

Teako Minerals Corp. (formerly 1111 Exploration Corp.)
Management's Discussion & Analysis
January 31, 2023

MANAGEMENT'S DISCUSSION & ANALYSIS

The following Management's Discussion & Analysis ("MD&A") of Teako Minerals Corp. (formerly 1111 Exploration Corp.) (the "Company", or "Teako") for the year ended January 31, 2023, should be read in conjunction with the Company's financial statements for the year then ended. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All monetary amounts in this MD&A are expressed in Canadian dollars, unless otherwise indicated.

The information contained herein is presented as at **March 14, 2023** (the "**MD&A Date**"), unless otherwise indicated.

For the purposes of preparing this MD&A, Management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

QUALIFIED PERSON

Robert Cameron, P.Geol., CEO and Director of the Company, is a qualified person as defined by National Instrument ("NI") 43-101 – *Standards of Disclosure for Mineral Projects* and has approved the scientific and technical information and disclosure contained in this document.

Data Verification: All technical data presented herein is either accompanied by a reference to the original public disseminated news release which contains the detailed QA/QC data for the data, or the QA/QC is presented here. Historical data is, when referenced as such, treated as valid for exploration purposes only by the Company following review by Qualified Persons Robert Cameron P.Geol. and Kristian Whitehead P.Geol. Project data is further verified by the NI 43-101 Technical Report dated July 21, 2021 authored by Richard J. Haslinger, P.Eng and posted on SEDAR under the Company's filings.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements"), within the meaning of applicable Canadian securities laws, which are based upon the Company's current internal expectations, estimates, projections, assumptions, and beliefs. All information, other than statements of historical facts, included in this MD&A that addresses activities, events or developments that the Company expects or anticipates will or may occur in the future is forward-looking information. Such statements can be identified by the use of forward-looking terminology such as "expect", "likely", "may", "will", "should", "intend", or "anticipate", "potential", "proposed", "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussions of strategy. Forward-looking statements include estimates, exploration plans, expectations, forecasts, guidance, or other statements that are not statements of fact. Such forward-looking statements are made as of the date of this MD&A and, except as required by law, the Company is under no obligation to update or alter any forward-looking information.

Forward-looking statements in this MD&A may include, but are not limited to, statements with respect to: the use of the net proceeds from financings; the performance and results from the Company's exploration programs; the intention to complete exploration programs, regulatory changes; the competitive conditions of the industry and the Company's competitive position in the industry; the Company's business plans and strategies; the anticipated benefits of the Company's option partners and/or joint venture opportunities; the applicable laws, regulations and any amendments thereof; and any anticipated future exploration results.

Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The Company cannot guarantee future results, levels of exploration and drilling activities, performance, or achievements. There are risks, uncertainties, and other factors, some of which are beyond the Company's control, which could cause actual results, performance, or achievements of the Company, as applicable, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements contained in this MD&A. Refer to "Risks and Uncertainties" below for details of certain risks.

DESCRIPTION OF BUSINESS

Teako Minerals Corp. (formerly 1111 Exploration Corp.) (the "Company") was incorporated in British Columbia under the provisions of the British Columbia Business Corporations Act on February 21, 2020 as 1111 Acquisition Corp., then changed its name on August 3, 2021, to 1111 Exploration Corp., and subsequently changed its name to Teako Minerals Corp., on February 17, 2023. The Company's registered and records office address is 1100 – 1111 Melville Street, Vancouver BC V6E 3V6.

The Company's common shares trade on the Canadian Securities Exchange ("CSE" or the "Exchange") under the symbol "TMIN", effective March 3, 2023. The Company's common shares formerly traded under the symbol "ELVN".

The Company's principal business activity is the acquisition, exploration and evaluation of mineral property interests located in Canada. The Company is in the process of exploring its mineral property interests in British Columbia and has not yet determined whether they contain mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, obtaining the necessary permits to mine, and on future profitable production or proceeds from the disposition or option of the mineral property interests. The carrying amounts of mineral property interests are based on costs incurred to date and do not necessarily represent present or future values.

