



FARADAY COPPER

Faraday Copper Corp.

Management Discussion and Analysis

For the three and six months ended June 30, 2024 and 2023

Dated: August 1, 2024



REPORTING PERIOD AND EFFECTIVE DATE

The following Management's Discussion and Analysis ("MD&A") of the results of operations and financial condition of Faraday Copper Corp. (the "Company" or "Faraday") and its subsidiaries should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements as at and for the three and six months ended June 30, 2024 and 2023 (the "Financial Statements"), which are prepared in accordance International Accounting Standard 34, Interim Financial Reporting. Certain disclosures included in the annual financial statements prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") have been condensed or omitted, and accordingly, these Financial Statements should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2023 and 2022 ("Annual Financial Statements"), as some disclosures from the Annual Financial Statements have been condensed or omitted.

In this MD&A, unless the context otherwise dictates, a reference to "us", "we", "our", or similar terms refers to the Company. For further information on the Company, reference should be made to its public filings on SEDAR+ at www.sedarplus.ca. All dollar amounts are in Canadian dollars, the presentation currency of the Company, except where otherwise noted. The functional currency of the Company and its subsidiaries is disclosed in the notes to the Financial Statements. All references to "\$", "CAD" and "dollars" refer to Canadian dollars, "US\$" and "USD" refers to United States dollars. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. "YTD 2024" refers to the six months ended June 30, 2024 and "YTD 2023" refers to the six months ended June 30, 2023.

DESCRIPTION OF BUSINESS

Faraday was incorporated on October 21, 2014 under the Business Corporations Act (British Columbia). The Company's registered office is located at Suite 2400, 745 Thurlow Street, Vancouver, British Columbia, V6E 0C5. The Company's head office and principal address is located at 2800 – 1055 Dunsmuir St, Vancouver, British Columbia, V7X 1L2. The Company's shares are traded on the Toronto Stock Exchange and OTCQX under the symbol "FDY" and "CPPKF", respectively, and its principal business is the acquisition and development of resource properties.

Company Strategy

To create value through the technical advancement and economic viability of our copper projects by:

- Demonstrating leading health, safety, and environmental performance;
- Advancing and optimizing the Company's flagship asset, the Copper Creek Project; and
- Driving awareness and reputation through stakeholder engagements.

Highlights Year to Date

- Reported 29.08 metres ("m") at 0.62% copper within 190.25 m at 0.23% copper in at the Prada breccia in the American Eagle area at the Copper Creek Project, on July 25, 2024.
- Reported 20.07 m at 1.20% copper within 100.29 m at 0.42% copper in the American Eagle area at the Copper Creek Project, on June 25, 2024.
- Completed a bought deal financing for a total of 28,750,000 common shares sold at a price of \$0.80 per common share for aggregate gross proceeds to the Company of \$23,000,000, on May 30, 2024.
- Reported 42.05 m at 0.41% copper expanding the near surface mineralization at Area 51 at the Copper Creek Project, on May 14, 2024.
- Reported new gold assay results from the Keel Zone including 0.28 g/t gold and confirming 1.34% copper over 103.64 m at the Copper Creek Project, on May 7, 2024.
- Announced approval from the Bureau of Land Management for Notice of Intent to conduct drilling at the Copper Creek Project, on May 2, 2024.
- Reported 117.00 m at 0.40% copper near surface, including 23.37 m at 0.60% copper at Old Reliable and drilling success continuing at Area 51 at the Copper Creek Project, on April 10, 2024.
- Reported positive metallurgical results for the Copper Creek Project on February 26, 2024.
- Reported 163.11 m at 0.85% copper within 380.60 m at 0.62% copper in the American Eagle area at the Copper Creek Project, on February 21, 2024.
- Reported new mineralized breccias (Starship and Eclipse) 800 m southeast of the existing mineral resource at the Copper Creek Project, on January 16, 2024 and March 4, 2024, respectively.
- Continued baseline environmental data collection, stakeholder mapping, and generative exploration targeting at the Copper Creek Project to provide a pipeline of future targets through ongoing geological mapping and recently reprocessed and newly acquired geophysical data.



