



# WINSHEAR GOLD

## VALUE DISCOVERY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Three Months Ended June 30, 2025

**DATE OF THE REPORT: AUGUST 28, 2025**

This Management's Discussion and Analysis ("MD&A") relates to the financial condition and results of operations of Winshear Gold Corp. ("Winshear" or the "Company") together with its subsidiaries as of the date of the report. The MD&A is intended to supplement and complement the Company's condensed consolidated interim financial statements for the three months ended June 30, 2025 (the "Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements including International Accounting Standard 34 – Interim Financial Reporting. Readers are encouraged to consult the Company's audited consolidated financial statements for the year ended March 31, 2025, and the corresponding notes to the financial statements, which are available on SEDAR at [www.sedar.com](http://www.sedar.com). The information contained within this MD&A is current to the date of the report and all figures are stated in Canadian dollars unless otherwise noted.

**OVERVIEW**

The Company's principal business activities are the identification, acquisition and exploration of mineral properties. In May 2025, the Company entered into an agreement to earn a 100% interest in the Thunder Bay Gold project in NW Ontario and in August 2025 the Company entered into an agreement to earn a 100% interest in the Portsoy nickel – copper – cobalt project, located in Aberdeenshire, NE Scotland. In April 2025, the Company decided to relinquish its projects in Peru.

The Company's outstanding common shares are listed on the Toronto Venture Stock Exchange (the "TSXV") under the symbol "WINS-V".

**HIGHLIGHTS AND DEVELOPMENTS**

- *On April 11, 2025, the Company relinquished the Peru properties to Palamina.*
- *On May 20, 2025, the Company entered into an agreement whereby the Company can earn 100% interest in the Thunder Bay Gold project*
- *On June 9, 2025, Mr. Andrew Thomson, CEO and Director of Palamina, resigned from the Company's board of directors.*
- *On June 24, 2025, the Company closed a non-brokered private placement of 12,633,333 Units for gross proceeds of \$758,000.*
- *On July 15, 2025, Mr. Andrew MacRitchie, CFO of Skeena Resources Limited, was appointed to the Company's board of directors. The Company also, granted 250,000 stock options to Andrew. The options have an exercise price of \$0.13, vest quarterly over twelve months, and expire July 25, 2030.*



- *On July 17, 2025, the Company received final approval from the TSXV for its option agreement in the Thunder Bay Gold Project. The Company has issued 200,000 shares each to the vendors.*
- *On August 7, 2025, the Company entered into an agreement with Peak Nickel Limited. whereby the Company can earn 100% interest in the Portsoy project (subject to the approval of the TSXV).*

## PERU EXPLORATION FOCUS

Readers are advised to read the Company's previous MD&As for more detail on the activities in Peru. On September 19, 2019, the Company acquired the Gaban gold project and the Tinka iron oxide copper-gold project ("IOCG"), both located in Peru, from Palamina Corp. ("Palamina").

On April 11, 2025, the Company relinquished the Peru properties back to Palamina.

## GABAN GOLD PROJECT

The Gaban Property covers an area of 15,629 hectares surrounding the town of San Gaban in the Puno orogenic gold belt.

### Drill Program

In June 2024, the Company initiated a field program that included rehabilitating an access road to the Coritiri target, constructing a staging field camp, and purchasing of equipment such as personal protective gear, satellite communication devices, and tools for the crews to commence road work was completed. A local work force was hired to clean the old workings, sample sites, and the upper part of the camp access road.

Work on the Gaban project during the year ended March 31, 2025 included the completion of four diamond drill holes totalling 1,005m from two drill sites 100m apart. The drill holes intersected numerous gold-bearing fracture zones hosting oxidized sulphides with variable amounts of quartz veinlets.

Highlights from the drilling include:

- 4m grading 3.78 g/t Au from 93m, including 1m grading 14.74g/t Au in hole Gaban 24-02;
- 21m grading 1.29 g/t Au from 102m in hole Gaban 24-02;
- 4m grading 5.04g/t Au from 189m in hole Gaban 24-04

\*Intervals were derived with a cutoff of 0.10 g/t Au grade. Maximum internal dilution of 1m was applied for all drill holes, except for the 21m intercept where a 2m internal dilution was applied.

