

Rush Rare Metals Corp.

Management's Discussion and Analysis

For the three and nine months ended March 31, 2023

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the Company's condensed consolidated interim financial statements for the three and nine months ended March 31, 2023 and the audited consolidated financial statements of the Company for the period of October 28, 2021 (incorporation) to June 30, 2022 and related notes thereto which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All figures are in Canadian dollars unless otherwise noted. This MD&A has been prepared as of May 29, 2023.

COMPANY OVERVIEW

Rush Rare Metals Corp. ("Rush" or the "Company") was incorporated on October 28, 2021, under the Business Corporations Act (British Columbia). The Company's registered and records office is located at #600 -1090 West Georgia Street, Vancouver, British Columbia.

The Company is an early-stage entity focused on exploration of mineral sites with a view of commercialization. The Company has acquired the rights to two mineral exploration properties, one within the Province of Québec in Canada and one within the State of Wyoming in the United States.

On January 26, 2023, the Company's shares began trading on the CSE under the stock symbol "RSH".

On January 25, 2023, the Company closed its initial public offering ("IPO"), issuing 7,670,000 common shares of the Company at a price of \$0.10 per common share for total gross proceeds of \$767,000. The Company paid cash commission of \$61,360, equal to 8% of the gross proceeds from the sale of the offered shares, as well as a cash advisory fee of \$15,000. The Company also issued 150,000 common shares of the Company at a deemed price of \$0.10 as an IPO success fee to the initial public offering agent. The Company also issued 613,600 non-transferable common share purchase warrants each entitling the holder to acquire one common share of the Company at an exercise price of \$0.10 for 36 months following the closing date to the initial public offering agent.

On August 23, 2022, the Company appointed Fabiana Lara, David Miller, Tony Ricci and Brad Newell to its board of directors.

On March 28, 2023, the Company appointed Nelson Lamb as Chief Financial Officer, replacing Jason Baybutt.

PRINCIPAL PROPERTIES

On November 8, 2021, the Company entered into an asset purchase agreement (the "Boxi Agreement") to acquire the rights, title and all interest in ten (10) mineral claims, covering an area of approximately 580 hectares, located in the Province of Québec (the "Boxi Property"). The Company subsequently augmented the Boxi Property by staking an additional 83 claims. The 93 mineral claims now comprising the Boxi Property cover approximately 4,700 hectares. An independent geological report titled "43-101 Technical Report on the BOXI REE-Nb-U Deposit" dated August 6, 2022 (the "Boxi Technical Report") prepared by Michel Jebrak, P. Geo., who is a "Qualified Person" as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Properties ("NI 43-101"), was completed in relation to the Boxi Property. The Boxi

Technical Report recommends that the Company conduct a two-phase exploration program, focusing on rare earth elements and not uranium: Phase 1, having an estimated budget of \$200,700 and consisting of a magnetic survey, geological mapping and sample; and Phase 2, depending and contingent on the results of Phase 1, having an estimated budget of \$237,800 and consisting of a 1,200 metre diamond drilling program. The total estimated budget of Phase 1 and Phase 2 is \$438,500. The Company plans to follow recommendations made in the Boxi Technical Report.

On May 8, 2022, the Company entered into an assignment and assumption agreement (the “Copper Mountain Assignment Agreement”), pursuant to which the Company assumed the obligations as buyer under a project sale agreement dated as of April 8, 2022 (the “Copper Mountain Sale Agreement”) to purchase ten (10) mineral claims, covering an area of approximately 206.60 acres located in the State of Wyoming (the “Copper Mountain Property”). The Company subsequently augmented the Copper Mountain Property by staking an additional 100 claims. The 110 mineral claims now comprising the property cover approximately 1,911 acres. The Company intends to make the annual payment of US\$25,000 under the Copper Mountain Sale Agreement each year. An independent geological report titled “Technical Report on the Copper Mountain Uranium Project” dated March 24, 2023 (the “Copper Mountain Technical Report”) prepared by Harold J. Hutson, P.E., P.G., who is a “Qualified Person” as defined in NI43-101, was completed in relation to the Copper Mountain Property. The Copper Mountain Technical Report recommends work in two phases. The first phase is comprised almost entirely of desktop research, specifically to track down and analyze historical drill logs from the area, if they can be found. The estimated cost for the first phase is US\$50,000, and the Company has already started the process of locating some of the historical drill data. Success with this phase will, in turn, inform the second phase which will involve drilling to confirm previous results. The Company plans to follow recommendations made in the Copper Mountain Technical Report.

