MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2018

Management's Discussion and Analysis ("MD&A") is as of March 25, 2019 and relates to the financial condition of Excelsior Mining Corp. and its subsidiaries ("Excelsior" or the "Company") as of December 31, 2018. The MD&A supplements and complements Excelsior's audited Consolidated Financial Statements for the year ended December 31, 2018 (the "consolidated financial statements") and related notes. Other relevant documents to be read with this MD&A include the Annual Information Form ("AIF") for the year ended December 31, 2018. Comparison of the financial results in this MD&A is provided to the three months and year ended December 31, 2017. Readers are cautioned that the MD&A contains forward-looking statements and that actual events may vary from Management's expectations. Readers are encouraged to read the Cautionary Statements section included with this MD&A and to consult the Company's audited consolidated financial statements for the year ended December 31, 2018 and related notes, which are available on the Company's website at *www.excelsiormining.com*, and on the SEDAR website at *www.sedar.com*. The Company's audited consolidated financial statements for the year ended December 31, 2018 and 2017 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar amounts are expressed and presented in thousands of United States dollars (unless otherwise noted). Canadian dollars are expressed as "CAD $".

This MD&A contains forward-looking statements and should be read in conjunction with the factors described in "Risk Factors" and "Forward Looking Information" presented later in this MD&A.

APPROVAL

The Board of Directors of Excelsior Mining Corp. has approved the disclosure contained in this MD&A as of March 25, 2019.

DESCRIPTION OF BUSINESS

Excelsior is a mineral exploration and development company that is advancing the Gunnison Copper Project ("Gunnison Project") located within the copper porphyry belt of southeast Arizona. Excelsior was incorporated under the *Business Corporations Act* of British Columbia on June 9, 2005. The Company is listed on the Toronto Stock Exchange ("TSX") under the symbol "MIN", the top-tier over-the-counter market ("OTCQX") under the symbol "EXMGF", and the Frankfurt Stock Exchange under the symbol "3XS".

The Gunnison Project is a fully-permitted in-situ recovery copper extraction project. The Company has begun drilling the wellfield, procuring equipment, and building out the infrastructure including the equipment necessary to upgrade the adjacent Johnson Camp mine ("JCM") Solvent Extraction and Electrowinning ("SX-EW") plant assets, which were acquired in 2015.

The Company is currently proceeding with construction activities relating to the Gunnison Project as well as continuing property care and maintenance for the JCM heap leach pad. The Company completed two strategic milestones in the development of its business in the fourth quarter of 2018, which included obtaining the final operating permit and the construction financing package for the Gunnison Project. See below for additional details.

PRIVATE PLACEMENT

On January 19, 2018 the Company closed the second and final tranche of its non-brokered private placement which consisted of issuing an additional 16,467,200 common shares at a price of CAD$1.00 per share, for gross proceeds of CAD$16,467,200 (approximately $12.8 million). The second tranche was subscribed for by an affiliate of Greenstone Resources L.P. ("Greenstone"). The net proceeds of the private placement were used during 2018 to advance the Gunnison Project, including completion of permitting activities, care and maintenance of the JCM facilities and heap leach pad, hiring key management, technical, and administrative staff, for both construction and the eventual operations of the Gunnison Project, finalizing basic and detailed engineering including the SX-EW plant upgrades and JCM infrastructure improvements, and preparing for the start-up of construction activities.

UIC PERMIT

On October 16, 2018, the Company reached a key milestone and announced that the Environmental Protection Agency (the "EPA") issued the Underground Injection Control ("UIC") permit for the Gunnison Project. This action completed the permitting process as the UIC permit was the final operating permit required to start mine construction and commence production. The UIC Permit is effective for copper production of up to 125 million pounds per year.

To summarize Excelsior's 2018 developments in obtaining the UIC permit, on June 22, 2018 the EPA issued Excelsior the UIC Permit with an effective date of August 1, 2018. An appeal (the "Appeal") of the UIC Permit was subsequently filed by a coalition of non-governmental organizations (the "Petitioners") (See Excelsior Mining news release dated August 6, 2018 — "Excelsior Provides Permitting Update"). All appeals are reviewed by the Environmental Appeals Board (the "EAB"). On October 5, 2018 Excelsior announced that a Settlement Agreement (the "Agreement") had been concluded that would result in the dismissal of the Appeal. As per the terms of the Agreement, Excelsior, the EPA, and the Petitioners submitted to the EAB a joint motion to dismiss the Appeal (see Excelsior news release dated October 5, 2018 - "Excelsior Mining Confirms Agreement to Dismiss UIC Permit Appeal"). The EAB accepted the joint motion dismissing the Appeal, and the EPA then lifted the stay, thereby resulting in the UIC Permit becoming effective on October 16, 2018.

PROJECT FINANCING

On October 30, 2018 the Company entered into an agreement for a $75 million project financing package (collectively, the "Triple Flag Financing") with Triple Flag Mining Finance Bermuda Ltd. ("Triple Flag"). The Triple Flag Financing consists of a $65 million copper metal stream (the "Stream") and a concurrent $10 million private placement of common shares of Excelsior (the "Triple Flag Equity Placement") and represents a major strategic milestone for Excelsior in transitioning the Gunnison Project into America's next new copper producer, with production expected to begin in the fourth quarter of 2019. The closing of the Triple Flag Financing occurred on November 30, 2018 (the "Closing Date") and resulted in Excelsior receiving initial gross proceeds of $20 million. This amount consisted of the initial $10 million of the $65 million deposit (the "Stage 1 Upfront Deposit") and the $10 million proceeds from the Triple Flag Equity Placement. The balance of the Stage 1 Upfront Deposit will be provided in instalments at the request of Excelsior as it expends or allocates previously received funds for the construction of the Gunnison Project.