Assaying of drill core from the drill program consisted of 647 split core samples of which 433 range in grade from trace to less than 0.05 g/t Au, 77 samples returned grades ranging from 0.05 to 0.50 g/t

Au and 19 samples ranging from 0.5 to 14.7 g/t Au.

The Company decided to relinquish the Gaban and Ica projects in Peru, offering to transfer them back to Palamina. The decision was driven by limited investor interest in the results of the 2024 Gaban drill program, local community concerns, and challenging logistical environment.

### ICA IRON-OXIDE-COPPER-GOLD PROJECT

The ICA IOCG project is an early-stage exploration target that covers an area of 2,933 hectares. It is located 45km southeast of the town of Ica at an elevation of 2,000m and is 300km southeast of Lima along the Pan-American highway.

Further internal evaluation of the ICA project with the help of historical reports on previous drilling by third party operators and historical ground geophysics outlined a limited narrow potential for the gold-copper veins on the western section of project area. Discontinuous high grade Cu zones with oxides and sulphides are evident in the small scale workings being exploited by the local miners. However, historical drilling on the IOCG mantos combined with magnetic geophysical maps of the area, did not show significant potential for a large tonnage IOCG style deposit, though discontinuous high grade Cu zones with oxides and sulphides are evident in the small scale workings being exploited by the local miners. Based on additional internal assessments of the ICA project's prospectivity, the Company decided to return the project to Palamina.

### THUNDER BAY GOLD PROJECT

On May 22, 2025, the Company entered into an agreement with a group of vendors (the "Vendors") to earn a 100% interest in the Thunder Bay Gold Project, located immediately northeast of Thunder Bay, Ontario. To earn 100% interest, the Company must complete the following:

- a) issue 1,000,000 common shares of the Company over a four-year period as follows: 200,000 shares upon receipt of TSXV approval (issued July 25, 2025), and 200,000 shares on each of the first, second, and third anniversaries of the TSXV approval receipt (the "Four Year Period"); and
- b) spend \$2,000,000 on exploration at the Thunder Bay Gold Project over the Four Year Period, with a minimum expenditure of \$250,000 within the first six months and additional expenditures of \$250,000 by the second anniversary, \$500,000 by the third anniversary, and \$1,000,000 by the fourth anniversary.

Upon completion of the earn-in agreement, the Vendors will retain a 2% net smelter returns royalty ("NSR") on the Thunder Bay Gold Project. The Company has the right to purchase 50% of the NSR during the Four Year Period for \$5,000,000.

Additionally, the Company will pay \$50,000 in cash and/or in shares at the Company's election on the fifth to ninth anniversaries of the TSXV approval of July 17, 2025 and \$60,000 on the tenth to fourteenth anniversaries of the TSXV approval. Any advance royalty payments will be deducted from the purchase price of the remaining royalty. If the Company elects not to purchase the remaining royalty before the

15th anniversary of the TSXV approval, the Company will pay \$500,000 to the Vendors.

On May 21, 2025, the Company engaged Fladgate Explorations out of Thunder Bay, a company with extensive experience in every aspect of the technical side of an exploration program including logistics, camp set up, ice road construction, soil and till sampling, stripping and trenching, core cutting & sample preparation and health & safety planning & compliance.

A geochemical reconnaissance sampling program began on May 26, 2025 consisting of the collection of approximately 170 till samples, 300 prospecting samples and 100 whole rock argillite samples. The program is designed as an initial regional scale sampling program to broadly test for gold and other potentially economic minerals transported down ice in the tills. It is expected that the results will guide more detailed sampling programs and outline areas of interest for further geophysics follow-up.

#### PORTSOY NICKEL-COPPER-COBALT PROJECT

On May 13, 2025, the Company entered into a Confidentiality and Exclusivity Agreement and paid Peak Nickel Limited ("Peak") a £50,000 (\$95,074) non-refundable cash payment. In return, the Company received certain data and a two month exclusivity period to enter into a property option agreement for the Portsoy Project.

On August 7, 2025, the Company entered into agreement with Peak to acquire a 100% interest on the Portsoy Nickel – Copper – Cobalt project, located in Aberdeenshire, Scotland.