Upcoming Copper Creek Project Milestones

- Ongoing results from the Phase III drill program
- Updated technical report in the first half of 2025

Share Capital Transactions

During the six months ended June 30, 2024, the Company had the following share capital transactions:

- The Company issued an aggregate of 18,600 common shares net of withholding tax in settlement of 40,000 RSUs. The total grant date fair value of the vested RSUs was \$28,800. A total of 21,400 common shares were withheld in lieu of withholding taxes in the amount of \$10,486. The fair value of common shares issued was \$13,392.
- On May 30, 2024, the Company closed a bought deal financing and issued 28,750,000 common shares at a price of \$0.80 per share for net proceeds of \$22,134,765, which included share issuance costs of \$865,235.

QUALIFIED PERSONS

The scientific and technical information contained in this MD&A has been reviewed and approved by Thomas Bissig, P. Geo, VP Exploration and Zach Allwright, P. Eng., VP Projects and Evaluations, both a “Qualified Person” as defined under National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“NI 43-101”). Both have verified the data contained herein (where possible) which included a review of the sampling analytical and test methods underlying the data, information and opinions disclosed herein.

RESOURCE PROPERTIES

As at June 30, 2024, the Company had two resource properties in the United States:

Copper Creek Project

The project is a 100% owned, large copper deposit, located ~80 road km northeast of Tucson, Arizona, and ~19 km northeast of San Manuel, Arizona. The resource area is ~3 km in length and is open in all directions. The property consists of ~73 square km of private land, patented and un-patented mining claims, and state prospecting permits. In addition, the Company controls ~26,000 acres of grazing leases which partially overlap with the claims and permits. The property locates within a historic mining district and politically stable jurisdiction with extensive infrastructure including power, rail, roads, and access to skilled personnel.

The property is in the heart of the prolific southwestern porphyry copper region of North America at the projected intersection of a major northwest trending belt of copper deposits (Ray, Miami/Globe, Superior/Resolution, Johnson Camp) and a major east-northeast trending belt of deposits (San Manuel/Kalamazoo, Silver Bell, Lakeshore, Safford, Morenci).

The property hosts an Early Halo vein style porphyry copper deposit with high-grade, near-surface, breccia-hosted mineralization. Both mineralization types form the basis of the current Mineral Resource Estimate (“MRE”) prepared in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum standards. Copper is the primary commodity, with molybdenum, silver and gold present in varying amounts associated with both types of mineralization.

On May 3, 2023, the Company announced the updated MRE (Table 3 & 4) and Preliminary Economic Assessment (“PEA”) (Table 1 & 2) for the project, with a technical report titled “Copper Creek Project NI 43-101 Technical Report and Preliminary Economic Assessment” filed on SEDAR+ on June 13, 2023.

The knowledge from the geological and structural model and the results from the Phase I and Phase II drill programs, along with geophysical and air-borne spectral data sets, and economic criteria defined in the PEA base case, have contributed to the framework for the Phase III drill program, which commenced in the fourth quarter of 2023. The focus of the ongoing Phase III drilling is on expanding the mineral resource through improved delineation of high-grade mineralized zones and reconnaissance drilling on new targets.

With extensive historical exploration, over 200,000 metres of drilling and modest past production, significant exploration upside remains. There are several hundred known breccia occurrences mapped at surface, of which less than 20% have been drill tested and only 17 are included in the MRE.



In the Phase II drill program assay results confirmed the potential for gold to occur in economic concentrations in certain phases of the mineralization. Gold is not currently included in the MRE. A sampling program to gather sufficient data coverage for potential gold inclusion in future technical studies is largely complete. The results from the Childs Aldwinkle and Copper Prince breccias, as well as the Keel underground zone have been returned. The Company continues to evaluate other areas for potential inclusion of gold in future mineral resource updates.

The Company has reported results from a metallurgical program focused on grind size optimization that demonstrated the viability of coarse particle flotation, gold recoveries in concentrate and test work on near surface oxide mineralization.

The Company is focusing on exploration at the property while continuing to advance technical studies, environmental data gathering, and stakeholder outreach.

