capitalized costs on its mineral property interests on a periodic basis and will recognize an impairment value based upon current exploration or production results, if any, and upon management's assessment of the future probability of profitable revenues from the interests or from the sale of the interests. Management's assessment of the interests' estimated current fair value is also based upon its review of other property transactions in the same geographic area.

CHANGES IN ACCOUTING POLICIES

The Accounting Standards Board of the CICA requires all public companies to adopt International Financial Reporting Standards ("IFRS") for interim and annual financial statements for fiscal years beginning on or after January 1, 2011. Companies will be required to provide IFRS comparative information for the previous fiscal period. The transition from Canadian Generally Accepted Accounting Principles to IFRS will be applicable for the Company's first quarter period ending August 31, 2011.

The Company has begun the planning activities and is currently progressing through the detailed assessment and design of the overall implementation strategy. At the date hereof, IFRS standards whose applications are compulsory in 2011 will cease to be amended.

The detailed analysis of the accounting policies impacted by the IFRS convergence is expected to be completed throughout 2010. Based on preliminary analysis, the following IFRS could have a potential impact on the financial statements of the Company:

IFRS 1: Under IFRS 1, there is a requirement to disclose not only comparative information but also, in the year of adoption, the opening balance sheet at the start of the comparative period. IFRS 1 also provides guidance concerning retrospective application and prescribes optional exemptions and exceptions. The Company does not expect any significant changes to its opening balance sheet as a result of applying IFRS 1.

IFRS 2: For graded-vesting features, this IFRS requires each instalment to be treated as a separate share option grant. It is not expected to have a material impact for the Company.

IFRS 6: IFRS allows accounting in line with Canadian GAAP for the exploration and evaluation phase but expenditures beyond the exploration and evaluation phase must be considered in line with the capitalisation criteria for property, plant and equipment. Exploration expenditures being the critical accounting policy, the Company has developed and implemented an accounting policy, in line with IFRS 6, identifying which exploration expenditures on exploration and evaluation activities will be recorded as assets. Since the Company's mineral properties are not in the production phase, no impact is expected.

IAS (International Accounting Standards) 36: The methodology of testing impairment under IFRS is slightly different than Canadian GAAP. However, no complications are expected on the transition to IFRS. IFRS requires reversal of impairment losses where there has been a change in estimates used to determine the recoverable amount. This standard concerns the method of depreciation of assets based on discounted cash flows.

Accounting, internal controls and information system
The Company is an exploration company and its accounting system and internal controls are simple and the Company believes to be able to adapt them under the IFRS. The IFRS convergence will not prevent the Company from pursuing its business plan or continue to certify the financial information.

FINANCIAL INSTRUMENTS

Fair value of financial instruments: The books values of amounts receivable and accounts payable and accrued liabilities approximate their fair values because of their short term nature.

Objectives and politics concerning financial risks management: The Company is exposed to different financial risks resulting from both its operations and investing activities. The management of the financial risks is done by the management of the Company. The Company does not conclude agreements for financial instruments including financial derivatives for speculation purpose.

The principal financial risks to which the Company is exposed as well as its politic concerning the management of the financial risks are detailed as follow:

Liquidity risk: The management objective is to maintain sufficient cash to ensure that the Company has at its disposal sufficient sources of financing such as private financing. The Company also establishes budget and liquidity forecasts to ensure that it has to its disposal sufficient funds to meet its financial obligations. Obtaining additional funds make it possible to

the Company to continue its operations and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Credit risk: Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company has no exposure to bad debt. The Company's cash are held at one financial institution. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at the reporting date. The Company reduces its credit risk by maintaining its cash and an important part of investments in financial instruments guaranteed by and held with a Canadian chartered bank.

RISKS AND UNCERTAINTIES

Risks inherent in the nature of mineral exploration and development: Mineral exploration and development involve several risks which experience, knowledge and careful evaluation may not be sufficient to overcome. Large capital expenditures are required in advance of anticipated revenues from operations. Many exploration programs do not result in the discovery of mineralization; moreover, mineralization discovered may not be of sufficient quantity or quality to be profitably mined. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in the conduct of exploration programs and the operation of mines. The commercial viability of exploiting any strategic metal deposit is dependent upon a number of factors including infrastructure and governmental regulations, price, taxes, and royalties. No assurance can be given that minerals of sufficient quantity, quality, size and grade will be discovered or defined on any of the Company's properties to justify commercial operation.

Uncertainty of ore reserve and resource estimates: The mining and exploration business relies upon the accuracy of determinations as to whether a given deposit has significant mineral reserves and resources. This reliance is important in that reported mineral reserves and resources are only estimates and do not represent with certainty that estimated mineral reserves and resources will be recovered or that they will be recovered at the rates estimated. Mineral reserve and resource estimates are based on limited sampling, and inherently carry the uncertainty that samples may not be representative. Mineral reserve and resource estimates may require revision (either upward or downward) based on actual production experience. Market fluctuations in the price of metals, as well as increased production costs or reduced recovery rates, may render certain mineral reserves and resources uneconomic. Inaccurate estimates may result in a misallocation of resources such that an excess amount could be allocated to a less than economic deposit or, conversely, failure to develop a significant deposit.

Additional funding: Further exploration and development of the Company's properties will require significant financial resources. As a result, it will need to raise significant project financing, debt and additional equity. Failure to obtain such additional funding at critical times could lead to delay or indefinite postponement in the exploration and development of the projects and loss of property. There is no assurance that such funding will be available or that it will be obtained on favorable terms.

Dependence on Key Personnel: The development of the Company's business is and will continue to be dependent on its ability to attract and retain highly qualified management and mineral exploration personnel. The Company faces competition for personnel from other companies.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's interim unaudited financial statements are the responsibility of the Company's management and have been approved by the Audit Committee. The interim unaudited financial statements were prepared by the Company's management in accordance with generally accepted Canadian accounting principles. The interim unaudited financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.