



ATICO MINING CORPORATION
MANAGEMENT'S DISCUSSION & ANALYSIS
MARCH 31, 2013

GENERAL

This Management's Discussion and Analysis ("MD&A") for Atico Mining Corporation (the "Company" or "Atico") has been prepared based on information known to management as of May 21, 2013.

This MD&A is intended to help the reader understand the condensed consolidated interim financial statements and should be read in conjunction with the interim financial statements of the Company for the three months ended March 31, 2013 prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar amounts included therein and in the following MD&A are in Canadian dollars except where noted.

FORWARD LOOKING INFORMATION

This MD&A may contain "forward looking statements" that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause Atico's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements.

The Company is currently conducting an exploration program on the El Roble property and the operating plan is based on the expectation of favourable results from this program. Should results prove to be unfavourable, the Company may not proceed with the acquisition of the El Roble property.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by securities law.

COMPANY OVERVIEW

The Company was incorporated under the laws of the Yukon Territory on April 15, 2010, continued pursuant to the laws of British Columbia effective October 4, 2011, and its fiscal year end is December 31. The Company is headquartered at Suite 501 - 543 Granville Street, Vancouver, British Columbia, Canada.

The Company is engaged in the acquisition, exploration and development of copper and gold projects in Latin America. Currently, the Company has an option to acquire 90% of the issued and outstanding shares of Minera El Roble S.A. ("MINER") (the "Option Agreement"), the owner of the El Roble Property, a copper-gold mine in Colombia.

The Company completed its initial public offering ("IPO") in March 2012 by issuing 23,000,000 common shares of the Company at a price of \$0.50 per common share for gross proceeds of \$11,500,000, including the Agent's over-allotment option. In conjunction with the IPO, the Company began trading on the TSX Venture Exchange ("TSX-V") under the symbol "ATY".

MANAGEMENT UPDATE

On March 7, 2013, the Company appointed Mr. Thomas Kelly to the position of Chief Operating Officer.

EL ROBLE PROPERTY

Property Agreement

The Company has an option to acquire 90% of the issued and outstanding shares of MINER, pursuant to the terms of the Option Agreement entered into by the Company on January 28, 2011. The El Roble Property, located in the Choco Department of Colombia, comprises 6,679 hectares and includes an operating underground copper-gold-silver mine. The Company's objective is to discover additional mineralization on the El Roble Property beyond that currently being mined that would justify an upgrade to the milling facility and ensure continuing production.

The Company made the required staged payments of US\$2,250,000 as follows:

- US\$200,000 on January 28, 2011 (paid);
- US\$350,000 in six months after the date of execution (July 28, 2011) (paid);
- US\$650,000 in twelve months after the date of execution (January 28, 2012, extended to March 13, 2012) (paid);
- US\$1,050,000 in eighteen months after the date of execution (July 28, 2012) (paid).

The final lump sum payment of US\$14,000,000 is due by January 28, 2014, as the Company elected to extend the option period by one year by paying US\$1,200,000.

El Roble Mine

MINER's principal asset is the operating El Roble underground copper-gold mine with a nominal capacity of 400 tonnes per day that, over the past twenty-two years, has processed 1.5 million tonnes of ore at an average grade of 2.6% copper and estimated gold grade of 2.5 g/t. Copper and gold mineralization at the El Roble Property occurs in volcanogenic massive sulfide ("VMS") lenses. Exploration over the past two years has defined a productive contact and an enclosing package of host rocks extending for a distance of 10 km across the El Roble Property. This entire 10km strike length is marked by VMS mineral occurrences.

The Company's objective is the discovery of new VMS deposits either at the mine or elsewhere within the El Roble Property that would justify the exercise of the El Roble Option and acquisition of MINER. During the option term, the Company is not responsible for mining or for resource development and gains no income from the mine operation.

Results Overview

Nearfield Mine Vicinity Program

During the quarter the Company completed 1,674 meters of underground drilling in 6 drill holes from the 2000 meter level, the lowest production level at the El Roble mine. Drilling concentrated on the north end of the 360 meter strike length of known mineralization to test for continuity of the Zeus massive sulphide body along strike. A new massive sulphide body, Ares, was discovered below and adjacent to Zeus and is interpreted as being a fault offset of Zeus.