OVERALL PERFORMANCE

During the three months ended March 31, 2023, the Company recorded a net loss of \$113,257, or \$0.00 per share on a basic and diluted basis (the three months ended March 31, 2022 – net loss of \$20,416 or \$0.00 per share). Set out below is a summary of the financial results for the periods:

	<u>Three months ended</u> <u>March 31, 2023</u>	<u>Three months ended</u> <u>March 31, 2022</u>	<u>Change</u>
Operating expenses			
Exploration and evaluation expenditure	\$ 53,251	\$ -	\$ 53,251
Foreign exchange loss	705	-	705
General and administrative	25,014	136	24,878
Professional fees	33,724	6,914	26,810
Share-based payments	-	8,169	- 8,169
Travel and conferences	563	5,196	- 4,633
Total operating expenses	<u>113,257</u>	<u>20,416</u>	<u>92,841</u>
Net loss and Comprehensive Loss	\$ 113,257	\$ 20,416	\$ 92,841

Significant variances that contributed to the increased net loss were: exploration costs increase of \$53,251 related to expenditures on the Company’s Copper Mountain assets, as well as an increase in general and administrative fees of \$24,878 and professional fees of \$26,810 incurred for obtaining the Company’s public listing and increased corporate activity.

During the nine months ended March 31, 2023, the Company recorded a net loss of \$353,994, or \$0.01 per share on a basic and diluted basis. Set out below is a summary of the financial results for the nine months ended March 31, 2023:

	Nine months ended March 31, 2023
Operating expenses	
Exploration and evaluation expenditures	55,620
Foreign exchange loss	3,059
General and administrative	49,625
Professional fees	137,070
Share-based payments	98,023
Travel and conferences	10,597
Total operating expenses	<u>353,994</u>
Net and Comprehensive Loss	<u>353,994</u>

The Company recognized a net loss of \$353,994 for the nine months ended March 31, 2023. Significant operating expenses for the period that contributed to the net loss were: professional fees of \$137,070, which includes fees related to audit and first quarter financial review, as well as costs incurred to obtain the Company's public listing; general and administrative expenses of \$49,625 related to corporate activity and public company expenses; travel expenses of \$10,597 incurred as a result of attendance at an industry related conferences; and a non-cash expenses of \$98,023 related to share-based payment expense of the service cost of 2,000,000 stock options awarded during the nine months ended March 31, 2023.

SELECTED ANNUAL INFORMATION

The following table sets forth summary financial information for the Company for the period ended June 30, 2022. This information has been summarized from the Company's audited financial statements prepared in accordance with IFRS for the same period and should only be read in conjunction with the Company's audited financial statements, including the notes thereto.

	Period ended June 30, 2022 (\$)
Total assets	702,225
Exploration and evaluation expenses	84,596
General and administrative expenses	1,103
Professional fees	32,156
Share-based payments	8,169
Travel expense	2,175
Net loss	(128,199)
Basic and diluted loss per share ⁽¹⁾	<u>(0.01)</u>

⁽¹⁾Based on weighted average number of common shares issued and outstanding for the period.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The Company has not had significant revenue since incorporation and as a result provides the following additional disclosures in accordance with NI 51-102 – 5.3 – Additional disclosures for Venture Issuers without Significant Revenue:

Mineral Property Rights

Set out below is a summary of the costs capitalized as mineral property rights as at and during the nine months ended March 31, 2023:

		Boxi		Copper Mountain		Total
Cash acquisition costs	\$	-	\$	359,960	\$	359,960
Share-based acquisition costs		20,000 ⁽¹⁾		20,643 ⁽²⁾		40,643
Balance, June 30, 2022	\$	20,000	\$	380,603	\$	400,603
Cash acquisition costs		-		100,459		100,459
Balance, March 31, 2023	\$	20,000	\$	481,062	\$	501,062

⁽¹⁾ Share-based acquisition costs of \$20,000 is the result of 1,000,000 common shares issued to the vendor with a fair value of \$0.02 per common share.

