

PAMPA METALS CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED DECEMBER 31, 2023

(All amounts expressed in Canadian dollars unless otherwise indicated)

INTRODUCTION

Pampa Metals Corporation (the "Company" or "Pampa") is a Vancouver-based mineral exploration company engaged in the acquisition and exploration of base metals and precious metals projects in the Americas, with a primary focus on the Piuquenes Copper-Gold Porphyry Project in San Juan Province, Argentina. The Company is a reporting issuer in British Columbia, Alberta and Ontario, and trades on the Canadian Securities Exchange ("CSE") under the symbol PM; the Frankfurt Stock Exchange (FSE: FIR); and on the OTCQB (OTCQB: PMMCF). The Company is eligible for electronic clearing and settlement through the Depository Trust Company ("DTC") in the United States.

This discussion and analysis of financial position and results of operations is prepared as at May 2, 2024, and should be read in conjunction with the consolidated financial statements of the Company for the year ended December 31, 2023, and the related notes thereto.

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All dollar amounts included therein and in the following management's discussion and analysis ("MD&A") are in Canadian dollars except where noted. These documents and other information relevant to the Company's activities are available for viewing on SEDAR+ at www.sedarplus.ca.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Pampa's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity. The results over the reporting period are not necessarily indicative of the results that may be expected for any future period.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Inherent in forward-looking statements are risks, uncertainties, and other factors beyond Pampa's ability to predict or control. Please also refer to those risk factors referenced in the "Risks and Uncertainties" section below. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether because of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be made that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

DESCRIPTION OF BUSINESS

Pampa is a reporting issuer in British Columbia, Alberta and Ontario, and trades on the CSE, the Frankfurt Stock Exchange, and the OTCQB. The Company has a vision to create value for shareholders and all other stakeholders by advancing the exploration and development of the Piuquenes Copper-Gold Porphyry Project in San Juan, Argentina. Pampa will also consider business development opportunities in the Americas which management believe enhance the Company's ability to participate in an economic mineral discovery and capable of improving shareholder returns.

In an effort to facilitate greater flexibility in pursuing its plans, the Company completed a share consolidation on a basis of one (1) "new" common share for two-and-a-half (2.5) "old" common shares, with no fractional shares issued, on September 5, 2023 (the "Effective Date"). On the Effective Date, the Company had 29,117,310 common shares outstanding and all outstanding stock options and share purchase warrants have been adjusted accordingly to reflect the share consolidation. All references to share capital, common shares outstanding, and per share amounts in this MD&A for time periods prior to the share consolidation have been restated to reflect the share consolidation.

COMPANY HIGHLIGHTS FOR THE YEAR ENDED DECEMBER 31, 2023

During the year ended December 31, 2023:

- in March 2023, the Company completed a private placement for \$2,196,650 by issuing 5,857,734 units at \$0.375 per unit;
- in March 2023, the Company completed a private placement for \$360,000 by issuing 960,000 units at \$0.375 per unit;
- in July 2023, the option agreement between the Company and Austral Gold Limited ("Austral") to acquire up to 80% of the Company's Morros Blancos Project expired;
- in September 2023, the Company completed a 1-for-2.5 share consolidation resulting in 29,117,310 common shares outstanding as at the Effective Date;
- in September 2023, the Company completed private placement for \$450,000 by issuing 9,000,000 units at \$0.05 per unit;
- in September 2023, the Company reduced the exercise price for 1,708,588 warrants to \$0.095 per share, subject to expiry acceleration clause;
- in September 2023, the Company completed private placement for \$160,000 by issuing 3,200,000 units at \$0.05 per unit;
- in October 2023, the Company reduced the exercise price for 5,857,734 warrants to \$0.105 per share, subject to expiry acceleration clause;
- in November 2023, the Company entered into an option agreement to acquire up to 80% of the Piuquenes Copper-Gold Porphyry Project in San Juan, Argentina;
- in December 2023, the Company completed private placement for \$1,600,000 by issuing 10,000,000 units at \$0.16 per unit; and
- in December 2023, the Company announced the acceleration of warrant expiry date for the warrants repriced to \$0.095 and \$0.105 during September and October 2023, respectively.