To earn 100% interest in the Portsoy Project, the Company must complete the following:

- Upon receipt of TSX-V approval, the Company commits to completing 1,000 metres of drilling;
- Spend a total of £3,000,000 on the Portsoy Project within five years of receipt of TSX-V approval, with a minimum spend of £300,000 per year;
- Issue a total of 6,500,000 common shares of the Company to Peak over a five-year period, as follows; 1,000,000 shares on each of the first, second, third and fourth anniversaries of receipt of TSX-V approval, and 2,500,000 shares on the fifth anniversary of TSX-V approval;
- Upon completion of the earn-in, Peak would retain a 1% NSR capped at £10 million;
- In the event the Portsoy Project is acquired by a third party after the Company has completed the earn-in, Peak would receive 10% of the cash/share value paid to the Company, capped at £10 million;
- In the event the agreement with Peak is assigned to a third party prior to the Company completing the earn-in, Peak would retain an uncapped 1% NSR;
- The Company will retain a right of first refusal in the event Peak Nickel wishes to sell the royalty.

Peak will be the designated contractor for the first two years of the exploration program, during which it will be subject to the control and direction of the Management Committee, which is controlled by the Company. The Company has the right to take over the designated contractor position upon the payment of £100,000 to Peak.

The Company paid Peak £65,000 upon the execution of the agreement.

## PRIVATE PLACEMENT FINANCING

On June 24, 2025, the Company closed a non-brokered private placement (the "Private Placement") of 12,633,333 units for gross proceeds of \$758,000. Each unit was comprised of one common share and one half of one share purchase warrant, with each full Warrant providing the holder with the right to purchase one Share at a price of \$0.12 until June 24, 2027 (a "Warrant"). Finder fees of \$20,340 and 339,000 Warrants were paid on certain subscriptions. Proceeds from the 2025 Private Placement will be used to fund exploration of the Thunder Bay Gold Project and for general working capital.

## CHANGE IN BOARD OF DIRECTORS

On June 3, 2025, Andrew Thomson resigned from the Company's board of directors.

On July 14, 2025, Mr. Andrew MacRitchie joined the Company's board of directors. Mr. MacRitchie is a Chartered Professional Accountant with over 25 years of leadership experience in publicly listed exploration and mining companies. He has played a key role in raising more than \$1.5 billion in capital for these organizations. Mr. MacRitchie serves as the Chief Financial Officer of Skeena Resources.

## QUARTERLY RESULTS

Three Months Ended:	Jun.30, 2025	Mar. 31, 2025	Dec. 31, 2024	Sept. 30, 2024
Exploration	\$ 320,571	\$ 235,690	\$ 470,402	\$ 439,297
Filing & transfer agent fees	5,938	3,369	6,783	4,327
Professional fees	27,625	37,530	34,482	49,624
Marketing	12,854	37,513	45,755	3,753
General & administration	17,498	14,419	16,569	12,611
Salaries and consulting	84,042	93,860	98,000	91,500
Share-based payment	22,135	43,073	83,083	37,305
Loss before other income	(490,663)	(465,454)	(803,658)	(673,381)
Interest income	6,374	2,829	13,648	10,785
Foreign exchange (loss) gain	(62,107)	991	107,569	(39,360)
(Loss) gain on investments	(375)	(6,750)	4,500	(750)
Net and comprehensive loss	\$ (546,771)	\$ (468,384)	\$ (677,941)	\$ (702,706)
Basic and diluted loss per share	\$ (0.02)	\$ (0.01)	\$ (0.02)	\$ (0.02)
Cash	\$ 1,581,525	\$ 1,363,845	\$ 1,662,958	\$ 2,207,528
Total assets	\$ 1,648,783	\$ 1,429,551	\$ 1,732,910	\$ 2,286,200