Under the terms of the metals purchase and sale agreement (the "Stream Agreement") between Triple Flag and Excelsior and its subsidiaries, Excelsior Mining Arizona, Inc. ("Excelsior Arizona") and Excelsior Mining JCM, Inc., Triple Flag has committed to fund the Stage 1 Upfront Deposit against the future sale and delivery by Excelsior Arizona of a percentage of the refined copper production from the Gunnison Project. Excelsior will sell to Triple Flag a percentage of refined copper at a price equal to 25% of the copper spot price. The exact percentages of copper production to be sold to Triple Flag varies according to the total production capacity. These percentages are detailed in the table below.

	Stage 1 (25 M lbs/yr)	Stage 2 (75 M lbs/yr)	Stage 3 (125 M lbs/yr)
Stage 1 Upfront Deposit	16.5%	5.75%	3.5%

Subsequent to notice from Excelsior that the Company will be expanding production capacity to an amount equal to or greater than 50 million pounds per year, Triple Flag will have the option to increase its stream participation by paying an additional $65 million (the "Expansion Upfront Deposit").

Excelsior also retains the option to reduce the amount of the Stream by 50% by making a buy-down payment to Triple Flag (the "Buy-Down Payment"). The amount of the Buy-Down Payment depends on whether Triple Flag has exercised its option to provide the Expansion Upfront Deposit. The Buy-Down Payment is calculated as an amount that provides Triple Flag with an internal rate of return of 15% on 50% of the Stage 1 Upfront Deposit and, if applicable, 15% on 50% of the Expansion Upfront Deposit (in each case after evaluating the value of Stream deliveries (net of the 25% purchase price payment for such deliveries) made to Triple Flag prior to its payment).

The table below shows the percentage of production to be acquired by Triple Flag based on scenarios that include Triple Flag's Expansion Option and Excelsior's Buy-Down Right.

	Stage 1 (25 M lbs/yr)	Stage 2 (75 M lbs/yr)	Stage 3 (125 M lbs/yr)
Stage 1 Upfront Deposit + Expansion Option	16.5%	11.0%	6.6%
Stage 1 Upfront Deposit + Expansion Option + Buy-Down Payment	16.5%	5.5%	3.3%
Stage 1 Upfront Deposit + Buy-Down Payment	16.5%	2.875%	1.75%

In consideration of the Stream, Excelsior issued to Triple Flag 3.5 million five-year common share purchase warrants, under a five-year term beginning on the Closing Date, entitling Triple Flag to purchase 3.5 million Excelsior common shares at a strike price of CAD$1.50 per share issued.

In conjunction with the Stream, Excelsior also completed the Triple Flag Equity Placement to raise proceeds of $10 million (net of applicable fees and expenses). The Triple Flag Equity Placement consisted of the issuance to Triple Flag of an aggregate of 13,818,977 Excelsior common shares at an aggregate subscription price of $10 million, or equal to approximately CAD$0.95 per share at then-current exchange rates.

On November 21, 2018, Excelsior announced that Greenstone entered into a subscription agreement with respect to the exercise of Greenstone's pro-rata rights over the issuance of common shares of the Company. Accordingly, Excelsior issued to Greenstone an aggregate of 13,050,840 Excelsior common shares at an aggregate subscription price of $9.4 million, or equal to approximately CAD$0.95 per share at then-current exchange rates. Prior to this transaction, Greenstone held 100,878,097 common shares of Excelsior (representing 48.56% of the Company's then-current issued and outstanding common shares). On December 6, 2018 following the closing of this transaction, Greenstone owned a total of 113,928,937 common shares of Excelsior, which maintains their ownership at approximately 48.56% of Excelsior's issued and outstanding common shares.

On December 5, 2018, the Company announced that Altius Royalty Corporation ("Altius") exercised the final royalty option under the Share Purchase and Royalty Option Agreement dated July 19, 2013 between the Company and Altius. Altius is successor in interest to Callinan Royalties Corporation. On October 1, 2016, Altius Royalties Corp. and Callinan Royalties Corporation were amalgamated to form Altius. In accordance with the terms of the final royalty option, Altius paid the Company CAD$5.0 million and received an additional gross revenue royalty ("Construction GRR") on the Gunnison Project that is equal to (i) 0.625% while the plant capacity of all the plants operated or constructed by the Company or its affiliates for use in connection with the Gunnison Project ("Plant Capacity") is less than 75 million pounds of copper per year; and (ii) 0.5% while the Plant Capacity is greater than or equal to 75 million pounds of copper per year.

Combined with the GRRs that Altius previously acquired (see Excelsior news releases dated July 29, 2014 and August 1, 2013), Altius now holds a 1.625% GRR on the Gunnison Project while Plant Capacity is less than 75 million pounds of copper per year and 1.5% while the Plant Capacity is greater than or equal to 75 million pounds of copper per year.

GUNNISON PROJECT CONSTRUCTION

On December 4, 2018, following the completion of the above two strategic milestones of permitting and construction financing, the Company announced the start of construction activities at the Gunnison Project.

Throughout the permitting process, ramp-up and pre-construction activities were ongoing at JCM to ensure an efficient transition into the pending construction and production phases. Basic and detailed engineering, along with the Project Execution and Construction Plans, were all completed. A general contractor and all other major contractors were selected. Key corporate systems, such as Safety and Environmental compliance, and the Enterprise Resource Planning (ERP) were implemented. Long lead procurement items were ordered, and drill casing was purchased and stored on site in preparation of the drilling equipment mobilization. Additionally, other support equipment and vehicles were leased or purchased.

The following is a summary of the construction activities that have commenced on the Gunnison Project.

