

# **GITENNES EXPLORATION INC.**

## **INTERIM MANAGEMENT DISCUSSION AND ANALYSIS**

### **FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2011**

**June 24, 2011**

This Interim Management Discussion and Analysis supplements, but does not form part of, the unaudited condensed interim consolidated financial statements of the Company and the notes thereto for the three-month period ended March 31, 2011. Consequently, the information set forth below should be read in conjunction with the condensed interim consolidated financial statements for the period ended March 31, 2011 and related notes therein, which have been prepared in accordance with International Financial Reporting Standards.

Additional information, including the audited consolidated financial statements and the notes thereto, for the year ended December 31, 2010, prepared in accordance with Canadian Generally Accepted Accounting Principles, can be found filed on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **Description of the Business**

Gitennes Exploration Inc. (the "Company") is in the business of exploring for mineral deposits. Until recently, its focus was primarily on the country of Peru, however its activities there have been suspended and the Company is seeking opportunities elsewhere, particularly in Canada and the U.S.A. The Company acquires properties directly by staking and through option agreements with prospectors or other exploration companies. The Company also develops new projects through reconnaissance programmes and by liaison with a network of industry contacts. None of the properties that the Company currently owns or holds under option have been adequately explored to prove the existence of ore reserves.

#### **Overview**

The Company's primary focus is the exploration for and discovery of mineral deposits. The Company has been exploring in Peru since 1996, however, in June 2010 the Company decided to suspend its exploration activities in Peru and to re-focus its efforts elsewhere.

Due to unfavourable market conditions during 2009, the Company reduced administrative and exploration expenditures wherever possible. During 2010, further staff reductions and exploration cuts were implemented and the Company continued to experience difficulties in raising meaningful amounts of capital. The Company suspended operations in Peru, closed its office and obtained value for its projects there through option agreements and sales. The Company is continuing with its efforts to wind up two of its Peruvian subsidiaries, Compañía Minera Seis Rios S.A. and Gitennes Exploraciones Perú S.A.

During the period ended March 31, 2011, the Company:

- received cash proceeds of \$293,572 upon the exercise of warrants;
- adopted International Financial Reporting Standards in the preparation of its financial statements.

Subsequent to March 31, 2011, the Company:

- entered into option agreements to acquire the Silver King and Cross properties in Nevada, USA;
- entered into option agreements to acquire the Riddle and Keg properties in British Columbia, Canada;
- completed a private placement for cash proceeds of \$163,500.

#### **International Financial Reporting Standards ("IFRS")**

The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles as set out in the Handbook of the Canadian Institute of Chartered Accountants, which was revised in 2010 to incorporate IFRS. Publicly accountable enterprises are required to apply such standards effective for years beginning on or after January 1, 2011.

This is the first period for which Company has presented IFRS condensed interim consolidated financial statements which cover a portion of the first annual consolidated financial statements that will be presented in accordance with IFRS for the year ending December 31, 2011. Previously, the Company prepared its interim and annual consolidated financial statements in accordance with Canadian Generally Accepted Accounting Principles



The Company has no ongoing source of operating revenue. In addition to the normal expenses associated with its exploration and administrative activities, the Company had certain infrequent or non-recurring transactions that produced significant variances in its operating results.

Due to market conditions in 2009 and 2010, the Company reduced expenses wherever possible. During the quarters ended December 31, 2009 and March 31, 2010, the Company incurred additional legal, tax, and accounting costs associated with a thorough due diligence process related to one particular opportunity. The Company experienced higher professional fees, investor relation fees, and salaries in the quarters ended March 31, 2011 and December 31, 2010 due to increased financing, investor relations, and project generation activities, as well as an increase in activities relating to the Company's efforts to close down its Peruvian operations. Certain expenses for the first and second quarters are traditionally higher than for the other quarters due to the costs of the Company's annual filings, preparation of annual general meeting materials, and increased shareholder information costs, which are not experienced in the other quarters.

After factoring in the effect of non-recurring items, which are an inherent part of operating in the mineral exploration industry, all other operating results for the quarters presented reflect the Company's efforts to reduce costs during 2009 and 2010.