MINERAL PROPERTY INTERESTS

Pinnacle Property

Summary of Option Agreement

On August 25, 2020 and as amended on August 26, 2022, the Company entered into an Option Agreement to earn a 70% interest in the copper-gold Pinnacle property from Pacific Empire Minerals Corp. ("PEMC"). Under the terms of the agreement, the Company can earn a 70% interest in the property by making total cash payments to PEMC of \$460,000, issuing a total of 3,800,000 common shares to PEMC, and incurring total exploration expenditures of \$3,000,000, collectively, staged over a period of four years through to August 2026 (the "Earn-In").

To the MD&A Date, the Company has made cash payments totalling \$75,000, has issued 500,000 common shares to PEMC, and has incurred approximately \$319,000 in exploration expenditures, since fiscal 2021.

Following the Earn-In, the Company must make a cash payment of \$50,000 to PEMC (or the equivalent number of common shares) within three years of the Earn-In completion date, and each subsequent anniversary of such date. Additionally, PEMC will retain a 30% free-carried interest in the property up until the date that the Company publishes an NI 43-101 compliant Pre-Feasibility Study ("PFS") on the property. Following completion of the PFS, a Joint Venture will be formed whereby the Company will own a 70% initial interest and PEMC will own a 30% initial interest.

Additionally, upon completion of the Earn-In, PEMC will retain a 2.0% Net Smelter Return Royalty ("NSR") which can be reduced to 1.0% by way of making a \$1,000,000 cash payment to PEMC.

Pinnacle Background

The property covers 15,487 hectares and is in north-central British Columbia, 97 kilometres (km) to the north of the town of Fort St. James and 50 km to the west of Centerra Gold's Mt. Milligan copper-gold mine and 20 km to the southeast of Northwest Copper's Kwanika copper-gold deposit in a proven copper-gold porphyry district.

Geology on the Pinnacle property can be summarized as intermediate volcanics locally intruded by syenitic to dioritic dikes. Previous exploration programs have encountered anomalous copper and gold mineralization that is dominated by pyrite. Alteration assemblages encountered in drilling and associated anomalous gold± copper mineralization suggests the presence of a large porphyry related hydrothermal system. Targeting information has led to the identification of at least two significant target areas.

Recent Exploration Programs

During October 2022, the Company completed an exploration program at the Pinnacle, and Wilcox properties. The work included additional soil sampling, geological mapping, and a drone assisted magnetic surveying at Pinnacle, and soil sampling and mapping at Wilcox. A key objective was expansion of the magnetic survey both northwest and southeast of the core Aplite Creek area. Raw data has been received however compilation and processing is in progress.

The exploration program completed in 2021 was centred on the Aplite Creek prospect and included collection of 173 soil samples of standard B-horizon and 85 samples collected for mobile metal ion sampling (MMI) analysis. A drone UAV (unmanned aerial vehicle) magnetic survey covering an area of 4km by 6km was also completed. In addition, historical core from 2015 and 2017 that had not been completely sampled was analyzed for trace element values to aid geochemical vectoring.

Results were highly elevated for copper and gold and consistent with historical compiled data. Gold values returned a high value of 1,460 parts per billion (ppb) (24 per cent of samples over 20 ppb) and copper values with a high value of 8,010 ppm (26 per cent of samples over 100 ppm and 5 per cent over 1,000 ppm).

This 2021 sampling, combined with previous soil sampling, induced polarization surveys and the current magnetic survey, identified a northwesterly trending area of elevated copper and gold soil geochemistry coincident with magnetic highs and high chargeability over an area of 4km by 1.2 km. The geology comprises dikes and stocks of syenite and monzonite within andesite volcanics. Alteration is dominantly widespread propylitic with localized potassic alteration near and within intrusive rocks. This large area has seen only minor drilling in 1974 and 1990. A second parallel zone to the northeast of similar scale is yet to be fully delineated.

Wilcox Property

During the year ended January 31, 2023, the Company staked additional copper-molybdenum-gold claims known as the Wilcox property. Additionally, it completed a 2-day reconnaissance field program comprised of limited rock sampling and examination of historical occurrences.