Wellfield Drilling and Infrastructure
The wellfield has been designed to provide maximum operational flexibility including reversing wells and adjustable flowrates to maximize copper production. The contract drilling program is advancing with five drill rigs currently on site. Collar drilling and cement casing of the wells is on-going in advance of down-hole activities, such as the installation of pumps and instrumentation. A total of 63 wells, including 41 production wells and 22 compliance wells totaling approximately 82,000 feet will be completed. The significant number of compliance wells will ensure groundwater monitoring according to state and federal regulatory requirements. Drilling of the production wellfield is expected to be completed by July 2019. The initial wellfield area will be 400 feet by 400 feet with a spacing of approximately 70 feet between injection and production wells.

Access Road Construction
An additional access road south of the Interstate 10 Highway has been installed. Access to the production wellfield has been improved and overall transport efficiencies have been upgraded. The Gunnison Project is located near all critical infrastructure components such as road, rail, power and water.

Pipeline Distribution and Infrastructure
Construction of the pipeline corridor connecting the processing facilities at JCM to the wellfield has commenced and is expected to be completed by May 2019. A two-mile high-density polyethylene (HDPE) pipeline corridor will safely transport solution to the JCM processing facilities. Pipeline corridor liners, double-pipe containment and maintenance ponds will ensure best practice in terms of environmental management and safety. Jack and bore, the method of horizontal drilling that is being employed to install a pipeline under the Interstate 10 Highway, is underway. Horizontal boring is scheduled to begin in April 2019.

JCM SX-EW Plant Upgrades
Upgrades to the JCM processing facilities include enhanced controls and instrumentation, new rectifiers, increased solution heating capacity as well as other modifications that is expected to allow the Gunnison Project to produce Grade A, 99.999% pure copper cathode.

Electrical Distribution and Infrastructure
Electrical distribution to the wellfield includes moving and utilizing the existing substation near the JCM crushing facilities that have been under care and maintenance during the exploration and permitting phases. This plan is expected to provide significant cost savings for the required capital investment for the Gunnison Project.

Process Pond Upgrades and Completions
The existing ponds are being modified to accommodate the copper solutions from the wellfield. Additional pregnant leach solution (PLS) capacity is also being created to provide operational flexibility for copper production.

New Acid Storage Facilities
These new facilities have been designed to enable the Company to store sulfuric acid and provide operational flexibility for the Company to take economic advantage of market acid pricing opportunities as they arise.

Staff Ramp-up
Key management, technical and administrative personnel have been contracted or hired for the initial construction phase and will ramp-up accordingly in order to operate the production facility at JCM. The administrative offices have also been fully refurbished. The number of employees at JCM as of December 31, 2018 totaled 33 individuals, and as of the date of this MD&A totals 53.

Total capitalized expenditures including accruals on the Gunnison Project as of December 31, 2018 were $1,478,388.

STOCK OPTION EXERCISE PROGRAM

On December 6, 2018, the Company announced the implementation of a stock option exercise program (the "Program") for the block of stock options that were due to expire on December 31, 2018. These stock options were originally issued from 2010 to 2012 and were held by the option-holders for between 6 and 8 years. The intent of the Program was to minimize any impact on the Company's share price by avoiding the sale of a large block of shares within a short time period. The Program was also set-up to minimize shareholder dilution resulting from the exercise of stock options. The Program involved two steps. First, option-holders completed a "net exercise" whereby option-holders received a net number of shares by reducing the amount they would otherwise be issued to cover the exercise price. As a second step, the Company repurchased from each option-holder (at the market price) a sufficient number of shares to cover the income taxes of the option-holders associated with the exercise. During December 2018, the Program resulted in a total of 1,630,727 shares being repurchased by the Company and cancelled, and a final net amount of 3,407,479 shares being issued to option-holders. The Program was completed without any shares being sold in the market to cover exercise price or tax obligations.

OUTLOOK

Construction of the Gunnison Project is expected to be completed in the third quarter 2019 and copper production is expected to begin in the fourth quarter 2019.

Total capitalized expenditures forecast for the Gunnison Project in 2019 is approximately $72.0 million.

SELECTED ANNUAL INFORMATION

A summary of the Company's consolidated financial results for the years ended 2018, 2017, and 2016 are presented below:

		2018		2017		2016
Revenue	$	nil	$	nil	$	nil
Total assets		68,364,179		34,851,406		25,130,343
Working Capital		42,354,596		16,242,045		8,930,478
Total non-current liabilities		19,238,369		9,179,928		4,300,834
Shareholders' equity		45,946,396		25,144,402		17,976,479
Cash dividends paid		-		-		-
Net loss for the year		12,134,571		9,494,003		4,290,128
Basic and diluted loss per share		0.06		0.06		0.03

REVIEW OF FINANCIAL RESULTS

The Company's total assets, working capital and shareholders' equity have all increased over the three-year period from 2016 to 2018 primarily due to the equity investments from Greenstone in 2017 and 2018, and the Triple Flag Financing in 2018.

The net loss for the years ended 2016 to 2018 have increased as the Company has advanced the Gunnison Project from exploration and evaluation, through feasibility and sustainability, and project advancement activities. The care and maintenance costs of the JCM facilities has remained relatively constant over the three-year period.

During the second half of 2016 and into 2017, the Company maintained a relatively constant level of quarterly spending while shifting the focus of its activities from acquiring JCM to Pre-feasibility Study and Feasibility Study filings, to permitting activities and currently shifting towards the beginning of project development. During this time, the Company also worked on integrating JCM into the long-term plans of the Company.

A comparison of the financial results for the year and the three-month period ended December 31, 2018 and December 31, 2017 is provided below.