Three Months Ended:	Jun.30, 2024	Mar. 31, 2024	Dec. 31, 2023	Sept. 30, 2023
Exploration	\$ 200,197	\$ 90,727	\$ 71,022	\$ 102,979
Filing & transfer agent fees	5,318	14,146	28,502	5,375
Professional fees	12,400	96,922	763,141	37,281
Marketing	3,584	85,165	18,835	3,683
General & administration	35,380	16,102	32,115	13,551
Salaries and consulting	91,500	9,084	280,511	9,586
Share-based payment	-	-	646	3,698
Loss before other income	(354)	(312,146)	(1,194,772)	(176,153)
Interest income	24,393	23,430	119,216	-
Foreign exchange gain (loss)	30,045	76,644	130,019	(2,753)
Loss on investments	-	-	-	(1,500)
Gain on settlement	-	215,891	25,256,084	-
Net and comprehensive (loss) income	\$ (299,806)	\$ 3,819	\$ 24,310,547	\$ (180,406)
Basic (loss) income per share	\$ (0.01)	\$ 0.00	\$ 0.83	\$ (0.00)
Diluted (loss) income per share	\$ (0.01)	\$ 0.00	\$ 0.81	\$ (0.00)
Cash	\$ 3,014,240	\$ 3,149,066	\$ 3,209,282	\$ 240,998
Total assets	\$ 3,065,473	\$ 3,414,675	\$ 3,325,862	\$ 326,146

During the three months ended June 30, 2025, the Company incurred a \$546,771 loss, which was mainly due to a £50,000 (\$95,074) non-refundable cash payment paid to Peak for entering into a Confidentiality and Exclusivity Agreement and the geochemical analysis program conducted on the Thunder Bay project.

During the three months ended March 31, 2025, the Company incurred a \$468,384 loss, which was mainly due to the demobilization from the Peru properties post-drilling and ongoing administrative and exploration costs incurred during this period.

During the three months ended December 31, 2024, the Company incurred a \$677,941 loss, which was mainly due to drilling expenditures for the Gaban property.

During the three months ended September 30, 2024, the Company incurred a \$702,706 loss, which was mainly due to the \$135,630 annual payment for its annual royalty payment for the Gaban and ICA properties.

During the three months ended June 30, 2024, the Company incurred a \$299,806 loss, which was mainly due to \$94,551 in annual mineral concession fees for its Peru properties.

During the three months ended March 31, 2024, in addition to recognizing an additional gain on the settlement, the Company recognized a foreign exchange gain and interest income on U.S. dollars held from the net proceeds of the settlement with the Government of Tanzania. Together, these offset the exploration and other costs for the quarter.

During the three months ended December 31, 2023, the Company recognized a gain from the settlement with the Government of Tanzania of \$25,256,084. Offsetting this gain was an increase in professional fees due to the settlement, return of capital, and share consolidation as well as an increase in salaries and consulting fees from bonuses paid to employees, directors, and officers after the settlement.

During the three months ended September 30, 2023, the Company incurred a \$180,406 loss, which was mainly due to the \$67,715 annual royalty payment to Palamina for its Peru properties.

Cash and total assets increased December 31, 2023 from September 30, 2023 from the net proceeds from the settlement with the Government of Tanzania. Cash and total assets decreased to March 31, 2025 due to the Company's administrative and exploration costs incurred during this period. Cash and total assets increased June 30, 2025 from March 31, 2025 due to the Private Placement.

*Details of the Company's exploration and evaluation expenditures are as follows:*

	Peru: Gaban	Canada: Thunder Bay	UK: Portsoy	For the three months ended June 30, 2025
Environmental monitoring	\$ -	\$ -	\$ 13,665	\$ 13,665
Exclusivity payment	-	-	95,074	95,074
Field expenses & consumables	5,920	-	-	5,920
Geochemical analysis	-	92,781	-	92,781
Salaries & wages	7,229	-	-	7,229
Staking	-	68,050	-	68,050
Transportation & travel	3,428	19,010	-	22,438
Exploration office expenses	15,414	-	-	15,414
<b>Total</b>	<b>\$ 31,991</b>	<b>\$ 179,841</b>	<b>\$ 108,739</b>	<b>\$ 320,571</b>





	Peru: Gaban	Peru: ICA	For the three months ended June 30, 2024
Field expenses & consumables	\$ 44,687	\$ 835	\$ 45,522
License fees	80,871	13,680	94,551
Salaries & wages	25,876	-	25,876
Transportation & travel	10,541	672	11,213
Exploration office expenses	28,079	821	28,900
<b>Total</b>	<b>\$ 190,054</b>	<b>\$ 16,008</b>	<b>\$ 206,062</b>

## LIQUIDITY AND CAPITAL RESOURCES

### *Summary of cash position and changes in cash:*

	Three months ended June 30, 2025	Three months ended June 30, 2024
Cash flows used in from operating activities	\$ (450,978)	\$ (103,859)
Cash flows from financing activities	732,370	-
Effect of foreign exchange on cash	(63,712)	(30,967)
Net change	217,680	(134,826)
Cash – beginning of period	1,363,845	3,149,066
Cash – end of period	\$ 1,581,525	\$ 3,014,240

As of June 30, 2025, the Company had a working capital of \$1,450,830 compared to working capital of \$1,254,016 as of March 31, 2025. The increase in working capital resulted from the Private Placement, offset by operating losses for the period.

