For the Six Months ended January 31, 2016

The following management's discussion and analysis ("MDA") has been prepared as of March 24, 2016. It is an update of the interim management discussion and analysis prepared as December 23, 2015 and filed on SEDAR (the "Interim MDA") and the Annual MDA. This report should be read in conjunction with the Company's unaudited, interim financial statements for the period ended January 31, 2016 and January 31, 2015. The financial statements have been prepared in accordance with International Financial Reporting Standards and all numbers are reported in Canadian dollars, unless otherwise stated.

Throughout the report we refer to Damara, the "Company", "we", "us", "our" or "its". All these terms are used in respect of Damara Gold Corp. Additional information on the Company can be found on SEDAR at www.sedar.com and the Company's website at www.damaragoldcorp.com.

Cautionary Statement on Forward-Looking Information

This report contains "forward-looking statements", including, the Company's expectations as to but not limited to, comments regarding the timing and content of upcoming work programs and exploration budgets, geological interpretations, receipt of property titles, and potential mineral recovery processes. Forward-looking statements express, as at the date of this report, the Company's plans, estimates, forecasts, projections, expectations, or beliefs as to future events or results. The material factors and assumptions used to develop the forward-looking statements and forward looking information contained in this MD&A include the following: our approved budgets, exploration and assay results, results of the Company's planned exploration expenditure programs, estimated drilling success rates and other prospects. Due to the nature of the mineral resource industry, budgets are regularly reviewed in light of the success of the expenditures and other opportunities that may become available to the Company. Accordingly, while the Company anticipates that it will have the ability to spend the funds available to it, there may be circumstances where, for sound business reasons, a reallocation of funds may be prudent.

Forward-looking statements involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements and Damara assumes no obligation to update forward-looking information in light of actual events or results.

Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements, include, but are not limited to, factors associated with fluctuations in the market price of minerals, mining industry risks and hazards, environmental risks and hazards, economic and political events affecting metal supply and demand, uncertainty as to calculation of mineral reserves and resources, requirement of additional financing, and other risks. Actual results may differ materially from those currently anticipated in such statements.

Readers are cautioned that the foregoing list of important factors and assumptions is not exhaustive. Forward-looking statements are not guarantees of future performance. Events or circumstances could cause the Company's actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

Overview Performance and Operations

Damara Gold Corp. *(formerly Solomon Resources Limited*) ("Damara" or the "Company") was incorporated on August 1, 1989 under the *Business Corporations Act* of British Columbia. On September 30, 2014, the Company changed its name to Damara Gold Corp. Effective October 1, 2014 the Company commenced trading on the TSX Venture Exchange (the "Exchange") under the symbol "DMR" as a Tier 2 issuer.

Pursuant to receipt of shareholder approval at the Company's Special Meeting held on September 22, 2014, the Company received Exchange approval on September 30, 2014 to consolidate its share capital on the basis of 1 new common share of the Company for every 10 existing common shares (the

"Consolidation"). As a result, the common shares of Damara have been consolidated on a 10:1 basis, such that the previously existing 56,884,992 common shares have been consolidated and there are now 5,688,486 post-Consolidation common shares issued and outstanding.

The Company is in the business of exploring and developing mineral property interests with a focus in Namibia. The Company's principal asset is its interest in the DGP Property located in Namibia. The Company has not earned significant revenues from its mineral property interests and is considered to be in the exploration stage. The Company's corporate head office is at Suite 110-2300 Carrington Road, West Kelowna, British Columbia V4T 2N6.

Additional information relating to the Company can be found on SEDAR at www.sedar.com and on the Company website at www.damaragoldcorp.ca.

Exploration Activities:

On March 21, 2014, the Company and Helio Resource Corp ("Helio") entered into a Letter Agreement, whereby Damara can earn up to a 60% interest in Helio's Damara Gold and Tin Project (DGP) in Namibia (the "Transaction"). The DGP Property is comprised of 2 exploration licenses covering 722km^2 located in Namibia.