The Wilcox property is located within the Cariboo region of British and is approximately 22km northeast of the town of 100 Mile House, BC and 7km north of the hamlet of Forest Grove. It is located completely within the Takomkane Batholith, a late Triassic to early Jurassic, calc-alkaline, granitic batholith within the Quesnel Terrane. The property is centred on a train of chlorite-magnetite+/-quartz veined biotite-hornblende granite and quartz monzonite boulders within a new logging cut. These highly angular boulders are chlorite-magnetite altered with local K-feldspar alteration occurring as haloes around quartz-magnetite veins. Chalcopyrite (and malachite) occurs within quartz-magnetite veins and within mafic sites adjacent to these veins.

OVERALL PERFORMANCE

During the year ended January 31, 2023 and through to the MD&A Date, the Company had the following primary activities:

- Completion of a Summer 2022 field program;
- Compilation and integration of lab analyses of previous drill core and soil samples as well as interpretation of the final UAV Magnetism Survey results relating to the Aplite Ridge area of the Pinnacle property, the receipt of the final report on the airborne geophysics survey completed at Pinnacle, processing and evaluation of soil data from field programs at Pinnacle and Wilcox, and completion of re-permitting for drilling and IP work at Pinnacle;
- Completion of an amendment to the Pinnacle option agreement with PEMC along with a \$35,000 cash payment and issuance of 300,000 common shares to PEMC;
- Staking of the Wilcox property in British Columbia;
- Issuance of 7,843,800 common shares comprising 1,813,000 flow-through shares at \$0.08 each, and 6,030,800 non-flow-through shares at \$0.05 each for aggregate gross proceeds of \$446,580;
- Subsequent issuance (February 2023) of 2,250,000 common shares at \$0.05 each for gross proceeds of \$112,500;
- Subsequent appointments of Advisors (February 2023): Sven Gollan as Manager of Business Development; Andrew Mitchell as Technical Advisor; Jennifer Shaigec as Advisor; Eric Roth as Advisor; Sylvain Laberge as Advisor; and Rob Duncan as Advisor.
- Subsequently executed a definitive agreement with Teako Gold Corp. (February 2023) ("TGC") to acquire a 100% interest in TGC's Teako copper-gold project, and the BQ gold project. In accordance with the definitive agreement the Company issued 21,000,001 common shares to TGC, and made a cash payment of \$20,000. An additional 2,000,000 common shares will be issued to TGC by August 2023 (further described below); and

During the year ended January 31, 2023, the Company generated net cash inflows of approximately \$61,000 (2022 – \$18,000 net use of cash). This was the result of raising approximately \$434,000 through the issuance of common shares through private placements, partially offset by approximately \$126,000 used in operating activities, and approximately \$246,000 used in exploration activities at its mineral properties, and purchase of a reclamation bond.

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During the year ended January 31, 2023, the Company incurred a loss and comprehensive loss of approximately \$141,000 (2022 - \$232,000), inclusive of non-cash income on settlement of flow-through premium liability of approximately \$46,000, which represents the partial reduction in the flow-through premium liability resulting from the Company incurring flow-through eligible expenditures during the year. The Company's operating expenses for the year totalled approximately \$187,000 (2022 - \$249,000).

Subsequent events

On February 10, 2023, the Company completed a private placement comprising the issuance of 2,250,000 common shares at a price of \$0.05 each for gross proceeds of \$112,500.

On February 10, 2023, the Company executed a definitive agreement (superseding a letter of intent signed on January 12, 2022) whereby the Company acquired a 100% interest in the Teako Copper-Gold project ("TGOLD") and the BQ gold project (the "properties") from private company TGC located in northwestern and north-central British Columbia, respectively, (the "Transaction"). Consideration for the Transaction, the Company made a cash payment of \$20,000 and issued 21,000,001 common shares to TGC, with another 2,000,000 common shares of the Company to be issued by August 2023. A total of 12,750,001 common shares will be under an 18-month escrow release, with the remainder of common shares subject to a statutory hold period of four months and one day. The Company also intends to acquire certain reclamation deposits on the properties for \$38,400.

The TGOLD project is subject to a 2% net smelter return ("NSR") royalty whereby one-half of the NSR can be purchased by the Company for \$1,000,000.

Additionally, on February 17, 2023, the Company changed its name to Teako Minerals Corp., and began trading under a new symbol "TMIN" on March 3, 2023.