Cash flows used in operations during the three months ended June 30, 2025, was higher compared to June 30, 2024 due to increased exploration activities for Thunder Bay and Peak Nickel.

Cash flows from financing activities during the three months ended June 30, 2025, was from the Private Placement.

### Going concern

The Financial Statements and financial results discussed herein of the Company were prepared assuming Winshear will continue on a going concern basis. As a result of working capital of \$1,450,830 as of June 30, 2025 (March 31, 2025 - \$1,254,016) and continuing operating losses, the continuance of the Company's operations is dependent on obtaining sufficient additional financing to realize recoverability of the Company's investments in its mineral exploration properties, which is dependent upon the existence of economically recoverable reserves and market prices for the underlying minerals.

### Capital Management

The Company manages its capital structure based on the funds available to the Company in order to support the acquisition and exploration of exploration and evaluation assets. The Board of Directors

does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as components of shareholders' equity.

The properties in which the Company currently has an interest are in the exploration stage and are not generating positive cash flow; as such, the Company has historically relied on the equity markets to fund its activities.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions.

There was no change to the Company's approach to capital management during the three months ended June 30, 2025.

## SHAREHOLDER'S EQUITY

The Company is authorized to issue an unlimited number of common shares without par value.

As of June 30, 2025 there were 44,051,965 common shares outstanding.

As of the Date of this Report there were 44,251,965 common shares outstanding after the issuance of the 200,000 shares for the acquisition of the Thunder Bay project.

### Stock options

The Company has adopted a stock option plan (the "Stock Option Plan"). The Company may grant share options to eligible employees, officers, directors and consultants at an exercise price, expiry date, and vesting conditions to be determined by the Company's board of directors. The maximum expiry date is ten years from the grant date. The Stock Option Plan permits the issuance of stock options which may not exceed 10% of the Company's issued common shares as at the date of grant.

On July 25, 2025, the Company granted 250,000 stock options to a director. Each option has an exercise price of \$0.13, vest quarterly over twelve months, and expire July 25, 2030.

*A summary of the Company's stock options and the changes during the period are as follows:*

	Number of options	Weighted-average exercise price (\$)
Balance — March 31, 2024	-	-
Issued	2,100,000	0.13
Balance – March 31, 2025	2,100,000	0.13
Cancelled	(62,500)	0.13
Balance – June 30, 2025	2,037,500	0.13
Issued	250,000	0.13
Expired	(187,500)	0.13
Balance – Date of Report	<b>2,100,000</b>	0.13

*A summary of the Company's stock options as of June 30, 2025 is as follows:*

Number of options	Vested	Exercise price \$	Expiry Date
2,037,500	1,575,000	0.13	August 27, 2029

*A summary of the Company's stock options as of the Date of this Report is as follows:*

Number of options	Vested	Exercise price \$	Expiry Date
250,000	-	0.13	July 25, 2030
1,850,000	1,850,000	0.13	August 27, 2029

## Share Purchase Warrants

*A summary of the Company's warrants and the changes during the period are as follows:*

	Number of warrants	Shares to be issued upon exercise of the warrants	Weighted-average exercise price (\$)
Balance – March 31, 2024	5,000	5,000	0.60
Expired	(5,000)	(5,000)	0.60
Balance – March 31, 2025	-	-	-
Private Placement	6,316,667	6,316,667	0.12
Finder Warrants	339,000	339,000	0.12
Balance – June 30, 2025 and Date of this Report	<b>6,655,667</b>	<b>6,655,667</b>	<b>0.12</b>

*A summary of the Company's warrants as of the June 30, 2025 and Date of this Report is as follows:*

Number of warrants	Exercise price \$	Expiry Date
6,655,667	0.12	June 24, 2027

## RELATED PARTY TRANSACTIONS

The Company's related parties include its subsidiaries and key management personnel which include officers, directors, or companies with common directors of the Company. Transactions with related parties for goods and services are made on normal commercial terms and are considered to be at arm's length.