During the year ended July 31, 2015, the Company fulfilled its expenditure requirements of $300,000 on the DGP Project.

Due to a working capital deficiency, minimal exploration expenditures of $19,592 were incurred.

On February 11, 2016 the Company entered into an agreement with Helio, whereby the Letter Agreement between Damara and Helio will be terminated and Damara and Helio will transfer their respective interests in into Osino Resources Corp. ("Osino"), a privately held British Columbia corporation, in return for shares in Osino.

To date, Damara has contributed approximately $300,000 in cash advances to the Project and issued 500,000 common shares to Helio as part of the earn-in.

Under the terms of the arms-length agreement between Osino, Damara and Helio, Helio will transfer the shares of its wholly owned subsidiary holding the DGP Property to Osino and Damara will forgo its right under the earn-in agreement with Helio for an interest in Osino in exchange for its expenditures to date.

Post consolidation, Damara will own 22% of the shares of Osino, Helio will own 60.5% of the shares of Osino and Osino will retain 17.5% of the shares. Each party will appoint 2 Directors to the Board of Osino.

Closing of the transaction is subject to a number of conditions including Osino concluding a financing on terms acceptable to Helio and Damara; applicable regulatory approvals and completion by Osino of its due diligence investigations regarding each of Helio, Damara and Helio's Namibian licenses.

Summary

The Company anticipates the closing of the transaction by end of third quarter and in the interim continues to review financing options to provide the necessary working capital to meet its future expenditures commitments as well as provide working capital.

Corporate

Non-Brokered Private Placement

On January 18, 2016 the Company, pursuant to non-brokered private placement issued 1,475,000 units in the capital of the Company ("Units") at an issue price of $0.05 per unit, for gross proceeds of $73,750 (the "Offering"). Each Unit consists of one common share in the capital of the Company (a "Common Share") and one Common Share purchase warrant (each a "Warrant"), with each Warrant entitling the holder thereof to acquire an additional Common Share at an exercise price of $0.15 until January 18, 2021. The Warrant terms will contain an acceleration provision such that if, commencing on May 19, 2016 the closing price of the Common Shares on the Exchange is higher than $0.25 for 20 consecutive trading days then on the 20th consecutive trading day (the "Acceleration Trigger Date") the expiry date of the Warrants may be accelerated to the date that is 30 days after the Acceleration Trigger Date (the "Accelerated Expiry Date") by the issuance of a news release announcing such Accelerated Expiry Date. All of the Units issued in connection with the Offering and Common Shares issued on exercise of the Warrants will be subject to a restricted resale period that expires May 19, 2016.

Shares for Debt

On March 2, 2016 the Company settled short term loans and advances and services (the "Debt Settlement") with arm's length parties for an aggregate amount of $224,118 by the issuance of an aggregate of 4,482,351 Units of the Company at a deemed issue price of $0.05 per Unit ("DS Unit"). Each DS Unit consists of one common share and one common share purchase warrant ("DS Warrant"), with each DS Warrant entitling the holder thereof to acquire an additional Common Share at an exercise price of $0.15 for 60 months after the date of issuance (the "Closing Date"). The DS Warrant terms will contain an acceleration provision such that if, commencing on July 3, 2016, the closing price of the Common Shares on the Exchange is higher than $0.25 for 20 consecutive trading days then on the 20th consecutive trading day (the "Acceleration Trigger Date") the expiry date of the DS Warrants may be accelerated to the date that is 30 days after the Acceleration Trigger Date (the "Accelerated Expiry Date") by the issuance of a news release announcing such Accelerated Expiry Date.

Additionally, an aggregate of $256,471 of additional debt owed to directors and officers of the Company for loan advances and services will be settled by the issuance of 5,129,420 common shares at a deemed issue price of $0.05 per share.

The debt involved in the Debt Settlement was incurred to provide the Company with working capital over the last 24 months.

The securities issued pursuant to the Debt Settlement will be subject to a four-month hold period from the date of issuance.