Contact Copper Project

The project is a 100% owned, copper oxide project located in Elko County, Nevada. The project is located west of the town of Contact, Nevada. U.S. Highway 93 traverses the east side of the project along with a 138 KV transmission line, between the towns of Wells and Jackpot, Nevada. The property consists of approximately 2,650 acres in 155 patented claims and 3,285 acres in 219 unpatented claims.

Copper mineralization occurs as a vein hosted deposit within a granodiorite intrusion and adjacent Paleozoic sedimentary rocks. The copper content is highest in quartz veins, particularly where chalcocite is present, but grades outward into granodiorite where copper minerals occur in quartz veinlets, fracture coatings and disseminations. Mineralization consists of oxidized copper minerals such as tenorite, chrysocolla and cuprite, as well as secondary sulphides chalcocite and covellite. Primary copper minerals include chalcopyrite and bornite and occur several 100 m below surface. In addition, carbonate-replacement and skarn mineralization exists in Paleozoic sedimentary rocks near the contact to the granodiorite.

The historical MRE and technical study were published in a technical report titled “NI 43-101 Pre-Feasibility Study on the Contact Copper Project” prepared for Enxco International Ltd. by Hard Rock Consultants LLC, published October 1, 2013.

There is expected to be exploration upside with several targets that have not been drill tested including Copper Ridge, which features oxide copper mineralization with grab samples containing up to 12.4% copper.

Currently, the Company has made a strategic decision to focus on advancement of the Copper Creek Project.

USE OF PROCEEDS

On May 30, 2024, the Company closed a bought deal financing and issued 28,750,000 common shares at a price of \$0.80 per share for gross proceeds of \$23,000,000 and on February 14, 2023, the Company closed a bought deal financing and issued 49,999,700 common shares at a price of \$0.80 per share for gross proceeds of \$39,999,760 (together the “Offerings”).

The Company intends to use the gross proceeds from the Offerings to advance the Company’s Copper Creek project, as well as for general working capital purposes, as estimated below.

	May 30, 2024
Total proceeds	23,000,000
Expected allocation of net proceeds:	
Underwriter fees and expenses*	865,235
Advancement of the Copper Creek Project*	19,134,765
General working capital expenses	3,000,000

Notes:

* Compared to amounts previously disclosed in the Prospectus Supplement dated May 24, 2024, the underwriter fees and other expenses have been updated to reflect the final amounts incurred, with a corresponding decrease of \$65,235 related to the Advancement of the Copper Creek Project.



**February 14,
2023**

Total proceeds	\$ 39,999,760
Allocation of net proceeds:	
Underwriter fees and expenses	1,749,988
Ranch acquisition*	13,350,000
Advancement of the Copper Creek Project*	19,899,772
General working capital expenses	5,000,000

Notes:

* Compared to amounts previously disclosed in the Management Discussion and Analysis for the year ended December 31, 2022, the expected allocation of net proceeds related to the Ranch acquisition has increased by \$350,000 to reflect final amounts incurred, with a corresponding decrease of \$350,000 related to the Advancement of the Copper Creek Project.

Considering the current uncertainty as to the general market and competitive conditions, the Company continues to maintain its fiscally responsible approach to its mineral exploration activities. In particular, the Company continues to evaluate market conditions on an ongoing basis, with the goal of, among other things: (i) identifying the appropriate time to initiate certain business objectives, and (ii) exploring potential alternative, viable opportunities to further develop and expand the Company's business.

As such, the Company notes that there may be circumstances where, for sound business reasons, the Company may be required to reallocate funds, including due to demands for shifting focus or investment in mining exploration and/or development activities, requirements for accelerating, increasing, reducing, or eliminating initiatives in response to changes in market, regulations and/or developments in the mining sector generally and in the price of copper, unexpected setbacks, and strategic opportunities, such as partnerships, strategic partners, joint ventures, mergers, acquisitions, and other opportunities.