The discovery of Ares, along with previously discovered Zeus and Aquiles bodies, has increased the potential of the north end of the El Roble deposit to host additional high-grade mineralization. Drill results

have extended the mineralization at El Roble mine 360 meters along strike and at least 350 meters below the 2000 meter level.

Greenfields Program

The company completed 1,329 meters of drilling in 4 drill holes at the Archie area during the quarter. Drill results have confirmed continuity of the favorable black chert formation to the north of El Roble mine with presence of chalcopyrite and pyrite stringers.

Target preparation work was completed at the Santa Anita area and began in the San Lorenzo area. Work to delineate drill hole locations within prospective targets includes in-fill geochemical sampling, structural interpretation, detailed geological mapping and interpretation of geophysical anomalies.

El Roble Operation Assessment

During the quarter the company began a comprehensive assessment of the El Roble operation through technical and engineering studies aimed at gaining a thorough understanding of the existing operation. Studies by engineering firms will assess the mill and processing facility's potential for scale-up, the mine's design and optimization, the tailings dam upgrade and the operation's environmental standards.

Outlook

Nearfield Mine Vicinity Program

The Company will continue the underground drilling program which aims to define a resource within the newly discovered massive sulphide bodies as well as test additional prospective areas below level 2000 including several deep holes to test for occurrence of massive sulphides below the deepest intercepts to date.

The Company expects the ongoing underground drill program will provide a better understanding of the geometry and grade as well as potential for additional high-grade massive sulphide mineralization below the El Roble mine.

Greenfields Program

The Company is evaluating results from the Archie area and is conducting additional interpretation of the zone. The drill program at Archie will be revised with the enhanced understanding of the area.

Surface soil and rock geochemistry and geological work will continue in newly identified, as well as, known target areas to better understand and prioritize drilling targets.

Demetrius Pohl, Ph.D. AIPG Certified Geologist, is a Qualified Person as defined by National Instrument 43-101 Standards of Disclosure for Mineral Projects, and is responsible for the preparation and verification of the technical information in the MD&A.

RESULTS OF OPERATIONS

For the Three Months Ended March 31, 2013 (“current period”)

The net loss for the current period was \$672,231 compared to a net loss of \$245,323 for the prior year’s comparative period (“prior period”). Some of the factors of note when comparing the current period to the prior period are as follows:

- Office and administrative costs increased from \$74,575 to \$157,589. In the prior period, the Company was not operating at full capacity as it was working on the IPO. Therefore, office and administrative costs were substantially less than the current period.
- Share-based payments increased from \$Nil to \$185,824 as there were no stock options granted in the prior period.
- Interest income increased from \$Nil to \$13,882 in the current period, which was earned on the Company’s treasury.
- Investor relations expenses increased from \$5,068 to \$40,464 as a result of an active shareholder communications program beginning after the Company became a reporting issuer.

SUMMARY OF QUARTERLY RESULTS

The following table provides selected financial information for the quarters up to March 31, 2013, and should be read in conjunction with the Company's consolidated financial statements for the years ended December 31, 2012 and 2011.

Quarter ended	March 31 2013	December 31 2012	September 30 2012	June 30 2012
Revenue	Nil	Nil	Nil	Nil
Share-based payments	185,824	Nil	Nil	152,216
Loss for the period	(672,231)	(331,031)	(263,085)	(346,525)
Loss per share - basic and diluted	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Weighted average shares outstanding	49,915,226	39,763,883	39,761,111	39,761,111

Quarter ended	March 31 2012	December 31 2011	September 30 2011	June 30 2011
Revenue	Nil	Nil	Nil	Nil
Share-based payments	Nil	Nil	17,955	212,244
Loss for the period	(245,323)	(150,772)	(181,093)	(250,396)
Loss per share - basic and diluted	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.02)
Weighted average shares outstanding	20,816,056	15,400,000	15,400,000	15,027,778

The reasons for variations in results worth noting are:

During the quarter ended March 31, 2013, fair value of options granted is recognized as share-based payments and increased level of exploration and administrative activities in corporate operations.

During the quarters ended June 30, 2012, September 30, 2012, and December 31, 2012, the Company increased its investor relations activities, and hired a full time CEO.

During the quarters ended December 31, 2011 and March 31, 2012, the Company increased the level of operations in Colombia, and hired exploration staff.