For the year ended December 31, 2018 compared to the year ended December 31, 2017:

For the year ended December 31, 2018, the Company's net loss for the year was $12,134,571 ($0.06 per share) compared to a net loss of $9,494,003 ($0.06 per share) for the year ended December 31, 2017. The higher net loss for the year ended December 31, 2018 as compared to the same period of 2017 resulted from higher costs associated with advancing the Gunnison Project through the permitting, financing and construction-readiness stages. Partly offsetting this, the Company recognized a gain of $3,782,500 on the sale of royalty from the exercise of Altius' final royalty option payment in December 2018.

Significant changes in the "Expenses" categories listed in the consolidated statements of loss and comprehensive loss for the years ended December 31, 2018 and 2017 are described below:

For the year ended December 31, 2018 the Company incurred JCM holding and maintenance cost of $3,450,124 (2017 - $2,749,495). These costs are primarily comprised of employee salaries, wages and benefits, utilities, property taxes, insurance, plant and equipment maintenance and environmental compliance costs.

These costs will continue through the construction phase of the Gunnison Project and will be included in operating costs when the Gunnison Project is in production.

For the year ended December 31, 2018 the Company incurred project advancement costs of $3,396,267 (2017 - $2,002,832) directly related to the Gunnison project construction-readiness activities. These costs include project employee ramp-up related costs including compensation, and technical services for detailed engineering and planning for the SX-EW upgrades and wellfield infrastructure.

For the year ended December 31, 2018 evaluation and permitting expenses incurred on the Gunnison Project amounted to $1,525,940 (2017 - $1,042,079), an increase of $483,861 compared to 2017. For the year ended December 31, 2018 the Company continued to focus on and incur expenditures related to obtaining the Gunnison Project permits, which were completed in October 2018.

Office and administration expenses for the year ended December 31, 2018 were $1,217,203 compared to $962,041 for the same period of 2017. The increase of $255,162 was primarily due to an overall higher level of corporate administrative support, including information technology costs, for the Gunnison Project.

Professional fees incurred for the year ended December 31, 2018 were $1,214,122 compared to $897,631 for the same period of 2017, representing an increase of $316,491. The increase in 2018 is primarily due to consulting fees associated with services that were performed to assist the Company in the strategy, analysis, recommendation and execution of the Triple Flag Financing for the Gunnison Project.

Directors' and officers' fees incurred for the year ended December 31, 2018 were $2,143,127 compared to $847,403 for the year ended December 31, 2017, representing an increase of $1,295,724. Higher directors' and officers' fees for the full year of 2018 resulted from an increase in executive compensation reflecting additions to the senior management team and increased activity in general.

For the year ended December 31, 2018 the Company incurred investor relations expenses of $500,512, an increase of $78,115 versus $422,397 incurred for the year 2017.

For the year ended December 31, 2018 the Company incurred share-based compensation expense of $2,340,388 (2017 – $364,561). The increase in share-based compensation expense of $1,975,827 is primarily due to stock option expense for management personnel in connection with obtaining the operating permits and preparing for the start of construction and future operations on the Gunnison Project, as well as the expense recognized for granting restricted share units to directors and officers.

For the year ended December 31, 2018 the Company incurred regulatory fees of $74,202 (2017 – $214,760). The decrease in regulatory fees of $140,558 is principally due to the one-time fee paid in 2017 for becoming listed on the TSX.

Significant changes in the "Other Items" listed in the consolidated statements of loss and comprehensive loss for the years ended December 31, 2018 and 2017 are described below:

For the year ended December 31, 2018 the Company incurred financing expense of $251,532 (2017 – $183,827) which represents the accretion expense for the JCM asset retirement obligation. Financing expense in 2017 included accretion expense ($117,827) and interest expense on the debt associated with the JCM acquisition ($66,000).

For the year ended December 31, 2018 the Company recorded interest income of $280,197 (2017 - $74,694). Interest income for the full-year 2018 was higher than the same period of 2017 mainly due to an increase in interest income on cash investments, as a result of the Company's overall higher cash balance in 2018 from the equity private placements.

Other income for both years primarily represents sales of waste rock material from JCM.

SELECTED QUARTERLY INFORMATION

The following table summarizes selected financial information for the Company for each of the past eight quarters ending December 31, 2018:

	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
Net loss for the period	$ (731,523)	$ (4,148,182)	$ (3,516,003)	$ (3,738,862)
Loss per share (basic and diluted)	(0.00)	(0.02)	(0.02)	(0.02)
Total assets	68,364,179	38,533,576	41,452,962	44,802,947

	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017
Net loss for the period	$ (2,612,229)	$ (2,446,338)	$ (2,300,626)	$ (2,134,810)
Loss per share (basic and diluted)	(0.02)	(0.01)	(0.01)	(0.01)
Total assets	34,851,406	18,492,291	21,001,801	23,256,783

The net loss for the last eight quarters has tended to increase as the Company has advanced the Gunnison Project from exploration and evaluation, through feasibility and sustainability, and project advancement activities. The care and maintenance costs of the JCM facilities has remained relatively constant over the previous eight-quarter period. The net loss for the quarter-ended December 31, 2018 was lower than the quarter-ended September 30, 2018 as the Company recognized a gain on the sale of the royalty option to Altius of $3,782,500. In addition, the Company began capitalizing Gunnison Project costs on December 1, 2018.

The quarterly results presented above do not necessarily reflect any recurring expenditure patterns or predictable trends, however the net loss by quarter during 2018 has trended higher than the net loss by quarter in 2017 due to the gradual ramp-up and increase in costs associated with advancing the Gunnison Project through the permitting, financing and construction-readiness stages. During 2017, the Company maintained a relatively constant level of quarterly spending while shifting the focus of its activities from acquiring JCM, to pre-feasibility and feasibility filings, and to permitting activities and project advancement.

The Company has been in an exploration and project advancement phase, and as a result has not generated any revenue in each of the last eight quarters.