OUTLOOK

The Company's primary focus is the exploration and development of the Piuquenes Copper-Gold Porphyry Project in San Juan, Argentina. Since entering into an Option & Joint Venture Agreement for the development of the Piuquenes Copper-Gold Porphyry Project in November 2023, the Company has initiated the first of a multiple campaign exploration program and believes it is well placed to drive continuing shareholder value.

The Company also continues due diligence on possible acquisitions of large porphyry copper-molybdenum targets in The Americas capable of complementing its existing portfolio.

EXPLORATION REVIEW

Piuquenes Project, Argentina

In November 2023, the Company entered into an option and joint venture agreement to acquire up to an 80% interest in the Piuquenes Project, Argentina. The Piuquenes Project consists of nine mining titles that cover an area of approx. 1,880 hectares ("ha") in the San Juan Province of Argentina, adjacent (to the north) with the Altar copper-gold porphyry Project (held by Aldebaran Resources Inc.) and approximately 190 km west of the city of San Juan. Other large porphyry copper projects in the San Juan Miocene porphyry belt include: El Pachón (held by Glencore) approximately 30 km to the south; the operating Los Pelambres copper mine (60% interest held by Antofagasta plc) in Chile; and Los Azules (held by McEwen Mining) 50 km to the northeast.

The Piuquenes porphyry copper-gold project was first drilled in the 1990's when Inmet Mining Corporation ("IMC", subsequently acquired by First Quantum in 2013) completed 8 diamond drill holes for a total of 1,894.2 meters. Significant intersections of copper and gold, included:

- 413.5 m @ 0.47% Cu and 0.52 g/t Au (167-580.5 m);
- 67.5 m @ 0.63% Cu and 0.51 g/t Au (207-274.5 m); and
- 158 m @ 0.32% Cu and 0.6 g/t Au (3-161 m).

In 2016, Anglo American Argentina ("AAA") drilled a single diamond borehole of 920.2 m total length, crossing the mineral intersections discovered by IMC. Climatic events prevented the assaying of the recovered drill core, with only visual observations of a 508 m (362-870 m) interval of copper mineralization described prior to AAA's withdrawal from the project.

As part of its due diligence, Pampa re-logged and assayed AAA's diamond drill hole. On December 5, 2023 the Company reported the assay results which included:

- 558.2 m @ 0.38% Cu, 0.42 g/t Au, 2.4 g/t Ag (362-920.2 m EOH)
 - including 130 m @ 0.81% Cu, 0.6 g/t Au, 4 g/t Ag (362-492 m)

Subsequently, in January 2024, the Company initiated its maiden drill program at the Piuquenes Project. To date, the Company has reported (refer 18 March 2024 News Release) assay results from the first diamond drill hole including:

- 422 m @ 0.48% Cu, 0.61 g/t Au & 2.9 g/t Ag (from 198 m);
 - including 132 m @ 0.71% Cu, 0.85 g/ Au, 4.3 g/t Ag (from 220m);
 - Including 80 m @ 0.6% Cu, 0.77 g/t Au & 3.2 g/t Ag (from 468m).

Buenavista Project, Chile

In June 2023, the Company reported assay results from diamond drill at Buenavista:

- As previously reported (see news release on June 5, 2023), hydrothermal alteration and mineralisation indicative of the upper parts of a porphyry copper system was intersected in all three holes. Multiple Au-Ag-Cu and Mo intercepts confirm a high-sulphidation epithermal style of mineralisation in transition to a porphyry system.
- Individual samples reported maximum assay grades of 1.86 g/t Au (hole BV02-2023), 30 g/t Ag (hole BV02-2023), 0.45% Cu (hole BV02-2023) and 1,715 ppm Mo (hole BV03-2023).
- Hole BV02-2023 cut multiple narrow zones of Au-Ag-Cu mineralisation related to quartz-sulphide veins and breccias including 8m @ 0.12% Cu, 0.32g/t Au, 5.9g/t Ag from 174.18m downhole. Significant molybdenum (286ppm Mo) was reported from a tourmaline breccia towards the bottom of the hole (515.2m) suggesting possible proximity to an inter-mineral porphyry source.
- Hole BV03-2023, like BV02-2023, was collared in the quartz-sulphide breccia zone with copper oxides mapped at surface and cut several narrow zones of Au-Ag-Cu mineralisation related to quartz-sulphide veins and breccias, including 4m @ 0.14% Cu, 0.44g/t Au, 2.1g/t Ag. High grade molybdenum (4m @ 574ppm Mo) was also reported from veins at 656m downhole.
- Cu-Au-Ag values in a series of narrow granodiorite dykes cut in BV02-2023 and BV03-2023 confirm the presence of early inter-mineral intrusions.
- Hole BV01-2023, drilled on the central Buenavista quartz-veinlet stockwork zone and associated Tertiary-dated (60 Ma) dacite porphyry, reflected surface geochemistry and was highly anomalous in molybdenum along most of the hole length, with individual assay highs of 222ppm Mo.

Subsequently, in August 2023, Pampa announced its intention to further evaluate the Block 4 Project via joint venture partnership and shifted its focus to the acquisition, exploration, and development of a more advanced stage copper project(s) with significant scale potential.

During the year ended December 31, 2023, the Company determined that the recoverable value of the Buenavista Project, Chile to be \$Nil as at December 31, 2023 and intends to allow any remaining of the Chilean claims to lapse. A full impairment of \$7,013,706 was recognized.

QUALIFIED PERSON

Technical information in this MD&A has been approved by Mario Orrego G, Geologist and a Registered Member of the Chilean Mining Commission and a Qualified Person as defined by National Instrument 43-101. Mr. Orrego is a consultant to the Company.

Note: The reader is cautioned that Pampa's projects are early-stage exploration projects, and reference to existing mines and deposits, or mineralization hosted on adjacent or nearby properties, is not necessarily indicative of any mineralization on Pampa's properties.

SELECTED ANNUAL INFORMATION

For the year ended	December 31 2023	December 31 2022	December 31 2021
Financial position			
Working capital	\$ 1,724,563	\$ 287,043	\$ 1,389,074
Mineral property interests	254,143	4,855,222	5,147,059
Share capital	16,926,789	12,159,947	9,858,337
Deficit	(17,852,240)	(8,953,916)	(4,901,567)
Financial results			
Share-based compensation	777,645	160,141	613,449
Loss for the year	(8,898,324)	(4,052,349)	(2,325,651)
Loss per share - basic and diluted	\$ (0.28)	\$ (0.21)	\$ (0.13)

RESULTS OF OPERATIONS

Three months ended December 31, 2023

For the three months ended December 31, 2023, the Company had a loss of \$7,520,016 or \$0.17 per share compared to \$1,841,110 or \$0.25 per share during the comparative period. The variance was primarily due to impairment of \$7,013,706 (2022 - \$1,348,005) recognized on the Company's portfolio of Chilean mineral properties.

Year ended December 31, 2023

For the year ended December 31, 2023, the Company had a loss of \$8,898,324 or \$0.28 per share compared to \$4,052,349 or \$0.21 per share during the comparative year. The variance was primarily due to impairment of \$7,013,706 (2022 - \$1,348,005) recognized on the Company's portfolio of Chilean mineral properties and significant reduction on investor relation expenses by \$970,820, offset by an increase in share-based compensation of \$777,645.

SUMMARY OF QUARTERLY RESULTS

As the Company generates no revenue, the ability to fund its operations is dependent upon its ability to secure financing through equity issues or the sale of assets. The value of any resource property assets is dependent upon the existence of economically recoverable mineral reserves, the ability to obtain the necessary financing to complete exploration and development, and the future profitable production or proceeds from disposition of such properties. For further details, see "Risk and uncertainties" below. A summary of selected information for each of the eight most recent quarters is as follows:

For the quarter ended	December 31 2023	September 30 2023	June 30 2023	March 31 2023
Total assets	\$ 2,197,247	\$ 7,718,558	\$ 7,306,250	\$ 7,443,475
Loss for the period	(7,520,016)	(218,897)	(825,283)	(334,128)
Loss per share - basic and diluted	(0.17)	(0.03)	(0.05)	(0.05)