During the quarter ended September 30, 2011, activity increased as the Company set up its operations in Colombia, hired exploration staff, and incurred a non-cash expense of stock-based compensation for the stock options granted to officers, directors and employees.

LIQUIDITY AND CAPITAL RESOURCES

The Company completed its IPO in March 2012 for gross proceeds of \$11,500,000 and its common shares began trading on the TSX-V. Atico's working capital position at March 31, 2013 was \$6,690,935 (December 31, 2012 - \$2,835,515). In January 2013, the Company completed a non-brokered private placement financing, raising \$8,000,001 by the issuance of 12,307,694 units at \$0.65 per unit. With this financing complete, the Company has sufficient resources to fund its exploration programs and administrative expenditures for the ensuing year. The Company will be required to undertake additional financing in order to make the final option payment of US\$14,000,000 towards the El Roble property, if it should decide that it is warranted. The Company is required to make the final option payment by January 28, 2014. There can be no assurance that the Company will be successful in raising the additional funds required to complete the option exercise for the El Roble Property should it decide to exercise the option.

Operating Activities

Cash used in operations was \$578,457 for the three months ended March 31, 2013 (2012 - \$598,561) and represents expenditures primarily on general and administrative expense and settlement of accounts payable.

Financing Activities

The Company received net cash from financing activities of \$7,789,002 (2012 - \$10,614,067). The Company received \$8,000,001 from the issuance of common shares pursuant to its private placement, offset by share issue costs of \$217,499. A further \$6,500 was received on exercise of warrants.

Investing Activities

During the three months ended March 31, 2013, net cash used in investing activities was \$3,252,855 (2012 - \$1,147,016). The cash used in investing activities was comprised of \$13,882 in acquisition of equipment, \$1,811,537 on property acquisition costs, and \$1,421,141 in exploration expenditures consisting primarily of drilling, assays, geological consulting fees, field costs and logistical support, exploration personnel and office and administration of the Colombian office.

Requirement of Additional Equity Financing

The Company has relied entirely on equity financings and loans for all funds raised to date for its operations. As noted above, the Company will need more funds to complete the acquisition of the El Roble Property. Until the Company starts generating profitable operations from exploration, development and sale of minerals, the Company will continue to rely upon the issuance of common stock to finance its operations and acquisitions pursuant to private placements, as well as the exercise of warrants and stock options. Capital markets may not be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings. This may be further complicated by the limited liquidity for the Company's shares, restricting access to some institutional investors. The Company's growth and success is dependent on external sources of financing which may not be available on acceptable terms.

TRANSACTION WITH RELATED PARTIES

The aggregate value of transactions and outstanding balances relating to key management personnel were as follows:

Three months ended March 31, 2013	Salary or Fees	Share-based Payments	Total
Management	\$ 190,546	\$ 89,580	\$ 280,126
Outside directors	-	60,368	60,368
	\$ 190,546	\$ 149,948	\$ 340,494

Three months ended March 31, 2012	Salary or Fees	Share-based Payments	Total
Management	\$ 51,044	\$ -	\$ 51,044
Outside directors	-	-	-
	\$ 51,044	\$ -	\$ 51,044

Related party liabilities	Items or Services	March 31 2013	December 31 2012
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Accounts payable and accrued liabilities:

Seabord Services Corp.	Expense recovery	\$ -	\$ 199
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Seabord Services Corp., ("Seabord") is a management services company controlled by a director. Seabord provides a chief financial officer, a corporate secretary, accounting staff, administration staff and office space to the Company. The Chief Financial Officer is an employee of Seabord and is not paid directly by the Company. During the three months ended March 31, 2013, Seabord charged \$46,200 (2012 - \$44,100) for administrative services.

The above transactions are measured at the exchange amounts (the amounts established and agreed to by the related parties) which approximate the arm's length equivalent value. All balances due to related parties are included in accounts payable and accrued liabilities.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

PROPOSED TRANSACTIONS

There are no proposed transactions of a material nature being considered by the Company other than its option to acquire the El Roble Property.

NEW ACCOUNTING PRONOUNCEMENTS

The Company has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2013. These changes were made in accordance with the applicable transitional provisions.