⁽²⁾ Share-based acquisition costs of \$20,643 is the result of the requirement to issue 900,000 finders' units, with each unit comprising one (1) common share of the Company and one share purchase warrant exercisable to purchase one share at an exercise price of \$0.20 for two years from grant date. The Company capitalized the fair values at their fair value of May 8, 2022, the date of the acquisition of the property, with \$18,000 representing the fair value of the common shares and \$2,643 representing the fair value of the warrants. The Company granted the units to the finders on September 20, 2022.

Exploration and evaluation expenditures

Set out below is a summary of the costs recorded as exploration and evaluation expenditures during the nine months ended March 31, 2023, and the period from October 28, 2021 (Incorporation) to March 31, 2022:

Nine months ended March 31, 2023		Boxi		Copper Mountain		Total
Site survey costs	\$	198	\$	2,172	\$	2,370
Technical reporting and review		-		53,250		53,250
	\$	198	\$	55,422	\$	55,620

From October 28, 2021 (incorporation) to March 31, 2022		Boxi		Copper Mountain		Total
Geophysics, surveying	\$	82,845	\$	-	\$	82,845
	\$	82,845	\$	-	\$	82,845

SUMMARY OF QUARTERLY RESULTS

The Company has not prepared quarterly financial statements prior to the three months ended September 30, 2022, and as a result is relying on the exception noted in item 1.5 of Form 51-102F1.

	Three months ended March 31, 2023	Three months ended December 31, 2022
Revenue	\$ -	\$ -
Total comprehensive loss	(113,257)	(112,785)
Loss per share, basic and diluted	(0.00)	(0.00)
Total assets	1,173,422	600,659
Total liabilities	53,893	77,250

LIQUIDITY AND CAPITAL RESOURCES

The Company's consolidated financial statements have been prepared in accordance with IFRS on the basis that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through forced liquidation.

The Company is currently an early-stage entity focused on exploration of mineral sites with a view of commercialization. As of March 31, 2023, the Company has acquired the rights to two mineral exploration properties within the Province of Québec in Canada and the State of Wyoming in the United States and may seek additional properties for acquisition in which the Company intends to commercialize.

Sources and uses of cash

Set out below is a summary of the Company's cash flows for the nine months ended March 31, 2023, and the period from October 28, 2021 (Incorporation) to March 31, 2022:

	Nine months ended March 31, 2023	October 28, 2021 (Incorporation) to March 31, 2022
Cash flows used in operating activities	\$ (182,439)	\$ (106,305)
Cash flows used in investing activities	(100,459)	-
Cash flows provided by financing activities	690,640	295,000
Net (decrease) increase in cash	\$ 407,742	\$ 188,695

Cash used in operating activities of \$(182,439) during the nine months ended March 31, 2023, was the result of a net loss of \$353,994 an increase in GST/HST receivable of \$8,212, a decrease in prepaid expenses and other current assets of \$45,216 offset by, an increase in accounts payable and accrued liabilities of \$36,528 and \$98,023 related to share-based payment expense of 2,000,000 stock options awarded. Cash used in operating activities for the period from October 28, 2021 (incorporation) to March 31, 2022, was the result of a net loss of \$98,131 and changes in working capital items of \$8,174.

Cash used in financing activities during the nine months ended March 31, 2023 of \$100,459 was the result of acquisition costs paid for the Company's Copper Mountain Property.