Three months ended December 31, 2018 compared to the three months ended December 31, 2017:

For the three-months ended December 31, 2018 the Company's net loss was $731,523 ($nil per share) compared to a net loss of $2,612,229 ($0.01 per share) for the three-months ended December 31, 2017. The lower net loss for the three-month period ended December 31, 2018 as compared to the same period of 2017 resulted from a gain on the exercise from Altius of their final royalty option payment ($3,782,500). Excluding this item, costs were higher in the three-month period ended December 31, 2018 compared to the same period of 2017 due to higher JCM holding and maintenance costs, higher Directors and officer fees and higher non-cash share-based compensation costs, as described further below.

Significant changes in the "Expenses" categories listed in the consolidated statements of loss and comprehensive loss for the three-months ended December 31, 2018 and 2017 are described below:

For the three-months ended December 31, 2018 the Company incurred JCM holding and maintenance costs of $1,083,903 (2017- $713,046). These costs are primarily employee salaries, wages and benefits, utilities, property taxes, insurance, plant and equipment maintenance, and environmental compliance costs, which are expected to be ongoing until construction of the Gunnison Project has been completed. After construction is completed, and the Gunnison Project is in production, these costs will be included in operating costs.

For the three months ended December 31, 2018 the Company incurred project advancement costs of $218,379 (2017 - $654,277) directly related to the Gunnison project construction readiness activities. These costs include project employee ramp-up related costs including compensation, and technical services for detailed engineering and planning for the SX-EW upgrades and wellfield infrastructure. Costs were lower in the three-month period ended December 31, 2018 as compared to the same period of 2017 due to completion of construction-readiness activities at the end of November. Construction costs were capitalized starting December 1, 2018.

For the three months ended December 31, 2018 evaluation and permitting expenses incurred on the Gunnison Project amounted to $111,673 (2017 - $175,492). The costs for the three-months ended December 31, 2018 were lower than the comparable period of 2017 as permitting activities were completed in 2018 with the current quarter costs represent the remaining legal fees and costs to settle the Appeal of the UIC Permit, and ongoing compliance costs at JCM.

Office and administration expense for the three-months ended December 31, 2018 was $415,269 compared to $493,313 during the same period of the prior year. The decrease of $78,044 was primarily due to capitalizing the costs that are directly attributable to the Gunnison Project beginning December 1, 2018. The costs in this category are higher overall due to a higher level of corporate administrative support for the Gunnison Project.

Directors' and officers' fees incurred during the three months ended December 31, 2018, were $685,666 compared to $51,849 during the same period of the prior year, representing an increase of $633,817. Higher directors' and officers' fees resulted from an increase in executive compensation.

During the three months ended December 31, 2018, the Company incurred share-based compensation expense of $1,327,163 (2017 – $138,063). The increase in non-cash share-based compensation expense of $1,189,100 is primarily due to stock option expense for newly-hired management personnel in preparation for the start of construction and future operations on the Gunnison Project, and expenses for Restricted Share Units granted to directors and officers.

Significant changes in the "Other Items" listed in the consolidated statements of loss and comprehensive loss for the three-months ended December 31, 2018 and 2017 are described below:

During the three-months ended December 31, 2018, the Company realized interest income of $81,257 versus interest income of $28,737 for the comparable period of 2017. Interest income was higher for each period in 2018 compared to the same period of 2017 mainly due to an increase in interest income on cash investments from the Company's overall higher cash balance in 2018.

LIQUIDITY AND CAPITAL RESOURCES

The Company had cash and cash equivalents of $44,167,866 as of December 31, 2018 (December 31, 2017 - $16,677,002). Cash and cash equivalents increased $27,490,864 during the year ended December 31, 2018 compared to an increase of $5,054,301 in 2017 primarily due to an increase in cash provided by investing activities from the Triple Flag Stage 1 Upfront Deposit, and equity investments from Triple Flag and Greenstone.

Net cash used in operating activities for the year ended December 31, 2018 was $12,725,099 compared to $8,944,954 for the year ended December 31, 2017. The increase in cash used in operating activities is mainly attributable to an increase in JCM holding and maintenance cost, higher Gunnison project-readiness costs for project advancement, evaluation and permitting, financing, and Directors and officers fees as discussed above.

Net cash used in investing activities for the year ended December 31, 2018 was $366,116 compared to net cash used of $2,306,009 for the same period of 2017. The net cash used in 2018 was the result of cash expenditures for the Gunnison Project construction which began December 1, 2018 ($628,266), equipment purchases ($438,750), and restricted cash collateral ($3,081,600) for the required bonds related to the UIC Permit and Mined Land Reclamation Plan for JCM. Partly offsetting these cash outflows during the 2018 full-year period were the proceeds received from Altius of $3,782,500 for their exercise of the final royalty option.

Net cash provided by financing activities for the year-ended December 31, 2018 was $40,664,555 compared to $16,297,365 for the full-year period of 2017. During 2018, the Company received $9,762,766 from Triple Flag for the Stage 1 Upfront Deposit, $10,000,000 in proceeds from the Triple Flag Equity Placement, $12,744,505 of net proceeds from the second tranche of the non-brokered private placement with Greenstone in January and $9,443,145 in net proceeds from the Greenstone private placement in December.

The Company had working capital of $42,354,596 at December 31, 2018 (December 31, 2017 – $16,242,045). The increase in working capital primarily resulted from the increase in cash discussed above. The increase in accounts payable and accrued liabilities of $2,052,589, due to the start of construction activities on the Gunnison Project, also contributed to the increase in working capital at December 31, 2018.

