

WESTMINSTER RESOURCES LTD.

Management's Discussion and Analysis

November 30, 2009

WESTMINSTER RESOURCES LTD.**Management's Discussion & Analysis****For the three and six months ended November 30, 2009****GENERAL**

The following discussion and analysis of the operations, results, and financial position of Westminster Resources Ltd. ("the Company"), for the three and six months ended November 30, 2009, should be read in conjunction with the Company's audited Consolidated Financial Statements for the year ended May 31, 2009 and the unaudited interim financial statements for the period ended November 30, 2009.

Unless otherwise noted, amounts are in Canadian dollars.

DATE

This Management's Discussion & Analysis ("MD&A") covers the three and six months ended November 30, 2009 and was prepared on January 26, 2010.

FORWARD LOOKING STATEMENTS

Certain information contained or incorporated by reference in this MD&A, including any information as to our future financial or operating performance, constitutes "forward-looking statements". All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by us, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: fluctuations in the currency markets; fluctuations in the spot and forward price of gold or other commodities; changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada and in other countries; business opportunities that may be presented to, or pursued by, us; operating or technical difficulties in connection with mining or development activities; employee relations; litigation; the speculative nature of exploration and development, including the risks of obtaining necessary licenses and permits; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and the risk of inadequate insurance, or inability to obtain insurance, to cover these risks. Many of these uncertainties and contingencies can affect our actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, us. Readers are cautioned that forward-looking statements are not guarantees of future performance. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements.

We disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

OVERALL PERFORMANCE

Introduction

Westminster is a resource company that is conducting exploration at two different project sites. In Canada, near Boston Bar, British Columbia, its Honeybun property is a porphyry molybdenum style target hosted within an extensive granitoid terrane known as the Scuzzy Pluton. During the year ended May 31, 2009, an exploration program was conducted on the Honeybun target. In Mexico, near Navojoa, Sonora, the Company, through its wholly owned subsidiary Minera Westminster, S.A. de C.V., optioned mineral concessions that are prospective for gold-copper porphyry targets. During the later part of May, 2009, an exploration program was devised for the Navojoa project which was completed in September of 2009.

Westminster is a public issuer and its shares trade on the TSX Venture Exchange under the trading symbol "WMR".

Financial Condition

On May 13, 2009, the Company completed a non-brokered private placement of \$850,000 which netted \$783,563. The Company has no long-term debt and its credit and interest rate risks are limited to interest bearing assets of cash and cash equivalents. Accounts payable and accrued liabilities are short-term and non-interest bearing.

As of November 30, 2009, the Company had \$19,297 in cash (2008: \$301,983) and working capital deficiency of \$52,401 (2008: working capital of \$416,638).

OUTLOOK

Priorities for the Year Ended May 31, 2010 (Fiscal 2010)

For fiscal 2010, the Company will focus its priorities as follows:

- Raise additional funding to support the Company's projects.
- Continue with a Phase II core drilling program on the Navojoa project together with further IP Geophysics, Soil Gas Hydrocarbon surveying and geological mapping.

As at the date of writing commodity prices and the equity markets are showing some signs of relief from the enormous strain brought on by the liquidity crisis in the banking and banking investment sector. The fundamental demand for commodities has remained stable over the last quarter but will be volatile until economic growth is perceived to have started. In view of the forgoing it is likely that in the short to medium term access to capital market financing will be tight and companies will be cutting back on exploration budgets. In the longer term sustained commodity demand will underpin pricing.

RESULTS OF OPERATIONS

Exploration and development

Navojoa Project, Sonora, Mexico

During the six month period ended November 30, 2009, the Company focused its exploration program on completing the first ever drill program on its recently acquired property in Sonora, Mexico targeting outcropping gold-copper skarn bodies and also areas where an Induced Polarization (IP) geophysical survey chargeability anomaly has been interpreted as a response to elevated levels of sulphide mineralization. The anomalous IP response underlies rusty, leached, iron oxide capping outcrop and includes a presumed supergene enriched blanket preserved under flat lying young Tertiary volcanic cover adjacent to the exposed leached areas.