CHANGE IN BOARD OF DIRECTORS

Effective December 1, 2022, Jerker (Jekku) Tuominen was appointed to the Company's Board of Directors.

SELECTED ANNUAL INFORMATION

The following table sets out selected historical financial information of the Company. Such information is derived from the audited financial statements of the Company.

	January 31,	January 31,	January 31,
	2023	2022	2021
	\$	\$	\$
Revenues	-	-	-
Loss and comprehensive loss	(140,714)	(232,371)	(46,810)
Loss per share - basic and diluted	(0.01)	(0.02)	(0.01)
Cash	323,887	262,819	280,347
Working capital	176,025	161,087	394,097
Total assets	797,199	479,317	480,515
Total liabilities	157,811	104,866	67,918
Shareholders' equity	639,388	374,317	412,597

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DISCUSSION OF OPERATIONS AND FOURTH QUARTER

For the three months and year ended January 31, 2023

The following table summarizes the Company's results of operations and cash flows for the three months and year ended January 31, 2023 (rounded):

	Three months ended	Year ended
	January 31, 2023	January 31, 2023
	\$	\$
Revenue	-	-
Loss and comprehensive loss	(59,000)	(141,000)
Cash used in operating activities	(56,000)	(126,000)
Cash provided by financing activities	228,000	434,000
Cash used in investing activities	(118,000)	(246,000)
Change in cash	54,000	62,000

Cash used by investing activities represents disbursements for current year exploration work the Company's mineral property interests, staking and filing fees, a purchase of a reclamation deposit, and payments of exploration payables outstanding at the previous year end (January 31, 2022).

Certain components of the Company's operating expenses for three months and year ended January 31, 2023, were as follows (rounded):

	Three months ended	Year ended
	January 31, 2023	January 31, 2023
	\$	\$
General and administrative	2,000	10,000
Professional and consulting fees	70,000	159,000
Transfer agent, filing and exchange fees	5,000	15,000

For the year ended January 31, 2023:

- General and administrative is primarily comprised of office rent (approximately \$7,000).
- Professional fees includes approximately \$26,000 in audit and legal fees, and \$100,000 (average of \$8,000 per month) in management fees incurred with insiders of the Company which include accounting and tax, administration, corporate secretarial, corporate development, and executive services. Additionally, approximately \$33,000 was incurred in consulting fees for corporate and business development services.
- Transfer agent, filing and exchange fees includes the cost of annual regulatory filings (approximately \$7,000) as well as monthly Exchange fees, transfer agent services, and other regulatory filing fees.

SUMMARY OF QUARTERLY RESULTS

Period ending	Revenue \$	Loss and comprehensive loss \$	Basic and diluted loss per share \$
January 31, 2023	-	(58,882)	(0.00)
October 31, 2022	-	(19,777)	(0.00)
July 31, 2022	-	(21,252)	(0.00)
April 30, 2022	-	(40,803)	(0.00)
January 31, 2022	-	(41,409)	(0.01)
October 31, 2021	-	(109,906)	(0.01)
July 31, 2021	-	(64,032)	(0.01)
April 30, 2021	-	(17,024)	(0.00)

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Loss and comprehensive loss for the quarters presented above (with the exception of October 31, 2021) were within routine levels for the Company and were fairly reflective of regular operating expenditures and normal course fluctuations.

Loss and comprehensive loss for the quarter ended October 31, 2021 was higher as a result of share-based payments expense recognized in relation to the grant of stock options which vested immediately.

TRANSACTIONS BETWEEN RELATED PARTIES

Key management personnel are those persons that have the authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly. Key management includes executive and non-executive members of the Company's Board of Directors, its Officers, and companies in which they have control or significant influence. The aggregate value of transactions and outstanding balances with related parties are as follows:

	Transactions year ended January 31, 2023 \$	Transactions year ended January 31, 2022 \$	Balances outstanding January 31, 2023 \$	Balances outstanding January 31, 2022 \$
DBM CPA	44,500	40,500	3,412	3,938
Freeform Communications	36,666	16,800	37,000	12,904
Infiniti Drilling	81,634	95,651	-	6,213
Kristian Whitehead	-	-	2,000	2,000
MDS Management	-	-	5,400	5,670
Robert Cameron	25,800	13,200	41,500	15,700
	188,600	166,151	89,312	46,425