For the quarter ended	December 31 2022	September 30 2022	June 30 2022	March 31 2022
Total assets	\$ 5,456,915	\$ 6,679,208	\$ 6,954,520	\$ 7,343,3664
Loss for the period	(1,841,110)	(421,637)	(1,140,092)	(649,510)
Loss per share - basic and diluted	(0.25)	(0.05)	(0.13)	(0.08)

FINANCIAL CONDITION, LIQUIDITY, AND CAPITAL RESOURCES

The Company had working capital of \$1,724,563 as at December 31, 2023 (2022 - \$287,043). Working capital increased by \$1,437,520 during the year ended December 31, 2023, due primarily to \$4,566,917 provided by private placements completed during the year, offset by \$2,412,627 of exploration expenditures incurred.

The Company has no operating revenues and therefore must utilize the funds it obtains from equity financing and other financing transactions to maintain its capacity to meet ongoing exploration and operating activities. The Company may be required to raise additional capital to meet its ongoing operating expenses and to continue to meet its obligations on its current projects for the subsequent twelve-month period. Management may increase or decrease budgeted expenditures depending on exploration results and ongoing volatility in the economic environment. Assuming that management is successful in discovering a substantial copper deposit in Argentina, future work plans to advance the deposit will depend upon the Company's assessment of prior results, the financial condition of the Company, and the then prevailing economic climate in general.

EVENTS AFTER REPORTING DATE

Subsequent to December 31, 2023, the Company:

- completed the expiry acceleration of certain warrants (Note 6), resulting in issuance of 3,978,399 common shares for gross proceeds of \$412,465, with 460,740 warrants expired unexercised;
- issued 1,019,000 common shares for exercise of warrants at \$0.075 per shares for gross proceeds of \$76,425;
- granted 800,000 stock options and 650,000 restricted share units ("RSUs") to key management personnel and consultants. The stock options are exercisable at \$0.40 until April 17, 2026 and the RSUs will vest upon the 10-day volume weighted average trading price of the common shares being equal to \$0.40; and
- closed a private placement offering of 8,427,500 units at a price of \$0.24 per unit for gross proceeds of \$2,022,600. Each unit is comprised of one common share and one-half warrant of the Company with an exercise price of \$0.40 per share for a period of 36 months from the closing. The Company paid \$375,852 as finder's fees and issued 316,050 finder's warrants with an exercisable into one common share of the Company at an exercise price of \$0.40 for a period of 36 months from issuance.

OUTSTANDING SHARE DATA

There are 68,760,287 common shares issued and outstanding. In addition, there are 2,985,000 fully vested stock options outstanding with exercise prices ranging from \$0.075 to \$0.40 per option with terms expiring between September 28, 2026 and April 17, 2027. The Company has 23,623,477 share purchase warrants outstanding with exercise prices ranging from \$0.075 to \$1.25 with terms expiring between May 6, 2024 and April 17, 2027. Pampa also has 2,117,138 restricted share units outstanding, subject to vesting conditions.

RELATED PARTY TRANSACTIONS

Payments for management compensation are made in the normal course of business. The amounts paid for these services are negotiated in good faith by both parties and fall within normal market ranges. The Compensation Committee reviews executive compensation annually. The Board of Directors considers any changes to executive compensation recommended by the Compensation Committee and approves these changes if appropriate. The consulting contracts with senior management are ongoing monthly commitments that can be terminated by either party with sufficient notice. All balances due to related parties are included in accounts payable and accrued liabilities.

The aggregate value of transactions paid or accrued to key management personnel and directors was as follows:

For the year ended December 31, 2023	Amounts	
Director and management fees	\$	258,333
Professional fees		122,500
Share-based compensation		557,791
	\$	938,624

As at December 31, 2023, there was \$Nil (2022 - \$44,441) owed to key management personnel recorded in accounts payable and accrued liabilities and \$Nil (2022 - \$66,413) recorded as a commitment to issue shares.