The Company is currently proceeding with construction activities on the Gunnison Project as scheduled and continues to incur the JCM holding and maintenance costs. With the completion of the Triple Flag Financing and equity placements from Greenstone, the Company expects to have sufficient funds to cover the construction costs of the first phase of the Gunnison Project and to meet its estimated annual corporate costs for at least the next year. Additional funding from Triple Flag will be advanced according to the terms of the financing arrangement in order to complete construction of the Gunnison Project.

As of December 31, 2018, the Company did not have any pre-arranged sources of financing except for the Triple Flag Financing.

STATEMENT OF FINANCIAL POSITION INFORMATION

The following financial data are selected from the Company's annual statements of financial position:

	As at December 31, 2018	As at December 31, 2017
Cash and cash equivalents	$ 44,167,866	$ 16,677,002
Receivables	177,046	70,735
Prepaid expenses	902,936	21,384
Materials and supplies	286,162	-
Property, plant and equipment	19,525,779	17,859,495
Long term deposits	3,304,390	222,790
Total Assets	$ 68,364,179	34,851,406

	As at December 31, 2018	As at December 31, 2017
Accounts payable and accrued liabilities	$ 2,525,706	$ 473,117
Amounts due to related parties	404,340	53,959
Restricted share units	249,368	-
Derivative liability	9,782,295	-
Asset retirement obligation	9,456,074	9,179,928
Capital stock	88,915,883	57,210,709
Other equity reserves	6,909,702	5,678,311
Deficit	(49,050,193)	(36,915,622)
Accumulated other comprehensive loss	(828,996)	(828,996)
Total Liabilities and Equity	$ 68,364,179	$ 34,851,406

Assets

Cash and cash equivalents increased by $27,490,864 during the year ended December 31, 2018 as previously discussed in "Liquidity and Capital Resources" above.

Long term deposits increased $3,081,600 due to the restricted cash collateral that was used for the required bonds related to the UIC Permit and Mined Land Reclamation Plan for JCM.

Liabilities

Accounts payable and accrued liabilities increased by $2,052,589 for the year ended December 31, 2018, mainly as a result of the increase in expenditures related to the construction activities on the Gunnison Project.

Derivative liability of $9,782,295 at December 31, 2018 consisted of the fair value of the Triple Flag Stage 1 Upfront Deposit ($8,926,949) and the fair value of the common share purchase warrants issued to Triple Flag ($855,346).

The increase in the asset retirement obligation ("ARO") of $276,146 for the year ended December 31, 2018 was primarily due to the accretion of $251,532 of the JCM ARO for the year ended December 31, 2018. The ARO also increased as a result of establishing an ARO for the Gunnison Project.

Equity

Capital stock increased by $31,705,174 primarily due to the equity investments from Greenstone and Triple Flag. Greenstone's investments included the net proceeds from the private placement of $12.7 million in January 2018 and the private placement of $9.4 million in December 2018. Triple Flag's investment consisted of the Triple Flag Equity Placement of $10 million in November 2018.

During the year ended December 31, 2018, the other equity reserves account increased by $1,231,391 as a result of share-based compensation expense of $2,034,776, which was partially offset by the tax payments associated with the Stock Option Program.

Outstanding Share Capital

The Company's authorized capital consists of an unlimited number of common shares without par value and an unlimited number of non-voting common shares without par value. The Company has securities outstanding as follows:

The Company has securities outstanding as follows:

Security Description	December 31, 2018	Date of report
Common shares	238,381,657	238,657,960
Stock options	12,330,000	12,030,000
Warrants	3,500,000	3,500,000
Restricted share units	475,000	100,000

During the year ended December 31, 2018 a total of 48,499,705 common shares were issued, summarized as follows:

- On January 19, 2018, the Company closed a private placement which resulted in the Company issuing 16,467,200 common shares of the Company, for gross proceeds of $12,800,000.

- On November 30, 2018, the Company issued 13,818,977 common shares to Triple Flag for the Triple Flag Equity Placement, for gross proceeds of $10,000,000.

- On December 5, 2018, the Company issued 13,050,840 common shares to Greenstone in a private placement resulting in gross proceeds of $9,443,145. Prior to this transaction, Greenstone held 100,878,097 common shares of Excelsior (representing 48.56% of the Company's then-current issued and outstanding common shares). On December 6, 2019 following the closing of this transaction, Greenstone owned a total of 113,928,937 common shares of Excelsior, which maintains their ownership at approximately 48.56% of Excelsior's issued and outstanding common shares.

- During the year ended December 31, 2018, the Company issued a total of 5,162,688 common shares from stock options exercised.

Contractual Obligations

The Company has the following contractual obligations as at December 31, 2018:

Contractual Obligations	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Asset Retirement Obligation[(1)]	$11,976,906	-	-	-	$11,976,906
Operating Leases	$ 244,263	$ 98,850	$ 145,413	-	-
Purchase Obligations	$18,005,969	$ 18,005,969	-	-	-
Total Contractual Obligations	$30,227,138	$ 18,104,819	$ 145,413	-	$11,976,906

(1) Classification of such amounts is based on estimates of when reclamation work will be performed. Amounts represent undiscounted estimates and are not reflective of inflation.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements, other than the operating leases referred to in the table above.

RELATED PARTIES

Related parties and related party transactions are summarized below and include transactions with the following individuals or entities:

Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consists of the Company's Board of Directors, corporate officers, including the Company's Chief Executive Officer ("CEO"), Chief Operating Officer and Senior Vice President & Chief Financial Officer ("CFO").