## Results of Operations

### Expenses

A summary of the Company's significant expense items for periods ended March 31 follows:

	2011	2010
Audit, accounting, legal and professional fees	\$ 21,672	\$ 55,473
Exploration and evaluation	\$ 3,973	\$ 6,774
Filing, transfer fees and investor relations	\$ 68,804	\$ 19,960
Foreign exchange loss (gain)	\$ 2,386	\$ (116)
General exploration	\$ 2,821	\$ 1,113
Office rent, utilities and miscellaneous	\$ 17,980	\$ 21,265
Salaries and benefits	\$ 45,498	\$ 37,806

Audit, accounting, legal and professional fees for 2011 decreased relative to those of the prior-year period due primarily to the cost of legal work relating to one particular opportunity that the Company explored in late 2009 and early 2010. The Company also incurred legal costs during 2010 that related to agreements on the option/sale of its Peruvian assets.

Exploration and evaluation expenses relate to costs incurred on the Company's mineral property interests. Exploration activities were limited by financial resources in 2010 as the Company concentrated on liquidating its properties and reducing its presence in Peru. Apart from the Blue Ice property, which was inaccessible due to weather during the current period, the Company had no other active properties (see "Subsequent Events").

Filing, transfer fees, and investor relations expenses increased in 2011, primarily due to investor relations expenses. In order to conserve cash in 2009 and 2010, the Company managed its own investor relations. During 2011, the Company has been much more active in pursuing property acquisitions and exploration opportunities and has therefore hired investor relations consultants to assist in this area.

Salaries and benefits can vary depending upon the amount of time allocated for certain employees between exploration projects and general and administrative duties. For the period ended March 31, 2011, salaries and wages were slightly higher than those of the prior-year period due to an increase in project generation and acquisition, as well as in corporate and investor relations activities beginning in 2011.

## Properties

The Company has mineral projects in Canada, the U.S.A., and Peru. Work is supervised principally by J. Blackwell, P.Geol., president of the Company and a qualified person as defined in National Instrument 43-101.

### Urupalqui Property

The Company's 100%-held Urupalqui property is a silver-gold prospect situated in north-central Perú. The property was explored during 2003 and 2004 in joint venture with Meridian Gold Inc., which withdrew from the venture June 17, 2005. Work at the time included geophysical and geological surveys and two diamond drill programmes. During 2008 the Company completed a programme of 12 core holes totaling 2,433 metres with

metallurgical testing of composite samples obtained from drill cores, topographic surveys, data verification, detailed re-logging of the core and continued community information exchanges. An area of underground exploration tunneling (pre-1981) was re-opened and the shaft rehabilitated so as to gain access. The old shaft has since been capped and the site secured from unlawful or accidental entry. During 2009, the Company completed its initial metallurgical testing of Urumalqui mineralization, completed a programme of analyzing existing samples from earlier drilling campaigns for trace elements, renewed land owner agreements, and continued its programme of community consultation.

In February 2010, the Company signed a memorandum of understanding with AndeanGold Ltd. ("Andean") whereby the Company has granted Andean the right to earn a 60% interest in the Urumalqui project. Andean must spend \$3,000,000 in qualifying exploration expenditures on the project over a four-year term, which shall include a minimum of 3,000 metres of drilling by the end of the second year and 7,000 metres of cumulative drilling by the end of the third year. Andean must issue 80,000 shares to the Company in four tranches of 20,000 shares. The first tranche was received in July 2010, and the remaining tranches are due upon the first, second and third year anniversaries. Except for the first payment, the Company may elect to receive cash in lieu of shares, with the amount not to exceed \$25,000, \$50,000 and \$100,000 with respect to the first, second and third year anniversary date payments, respectively. If the market value of the shares on the respective payment dates exceeds the maximum cash payment amount on such date, the difference will be paid in equivalent shares.

Upon Andean meeting the terms and exercising its option, the Company and Andean will form a joint venture to further the development of the property.

#### Tucumachay and Titimina Properties

During 2010, the Company sold its interest in both the Tucumachay and Titimina properties to a Peruvian subsidiary of Teck Resources Limited for total proceeds of US\$200,000. The sale agreements provide for the Company receiving an additional payment of US\$1,200,000 in the event that the purchaser announces a decision to commence commercial production on either the Tucumachay or Titimina projects.