The transactions with key management personnel and Directors are included in operating expenses unless otherwise specified as follows:

- (a) General and administrative expenses:
 - Includes office rent charged to the Company by Freeform Communications Inc. ("Freeform Communications") (see below for details of related party relationship).
- (b) Professional and consulting fees:
 - Includes accounting and tax services charged to the Company by Donaldson Brohman Martin, CPA Inc. ("DBM CPA"), a firm in which Dan Martino, CFO of the Company, has significant influence;
 - Includes executive management services provided by Scott Young, a Director of the Company charged to the Company by Freeform Communications; and
 - Includes executive management services of Robert Cameron, CEO and a Director of the Company.

The transactions incurred with Infiniti Drilling Corporation ("Infiniti Drilling") a company that provides geological services are included within exploration. Infiniti Drilling is controlled by Kristian Whitehead, VP Exploration of the Company.

LIQUIDITY AND CAPITAL RESOURCES

The Company's primary source of liquidity has been various rounds of equity financings completed during the years ended January 31, 2023 and January 31, 2022.

As stated in the Company's final non-offering prospectus as filed on SEDAR on August 6, 2021, the Company disclosed the principal purposes for the use of available funds of **\$312,000** within the categories listed in the table below.

From August 6, 2021 to April 30, 2022 (the final fiscal quarter in which the funds were fully used), the Company used the available funds as follows:

Principal Purposes	Projected Use of Funds as Disclosed (\$)	Actual Use of Funds (\$)
General and administrative costs	\$147,000	\$72,000
Phase 1 exploration program expenditures – Pinnacle property	\$105,000	\$177,000
Cash payment required under Option Agreement – Pinnacle property	25,000	25,000 ⁽¹⁾
Expenses for listing on the CSE	\$15,000	\$38,000
Total use of available funds	\$292,000	\$312,000
Remaining	\$20,000	\$nil

(1) Cash payment of \$25,000 was made on August 25, 2021 to Pacific Empire Minerals Corp. (the optionor of the Pinnacle property).

The Company is a junior exploration company and considers items included in shareholders' equity as capital. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares under additional equity financing arrangements. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. There were no changes to the Company's approach to capital management during the year ended January 31, 2023.

The Company currently has no source of revenues. In order to fund future exploration programs and pay for operating expenses, the Company will spend its existing working capital and raise additional funds as needed. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is primarily dependent upon its ability to sell or option its mineral properties and its ability to borrow or raise additional financing from equity markets.

OUTSTANDING SHARE DATA

The authorized capital of the Company consists of unlimited common shares without par value. All issued common shares are fully paid.

Equity financings completed:

The Company raised aggregate gross proceeds of \$559,080 in respect of the financings completed during the year ended January 31, 2023, and subsequently through to the MD&A Date, as described below.

On November 7, 2022, the Company completed a flow-through and non-flow-through private placement consisting of the issue of 1,813,000 flow-through common shares at a price of \$0.08 each for gross proceeds of \$145,040, and 4,070,000 non-flow-through common shares at a price of \$0.05 each for gross proceeds of \$203,500, resulting in aggregate gross proceeds of \$348,540.

On December 20, 2022, the Company issued 1,960,800 non-flow-through common shares at a price of \$0.05 each, for gross proceeds of \$98,040.

On February 10, 2023, the Company completed a private placement comprising the issuance of 2,250,000 common shares at a price of \$0.05 each for gross proceeds of \$112,500.

As at the MD&A date:

- 46,642,434 common shares are issued and outstanding.
- 1,125,000 stock options outstanding at an exercise price of \$0.10 each.
- 7,334,000 share purchase warrants outstanding at an exercise price of \$0.10 each.

300,000 common shares were issued in August 2022 to PEMC in accordance with the terms of the option agreement on Pinnacle at a fair value of \$16,500.

200,000 warrants were exercised during the year ended January 31, 2023 for \$nil proceeds as the common shares were issued for services valued at \$10,000.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates and judgments.