Remuneration attributed to key management personnel is summarized as follows:

	Year Ended December 31, 2018	2017
Salaries, fees and benefits	$ 2,174,531	$ 1,168,130
Share-based compensation	1,796,363	13,913
Total	$ 3,970,894	$ 1,182,043

Salaries, fees and benefits to key management includes all salaries, fees, and other employment benefits, pursuant to contractual employment agreements, consultancy or management services arrangements

Other Related Parties

King & Bay West Management Corp, ("King & Bay") is an entity owned by Mark Morabito, the Chairman of the Company, which employs or retains certain officers and personnel of the Company. King & Bay provides legal, regulatory and corporate secretarial services to the Company. These services are provided to the Company on an as-needed basis and are billed based on the cost or value of the services provided to the

Company. The amounts shown in the table below represent amounts paid to King & Bay for the services of King & Bay personnel and for overhead and third-party costs incurred by King & Bay on behalf of the Company. The fees for such services were made on terms equivalent to those that King & Bay charges to arm's length parties.

Kinley Exploration LLC ("Kinley") is an entity owned by Colin Kinley, a Director of the Company. Kinley provides certain technical services regarding Project preparation and development to the Company. These services are provided to the Company on an as-needed basis and are billed based on the cost or value of the services provided to the Company. The amount shown in the table below represents amounts paid to Kinley for the services of Kinley personnel and for out-of-pocket reimbursable expenses incurred by Kinley on behalf of the Company. The fees for such services were made on terms equivalent to those that Kinley charges to arm's length parties.

Transactions entered into with related parties other than key management personnel included the following:

	Year ended December 31,	
	2018	**2017**
King & Bay	$ 531,873	$ 416,667
Kinley	$ 127,150	$ 130,500

As at December 31, 2018, amounts accrued and due to key management personnel and other related parties include the following:

- Corporate officers - $392,575 (December 31, 2017 - nil)
- King & Bay - $11,765 (December 31, 2017 - $44,959)
- Kinley - $nil (December 31,2017 - $9,000)

Transactions with related parties were in the normal course of operations and were measured at the amount of consideration established and agreed to by the related parties.

ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

The accounting policies applied in the preparation of these audited consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2017, except for the adoption of IFRS 9, Financial Instruments, which was effective and has been applied from January 1, 2018. A summary of the Company's significant accounting policies is provided in Note 2 to the audited consolidated financial statements for the year ended December 31, 2018 and 2017 and a discussion of changes in accounting policies, specifically the adoption of IFRS 9 is in Note 2 Summary of Significant Accounting Polices in the Company's audited consolidated financial statements and accompanying notes for the year ended December 31, 2018 and 2017.

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the periods reported. A summary of the Company's critical estimates and judgments is provided in Note 2 Significant Accounting Policies and Basis of Presentation to the audited consolidated financial statements for the year ended December 31, 2018 and 2017.

The Company applied judgment in determining that the stream arrangement, in its current status, is a derivative liability for accounting purposes. This judgment will be monitored as facts and circumstances change such as the exercise or expiry of the expansion and buyback options and the relationship of the metal deliverable under to the Company's actual production.

As a part of the Company's process of revising and updating the JCM operating and reclamation permits, during the fourth quarter of 2018, the Company performed an updated analysis of the estimated JCM and Gunnison Project reclamation costs resulting in an estimated present value liability of $9,456,074. This updated analysis resulted in an increase to the ARO liability of $41,650 for the Gunnison Project. The ARO liability for the JCM facilities is estimated at $9,414,424 as of December 31, 2018. The Company does not anticipate incurring any of the JCM reclamation costs until the end of the projected Gunnison Project operations.

FINANCIAL INSTRUMENTS

A summary of the Company's financial instruments is provided in Note 14 in the audited consolidated financial statements for the year ended December 31, 2018 and 2017.

The Company classifies the fair value of financial instruments according to the following hierarchy based on the reliability of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The carrying value of all the Company's financial instruments approximates their fair value.

The stream obligation was recorded at fair value at each statement of financial position date as the Company determined that the stream obligation was in substance a debt instrument with embedded derivative linked to copper commodity price and interest rates. The Company elected to measure the stream obligation in its entirety at FVTPL.

The stream obligation was valued using Monte Carlo simulation valuation models. The key inputs used by the Monte Carlo simulation in valuing the stream obligations include: the copper forward curve based on Comex futures, long-term copper volatility, call option exercise prices and risk-free rate of return.

In addition, in valuing the stream obligation, management used the following significant observable inputs: the copper forward curve based on Comex futures and the long-term copper volatility.

The valuation of the stream obligations also requires estimation of the Company's nonperformance or credit risk and the anticipated production schedule of copper pounds delivered over the life of mine.

As at December 31, 2018, 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 an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash and cash equivalents are held at large North American financial institutions some of which are interest bearing accounts. The Company's receivables consist mainly of input tax credits receivable from the Government of Canada.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

As at December 31, 2018, the Company has cash and cash equivalents balance of $44,167,866 to settle current liabilities of $3,179,414.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices and foreign currency fluctuations.

(a) Interest Rate Risk

The Company's current policy is to invest excess cash in guaranteed investment certificates issued by its banking institution. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The risk that the Company will realize a loss as a result of a decline in the fair value of short-term investments is extremely low.

Interest rate risk on cash and cash equivalents is minimal because these investments have a fixed yield rate.

(b) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Management of the Company is responsible for establishing and maintaining disclosure controls and procedures. Management has designed such disclosure controls and procedures, or caused them to be designed under its supervision, to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, is made known to the CEO and the CFO by others within those entities.

The CEO and CFO have certified that they have designed disclosure controls and procedures (or caused them to be designed under their supervision) and they are operating effectively to provide reasonable assurance that material information relating to the issuer and its consolidated subsidiaries is made known to them by others within those entities as of December 31, 2018.

Internal Control Over Financial Reporting

The Company maintains a system of internal controls over financial reporting, as defined by National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings in order to provide reasonable assurance that assets are safe-guarded and financial information is accurate and reliable and in accordance with IFRS.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2017, based on the criteria set forth in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management believes that, as of December 31, 2018, the Company's internal control over financial reporting is effective.