Selected Financial Information for the three months ended

Three Months ended January 31, 2016		2016		2015	Comment
General and administrative expenses					
Total general and administrative expenses	$	63,557	$	67,082	1
Consulting fees	$	19,888	$	33,259	2
Website, shareholder communication	$	270	$	1,173	3
Office and misc		10,131		10,162	
Professional fees	$	—	$	840	
Rent	$	2,886	$	2,052	
Interest on loans payable	$	15,205	$	12,2564	4
Net loss for the period	$	(78,762)	$	(79,336)	5
Net income (loss) per share (basic and fully diluted)	$	(0.00)	$	(0.01)	
Weighted average of shares in issue –		6,146,910		5,688,486	
Share capital at end of period					
Shares in issue - number of shares		7,413,486		5,688,486	
Options and warrants - number of options and warrants		30,000		36,000	
Fully diluted share capital at end of period		7,443,486		5,724,486	

As with most junior exploration companies, however, the results of operations are not the main factor in establishing the financial health of the Company. Of far greater significance are the properties the Company has, its working capital and how many shares it has outstanding.

For the six months ended January 31, 2016 the Company reported a $122,317 net comprehensive loss or $0.02 basic and diluted earnings per share compared to a $161,819 net comprehensive loss or $0.03 loss per share for the same comparative period ended January 31, 2015. The primary component of the current period loss was general and administration costs of $86,884 (January 31, 2015 - $140,249 and interest expense on loans received of $35,433 (January 31, 2015 - $21,570). See comments below:

Comments

1. Overall costs for 2015 were reduced as a result of substantial decrease in working capital and scale back of operations in certain categories as described herein below.
2. Readers are referred to the section on transactions with related parties for details on consulting fees.
3. Expenditures in this category were limited to website maintenance charges in comparison to the prior year period wherein the Company had changed it name and amended it website and shareholder materials accordingly.
4. The increase in interest on loans payable was relative to the increase in loan amounts from the previous comparative period.
5. The decrease in net loss for the period was a result of the items as described hereinabove.

Summary of quarterly results

FY 2016	Q1 $	Q2 $
Revenues	—	—
Comprehensive income (loss)	(43,555)	**(78,864)**
Comprehensive income (loss) per share	(0.01)	**(0.01)**

FY 2015	Q1 $	Q2 $	Q3 $	Q4 $
Revenues	—	—	—	—
Comprehensive income (loss)	(82,484)	(79,336)	(63,345)	(66,948)
Comprehensive income (loss) per share	(0.02)	(0.01)	(0.01)	(0.01)

FY 2014	Q1 $	Q2 $
Revenues[1]	2,602	1,313
Comprehensive income (loss)	151,783	1,746
Comprehensive income (loss) per share	0.03	0.00

Other than royalties received Q1 2014 and Quarter 2, 2014 from its former oil and gas property, the Company earned no revenue during the remaining periods presented due to the nature of the industry and its current operations. The Company sold its oil and gas royalty interest during the year ended July 31, 2014.

Q1 2014 included a gain on settlement of debt of $196,739 for a net income of $151,783.

There were no other significant variances to note for the remaining quarter periods ended.

Liquidity and capital resources

	January 31 2016	July 31 2015
Financial position:		
Cash and cash equivalents	**$73,902**	$22,758
Working capital deficiency	**$ (961,055)**	$ (892,146)
Exploration and evaluation assets	**$453,497**	$433,905
Total Assets	**$528,580**	$458,205
Shareholders' deficiency	**$ (507,559)**	$ (458,242)

January 31, 2016

During the period ended January 31, 2016 the Company completed the Offering as described hereinabove. Changes to the Company's financial condition at January 31, 2016 from the Company's year ended July 31, 2015 included the increase in working capital deficiency from $892,146 to $961,055 as a result in an increase in accounts payable and a decrease in cash for administrative and general expenses. As described herein the Company completed a shares and unit for debt transaction to substantially reduce the Company's outstanding debt of an aggregate $480,589. The Company is working to further reduce the remaining debt with its outstanding creditors as well as seek funding to provide the necessary working capital for a further 12 months for overhead expenditures.