SUMMARY OF QUARTERLY RESULTS

All the Company's resource properties are in the exploration stage. The Company has not had revenue from inception and does not expect to have revenue in the near future. The Company's operating results are not seasonal in nature and have been mainly related to the amount of exploration activities in each quarter. The Company's quarterly performance in the latest eight quarters is as follows:

	Q2 2024	Q1 2024	Q4 2023	Q3 2023
	\$	\$	\$	\$
Net loss	5,426,500	5,499,835	5,284,930	2,550,024
Loss per share	0.03	0.03	0.03	0.01

	Q2 2023	Q1 2023	Q4 2022	Q3 2022
	\$	\$	\$	\$
Net loss	5,497,051	7,167,959	5,211,558	5,490,614
Loss per share	0.03	0.05	0.04	0.04

Loss per Share - Basic and Diluted

The Company's quarterly historical results are not subject to seasonality. The loss during the quarter ended June 30, 2024, was consistent with Q4 2023, as the Company is actively conducting exploration drilling activities through its Phase III drill campaign.

The quarterly trend in loss for the period and loss per share is primarily driven by the Company's exploration expenses. The loss during Q1 2023, was higher than average as the Company increased its exploration and evaluation expenses to \$5,239,030, related to the increase activity related to Copper Creek. The loss during the Q3, 2023, was less than average primarily due to timing of exploration expenditures, reduced general and administration costs, and lower share-based compensation expenditures.



Performance Summary

		Three months ended		Six months ended	
		June 30,		June 30,	
	Note	2024	2023	2024	2023
				\$	\$
Operating expenses					
Amortization		51,337	26,321	101,034	54,041
Consulting and management fees	(a)	15,790	20,000	43,792	201,000
Exploration and evaluation expenses	(b)	4,332,148	4,170,334	8,796,358	9,409,364
General and administration	(c)	569,467	319,721	1,265,009	1,199,750
Professional fees		146,288	323,947	224,885	470,367
Shareholder costs and investor relations		110,154	122,637	141,083	206,645
Share-based compensation	(d)	323,042	618,688	592,659	1,308,771
Travel		28,315	93,106	48,014	190,319
Total operating expenses		5,576,541	5,694,754	11,212,834	13,040,257
Foreign exchange gain		(2,359)	-	(67,361)	-
Interest income		(147,682)	(197,703)	(219,138)	(375,247)
Net loss		5,426,500	5,497,051	10,926,335	12,665,010

Q2 2024 compared to Q2 2023

- Consulting and management fees are generally consistent with the comparative period.
- Exploration and evaluation expenses are higher during Q2 2024, primarily due to increased drill meters and higher environmental, social, and governance costs, offset partly by decreased spending associated with the PEA in the prior period.
- General and administration costs are higher during Q2 2024, primarily due timing of certain activities and increased personnel, office, and administrative costs.
- Share-based compensation expenses are lower during Q2 2024, primarily due to the number of Options and RSUs that are vesting during the respective periods.

YTD 2024 compared to YTD 2023

- Consulting and management fees are lower during YTD 2024, primarily due to advisory fees in the prior year associated with the Company's financing and corporate matters.
- Exploration and evaluation expenses are lower during YTD 2024, primarily due to costs associated with the PEA and legal fees associated with the acquisition of land, offset partly by increased environmental, social, and governance spending and increased drill meters.
- General and administration costs are generally consistent with the comparative period.
- Share-based compensation expenses are lower during YTD 2024, primarily due to the number of Options and RSUs that are vesting during the respective periods.

SOURCES AND USES OF CASH

During the six months ended June 30, 2024, cash used in operating activities was \$10,752,689 (2023 - \$12,564,688), cash used in investing activities was \$529,462 (2023 - \$13,284,658), and cash provided by financing activities was \$22,138,253 (2023 - cash provided \$39,443,854).

Cash used in investing activities was primarily related to the purchase of land at the Copper Creek Project.