#### Blue Ice Property

In June 2010, the Company acquired an option to earn a 100% interest in the 700-hectare property located in Quebec. Terms of the option agreement require committed and optional exploration expenditures totalling \$400,000, making property payments totalling \$110,000, and issuing 200,000 common shares. The term of the option is 36 months. The Company has committed to spend \$25,000 within twelve months of signing, and has made a property payment of \$25,000 and issued the first tranche of 50,000 shares to the vendors. The vendors will be entitled to retain a 2% net smelter returns ("NSR") royalty, one-half of which may be purchased by the Company at anytime for \$1,000,000.

The Blue Ice project covers an area of pegmatite dykes that intrude mafic and ultramafic rocks. The pegmatites themselves contain gem-quality crystals of aquamarine, a form of beryl. This is a new discovery and opens the possibility for additional minerals of interest to be present including lithium and rare earths, which are often associated with beryl. Also the host mafic and ultramafic rocks in the region are being actively explored for nickel and copper and during the initial property examination several occurrences of copper mineralization were noted.

The Company completed its initial prospecting programme on the property during June 2011. A large number of new pegmatite occurrences were found, many with rare earth mineralization. Results of this recent work are pending.

#### Silver King, Nevada

In May 2011, the Company entered into an option agreement to buy a 100% interest in the Silver King property situated in eastern Nevada. The Silver King covers a potentially large porphyry copper and skarn zone that was encountered by Anaconda Company during widely-spaced reconnaissance drilling in 1980. The Company expects to explore Silver King through the course of 2011 with a programme of geological mapping, advanced soil geochemical techniques, and possibly a contemporary geophysical survey. Several sites for drilling have already been identified.

Gitennes can earn a 100% interest in Silver King by meeting yearly lease payments starting at US\$21,000 and increasing to US\$36,000 until the Company exercises its option to buy the property with a single payment of US\$350,000. If the option to purchase the property is exercised, then the lease payments cease and will be replaced by advance NSR royalty payments of US\$50,000 per annum. The vendors will retain a 2% NSR royalty payable if the property is placed into commercial production. A portion of the royalty (0.5%) may be purchased by the Company at any time for US\$1,000,000.

## Cross, Nevada

In May 2011, the Company entered into an option agreement to buy a 100% interest in the Cross property situated in eastern Nevada. The Cross property is a sediment-hosted gold target with mineralization associated with hematite-stained and highly fractured dolomite domains within a thick limestone formation and cross-cutting bodies of siliceous breccia. Both are highly anomalous in pathfinder elements and locally well mineralized with peak values of 5 g/t gold reported. The Company expects to explore Cross through the course of 2011 through a programme of geological mapping, advanced soil geochemical techniques, and drilling.

Gitennes can earn a 100% interest in Cross by meeting yearly lease payments starting at US\$15,000 and increasing to US\$30,000 until the Company exercises its option to buy the property with a single payment of US\$350,000. If the option to purchase the property is exercised then the lease payments cease and will be replaced by advance NSR royalty payments of US\$50,000 per annum. The vendors will retain a 3% NSR royalty payable if the property is placed into commercial production. A portion of the royalty (1%) may be purchased by the Company at any time for US\$1,000,000.

## Riddle, British Columbia

In May 2011, the Company entered into an option agreement to buy a 100% interest in the Riddle Property situated in southern British Columbia. This property covers a portion of a Tertiary alkaline volcanic feature that has rare-earth mineralization within a two metre-thick unit of tuff and sandstone. A limited amount of rock sampling and trenching was done in 2000 by a previous owner. Samples returned values of 2550 to 3130 ppm lanthanum, 582 to 676 ppm neodymium, 3260 to 4340 ppm cerium as well as elevated europium and samarium. Uranium and thorium values are very low, however barium is extremely high. The mineralized zone appears to be bedding parallel and shallowly dipping, and the target horizon may extend at least 1000 metres at shallow depths. The Company anticipates completing some preliminary examination and logistical work during June and July 2011.