*The Company entered into the following transactions with its key management:*

	Three months ended June 30, 2025	Three months ended June 30, 2024
Salary & consulting fees	\$ 69,000	\$ 91,500
Share based payment	21,608	-
Exploration costs	-	6,775
Professional fees	41,322	7,258

1. During the three months ended June 30, 2025, the Company paid Stewart Lockwood for Corporate Secretary legal services

### Exploration costs

As a result of acquiring the Peru mineral properties from Palamina and having directors in common with the Company, Palamina became a related party. At June 30, 2025, the Company owed Palamina \$nil (March 31, 2025 - \$8,041) as reimbursement for shared exploration expenditures incurred on the Peru mineral properties. The amounts due are included in accounts payable and are non-interest-bearing, unsecured, and due on demand.

### Professional fees

The Company incurs legal fees with an officer of the Company. As of June 30, 2025, the Company owed this related party \$41,322 (March 31, 2025 - \$5,840). The amounts due are non-interest bearing, unsecured, and due on demand.

## FINANCIAL INSTRUMENTS

### Financial Assets and Liabilities

The Company's financial assets are classified as follows:

Cash:	Amortized cost
Receivables:	Amortized cost
Investments:	Fair value through profit or loss

The Company's financial liabilities, which consist of trade and other payables, are classified as amortized cost.

### Fair Value Hierarchy

Financial instruments measured at fair value are classified into one of three levels in fair value hierarchy according to the relative reliability of inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1: Unadjusted quote prices in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly
- Level 3: Inputs that are not based on observable market data

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, accounts receivable, investments, and trade and other payables. The fair value of investments is measured on the statement of financial position using Level 1 of the fair value hierarchy. The fair value of cash, receivables and trade and other payables approximate their book values due to the short-term nature of these instruments.

### Credit risk

The Company is exposed to industry credit risks arising from its cash and receivables. The Company manages credit risk by holding the majority of its cash with major Canadian financial institutions. The Company's receivables are due from the Federal Government of Canada and Peru. Management believes that credit risk related to these amounts is nominal.

### Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company has in place a planning and budgeting process to help determine the funds required to support the Company's operating requirements on an ongoing basis and assess available and required sources of additional capital and financing. As of June 30, 2025, the Company has working capital of \$1,450,830 (March 31, 2025 - \$1,265,311).

### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any significant financial instruments with interest rates, with the exception of cash. Interest earned on cash is based on prevailing bank account interest rates, which may fluctuate. A 10% change in interest rates would result in a nominal difference for the year ended March 31, 2025.

### Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and trade and other payables that are denominated in United States Dollars. Amounts subject to currency risk are primarily

cash and receivables denominated in foreign currencies, which are offset by the trade and other payables denominated in that foreign currency.

#### Price risk

The Company has exposure to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings or valuation of its investments due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company monitors the price of precious metals.

### RISKS TO WINSHEAR

The primary risk factors affecting the Company are set forth below.

#### Exploration Stage Company

The Company is an exploration stage company and cannot give assurance that a commercially viable deposit, or "reserve," exists on any properties for which the Company currently has or may have (through potential future joint venture agreements or acquisitions) an interest. Therefore, the determination of the existence of a reserve depends on appropriate and sufficient exploration work and the evaluation of legal, economic, and environmental factors. If the Company fails to find a commercially viable deposit on any of its properties, its financial condition and results of operations will be materially adversely affected.

#### Mineral Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of processing facilities, mineral markets and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part, be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized

deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Substantial expenditures are required to establish ore reserves through exploration and drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities and grades to justify commercial operations or that funds required for development can be obtained on a timely basis. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results.

Short-term factors relating to reserves, such as the need for the orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and the results of operations. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

#### Competition and Mineral Exploration

The mineral exploration industry is intensely competitive in all of its phases, and the Company must compete in all aspects of its operations with a substantial number of large established mining companies with greater liquidity, greater access to credit and other financial resources, newer or more efficient equipment, lower cost structures, more effective risk management policies and procedures and/or greater ability than the Company to withstand losses. The Company's competitors may be able to respond more quickly to new laws or regulations or emerging technologies or devote greater resources to the expansion of their operations than the Company can. In addition, current and potential competitors may make strategic acquisitions or establish cooperative relationships among themselves or with third parties. Competition could adversely affect the Company's ability to acquire suitable new producing properties or prospects for exploration in the future. Competition could also affect the Company's ability to raise financing to fund the exploration and development of its properties or to hire qualified personnel. The Company may not be able to compete successfully against current and future competitors, and any failure to do so could have a material adverse effect on the Company's business, financial condition or results of operations.