LIQUIDITY, CAPITAL RESOURCES, AND GOING CONCERN

The Company is a resource exploration stage company and does not generate any revenue and has been mainly relying on equity-based financing to fund its operations. As at June 30, 2024, the Company had cash and cash equivalents of \$25,823,802 (December 31, 2023 - \$14,901,206) and current assets less current liabilities of \$24,236,427 (December 31, 2023 - \$12,793,784). The Company will need to raise additional funding to finance its day-to-day operations and to enable the Company to achieve its long-term business objectives. On May 30, 2024, the Company completed an equity-based financing for net proceeds of \$22,134,765, which included share issuance costs of \$865,235 to fund its operations. On February 14, 2023, the Company completed an equity-based financing for net proceeds of \$38,437,854, which included share issuance costs of \$1,561,906 to fund its operations.

The Company will require additional financing either through equity or debt financing, sale of assets, joint venture arrangements, or a combination thereof to meet its administrative costs and to continue to explore and develop its resource properties. There is no assurance that sufficient future funding will be available on a timely basis or on terms acceptable to the Company. As such, there is a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

RELATED PARTY TRANSACTIONS

Key Management Personnel

During the three and six months ended June 30, 2024 and 2023, the Company incurred the following transactions with key management personnel, including the Chief Executive Officer, Chief Financial Officer, Vice President Studies & Evaluations, and Vice President of Exploration; as well as the directors of the Company.

A summary of the Company's related party transactions is as follows:

	Q2 2024	Q2 2023	YTD 2024	YTD 2023
	\$	\$	\$	\$
Consulting and Management fees	1,215	-	4,588	-
Director fees	56,250	42,000	112,500	84,000
Salaries and other compensation	493,594	455,261	992,052	896,236
Share-based payments	202,276	434,391	411,063	869,103
	753,335	931,652	1,520,203	1,849,339

As at June 30, 2024, amount due to related parties comprised of amounts owed to key management members and directors totaling \$454,706 (December 31, 2023 - \$748,571). Due to related parties has the same terms as the Company's accounts payable and accrued liabilities, which is unsecured and non-interest-bearing and with no specific terms of repayment.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements as at June 30, 2024 or at the date of this MD&A.

PROPOSED TRANSACTIONS

The Company has no undisclosed proposed transactions as at June 30, 2024 or at the date of this MD&A.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments are exposed to several financial and market risks, including credit, interest rate and liquidity risks. The Company may, or may not, establish from time-to-time active policies to manage these risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of cash flow of its operations would warrant such hedging activities.



Fair value of financial instruments

The fair value hierarchy established by IFRS 13 *Fair Value Measurement* has three levels to classify the inputs to valuation techniques used to measure fair value described as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the assets or liabilities either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair values of the Company's cash and cash equivalents, accounts payable and accrued liabilities, and due to related parties are equivalent to their carrying values due to their short-term nature.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations.

The financial instruments that potentially subject the Company to a significant concentration of credit risk consist of cash and cash equivalents. The Company mitigates its exposure to credit loss associated with cash and cash equivalents by placing its cash and cash equivalents in major financial institutions. As at June 30, 2024, the Company had cash equivalents of \$25,443,670 in term deposits (December 31, 2023 - \$11,832,227) that are cashable in no more than 90 days and bear interest up to 5.9% (December 31, 2023 - 5.9%). Interest income on term deposits during the three and six months ended June 30, 2024 was \$147,682 and \$219,138, respectively (June 30, 2023 - \$197,703 and \$375,247, respectively).

Liquidity risk

Liquidity risk is the risk that the Company may be unable to meet its financial obligations as they fall due or that it will be required to meet them at excessive cost. The Company reviews its working capital position regularly to ensure there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in business accounts, which are available on demand. The Company manages its liquidity risk mainly through raising funds from private placements and amounts from related parties. The Company's accounts payable and accrued liabilities are due within 90 days of June 30, 2024 and due to related parties has no specific terms of repayment.

The Company's operating cash requirements are continuously monitored and adjusted as input variables change. As these variables change, liquidity risks may necessitate the need for the Company to pursue equity issuances, obtain project or debt financing, or enter into joint arrangements. There is no assurance that the necessary financing will be available in a timely manner.

Interest rate risk

Interest rate risk is the risk that the Company is exposed to the risk that the value of financial instruments will change due to movements in market interest rates. As of June 30, 2024, the Company did not have debt instruments exposed to variable interest rate.