Cash provided by financing activities during the nine months ended March 31, 2023 was \$690,640, related to the cash proceeds from the issuance of 7,820,000 common shares at \$0.10, net of issuance costs. Cash provided by financing activities for the period from October 28, 2021 (incorporation) to March 31, 2022, was the result of the completion of a financing round in which the Company issued 14,750,000 common shares of the Company's share capital at a price of \$0.02 per share for net proceeds of \$295,000.

Funding requirements

The Company has not been profitable through March 31, 2023, and all of the Company's operations to date have been financed through the sale of common shares. The Company intends to seek additional financing through the issuance of debt or equity, which may be obtained through public or private financings. The Company will require additional financing to sustain its operations and achieve profitability.

Working Capital

The Company's working capital at March 31, 2023 was \$618,467 compared to \$284,257 at June 30, 2022. The increase in working capital of \$334,210 during the nine months ended March 31, 2023, was the result of an increase in cash of \$407,742 due to the financing completed during the period, an increase in GST/HST receivable of \$8,212 offset by a decrease in prepaid expenses and other current assets of \$45,216, an increase in accounts payable of \$37,528 and a decrease in accrued liabilities of \$1,000.

LIQUIDITY RISK

The Company manages liquidity risk through maintaining sufficient cash to finance its operations and seeks financing through its current shareholders as well as new investors, when required. The Company may have a working capital deficiency within the next twelve months if it is unable to raise enough cash to finance its planned operations. If the Company has a working capital deficiency, it may be unable to pay its ongoing obligations as they become due, including the amounts payable under the Copper Mountain Sale Agreement (see "Contractual Obligations"). The Company intends on satisfying its continuing operating expenditures by using its existing cash on hand as well as proceeds from expected future financings. If financing is not available under terms acceptable to the Company or additional external factors, such as disruptions in capital markets, the Company's liquidity may be affected.

CONTRACTUAL OBLIGATIONS

As of March 31, 2023, the Company has the following contractual obligations under the Copper Mountain Sale Agreement:

- An annual payment of US\$25,000 to be divided equally between the vendors of the Copper Mountain Property, due on or before April 8th of each year (Paid April 2023).
- An NSR royalty on production of 2.5% (the "Royalty") of the sales value on any yellowcake sourced on or from the project area. The Company may buy back a portion of the Royalty interests as follows:
 - A payment of US\$250,000 to be made prior to April 8, 2023, to reduce the Royalty one (1) percentage point from 2.5% to 1.5%.
 - A payment of US\$500,000 to be made after April 8, 2023, but before April 8, 2024, to reduce the Royalty one (1) percentage point from 1.5% to 0.5%.
 - A payment of US\$1,000,000 to be made after April 8, 2024, but before April 8, 2025, to reduce the Royalty one-half (0.5) of a percentage point from 0.5% to 0.0%.

OUTSTANDING SHARE CAPITAL

The Company's share capital at March 31, 2023 consisted of 36,870,000 common shares issued and outstanding.

- Upon incorporation, the Company issued one (1) common share at gross proceeds of \$0.01. The share was cancelled on November 18, 2021.
- On November 8, 2021, the Company issued 1,000,000 common shares in exchange for the acquisition of the Boxi Property. Each share has an assessed value of \$0.02 per share reflecting the value of shares purchased during the period.
- During the period ended June 30, 2022, the Company received proceeds of \$395,000 upon the sale of 19,750,000 common shares at a price of \$0.02 per share and proceeds of \$369,246 upon the sale of 7,400,000 common shares at a price of \$0.05 per share.
- On September 20, 2022, the Company issued 900,000 common shares at a deemed price of \$0.02 per share and 900,000 warrants (each warrant exercisable for one common share at an exercise price of \$0.20 per share until September 20, 2024) as a finder's fee in connection with the Copper Mountain Property.
- On January 25, 2023, the Company issued 7,670,000 common shares of the Company at a price of \$0.10 per common share for total gross proceeds of \$767,000. The Company also issued 150,000 common shares of the Company at a deemed price of \$0.10 as an IPO success fee to the initial public offering agent.

Options

As of March 31, 2023, the Company had 2,414,000 stock options outstanding with a weighted average remaining life of 9.58 years, and weighted average exercise price of \$0.10. As of the date of this filing, 2,414,000 stock options remain outstanding.