During the year ended December 31, 2022, the Company entered into debt settlement agreements with former and current management and directors to settle outstanding fees owing of \$358,500 through the issuance of cash and common shares with a total value of \$279,708, resulting in a gain on debt settlement of \$78,792. During the year ended December 31, 2023, the Company issued 322,000 common shares to former and current management and directors to settle its commitment of \$132,825.

FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows:

	December 31 2023	December 31 2022
Financial assets - amortized costs:		
Cash	\$ 1,637,510	\$ 406,633
Financial liabilities - amortized costs:		
Accounts payable and accrued liabilities	\$ 194,793	\$ 280,194

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RISKS AND UNCERTAINTIES

The Company's financial condition, results of operation and business are subject to certain risks, certain of which are described below (and elsewhere in this MD&A):

Trends and economic conditions

Although there can be no assurance that additional funding will be available to the Company, management is of the opinion that copper and gold prices will continue to be favourable and hence it may be possible to obtain additional funding for its projects. Copper is a vital commodity for the ever-increasing renewable energy field, as well as being a bedrock mainstay of any industrialized society, and gold continues to be a vital investment commodity as well as having a variety of practical uses. However, the Company remains cautious in case economic factors that impact the mining sector deteriorate.

Additional funding requirements

The Company is reliant upon additional equity financing in order to continue its business and operations because it is in the business of mineral exploration and at present does not derive any income from its mineral assets. There is no guarantee that future sources of funding will be available to the Company. If the Company is not able to raise additional equity funding in the future, it will be unable to carry out its business.

Commodity price volatility

The prices of copper and gold can fluctuate drastically and are beyond the Company's control. While the Company would benefit from an increase in the value of copper or gold, a decrease in the value of copper or gold could also adversely affect it.

Title to mineral properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, or the geographic area of, mineral properties may be disputed or impugned. Although the Company has investigated its title to the mineral properties, leases, or licenses for which it holds rights, there can be no assurance that the Company has valid title to such mineral properties or that its title thereto will not be challenged or impugned. For example, mineral properties sometimes contain claims or transfer histories that examiners cannot verify; and transfers under foreign law are often complex. The Company does not carry title insurance with respect to its mineral properties. A successful claim that the Company does not have title to a mineral property could cause the Company to lose its rights to mine that property, without compensation for its prior expenditures relating to the property.

Mineral exploration

Mineral exploration involves a high degree of risk. Few properties that are explored are developed into producing mines. Geological uncertainty, other technical uncertainties, 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 mineral exploration and exploitation activities. The Company has relied on, and may continue to rely on, consultants and others for mineral exploration and exploitation expertise. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the ore, and, in the case of some properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining, or to upgrade existing infrastructure. There can be no assurance that the funds required to exploit any mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. The economics of exploiting mineral reserves and resources discovered by the Company are affected by many factors, many outside the control of the Company, including metals prices, the cost of development, the cost of operations, variations in the grade of ore mined and metals recovered, price fluctuations in the metal markets, costs of processing equipment, and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental and social protection. There can be no assurance that the Company's mineral exploration and exploitation activities will be successful.

Country risk

The Company could be at risk regarding any political developments in the country in which it operates. At present the Company only has exploration activities in Argentina, with its headquarters and management located in Canada.

Uninsurable risks

Mineral exploration activities involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, and political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could negatively affect the Company's profitability and financial position and the value of its common shares. The Company does not maintain insurance against environmental risks.

Environmental regulation and liability

The Company's activities are subject to laws and regulations controlling not only mineral exploration and exploitation activities themselves but also the possible effects of such activities upon the environment. Environmental legislation may change and make the exploration, development, mining, and processing of ore uneconomic, or result in significant environmental or reclamation costs. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mineral exploration and exploitation activities, such as seepage from tailings disposal areas that could result in environmental pollution. A breach of environmental legislation may result in the imposition of fines and penalties or the suspension or closure of operations. In addition, certain types of exploration, development, mining, and processing operations require the submission of environmental impact statements and approval thereof by government authorities. Environmental legislation is evolving in a manner that may mean stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors, officers, and employees. Permits from a variety of regulatory authorities are required for many aspects of mineral exploration and exploitation activities, including closure and reclamation. Future environmental legislation could cause additional expense, capital expenditures, restrictions, liabilities, and delays in the development of the Company's properties, the extent of which cannot be predicted. In

the context of environmental permits, including the approval of closure and reclamation plans, the Company must comply with standards, laws, and regulations that may entail costs and delays, depending on the nature of the activity to be permitted, and how stringently the permitting authority implements the regulations. The Company does not maintain environmental liability insurance.