IFRS 10 Consolidated Financial Statements ("IFRS 10") replaces the guidance on control and consolidation in IAS 27 Consolidated and Separate Financial Statements, and SIC-12, Consolidation - Special Purpose Entities. IFRS 10 requires consolidation of an investee only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. Detailed guidance is provided on applying the definition of control. The accounting requirements for consolidation have remained largely consistent with IAS 27. The Company assessed its consolidation conclusions on January 1, 2013 and determined that the adoption of IFRS 10 did not result in any change in the consolidation status of any of its subsidiaries and investees.

IFRS 11 Joint Arrangements ("IFRS 11") supersedes IAS 31 Interests in Joint Ventures and requires joint arrangements to be classified either as joint operations or joint ventures depending on the contractual rights and obligations of each investor that jointly controls the arrangement. For joint operations, a company recognizes its share of assets, liabilities, revenues and expenses of the joint operation. An investment in a joint venture is accounted for using the equity method as set out in IAS 28 Investments in Associates and Joint Ventures (amended in 2011) ("IAS 28"). The other amendments to IAS 28 did not affect the Company. The Company has not entered into any joint arrangement and concluded that the adoption of IFRS 11 did not result in any changes in the accounting for its joint arrangements.

IFRS 12 Disclosure of Interests in Other Entities ("IFRS 12") contains the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structure entities. Interests are widely defined as contractual and non-contractual involvement that exposes an entity to variability of returns from the performance of the other entity. The required disclosures aim to provide information in order to enable users to evaluate that nature, and the risks associated with, an entity's interest in other entities, and the effects of those interests on the entity's financial position, financial performance and cash flows. Given the nature of the Company's interest in other entities, the amendments did not have an impact on the Company's financial position or performance.

IFRS 13 Fair Value Measurement ("IFRS 13") provides a single framework for measuring fair value. The measurement of the fair value of an asset or liability is based on assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The Company adopted IFRS 13 on January 1, 2013 on a prospective basis. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Company to measure fair value and did not result in any measurement adjustments as at January 1, 2013.

The Company has adopted the amendments to IAS 1 Presentation of Financial Statements ("IAS 1"). These amendments required the Company to group other comprehensive income items by those that will be reclassified subsequently to profit or loss and those that will not be reclassified. These changes did not result in any adjustments to other comprehensive income or comprehensive income.

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its consolidated financial statements.

Accounting Standards Issued and Effective January 1, 2015

IFRS 9 Financial Instruments replaces the current standard IAS 39 Financial Instruments: Recognition and Measurement, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value.

FINANCIAL INSTRUMENTS

Fair Value Hierarchy

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a) Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- b) Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- c) Level 3 - Inputs for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The carrying value of receivables and accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments.

As at March 31, 2013, the Company's financial instruments measured at fair value are as follows:

Financial Assets	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 6,757,432	\$ -	\$ -	\$ 6,757,432

Financial Instrument Risk Exposure and Risk Management

The Company's activities expose it to a variety of financial risks; market risk (including currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

Credit Risk

Credit risk arises from cash and deposits with banks, as well as credit exposure to customers, including outstanding receivables and committed transactions.

There is no significant concentration of credit risk other than cash deposits. The Company's cash deposits are primarily held with a Canadian chartered bank. The Company has minimal accounts receivable exposure.

Interest Rate Risk

As the Company does not have significant interest-bearing assets, the Company's income and operating cash flows are not significantly affected by changes in market interest rates. As at December 31, 2012, the Company did not have any interest-bearing loans.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and availability of funding through an adequate amount of committed credit facilities and the ability to pay obligations as they fall due. Financial liabilities, as at March 31, 2013, included \$445,258 of accounts payable and accrued liabilities that have expected maturity dates of less than one year. Balances due within 12 months equal their carrying balance as the impact of discounting is not significant.

The Company is currently considering funding options that are available including raising additional funds from institutional investors and/or current shareholders and is confident that funding will be available to meet the final work program.

Foreign Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company primarily operates in Canada and Colombia and incurs expenditures in currencies other than Canadian dollars. Thereby, the Company is exposed to foreign exchange risk arising from currency exposure. The Company has not hedged its exposure to currency fluctuations.

At March 31, 2013, the Company is exposed to currency risk through the following assets and liabilities:

		US dollars	Colombian pesos	Total
Cash and cash equivalents	\$	128,900	\$ 134,192,137	
Accounts payable and accrued liabilities		(80,920)	(389,648,082)	
Net exposure		47,980	(255,455,945)	
Canadian dollar equivalent	\$	48,845	\$ (142,335)	\$ (93,491)

Based on the above net exposure as at March 31, 2013, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the US dollar and Colombian peso would result in an increase/decrease of approximately \$9,349 in the Company's pre-tax profit or loss.