As a result of the H1N1 pandemic advisory, the program start was delayed by several weeks and consequently only 3,000 meters of the proposed 4,000 meter program was completed before the summer rainy season commenced. The initial exploration efforts concentrated on a small part of one of three potential porphyry centers with gold-copper skarn and granite-hosted mineralization contained within the 18,175 hectare property. At the central Fafy-Yori target, an IP geophysical survey expanded a previously identified, strong chargeability anomaly which continues to be open in all directions, and now covers an area 2 ½ kilometers by 3 kilometers. Fourteen **Reverse Circulation** drill holes totaling approximately 3,000 meters of drilling were centered on an area of approximately 800 meters in diameter and were restricted to drill locations adjacent to existing roads that were accessible and not affected by flooding. Management is pleased to report that initial drill results have intersected the outer shell of the large Fafy-Yori porphyry system. All holes returned anomalous silver and copper \pm zinc and molybdenum content within broad intervals of alteration and disseminated pyrite. Within the halo, silver content ranged to 20.4 g/t over 1.5 meters and copper to 0.54% over 4.5 meters with the broadest intercept being 205.7 meters of 0.35 g/t silver and 0.03% copper. These anomalous copper and silver results are interpreted to be indicative of the outer halo portions of a precious metal bearing porphyry copper deposit system.

One **Diamond Drill** Core hole was attempted; however, difficulties with the core rig lead to abandoning the hole in mineralization at a vertical depth of about 21 meters. Analytical results for the core hole were encouraging and provide confirmation of leaching of the primary sulphide mineralization in the upper portion of the hole where S% and Cu% are depleted. The copper and silver content within the pyrrhotite - pyrite sulphide-marble-calc silicate skarn horizon varies with the degree of leaching, with the deepest mineralization reporting the highest values. The final 0.35 meters of the hole graded 0.76% copper and **720 g/t silver** before the hole was stopped. This result further supports the interpretation that drilling to date has intersected the outer halo portion of a precious metal bearing copper porphyry system.

The nearby La Kala porphyry target has been identified by two impressive topographic mineralized skarn features. The North La Kala skarn has an outcrop strike length of 1.5 km and 2.5 km further south, the South La Kala skarn is exposed. Rock chip and hand specimen sampling has been limited to two small hand "pick and shovel" Mexican prospector workings at these skarns and the Company's initial results are presented in the following table:

LA KALA TARGET: SKARN MINERALIZATION

Sample Type					
Sulphide	Au g/t	Ag g/t	Fe%	S%	Cu%
LIM-Black	5.42	207.6	49.2	0.05	0.96
LIM-Brown	5.95	30.0	44.9	0.16	0.65
LIM-Black	5.70	292.8	55.1	0.18	1.53
LIM-Brown-Red	14.30	285.7	47.5	0.27	1.65
SKARN					
MAGN	0.11	6.1	59.4	0.05	0.05
MAGN-LIM	0.18	0.5	51.4	0.09	1.08
Epi-Qtz	1.60	2.7	2.1	0.03	0.10

The La Kala skarns exhibit typical gold-copper bearing massive skarn mineralization consisting of variable mixtures of garnet, magnetite (see “MAGN” in table), epidote (see “Epi-Qtz” in table), chlorite, quartz, and tremolite. Massive sulphide veins, and seams on fractures crosscut the skarn mineralogy in leached outcrops. These are now classic boxwork textured limonites after a variety of primary sulphides and range in colour from black to brown to “bull’s blood” red iron (see “LIM” in table). The South La Kala skarn appears to be especially enriched in bismuth and tellurium with an epidote and quartz-rich skarn sample containing little sulphides assaying 320 ppm Tellurium and over 2000 ppm Bismuth (see sample “Epi-Qtz” in table).

In the table, analytical results for the weathered limonite samples (LIM) show an almost total leaching of S% with strong depletion of Cu considering the high Fe% values, **rich silver contents (about 1 opt to 9.4 opt) and gold ranging to 0.45opt**. These limonite vein samples are cross-cutting features but the skarn horizons in themselves show gold enrichment. This is shown by results from massive magnetite (see “MAGN” in table) in a skarn layer at 51 to 59% Fe enriched in gold (110 to 180 ppb) and the epidote+quartz sample from a skarn horizon reporting 1.6 g/t gold (Epi-Qtz). **The high gold and silver grades reported from assays confirm that the skarns are gold and silver-rich and are interpreted as part of the peripheral mineralized halos of the La Kala precious metal-copper porphyry system.**

Exploration expenditures at the Fafy-Yori and La Kala targets at the Navojoa Project for the six month period ended November 30:

Navojoa Project, Sonora, Mexico	2009	2008
Acquisition costs:		
Balance, beginning of period	69,632	-
Additions during the period	104,103	-
Balance, end of period	173,735	-
Exploration expenditures:		
Balance, beginning of period	261,043	-
Assays and reports	28,161	-
Consulting	45,403	-
Drilling	160,985	-
Field expenses	332,532	-
Filing fees and mineral taxes	26,224	-
Deposit for future acquisitions	(200,000)	-
Balance, end of period	654,348	-
Total exploration expenditures for Navojoa Project	828,083	-

General and Administrative Expenses

For the three month period ending November 30	2009 \$	2008 \$
Amortization	12,755	3,648
Consulting	25,500	22,000
Financing charges	-	-
Interest and bank charges	249	120
Management	45,000	45,000
Office and miscellaneous	20,861	68,584
Professional fees	49,480	39,499
Property investigation	-	21,518
Regulatory, filing and transfer agent fees	7,358	10,316
Travel, conference and investor relations expenses	51,111	90,760
Total general and administrative expenses for the year	212,314	301,445

The general and administrative expenses for the three month period ended November 30, 2009 totaled \$212,314 (2008: \$301,445) and consisted mainly of professional fees totaling \$49,480 (2008: \$39,499), office expenses of \$20,861 (2008: \$68,584), consulting fees of \$25,500 (2008: \$22,000), management fees of \$45,000 (2008: \$45,000), regulatory and other filing fees of \$7,358 (2008: \$10,316) and travel, conference and investor relations expenses totaling \$51,111 (2008: \$90,760). Overall, the operating expenses for the first quarter in 2009 decreased approximately 30% from similar expenses in 2008.

SUMMARY OF QUARTERLY RESULTS

The following table sets out certain unaudited financial information for the Company for each of the last eight quarters. The G & A expenses, loss and net loss figures do not include any applicable stock-based compensation related to options granted.

Quarter ended	Nov 30, 2009 \$	Aug 31, 2009 \$	May 31, 2009 \$	Feb 28, 2009 \$
Total revenue	Nil	Nil	Nil	Nil
G & A expenses	212,314	226,509	252,011	189,868
Exploration expenses	108,578	589,598	373,877	205,666
Loss	212,314	226,509	252,011	189,868
Net loss	212,276	226,434	248,790	117,792
Loss/share	0.01	0.01	0.01	0.01
Total assets	2,555,084	2,467,283	2,524,777	1,663,538

Quarter ended	Nov 30, 2008 \$	Aug 31, 2008 \$	May 31, 2008 \$	Feb 29, 2008 \$
Total revenue	Nil	Nil	Nil	Nil
G & A expenses	301,445	223,490	79,919	139,230
Exploration expenses	439,301	450,157	35,860	5,880
Loss	301,445	223,490	79,919	139,230
Net loss	299,227	223,249	79,919	137,547
Loss/share	0.01	0.01	0.04	0.13
Total assets	1,873,842	2,137,468	487,562	383,477

LIQUIDITY AND CAPITAL RESOURCES

The activities of the Company, principally the acquisition of mineral properties and exploration thereon, are financed through the completion of equity offerings involving the sale of equity securities. These equity offerings generally include private placements and the exercise of warrants and options. During the three month period ended November 30, 2009, no shares were issued as a result of equity offerings although the Company did receive \$80,000 in share subscription funds.

As at November 30, 2009 there were 795,000 broker warrants outstanding at an average exercise price of \$0.25 which if fully exercised would raise \$198,750 and 3,400,000 private placement warrants outstanding at an average exercise price at \$0.30 which if fully exercised would raise \$1,020,000.

As at November 30, 2009 there were 2,730,000 options outstanding at an average exercise price of \$0.30 which if fully exercised would raise \$809,500.

As at November 30, 2009 the Company had cash on hand of \$19,297 (2008: \$301,983) and working capital deficiency of \$52,401 (2008: working capital of 416,638).

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The Company's long term contractual obligations include an office sublease totalling \$9,290 per month and a telephone equipment lease for \$265 per month, both starting August 1, 2008 for a five year term.

OFF-BALANCE SHEET TRANSACTIONS

The Company has not entered into any off-balance sheet transactions.