Warrants

As of March 31, 2023, the Company had 1,513,600 warrants outstanding with a weighted average remaining life of 2.02 years, and weighted average exercise price of \$0.16. As of the date of this filing, 1,513,600 warrants remain outstanding.

RELATED PARTY TRANSACTIONS

The Company's related parties include its Board of Directors, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), who are key management personnel, having the authority and responsibility for planning, directing and controlling the activities of the Company.

During the nine months ended March 31, 2023, the Company granted 1,500,000 options, to directors and officers of the Company, of which \$nil and \$73,517 was recorded as the service cost within share-based payments expense during the three and nine months ended March 31, 2023, respectively.

During the nine months ended March 31, 2023, in connection with the acquisition of the Copper Mountain Property, the Company issued an aggregate of 600,000 common shares and 600,000 warrants to two directors of the Company for services provided in the acquisition.

During the three and nine months ended March 31, 2023, the Company recorded professional fees of \$4,500 and \$13,500, respectively, to a close family member of the Company's CEO (2022 – \$nil and \$nil). As of March 31, 2023, there are no amounts payable to this individual (June 30, 2022 - \$nil).

During the three and nine months ended March 31, 2023, the Company recorded professional fees of \$17,500 and \$0, respectively, to the Company's CEO (2022 – \$nil and \$nil). As of March 31, 2023, there are no amounts payable to this individual (June 30, 2022 - \$nil).

As at March 31, 2023, included within accrued liabilities is \$10,000 payable to an entity owned by the Company's former CFO for professional fees provided (June 30, 2022 - \$5,000). Amounts are unsecured, non-interest bearing and due on demand.

Included within the NSR royalty is a commitment payable to an entity significantly influenced by a director of the Company. In accordance with the NSR royalty, 50% of all amounts payable are payable to the entity.

The above transactions with related parties are in the normal course of business and have been measured at the exchange amount, which is the consideration agreed to between the related parties.

CRITICAL ACCOUNTING ESTIMATES

The presentation of consolidated financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the Company's accounting policies to facilitate the reporting of the Company's assets, liabilities, and expenses during the period.

Estimates and related assumptions are reviewed regularly, on an ongoing basis, and revisions to such estimates are recognized prospectively in the period of revision.

Areas in which management has made critical judgment in the process of applying its accounting policies that have the most significant effect on the amounts recorded in the Company's consolidated financial statements include the determination of the Company's functional currency.

Information about key assumptions and estimation uncertainty that has a significant risk of resulting in a material adjustment to the carrying amounts of the Company's assets and liabilities within the next financial year are referenced in the notes to the consolidated financial statements as follows:

- Estimates of the measurement, valuation and period of use of the Company's mineral property interests;
- Estimates of Black-Scholes Model inputs to estimate the value of the Companies share-based payment transactions; and
- Estimates and assessment of the recoverability of unused tax losses and deductible temporary differences.

The consolidated financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. If the Company is unable to continue as a going concern, it may be unable to realize the carrying value of its assets and meet its liabilities as they become due.

The Company is an early-stage entity focused on the exploration of mineral sites with a view of commercialization. The underlying value of the mineral property interests is entirely dependent on the presence of economically recoverable reserves and the ability to secure and maintain title and beneficial

interest in the properties. Should the Company fail to commercialize any of its sites, its ability to obtain additional financing to sustain operations may become impaired.

During the nine months ended March 31, 2023, the Company incurred a net loss of \$353,994, used \$182,439 in operating cash flows and has an accumulated deficit of \$482,193. These consolidated financial statements do not include any adjustments that may be necessary and material in nature if the Company is unable to continue as a going concern.

OFF BALANCE SHEET ARRANGEMENTS

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

PROPOSED TRANSACTIONS

The Company does not have any proposed transactions.