#### Limited Operating History

The Company has a limited operating history, and its mineral properties are exploration stage properties. As such, the Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. The current state of the Company's mineral properties requires significant additional expenditures before any cash flow may be generated. Although the Company possesses an experienced management team, there is



no assurance that the Company will be successful in achieving a return on shareholders' investment, and the likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. There is no assurance that the Company can generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

#### Negative Cash Flow from Operating Activities

The Company has no history of earnings and with the exception of the settlement from the Government of Tanzania, has negative cash flow from operating activities since inception. The Company's mineral properties are in the exploration stage, and there are no known mineral resources or reserves and the proposed exploration programs on the Company's mineral properties are exploratory in nature. Significant capital investment will be required to achieve commercial production from the Company's existing projects. There is no assurance that any of the Company's mineral properties will generate earnings, operate profitably or provide a return on investment in the future. Accordingly, the Company will be required to obtain additional financing to meet its future cash commitments.

#### Going Concern Risk

The Financial Statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the identification and successful completion of equity or debt financings and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing equity or debt financings or in achieving profitability. The Financial Statements do not give effect to any adjustments relating to the carrying values and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

#### Additional Funding

The exploration and development of the Company's mineral properties will require substantial additional capital. When such additional capital is required, the Company will need to pursue various financing transactions or arrangements, including joint venturing of projects, debt financing, equity financing or other means. Additional financing may not be available when needed or, if available, the terms of such financing might not be favourable to the Company and might involve substantial dilution to existing shareholders. The Company may not be successful in locating suitable financing transactions in the time period required or at all. A failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition and results of operations. Any future issuance of securities to raise required capital will likely be dilutive to existing shareholders. In addition, debt and other debt financings may involve a pledge of assets and may be senior to interests of equity holders. The Company may incur substantial costs in pursuing future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. The ability to obtain needed financing may be impaired by such factors as the capital markets (both generally and in the gold and copper industries in particular),



the Company's status as a new enterprise with a limited history, the location of the Company's mineral properties, the price of commodities and/or the loss of key management personnel.

### Government or Regulatory Approvals

Exploration and development activities are dependent upon the grant of appropriate licenses, concessions, leases, permits and regulatory consents, which may be withdrawn or made subject to limitations. There is no guarantee that, upon completion of any exploration, a mining license will be granted with respect to exploration territory. There can also be no assurance that any exploration license will be renewed, or if so, on what terms. These licenses place a range of past, current and future obligations on the Company. In some cases, there could be adverse consequences for breach of these obligations, ranging from penalties to, in extreme cases, suspension or termination of the relevant license or related contract.

### Permits and Government Regulation

The future operations of the Company may require permits from various federal, state, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protection, mine safety and other matters. Although Canada and the UK currently have favourable legal and fiscal regimes for exploration and mining, possible future government legislation, policies and controls relating to prospecting, development, production, government royalties, environmental protection, mining taxes and labour standards could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before development and production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance, with changes in governmental regulations, has the potential to reduce the profitability of operations. The Company is currently in compliance with all material regulations applicable to its exploration activities.

### Laws and Regulation

The Company's exploration activities are subject to extensive federal, state, provincial and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters in all the jurisdictions in which it operates. These laws and regulations are subject to change, can become more stringent, and compliance can, therefore, become more costly. The Company applies the expertise of its management, advisors, employees and contractors to ensure compliance with current laws.

### Environmental Risks

The Company's exploration and/or development activities are subject to extensive laws and regulations governing environmental protection. The Company is also subject to various reclamation-related conditions. Although the Company closely follows and believes it is operating in compliance with all applicable environmental regulations, there can be no assurance that all future requirements will be

deliverable for reasonable terms. Failure to comply may result in enforcement actions causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures. Intense lobbying over environmental concerns by non-governmental organizations has caused some governments to cancel or restrict the development of mining projects. Current publicized concern over climate change may lead to carbon taxes, requirements for carbon offset purchases or new regulation. The costs or likelihood of such potential issues to the Company cannot be estimated at this time.