The Riddle property is held under an option-to-purchase agreement. The term is four years in length with payments totalling \$100,000 as follows: \$10,000 initial payment on signing the option agreement (paid), followed by a second \$10,000 payment after six months, then payments of \$20,000 each on or before the first, second, third, and fourth anniversaries. The property is subject to a 1% NSR royalty.

## Keg, British Columbia

Also in May 2011, the Company entered into an agreement to buy a 100% interest in the Keg property, also situated in southern British Columbia. The property covers an area of hydrothermally altered diorite and volcanic rock located at the northern end of the Guichon Batholith that was last explored between 1968 and 1971.

The geological feature of interest at Keg is a series of gossans exposed in deep ravines that appear to pass beneath a much younger cover of basalt. The area beneath this cover where the pyritic alteration is projected to continue is a potential target for disseminated or porphyry copper-type mineralization.

The Keg property is held under an option-to-purchase agreement. The term is four years in length with payments totalling \$100,000 as follows: \$10,000 initial payment on signing the option agreement (paid), followed by a second \$10,000 payment after six months, then payments of \$20,000 each on or before the first, second, third, and fourth anniversaries. The property is subject to a 1% NSR royalty.

## Liquidity

The Company's cash and cash equivalents increased by \$104,695 during the period due to the cash provided by financing activities exceeding the cash used in operating and investing activities. During the period, the Company raised \$293,572 through the issuance of capital stock and repaid loan principal of \$35,773 to directors and officers. The Company purchased equipment at a cost of \$1,039. Net cash used in operating activities totalled \$152,065.

As at March 31, 2011, cash and cash equivalents totaled \$382,993 which compares to \$278,298 at December 31, 2010. Working capital as at March 31, 2011 was \$217,191 compared to working capital of \$94,074 at December 31, 2010.

## Capital Resources

As discussed in note 1 to the March 31, 2011 condensed interim consolidated financial statements, management has identified certain conditions, inherent in the mining exploration industry, which cast significant doubt upon the Company's ability to continue as a going concern. Due to prevailing market conditions, the Company has had to finance at a relatively low share price and take measures to reduce its operating overhead, eliminate its technical support group and dispose of its Peruvian projects.

The Company has signed a two-year operating lease for its office premises and storage space in Vancouver, which calls for monthly rent of \$4,943 and expires on October 31, 2012.

The Company also has ongoing capital requirements to maintain its interests in the Blue Ice, King Silver, Cross, Riddle, and Keg properties (see "*Properties*").

The Company's current capital resources are not sufficient to meet its 2011 operating overhead or its obligations under its property option agreements. Typically, there are three avenues to raise capital and maintain a reasonable level of exploration activity: a) equity financings utilizing treasury shares; b) farm-in agreements with third parties; and c) selling assets. The Company is continuing to pursue all of its options in this regard. The Company raised additional equity funds subsequent to March 31, 2011 (See "*Subsequent Events*").

#### **Off-Balance Sheet Arrangements**

The Company had no off-balance sheet arrangements as at March 31, 2011 or the date hereof.

#### **Transactions with Related Parties**

The aggregate value of transactions and outstanding balances relating to directors and key management personnel and entities over which they have control or significant influence are as follows:

- a) incurred \$nil (2010 - \$27,589) in legal fees and disbursements with Beach Hepburn LLP, a law firm in which a director of the Company is a partner. Accounts payable and accrued liabilities include \$nil (2010 - \$60,709) payable to this firm;
- b) incurred \$30,000 (2010 - \$15,000) in geological and administrative consulting fees with the president of the Company, who is also a director. Accounts payable and accrued liabilities include \$94,500 (2010 - \$33,350) payable to this director;
- c) incurred \$7,500 (2010 - \$7,500) in financial consulting fees with the chief financial officer of the Company. Accounts payable and accrued liabilities includes \$14,000 (2010 - \$2,625) payable to this officer;
- d) received rent and office recoveries of \$1,500 (2010 - \$1,500) from Highwood Advisory Services Ltd., a company controlled by a director of the Company and \$3,000 (2010 - \$nil) from Invenio Resources Inc., a company with directors in common with the Company. Accounts receivable includes \$2,240 (2010 - \$1,123) due from these companies;
- e) during fiscal 2010, the Company received advances totalling \$65,000, from directors and officers, for working capital. The advances carried an interest rate of 8% per annum and were due on demand. The Company repaid principal and interest of \$30,000 during 2010. The balance of principal and interest totalling \$36,718 was repaid during the current period. A total of \$1,718 in interest was paid to the directors and officers over the term of the loan.