During the year ended December 31, 2018, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Limitation of Controls and Procedures

Our management, including the CEO and CFO, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well-designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of the effectiveness of controls to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

TECHNICAL INFORMATION

Excelsior's technical work on the Gunnison Copper Project is supervised by Stephen Twyerould, Fellow of AUSIMM, President & CEO of Excelsior and a Qualified Person as defined by National Instrument 43-101. Mr. Twyerould has reviewed and approved the technical information contained in this MD&A.

Additional information about the Gunnison Copper Project can be found in the technical report filed on SEDAR at www.sedar.com entitled: "Gunnison Copper Project, NI 43-101 Technical Report, Feasibility Study" dated effective December 17, 2016.

ADDITIONAL INFORMATION

Additional disclosure concerning the Company, including the Annual Information Form ("AIF") for the year ended December 31, 2018, is available on the SEDAR website, www.sedar.com.

FORWARD LOOKING INFORMATION

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities laws concerning anticipated developments and events that may occur in the future. Forward-looking information contained in this MD&A includes, but is not limited to, statements with respect to: (i) the market and future price of copper and related products; (ii) requirements for additional capital; (iii) development, construction and production timelines and estimates; (iv) the future effects of environmental compliance requirements on the business of the Company; and (v) the statements under the heading "Outlook" in this MD&A, including statements about the construction of the Gunnison Project and the production of copper.

In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information contained in this MD&A is based on certain factors and assumptions regarding, among other things, the estimation of mineral reserves and resources, the realization of resource estimates, copper and other metal prices, the timing and amount of future exploration and development expenditures, the estimation of initial and sustaining capital requirements, the estimation of labor and operating costs, the availability of necessary financing and materials to continue to explore and develop the Gunnison Project in the short and long-term, the progress of development activities, the receipt of necessary regulatory approvals and permits, the estimation of insurance coverage, and assumptions with respect to currency fluctuations, environmental risks, title disputes or claims, and other similar matters. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Forward looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information including, without limitation, the following risks and uncertainties referred to under the heading "Risk Factors" in the Company's Annual Information Form for the year ended December 31, 2018:

- risks relating to the fact that the Company depends on a single mineral project;
- risks inherent in the exploration and development of mineral deposits, including risks relating to changes in project parameters as plans continue to be redefined including the possibility that mining operations may not commence at the Gunnison Project;
- risks relating to variations in mineral resources and reserves, grade or recovery rates resulting from current exploration and development activities;
- risks related to fluctuations in the price of copper as the Company's future revenues, if any, are expected to be derived from the sale of copper;
- risks related to a reduction in the demand for copper in the Chinese market which could result in lower prices;
- financing, capitalization and liquidity risks, including the risk that the financing necessary to fund the development and construction activities at the Gunnison Project may not be available on satisfactory terms, or at all;
- the Company has no history of mining operations and no revenues from operations and expects to incur losses for the foreseeable future;
- risks related to the Company obtaining various permits required to conduct its current and anticipated future operations;

- risks related to disputes concerning property titles and interest;
- risks relating to the ability to access infrastructure;
- operational risks inherent in the conduct of mining activities, including the risk of accidents, labor disputes, increases in capital and operating costs and the risk of delays or increased costs that might be encountered during the development process;
- risks related to the significant governmental regulation that the Company is subject to;
- environmental risks;
- climate change risks;
- reliance on key personnel;
- risks related to increased competition in the market for copper and related products and in the mining industry generally;
- cybersecurity risks;
- risks related to potential conflicting interests among the Company's directors and officers;
- exchange rate fluctuations between the Canadian and United States dollar;
- the absence of dividend payments;
- uncertainties inherent in the estimation of mineral resources;
- risks related to current global financial conditions;
- land reclamation requirements may be burdensome;
- risks associated with the acquisition of any new properties;
- the Company may become subject to legal proceedings; and
- risks relating to the Company's Common Shares.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking information is made as of the date of this MD&A.

RISK FACTORS

Readers are cautioned that the risk factors discussed above are not exhaustive. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. Except as required by applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking information and readers should also carefully consider the matters discussed under the heading, "Forward Looking Information", in this MD&A and under the heading, "Risk Factors", in the AIF.

CAUTIONARY NOTE TO U.S. INVESTORS – INFORMATION CONCERNING PREPARATION OF RESOURCE AND RESERVE ESTIMATES

This MD&A has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of United States securities laws. Unless otherwise indicated, all resource and reserve estimates included in this MD&A have been prepared in accordance with Canadian National Instrument 43-101 ("NI 43-101") and the Canadian Institute of Mining and Metallurgy Classification System. NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects.

Canadian standards, including NI 43-101, differ significantly from the requirements of the United States Securities and Exchange Commission ("SEC"), and resource information contained herein may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, the term "resource" does not equate to the term "reserves". Under U.S. standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. The SEC's disclosure standards normally do not permit the inclusion of information concerning "measured mineral resources", "indicated mineral resources" or "inferred mineral resources" or other descriptions of the amount of mineralization in mineral deposits that do not constitute "reserves" by U.S. standards in documents filed with the SEC. U.S. investors should also understand that "inferred mineral resources" have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an "inferred mineral resource" will ever be upgraded to a higher category. Under Canadian rules, estimated "inferred mineral resources" may not form the basis of feasibility or pre-feasibility studies. Investors are cautioned not to assume that all or any part of an "inferred mineral resource" exists or is economically or legally mineable. Disclosure of "contained ounces" in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in place tonnage and grade without reference to unit measures. The requirements of NI 43-101 for identification of "reserves" are also not the same as those of the SEC. Accordingly, information concerning mineral deposits set forth herein may not be comparable with information made public by U.S. companies subject to the reporting and disclosure requirements of the SEC.