The legal framework governing this area is constantly developing; therefore, the Company is unable to fully ascertain any future liability that may arise from the implementation of any new laws or regulations, although such laws and regulations are typically strict and may impose severe penalties (financial or otherwise). The proposed activities of the Company, as with any exploration, may have an environmental impact, which may result in unbudgeted delays, damage, loss and other costs and obligations including, without limitation, rehabilitation and/or compensation. There is also a risk that the Company's operations and financial position may be adversely affected by the actions of environmental groups or any other group or person opposed in general to the Company's activities and, in particular, the proposed exploration and mining by the Company within Peru.

#### Dependence on Management and Key Personnel

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business. As the Company's business activity grows, the Company will require additional key financial, administrative and mining personnel as well as additional operations staff. There can be no assurance that these efforts will be successful in attracting, training and retaining qualified personnel as competition for people with these skill sets increase. If the Company is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on the Company's operations and financial condition.

#### Material Contract Obligations

The agreements pursuant to which the Company acquired its interest in its properties provide that the Company must make a variety of payments in cash over certain time periods and maintain the properties in good standing. If the Company fails to make such payments or expenditures in a timely fashion, the Company may lose its interest in one or more of the properties.

#### ADDITIONAL INFORMATION

Additional information relating to the Company is available on the SEDAR website at [www.sedar.com](http://www.sedar.com) and the Company's website at [www.winshear.com](http://www.winshear.com).

## CAUTIONARY STATEMENTS

### Forward-looking Information

All statements in this MD&A, other than statements of historical fact, are "forward-looking statements" or "forward looking information" with respect to the Company within the meaning of applicable securities laws, including statements that address the impact of general business and economic conditions, the use of proceeds of any financings, and timing of exploration and development plans. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "planned", "expect", "project", "predict", "potential", "targeting", "intends", "believe", and similar expressions, or describes a "goal", or variation of such words and phrases or state that certain actions, events or results "may", "should", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management at the date the statements are made including, among others, assumptions regarding timing of exploration and development plans at the Company's mineral projects; timing and completion of proposed financings; the release of an initial resource report on any of our properties; assumptions about future prices of gold, copper, silver, and other metal prices; currency exchange rates and interest rates; metallurgical recoveries; favourable operating conditions; political stability; obtaining governmental approvals and financing on time; obtaining renewals for existing licenses and permits and obtaining required licenses and permits; labour stability; stability in market conditions; availability of equipment; accuracy of historical information; successful resolution of disputes and anticipated costs and expenditures. Many assumptions are based on factors and events that are not within the control of the Company, and there is no assurance they will prove to be correct.

Such forward-looking information involves known and unknown risks, which may cause the actual results to be materially different from any future results expressed or implied by such forward-looking information, including, but not limited to, the cost, timing and success of exploration activities generally, including the development of new deposits; possible variations in grade or recovery rates; failure of equipment or processes to operate as anticipated; the failure of contracted parties to perform; uses of funds in general including future capital expenditures, exploration expenditures and other expenses for specific operations; the timing, timeline and possible outcome of permitting or license renewal applications; government regulation of exploration and mining operations; environmental risks; the uncertainty of negotiating with foreign governments; expropriation or nationalization of property without fair compensation; adverse determination or rulings by governmental authorities; delays in obtaining governmental approvals; possible claims against the Company; the impact of archaeological, cultural or environmental studies within property areas; title disputes or claims; limitations on insurance coverage; the interpretation and actual results of historical operators at certain of our exploration properties; changes in project parameters as plans continue to be refined; current economic conditions; future prices of commodities; and delays in obtaining financing. The Company's forward-looking information reflect the beliefs, opinions and projections on the date the statements are made. The Company assumes no obligation to update forward-looking information or beliefs, opinions, projections, or other factors, should they change, except as required

by law.

#### Scientific and Technical Information

Scientific and technical information presented in this MD&A above has been approved by J. Patricio Varas, P. Geo., Winshear's President and a qualified person who by reason of education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, fulfills the requirements of a Qualified Person as defined in NI 43-101.