The terms and conditions of the transactions with directors and key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available for similar services, to management personnel on an arm's length basis.

#### **Outstanding Share Data**

The authorized capital of the Company consists of an unlimited number of common shares without par value. As at March 31, 2011, the number of issued and outstanding common shares was 60,686,923 (70,412,923 on a diluted basis), which compares to issued and outstanding shares of 58,240,495 (71,545,625 on a diluted basis) as at December 31, 2010.

The increase in the number of shares outstanding from December 31, 2010 results from the issuance of 2,446,428 shares upon the exercise of warrants. The decrease in the number of diluted shares outstanding is due to the expiration of 400,000 stock options and 732,702 warrants.

As at the date hereof, the number of issued and outstanding common shares is 62,697,923 (73,762,923 on a diluted basis). The changes in the outstanding and diluted balances from March 31, 2011 result from the issuance of 1,090,000 shares and 1,090,000 warrants under a private placement, the exercise of 921,000 warrants, the expiration of 580,000 warrants, and the granting of 1,750,000 incentive stock options (see "*Subsequent Events*").

The Company has a rolling stock option plan under which the Company may grant options to its directors, employees, and other service providers for up to 10% of the outstanding common shares. The Board of Directors determines the exercise price per share and the vesting period under the plan.

Details of stock options outstanding at March 31, 2011 are as follows:

Options	Exercise Price	Expiry Date
35,000	\$ 0.41	August 30, 2012
200,000	\$ 0.47	March 18, 2015
515,000	\$ 0.26	June 5, 2017
1,650,000	\$ 0.17	August 7, 2018
<u>1,900,000</u>	<u>\$ 0.12</u>	<u>December 21, 2015</u>
<u>4,300,000</u>		

As at March 31, 2011, all options had vested.

Details of share purchase warrants outstanding at March 31, 2011 are as follows:

Number	Exercise Price	Expiry Date
750,000	\$ 0.12	April 19, 2011
96,000	\$ 0.12	April 19, 2011
580,000	\$ 0.12	June 14, 2011
<u>4,000,000</u>	<u>\$ 0.10</u>	<u>June 25, 2012 (i)</u>
<u>5,426,000</u>		

(i) the exercise price increases to \$0.20 on December 24, 2011.

### Subsequent Events

Subsequent to March 31, 2011, the Company:

- a) closed a private placement of 1,090,000 units at a price of \$0.15 per unit for gross proceeds of \$163,500. Each unit consisted of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of \$0.18 per share until April 20, 2012, then at a price of \$0.25 per share until expiry on October 22, 2012. The Company paid a total of \$4,320 in finders' fees in connection with the placement;
- b) granted an aggregate of 1,750,000 five-year incentive stock options with an exercise price of \$0.20 per share to directors, officers and consultants. The option grant is subject to regulatory approval.
- c) acquired the rights to earn 100% interests in the Silver King and Cross properties located in Nevada (see "Properties").
- d) acquired the rights to earn 100% interests in the Riddle and Keg properties, both located in British Columbia (see "Properties").

### Critical Accounting Estimates

#### Stock-based Compensation

The Company uses the Black-Scholes Option-Pricing Model to estimate stock-based compensation. The Black-Scholes model was created for use in estimating the fair value of freely tradable, fully transferable options. The Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the highly subjective input assumptions can materially affect the calculated values, management believes that the accepted Black-Scholes model does not necessarily provide a reliable measure of the fair value of the Company's stock option awards.

#### Income Taxes

Deferred tax is accounted for using the liability method which recognizes differences between the carrying amounts of assets and liabilities in the financial statements and the amounts used for tax purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax assets are recognized only to the extent that sufficient taxable profits will be available against which the asset can be utilized. The Company has tax assets arising from various tax losses and exploration expenditures that can be carried

forward to reduce future taxable income, however, the Company does not consider it probable that these future tax assets will be recovered, therefore it has provided a valuation allowance against these assets.