The information about significant areas of estimation uncertainty and judgment considered by management in preparing the financial statements are described in Note 2 of the Company's audited financial statements for the year ended January 31, 2023.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, and accounts payable to related parties. Cash is carried at fair value using a level 1 fair value measurement. The carrying value of accounts payable and accrued liabilities, and accounts payable to related parties approximates their fair value because of the short-term nature of these instruments.

Information with respect to the Company's technique for measuring financial instruments at fair value can be found in the Company's financial statements for the year ended January 31, 2023, within Note 9.

The Company's financial instruments can be exposed to certain financial risks including credit risk, interest rate risk, market risk, and liquidity risk. Details of these risks and related assessments are included in the Company's financial statements for the year ended January 31, 2023, within Note 9.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

PROPOSED TRANSACTIONS

There are no proposed transactions as at the MD&A Date.

CHANGES IN ACCOUNTING POLICIES

During the year ended January 31, 2023, there were no changes to the Company's significant accounting policies, nor any new accounting policies adopted.

The Company acknowledges the proposed National Instrument 51-107 *Disclosure of Climate-related Matters* ("NI 51-107"), and the related references to the recommendations from the Task Force on Climate-Related Financial Disclosures ("TCFD"). Future disclosures in accordance with NI 51-107 and the requisite regulatory requirements to provide such disclosures, are under consideration.

COMMITMENT

Flow-through expenditures:

On December 20, 2022, the Company completed a private placement of flow-through shares for gross proceeds of \$145,040. The Company is required to spend the funds on qualified exploration programs no later than December 31, 2023. The Company renounced the expenditures and available income tax benefits to the flow-through shareholders effective December 31, 2022. As at January 31, 2023, approximately \$26,000 had been spent, leaving approximately \$119,000 remaining to be spent.

RISKS AND UNCERTAINTIES

In conducting its business, Teako faces a number of risks and uncertainties related to the mineral exploration industry. Some of these risk factors include risks associated with land title, exploration and development, government, and environmental regulations, permits and licenses, competition, fluctuating metal prices, the requirement and ability to raise additional capital through future financings and price volatility of publicly traded securities.

Title Risks

Although Teako has exercised due diligence with respect to determining title to the properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. Third parties may have valid claims underlying portions of Teako's interests. Its claims, permits or tenures may be subject to prior unregistered agreements or transfers or to native land claims. Title to the claims, permits or tenures comprising Teako's properties may also be affected by undetected defects. If a title defect exists, it is possible that Teako may lose all or part of its interest in the property to which such defect relates.

Exploration and Evaluation

Resource exploration and evaluation is a highly speculative business, characterized by a number of significant risks including, but not limited to, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production.

Climate Risks

The Company's exploration activity is dependent on climatic variables. The Company has not undertaken formal climate risk assessments to define the physical climate change impact. Future climate change scenarios may impact exploration planning.

Environmental Regulations, Permits and Licenses

Teako's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas that would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for noncompliance are more stringent.

Competition

The mineral exploration industry is intensely competitive in all its phases and Teako competes with other companies that have greater financial and technical resources. Competition could adversely affect Teako's ability to acquire suitable properties or prospects in the future.

Fluctuating Metal Prices

Factors beyond the control of Teako have a direct effect on global metal prices, which have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of Teako's exploration projects and Teako's ability to finance the development of its projects cannot be accurately predicted and may be adversely affected by fluctuations in metal prices.

Future Financings

Teako's continued operation will be dependent in part upon its ability to generate operating income and to procure additional financing. To date, Teako has done so through equity financing. Fluctuations of global equity markets can have a direct effect on the ability of exploration companies, including Teako, to finance project acquisition and development through the equity markets. There can be no assurance that funds from Teako's current financing sources can be generated or that other forms of financing can be obtained at a future date. Failure to obtain additional financing on a timely basis may cause Teako to postpone exploration or development plans, forfeit rights in some or all of the properties or joint ventures or reduce or terminate some or all of its operations.

Price Volatility of Securities

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Only investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment should undertake such investment. Prospective investors should carefully consider the risk and uncertainties that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Information provided in this MD&A and the financial statements is the responsibility of management. In the preparation of the financial statements, estimates are sometimes necessary to make a determination of the carrying value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.