RELATED PARTY TRANSACTIONS

During the three month period ended November 30, 2009:

- (a) Management fees of \$22,500 (2008 - \$22,500) were paid to a company controlled by a director.
- (b) Consulting fees of \$18,000 (2008 - \$18,000) were paid to a director.
- (c) Accounting fees of \$3,000 (2008 - \$3,000) were paid to an officer.

The above transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

SHARES ISSUED AND OUTSTANDING

As at January 26, 2010 the Company had 27,512,000 shares outstanding, 2,730,000 options outstanding and 4,195,000 share purchase warrants outstanding.

PENDING TRANSACTIONS

To the best of Management's knowledge, there are no pending transactions that will materially affect the performance or operation of the Company.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with Canadian GAAP requires the Company to select from possible alternative accounting principles, and to make estimates and assumptions that determine the reported amounts of assets and liabilities at the balance sheet date, and reported costs and expenditures during the reporting period. Estimates and assumptions may be revised as new information is obtained, and are subject to change. The Company's accounting policies and estimates used in the preparation of the Financial Statements are considered appropriate in the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process.

Mineral property, plant, and equipment, including property acquisition and mine development costs, are recorded at cost.

The Company assesses the impairment of long-lived assets, which consist primarily of mineral properties, plant and equipment, whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Recoverability of assets to be held is measured by a comparison of the carrying value of the assets to future undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the amount of the impairment is measured as the amount by which the carrying amount of the asset exceeds its fair value.

Asset retirement obligations are recorded when the Company incurs liability for costs associated with the eventual retirement of tangible long-lived assets (for example, reclamation costs). The liability for such costs exists from the time the legal obligation first arises, not when the actual expenditures are made in the future. Such obligations are measured initially at their fair value using discounted present value methodology. The fair value is added to the cost of the related asset and to the Company's liabilities, and is adjusted in later periods for changes in the amount and timing of the expected cash expenditures. The amount added to the asset is amortized in the same manner as the asset. The liability is increased in each accounting period by the amount of the implied interest inherent in the use of discounted present value methodology, and the increase is charged against earnings.

Critical accounting estimates are used in the calculation of the fair value of stock-based compensation. The Company used the Black-Scholes option pricing model to determine the fair value of stock options granted during the year. This model requires the Company to make reasonable assumptions in order to derive parameters such as expected volatility of the Company's shares, the expected life of the option and interest rates, all of which are based on historical information.

Future behaviours of these parameters are beyond the Company's control, and thus, may be significantly different from the Company's estimates.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Financial Instruments

The CICA has issued new accounting standards Section 3862, "Financial Instruments – Disclosures" and Section 3863, "Financial Instruments – Presentation" which replace Section 3861 "Financial Instruments – Disclosure and Presentation". The new disclosure standard increases the emphasis on the risks associated

with both recognized and unrecognized financial instruments and how those risks are managed. The new presentation standard carries forward the existing presentation requirements.

Capital Management

The Company adopted the new accounting standard Section 1535, “Capital Disclosures”, which requires companies to disclose their objectives, policies and processes for managing capital. In addition, disclosures are to include whether companies have complied with externally imposed capital requirements and, if not in compliance, the consequences of such non-compliance.

Assessing Going Concern

AcSB amended CICA Handbook Section 1400 “General Standards on Financial Statement Presentation”, to include requirements for management to assess and disclose an entity’s ability to continue as a going concern.

Recent Accounting Pronouncements

The Canadian Institute of Chartered Accountants (“CICA”) has issued new standards which may affect the financial disclosures and results of operations of the Company for interim and annual periods beginning February 1, 2009. With the exception of the move to International Financial Reporting Standards, the Company will adopt the requirements commencing in the interim period ended April 30, 2009 and is currently considering the impact this will have on the Company’s financial statements.

International financial reporting standards (“IFRS”)

In 2006, the Canadian Accounting Standards Board (“AcSB”) published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada’s own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended January 31, 2011.

The Company does not currently have a plan in place to address the expected impact on current accounting policies although it is undertaking a review of significant IFSR differences in order to identify the key areas which are likely to be impacted by the accounting policy change. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Business Combinations, Non-controlling Interest and Consolidated Financial Statements

In January 2009, the CICA issued Handbook Sections 1582 “Business Combinations”, 1601 “Consolidated Financial Statements” and 1602 “Non-controlling Interests” which replace CICA Handbook Sections 1581 “Business Combinations” and 1600 “Consolidated Financial Statements”. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1582 is applicable for the Company’s business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company’s interim and annual

consolidated financial statements for its fiscal year beginning January 1, 2011. Early adoption of this Section is permitted and all three Sections must be adopted concurrently.