RISKS AND UNCERTAINTIES

In addition to the usual risks associated with an investment in a business at an early stage of development, management and the directors of the Company believe that, in particular, the following risk factors should be considered. It should be noted that the list is not exhaustive and that other risk factors may apply. An investment in the Company may not be suitable for all investors.

No Assurance of Titles or Borders

The acquisition of the right to exploit mineral properties is a very detailed and time consuming process. There can be no guarantee that the Company has acquired title to any such surface or mineral rights or that such rights will be obtained in the future. To the extent they are obtained, titles to the Company's surface or mineral properties may be challenged or impugned and title insurance is generally not available. The Company's surface or mineral properties may be subject to prior unregistered agreements, transfers or claims and title may be affected by, among other things, undetected defects. Such third party claims could have a material adverse impact on the Company's operations.

Mineral Property Exploration and Mining Risks

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, the Company has an option to acquire a mineral property. The Company also considers other property acquisition opportunities. The main operating risks, should the Company acquire a property, include: ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing and obtaining permits for drilling and other exploration activities.

The Company may earn an interest in the El Roble property through an option agreement and acquisition of title to the property is only completed when the option conditions have been met. These conditions primarily include making property option payments by January 28, 2014. If the Company does not satisfactorily complete the option payments in the time frame laid out in the option agreement, the Company's title to the related property will not vest and the Company will have to write-off the previously capitalized costs related to that property.

The market prices for silver, gold and other metals can be volatile and there is no assurance that a profitable market will exist for a production decision to be made or for the ultimate sale of the metals even if commercial quantities of precious and other metals are discovered.

Financing and Share Price Fluctuation Risks

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of one or more of the Company's projects may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its projects which could result in the loss of one or more of its properties.

The securities markets can experience a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be development stage companies such as the Company, may experience wide fluctuations in share prices which will not necessarily be related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues.

Foreign Country and Political Risk

The Company is operating in Colombia that currently has varied political and economic environments. As such, the Company is subject to certain risks, including currency fluctuations and possible political or economic instability which may result in the impairment or loss of mineral concessions or other mineral rights, opposition from environmental or other non-governmental organizations, and mineral exploration and mining activities may be affected in varying degrees by political stability and government regulations relating to the mining industry. Any changes in regulations or shifts in political attitudes are beyond the control of the Company and may adversely affect its business.

Exploration and development may be affected in varying degrees by government regulations with respect to restrictions on future exploitation and production, price controls, export controls, foreign exchange controls, income taxes, expropriation of property, environmental legislation and mine and/or site safety. Notwithstanding any progress in restructuring political institutions or economic conditions, the present administration, or successor governments may not be able to sustain any progress. If any negative changes occur in the political or economic environment of Colombia, it may have an adverse effect on the Company's operations. The Company does not carry political risk insurance.

Currency Risks

The Company's equity financings are sourced in Canadian dollars but for the most part it primarily incurs its expenditures in Colombian pesos or in US dollars. At this time, there are no currency hedges in place. Therefore, a weakening of the Canadian dollar against local currencies or the US dollar could have an adverse impact on the amount of exploration conducted.

Insured and Uninsured Risks

In the course of exploration, development and production of mineral properties, the Company is subject to a number of risks and hazards in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in the damage to the Company's property or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and a decline in the value of the securities of the Company.

Some work is carried out through independent consultants and the Company requires that all consultants carry their own insurance to cover any potential liabilities as a result of their work on a project.

Environmental Risks and Hazards

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present.

Competition

The Company will compete with many companies and individuals that have substantially greater financial and technical resources than the Company for the acquisition and development of its projects as well as for the recruitment and retention of qualified employees.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with the laws of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

OUTSTANDING SHARE DATA

As at May 21, 2013, the Company had 52,107,305 common shares issued and outstanding. There were also stock options to purchase 4,395,000 shares outstanding with expiry dates ranging from June 30, 2016 to March 1, 2018, and 7,955,347 warrants with expiry dates ranging from March 12, 2014 to July 16, 2014.