Potential dilution

The issue of common shares of the Company upon the exercise of the options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional options and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

Regulations and permits

The Company's activities are subject to a wide variety of laws and regulations governing health and worker safety, employment standards, waste disposal, protection of the environment, protection of historic and archaeological sites, mine development and protection of endangered and protected species, aboriginal title and access, and other matters. The Company is required to have a wide variety of permits from governmental and regulatory authorities to carry out its activities. These permits relate to virtually every aspect of the Company's exploration activities. Changes in these laws and regulations or changes in their enforcement or interpretation could result in changes in legal requirements or in the terms of the Company's permits that could have a significant adverse impact on the Company's existing or future operations or projects. Obtaining permits can be a complex, time-consuming process. There can be no assurance that the Company will be able to obtain the necessary permits on acceptable terms, or in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties, or other liabilities.

Competition

Competition in the mineral exploration business is intense and could adversely affect the ability of the Company to suitably develop its properties. The Company will be competing with many other exploration companies possessing greater financial resources and technical facilities. Accordingly, there is a high degree of competition for desirable mineral leases, suitable prospects for drilling operations, and necessary mining equipment, as well as for access to funds. There can be no assurance that the necessary funds can be raised or that any projected work will be completed.

Conflicts of interest

Certain of the directors of the Company are also directors, officers, or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company will be required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether the Company will participate in any project or opportunity, the director will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

COVID-19

The worldwide emergency measures taken to combat the COVID-19 pandemic may continue, could be expanded, and could also be reintroduced in the future following relaxation. As governments implement monetary and fiscal policy changes aimed to help stabilize economies and capital markets, the Company cannot predict legal and regulatory responses to concerns about the COVID-19 pandemic and related public health issues and how these responses may impact our business. The COVID-19 pandemic, actions taken globally in response to it, and the ensuing economic downturn, have caused significant disruption to business activities and economies. The depth, breadth and duration of these disruptions remain highly uncertain currently. Furthermore, governments are developing frameworks for the staged resumption of business activities. As a result, it is difficult to predict how significant the impact of the COVID-19 pandemic, including any responses to it, will be on the global economy and the Company's business. The Company has outlined these risks in more detail below.

Strategic and operational risks

The ongoing COVID-19 pandemic could adversely impact our financial condition in future periods because of reduced business opportunities via acquisitions and dispositions of exploration and development properties. The uncertainty around the expected duration of the pandemic and the measures put in place by governments to respond to it could further depress business activity and financial markets. The company's strategic initiatives to advance our business may be delayed or cancelled as a result.

To date, the company's operations have remained stable under the pandemic but there can be no assurance that the company's ability to continue to operate the business will not be adversely impacted, to the extent that aspects of our operations which rely on services provided by third parties fail to operate as expected. The successful execution of business continuity strategies by third parties is outside the company's control. If one or more of the third parties to whom the company outsource critical business activities fails to perform because of the impacts from the spread of COVID-19, it could have a material adverse effect on the company's business and operations.

Liquidity risk and capital management

Extreme market volatility and stressed conditions resulting from COVID-19 and the measures implemented to control its spread could limit our access to capital markets and our ability to generate funds to meet our capital requirements. Sustained global economic uncertainty could result in more costly or limited access to funding sources. In addition, while the company currently has sources of liquidity, such as cash balances, there can be no assurance that these sources will provide the company with sufficient liquidity on commercially reasonable terms in the future. Extreme market volatility may leave the company unable to react in a manner consistent with our historical practices.

Market risk

The pandemic and resulting economic downturn have created significant volatility and declines in financial and commodity markets. The pandemic could result in a global recessionary environment with continued market volatility, which may continue to impact our financial condition.