FINANCIAL INSTRUMENTS AND RISKS

<u>As at March 31, 2023</u>		
Assets		
Cash	\$	647,847
GST/HST receivable		8,212
Prepays		6,301
Liabilities		
Accounts payable and accrued liabilities	\$	(53,893)

The Company initially recognizes a financial asset on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Upon recognition of a financial asset, classification is made based on the business model for managing the asset and the asset's contractual cash flow characteristics. The financial asset is initially recognized at its fair value and subsequently classified and measured as (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). Financial assets are classified as FVTPL if they have not been classified as measured at amortized cost or FVOCI. Upon initial recognition of an equity instrument that is not held-for-trading, the Company may irrevocably designate the presentation of subsequent changes in the fair value of such equity instrument as FVTPL.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Financial assets and liabilities are offset and the net amount presented in the consolidated statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A non-derivative financial asset is measured at amortized cost when both of the following conditions are met: (i) the asset is held within a business model whose objective is to hold assets in order to collect the contractual cash flows; and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Such

assets are recognized initially at fair value plus any directly attributable transaction costs and measured at amortized cost using the effective interest method subsequent to initial recognition, loans and receivables are measured at amortized cost. The Company measures its GST/HST receivable as a financial asset measured at amortized cost.

A financial asset is measured at FVTPL unless it has been measured at amortized cost or designated as FVOCI. Financial assets measured at FVTPL are carried at fair value in the statements of financial position with changes in fair value recognized in profit or loss at the end of each reporting period. The Company measures its cash as a financial asset at FVTPL.

All financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. All financial liabilities are measured at amortized cost, except for financial liabilities measured at FVTPL. A financial liability may no longer be reclassified subsequent to initial recognition. Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest method.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or when they expire. The Company classifies its accounts payable and accrued liabilities as financial liabilities measured at amortized cost.

SUBSEQUENT EVENTS

In April 2023, the Company completed a US\$25,000 payment equally divided between the vendors of the Copper Mountain Property, of which US\$12,500 was to a related party director of the Company.

RISKS AND UNCERTAINTIES

The following risks described below are certain factors relating to the Company, but risks disclosed below do not represent all risks that the Company may encounter. Additional risks and uncertainties not currently known to the Company, as well as those that the Company deems immaterial may ultimately result in negative effects on the Company's operations. If any such risks ultimately occur, the financial condition, liquidity and results of operations of the Company could be materially adversely affected and the ability of the Company to implement its plans may also be adversely affected.

Capital requirements

Substantial additional funds for the establishment of the Company's planned operations will be required. There are no assurances that can be given that the Company will be able to raise the additional funding that may be required to conduct such activities. To meet its funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also restrict the Company's financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Nature of the securities

The Company's securities involve a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

Financing risks and dilution to shareholders

The Company has limited financial resources and is not currently profitable. The Company will require additional financing and there is no assurance that the Company will be able to obtain adequate financing in the future or that financing will be available on acceptable terms. If the Company raises additional funds through equity financing, there will be dilution to the Company's existing shareholders.

Economic conditions

Unfavourable economic conditions may impact the Company's financial viability as a result of increased financing costs and limited access to capital markets. Specifically, at the current time the Company is unable to measure the impacts of the ongoing COVID-19 pandemic and war in Ukraine.

Dependence on management

The Company is highly dependent on the personal efforts and commitments of its existing management team.

Litigation

The Company and/or its directors and officers may be subject to a variety of civil or other legal proceedings which may be with or without merit. As of the date of this filing, the Company is not aware of any civil or other legal proceedings related to its directors or officers.

Dividends

The Company has not achieved profitability or paid any dividends since its incorporation and is unlikely to do so in the foreseeable future as a result of the Company's limited resources which are currently deployed in the Company's corporate and business development activities. The decision to pay dividends in the future will be at the discretion of the Company's Board of Directors and will be dependent on the Company's financial condition, results of operations, capital requirements and any other considerations deemed relevant by the Board of Directors.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the consolidated financial statements, is the responsibility of management. In the preparation of these statements, estimates are necessary to make an appropriate determination of the measurement of certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying consolidated financial statements. In contrast to the certificate required under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109, in

particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- Controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- A process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.