Foreign currency risk

Foreign currency risk is the risk that the fair value of the Company's assets and liabilities will fluctuate due to changes in foreign exchange rates.

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in its functional currency. The Company does not manage currency risk through hedging or other currency management tools.



FINANCIAL INSTRUMENTS

A summary of the Company's financial assets and liabilities that are denominated in US dollars is as follows:

	June 30, 2024		December 31, 2023	
	US\$	\$	US\$	\$
Cash	4,703,213	6,437,288	2,017,746	2,668,671
Accounts payable and accrued liabilities	(728,727)	(997,409)	(1,039,971)	(1,375,465)
	3,974,486	5,439,879	977,775	1,293,206

As at June 30, 2024, a 5% change in the US dollar against the Canadian dollar would result in a \$271,994 impact to the Company.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company has outstanding 205,335,575 common shares, 4,938,538 restricted stock units, 12,500,000 warrants and 11,439,000 stock options.

RISK FACTORS

The principal activity of the Company is mineral exploration which is inherently risky. There is intensive government legislation from state, provincial, federal, municipal and aboriginal governments, surrounding the exploration for and production of minerals from our and any mining operations. Exploration and development is also capital intensive and the Company currently has no source of income. Only the skills of its management and staff in mineral exploration and exploration financing serve to mitigate these risks, and therefore constitute one of the main assets of the Company.

The Company has its cash deposited with a large, federally insured, commercial bank which it believes to be creditworthy.

For additional discussion of risk factors, please refer to the Company's annual information form for the year ended December 31, 2023, which is available on SEDAR+ at www.sedarplus.ca and on the Company's website at www.faradaycopper.com.

NON-IFRS ACCOUNTING STANDARDS AND OTHER FINANCIAL MEASURES

This MD&A makes reference to certain financial measures, including non-IFRS Accounting Standards measures that are forward-looking, non-GAAP ratios and supplementary financial measures. Management uses these financial measures for purposes of comparison to prior periods and development of future projections and earnings growth prospects. This information is used by management to measure the profitability of ongoing operations and in analyzing our business performance and trends. These measures are not recognized measures under IFRS Accounting Standards, do not have a standardized meaning prescribed by IFRS Accounting Standards and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS Accounting Standards measures by providing further understanding of our results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS Accounting Standards.



FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A constitute “forward-looking statements”. These statements relate to future events or the Company’s future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions. Information concerning the interpretation of drill results, mineral resource and reserve estimates and capital cost estimates may be deemed as forward-looking statements as such information constitutes a prediction of what mineralization might be found to be present and how much capital will be required if and when a project is actually developed. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be relied upon. In particular this MD&A contains forward looking statements pertaining to the expected mine life for Copper Creek, the expected production during active mining, the expected construction timing, the low operating cost profile, the expected high-performance metallurgical recoveries, the anticipated exploration upside and the intended use of proceeds from the Company’s private placement offering. These statements speak only as of the date of this MD&A. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- permitting and licensing risks;
- public health risks;
- negative cash flow;
- liquidity and financing risks;
- funding risk;
- exploration costs;
- uninsurable risks;
- conflicts of interest;
- government policy changes;
- ownership risks;
- community relations;
- market conditions;
- stress in the global economy;
- current global financial condition;
- exchange rate and currency risks;
- commodity prices;
- dilution risk;
- general business and economic conditions;
- the supply and demand for, deliveries of, and the level and volatility of prices of copper or other mineral commodities under exploration;
- the availability of financing for the Company’s exploration and development projects on reasonable terms;
- the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the ability to attract and retain skilled staff;
- market competition;
- The accuracy of our resource estimate (including, with respect to size, grade and recoverability) and the geological, operational and price assumptions on which it is based; and
- tax benefits and tax rates.

These forward-looking statements involve risks and uncertainties relating to, among other things, risks related to international operations, actual results of current exploration activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, as well as those factors discussed in the section “Risk Factors”. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors discussed in the section. The Company cautions that the foregoing list of important factors is not exhaustive. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such 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. The Company does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.