### **Changes in Accounting Policies**

There were no changes in accounting policies during the period.

### **Disclosure for Venture Issuers without Significant Revenue**

Consistent with many companies in the mineral exploration industry, the Company has no source of operating revenue. The Company's March 31, 2011 condensed interim consolidated statement of operations provides a breakdown of the expenses for the period and note 4 to the condensed interim consolidated financial statements provides an analysis of the exploration and evaluation expenses incurred on the Company's mineral properties.

### **Financial Instruments**

The Company's financial instruments consist of cash and cash equivalents, marketable securities, accounts receivable, trade payables and accrued liabilities. Marketable securities are classified as Available For Sale and carried at fair value measured using a Level 1 fair value measurement. All of the Company's other financial instruments are carried at amortized cost with carrying values that approximate fair value due to their short-term nature. The Company has no derivatives.

All of the Company's Canadian cash is held in an account at a major Canadian bank. The Company also maintains U.S. and Peruvian cash that it uses to fund its Peruvian projects and operations. As at March 31, 2011, the Company held the equivalent of \$102,622 in U.S. dollars and \$1,886 in Peruvian soles. The cash balances and payables that are denominated in U.S. dollars and Peruvian soles are subject to currency risk due to fluctuations in the exchange rates with the Canadian dollar. To manage this currency risk, the Company maintains only the minimum amount of foreign cash that is considered necessary to fund its ongoing exploration expenditures and foreign operations. Accounts payable denominated in foreign currencies are settled in a timely manner.

The Company's marketable securities are subject to market risk due to market downturns and declines in market value and therefore the Company is exposed to market risk in respect of these financial instruments.

Due to the value and nature of the Company's financial instruments, it is management's opinion that the Company is not exposed to significant credit, interest rate, liquidity, or market risks in respect of these financial instruments. The Company's policies and processes of managing all risks associated with its financial instruments have not changed during the current period.

### **Risk and Uncertainties**

The business of exploration and mining is risky and there is no assurance that current exploration programmes will eventually result in profitable mining operations. The recoverability of money spent on the resource properties is dependent upon various factors. These include actually discovering a potentially economic mineral deposit and then transforming the deposit into ore reserves through a series of stringent technical programmes. Following upon this is the ability of the Company to obtain all necessary financings to complete the development of a property and place it into commercial production. The Company must also raise funds for corporate and administrative expenses. While the Company has been successful in the past at raising funds, there can be no assurance that it will continue to do so.

The mineral industry is intensely competitive and there are inherent risks in all its phases. The Company competes with other companies, many of which have greater financial resources and experience. Metal prices are volatile and cannot be controlled.

The Company has no mining operations and its mineral projects are at an early stage. It is therefore exposed to many risks common to comparable companies, including under-capitalization, lack of revenue, cash shortages, and limitations with respect to personnel, financial and other resources.

The interim consolidated financial statements for the period ended March 31, 2011 have been prepared on the basis of accounting principles applicable to a going concern. The assumption is that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Excepting those quarters in which the Company has realized revenues from royalties or the sale of assets, the Company has consistently reported operating losses. The Company has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding will be available to further explore and develop its mineral property projects, or to cover the overhead costs necessary to maintain a publicly reporting company.

The Company's exploration activities outside of Canada make it subject to foreign currency fluctuations and this may affect the Company's financial position and results of operations. The Company does not engage in currency hedging activities. It does maintain varying amounts of cash in U.S. dollar and Peruvian sole accounts until such time as the funds are drawn upon.

The government of Perú has implemented a royalty scheme on mining operations. The Company believes that this royalty does not impact significantly on operations at this stage of the Company's development.

### **Approval**

The Board of Directors of the Company has approved the disclosure contained in this Interim MD&A, a copy of which will be provided to any interested parties upon request.

### **Additional Information**

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

### **Cautionary Note**

*This document contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Corporation, its subsidiaries and its projects, the future supply, demand, inventory, production and price of minerals, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of minerals; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this document and the Corporation disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.*