Goodwill and Intangible Assets

The AcSB issued CICA Handbook Section 3064 which replaces Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs and amendments to Accounting Guideline 11, Enterprises in the Development Stage and CICA 1000, Financial Statement Concepts. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill remain unchanged from the standards included in the previous Section 3062. The new standard also provides guidance for the recognition of internally developed intangible assets (including research and development activities), ensuring consistent treatment of all intangible assets. The section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008. The Company is currently assessing the impact of this new accounting pronouncement on its financial statements.

FINANCIAL INSTRUMENTS

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

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

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Management believes that the credit risk concentration with respect to financial instruments included in cash is remote. Receivables are due primarily from government agencies.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at November 30, 2009, the Company had a cash balance of \$19,297 (2008 - \$301,983) to settle current liabilities of \$181,393 (2008 - \$126,113). All of the Company's financial liabilities are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant and the Company, as all other companies in its industry, has exposure to these risks.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to maintain cash and term deposits in its banking institutions and does not believe interest rate risk to be significant.

(b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables, accounts payable and accrued liabilities that are denominated in Canadian Dollars. Management believes the risk is currently insignificant as most transactions are denominated in Canadian dollars.

(c) Price risk

The Company is not a producing entity so is not directly exposed to fluctuations in commodity prices. The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

RISKS AND UNCERTAINTIES

Exploration and mining companies face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical.

The principal activity of the Company is mineral exploration, which is inherently risky. Exploration is also capital intensive, and the Company currently has no source of income and must depend on equity financings as its main source of capital. Only the skills of its management and staff in mineral exploration and exploration financing serve to mitigate these risks and therefore are one of the main assets of the Company.

Following are the risk factors which the Company's management believes are most important in the context of the Company's business. It should be noted that this list is not exhaustive and that other risk factors may apply. An investment in the Company may not be suitable for all investors.

Competition

The Company competes with many companies that have substantially greater financial and technical resources than the Company for the acquisition of mineral properties as well as for the recruitment and retention of qualified employees.

Title Matters

Title to and the area of mining claims may be disputed. Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current state of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

The Company has No History of Operations

The Company has no history of, and is in the early stages of development on its mining property. The Company may experience higher costs than budgeted and delays which were not expected. The Company must also locate and retain qualified personnel to conduct exploration work. Further adverse changes in any one of such factors or the failure to locate and retain such personnel will have an additional adverse effect on the Company, its business and results of operations.

The Mining Industry is Speculative and of a Very High Risk Nature

Mining activities are speculative by their nature and involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The Company's activities are in the development stage and such development is subject to the risk that previously reported inferred mineralization is not economic. If this occurs, the Company's existing resources may not be sufficient to support a profitable mining operation. The Company's activities are subject to a number of factors beyond its control including intense industry competition and changes in economic conditions, including some operating costs (such as electrical power). Its operations are subject to all the hazards normally incidental to exploration, development and production of precious metals, any of which could result in work stoppages, damage to or loss of property and equipment and possible environmental damage. An adverse change in any one of such factors, hazards and risks would have a material adverse effect on the Company, its business and results of operations. This might result in the Company not meeting its business objectives.

The Company is Dependent on Various Key Personnel

The Company's success is dependent upon the performance of key personnel. The Company does not maintain life insurance for key personnel and the loss of the services of senior management or key personnel could have a material and adverse effect on the Company, its business and results of operations.

The Company's Activities might suffer Losses from or Liabilities for Risks which are not Insurable

The Company does not currently carry any form of political risk insurance, insurance for loss of or damage in respect of its equipment and property or any form of environmental liability insurance, since insurance is prohibitively expensive. The payment of any such liabilities would reduce the funds available to the Company. If the Company suffers damage to its equipment it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy.

There is Uncertainty in the Nature and Amount of the Company's Resources

While the Company has carried out, and will carry out on an annual basis, estimates of its mineral resources, this should not be construed as a guarantee that such estimates are accurate. If such estimates prove to be materially inaccurate, that would have a material and adverse effect on the Company's business and results of operations.