Off balance-sheet arrangements

There are currently no off balance sheet arrangements and no new information to report since the annual management's discussion and analysis.

Transactions with related parties

(a) Key Management Compensation

	January 31 2016	January 31 2015
Key management personnel compensation comprised :		
Consulting fees:	**$36,725**	$77,808

(i) Consulting fees of $30,000 (2015 - $30,000) were paid and/or accrued to 43983 Yukon Inc. a company, controlled by Lawrence Nagy, the Company's Chief Executive Officer;
(ii) Consulting fees of $Nil (2015 - $30,000) were paid and/or accrued to Minefill Services Inc. ("Minefill"), a company controlled by David Stone the Company's President and Chief Operating officer.
(iii) Consulting fees of $6,725 (2015 - $17,808) were paid and/or accrued to Minco Corporate Management Inc. ("Minco"), a company controlled by Terese Gieselman, Chief Financial Officer and Secretary of the Company.

(b) Related Party Liabilities

Amounts due to:	Service for:	January 31 2016	July 31 2015
Minco	Consulting Fees	**$44,816**	$38,091
Minefil	Consulting Fees	**$90,000**	$90,000
43983	Consulting Fees	**$115,000**	$90,000
43983	Expenses	**$1,543**	$0
Paul Maarshalk	Consulting Fees	**$4,366**	$4,366
Total related party payables		**$255,725**	$222,457

[1] Paul Maarshalk was the former CFO (resigned January 29, 2014).

Loans Payable

On March 17, 2014, the Company obtained an unsecured loan of $25,000 from a company owned by a director of the Company. The loan bears interest of 15% compounded monthly and due annually with a maturity date of 24 months from the date of the loan agreement. On March 2, 2016 the Company settled the outstanding debt and interest.

On April 17, 2014, the Company obtained an unsecured loan of $25,000 from a company owned by a director of the Company. The loan bears interest of 15% compounded monthly and due annually with a maturity date of 24 months from the date of the loan agreement. On March 2, 2016 the Company settled the outstanding debt and interest.

On May 5, 2014, the Company obtained an unsecured loan of $25,000 from a company owned by a director of the Company. The loan bears interest of 15% compounded monthly and due annually with a maturity date of 24 months from the date of the loan agreement. On March 2, 2016 the Company settled the outstanding debt and interest.

On June 6, 2014, the Company obtained an unsecured loan of $15,000 from a director of the Company. The loan bears interest of 15% compounded monthly and due annually with a maturity date of 24 months from the date of the loan agreement. On March 2, 2016 the Company settled the outstanding debt and interest.

As at January 31, 2016, $225,000 (July 31, 2014 - $Nil) was advanced from Colorado Resources Ltd. ("Colorado") which has two common directors, Larry Nagy and William Lindqvist of the Company, in connection with the Company's Namibia project. The loan is interest-bearing (15% per annum) and due within 12 months from advancement at the election of Colorado should the companies not proceed on a transaction. The parties are currently working on options to move forward on repayment of the outstanding obligations.

Critical Accounting Policies and Estimates

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below.

Judgments

<u>Assets' Carrying Values and Impairment Charges</u>

In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

<u>Income Taxes</u>

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company only recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Estimates

Share-based Payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors, and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Standards, Amendments and Interpretations Not Yet Effective

Certain pronouncements have been issued by the IASB that are mandatory for accounting years beginning on or after August 1, 2015. The Company has not assessed the impact from adopting these standards.

IFRS 9 *Financial Instruments* (2014)

This is a finalized version of IFRS 9, which contains accounting requirements for financial instruments, replacing International Accounting Standards ("IAS") 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- Classification and measurement. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a "fair value through other comprehensive income" category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39; however, there are differences in the requirements applying to the measurement of an entity's own credit risk.

- Impairment. The 2014 version of IFRS 9 introduces an "expected credit loss" model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized.

- Hedge accounting. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.

- Derecognition. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Applicable to the Company's annual period beginning August 1, 2018.

Financial instruments and other instruments

The Company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in this note.

General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management. The effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets are reviewed periodically by the Board of Directors if and when there are any changes or updates required.

The overall objective of the Board of Directors is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market prices are comprised of interest rate, commodity price risk and foreign currency risk. The Company is not exposed to significant market risk.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or a counter party to a financial instrument fails to meet its contractual obligations. The financial instrument that is potentially subject to credit risk for the Company consists primarily of cash. Cash is maintained with financial institutions of reputable credit and may be redeemed upon demand.

The carrying amount of financial assets represents the maximum credit exposure. Credit risk exposure is limited through maintaining cash with high-credit quality financial institutions and management considers this risk to be minimal for all cash assets based on changes that are reasonably possible at each reporting date.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days. To achieve this objective, the Company would prepare annual capital expenditure budgets, which are regularly monitored and updated as considered necessary. Further, when required, the Company utilizes authorizations for expenditures on exploration projects to further manage expenditures.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable and option payment commitments. The Company does not maintain any trade payables beyond a 30 day period to maturity.

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amounts for cash, trade and other payables, and loans payable approximate fair value due to their short-term nature.

Capital Management

The Company considers its capital to be comprised of shareholders' deficiency.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. Management reviews the capital structure on a regular basis to ensure that the above objectives are met. The Company's capital is not subject to any externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the period ended January 31, 2016.

Outstanding Share Data

As of the date of this discussion the following table presents the Company's outstanding share data:

Shares in issue and fully diluted:

			Number of shares
At	March 24, 2016	In issue	17,025,256
	Dilution:	Options	30,000
		Warrants	5,957,351
		Fully diluted	23,012,607

Type of Security	Number	Exercise Price	Expiry Date
Stock Options	30,000	$1.00	13-Dec-17
Share Purchase Warrants	1,475,000	$0.15	18-Jan-21
Share Purchase Warrants	4,482,351	$0.15	02-Mar-21

Risks and uncertainties

The Company is in the mineral exploration and development business and as such, is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. The industry is capital intensive and is subject to fluctuations in market sentiment, metal prices, foreign exchange and interest rates. There is no certainty that properties which the Company has described as assets on its balance sheet will be realized at the amounts recorded. The only sources of future funds for further exploration programs or, if such exploration programs are successful for the development of economic ore bodies and commencement of commercial production thereon, which are presently available to the Company are the sale of equity capital or the offering by the Company of an interest in its properties to be earned by another party carrying out further exploration or development. Although the Company has been successful in accessing the equity market during the past years, there is no assurance that such sources of financing will be available on acceptable terms, if at all.

The Company does not have any employees. All work is carried out through independent consultants and the Company requires that all professional consultants carry their own insurance to cover any potential liabilities as a result of their work on a project. In certain cases where consultants are unable to carry their own insurance the Company includes such individuals under its coverage.

Going Concern

The Company has not yet achieved profitable operations. These consolidated financial statements are prepared on a going concern basis, which assumes that the Company will be able to realize its assets and

discharge its liabilities in the normal course of business for the foreseeable future. The Company had a net loss of $122,317 for the period ended January 31, 2016 (January 31, 2015 – $161,819) and has accumulated a deficit of $32,382,810 (July 31, 2015 - $32,245,494) since inception. These conditions indicate the existence of material uncertainty, which casts significant doubt about the Company's ability to continue as a going concern. The continuing operations of the Company are dependent upon obtaining, in the short term, the necessary financing to meet the Company's operating and mineral property commitments as they come due and to finance future exploration and development of potential business acquisitions, economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, and upon future profitable production. Failure to continue as a going concern would require that assets and liabilities be recorded at their liquidation values, which might differ significantly from their carrying values.

No adjustments to the carrying values of the assets and liabilities have been made in these consolidated financial statements. Should the Company no longer be able to continue as a going concern, certain assets and liabilities may require restatement on a liquidation basis, which may differ materially from the going concern basis.

Other Requirements

Additional disclosure of the Company's material change reports, news release and other information can be obtained on SEDAR at www.sedar.com.