

BAJA MINING CORP
(Formerly First Goldwater Resources Inc.)
Management Discussion and Analysis
YEAR END REPORT – December 31, 2004

This Management's Discussion and Analysis of Baja Mining Corp provides analysis of Baja Mining Corp's financial results for the year ended December 31, 2004. The following information should be read in conjunction with the accompanying audited financial statements and the notes to the audited financial statements.

1.1 Date of Report: March 29, 2005

1.2 Overall Performance

Nature of Business and Overall Performance

Baja Mining Corp, formerly First Goldwater Resources Inc. ("the Company") is involved in the development of the Boleo copper-cobalt-zinc deposit, Mexico. The Company commenced operations upon incorporation in 1985 and engaged primarily in exploration and development of mineral and natural resource properties.

On April 20, 2004, the Company completed a business combination with Mintec International Corporation ("Mintec") and completed a \$10 million equity financing in conjunction with the business combination. The business combination resulted in a change of control of the Company whereby Mintec is deemed to be the acquirer. The transaction is accounted for under the purchase method, on a reverse take-over basis ("RTO"). Mintec, through its wholly owned Mexican subsidiary, Minera y Metalurgica del Boleo S.A. de C.V. ("MMB"), owns a 100% interest in a copper-cobalt-zinc mineral deposit (the Boleo property). Since the completion of the above-mentioned financing, the Company has been focused on completing the Final Feasibility Study on the Boleo property.

The Boleo Project

The Boleo Project is located on the east coast of the Baja California Peninsula, some 900 kilometres south of San Diego and near the town of Santa Rosalia B.C.S., Mexico. Over the last twelve years, approximately CAD \$33 million has been spent on exploration and pre-feasibility studies on the Boleo Project. Since completing the \$10 million financing in April 2004, the Company has been actively proceeding to complete a Definitive Feasibility Study ("DFS"), under the direction of Bateman Engineering Inc. Canada ("Bateman"), with assistance primarily from Bateman's office in Brisbane, Australia. The DFS is focused on the development of an underground mine at a currently estimated production rate of 2.6 million dry tonnes of run-of mine ore to produce an estimated 50,000 tonnes per year of cathode copper, approximately 2100 tonnes per year of cobalt (either as high grade cobalt cathode or possibly as a high quality cobalt carbonate) and approximately 23000 tonnes of zinc sulphate per year.

As part of the DFS, management contracted Hellman & Schofield Pty Ltd. ("Hellman & Schofield"), economic geologists, of Brisbane, Australia, to review all existing geological data in regard to the Boleo deposit and report on the current geological resources. In 2004 H&S produced a 3-dimensional resource block model of the El Boleo Deposit. In producing this model H&S utilized the existing geological interpretation of the deposit and used analytical data that was obtained from exploration and evaluation programs carried out on the project between 1993 and 1998. It was assumed that mining would initially be by the open pit method; hence the model has block dimensions of 50 metres (east) by 100 metres (north) by 1 m vertically. Grade estimates of Copper, Cobalt and Zinc were determined using Ordinary Kriging, parameters used in the grade estimation are tabulated below:

Parameter	Manto 2, 3aa, 3a, 3, 4			Manto 0 & 1		
	Meas	Ind	Inf	Meas	Ind	Inf
Search Radii (m)						
X -direction	250	350	500	500	750	1000
Y - direction	200	280	400	500	750	1000
Z - direction	2	2	4	2	2	4
Data Criteria						
Min data	18	8	6	18	8	6
Max data	32	32	32	32	32	32

In a report dated March 2005, prepared by Qualified Persons, William Yeo, MAusIMM, PhD., and Phillip Hellman, FAIG, PhD., of Hellman & Schofield (the "H&S Report"), in accordance with National Instrument 43-101, Hellman & Schofield reported a Measured and Indicated resource estimates based on copper equivalent cut-off grades utilizing metal prices of copper (Cu) US \$0.95 per pound, cobalt (Co) US \$12 per pound, and zinc (Zn) US \$0.45 per pound, and defined as Cu Equiv = $Cu + Co*12/0.95 + Zn*0.45/0.95$, as follows:

Cu EQUIV CUT-OFF GRADE		0.5%	1.0%	1.5%	2.0%
Measured	Tonnes (10^6)	51.7	45.7	35.3	24.7
	Cu Eq %	2.09	2.26	2.56	2.91
	Cu %	0.76	0.83	0.99	1.18
	Co %	0.089	0.096	0.107	0.119
	Zn %	0.45	0.46	0.47	0.47
Indicated	Tonnes (10^6)	172.1	114.1	65.4	36.1
	Cu Eq %	1.49	1.86	2.33	2.82
	Cu %	0.57	0.78	1.09	1.46
	Co %	0.050	0.061	0.072	0.081
	Zn %	0.58	0.66	0.68	0.68
Total	Tonnes (10^6)	223.8	159.8	100.7	60.8
	Cu Eq%	1.63	1.97	2.41	2.86
	Cu %	0.62	0.79	1.06	1.35
	Co %	0.059	0.071	0.084	0.097
	Zn%	0.55	0.60	0.61	0.61

The additional Inferred Resource, based on the same copper equivalent criteria, is:

Cu EQUIV CUT-OFF GRADE		0.5%	1.0%	1.5%	2.0%
Inferred	Tonnes (10 ⁶)	310.3	188.13	112.34	65.6
	Cu Eq %	1.47	1.95	2.43	2.94
	Cu %	0.57	0.83	1.14	1.51
	Co %	0.045	0.057	0.067	0.074
	Zn %	0.69	0.85	0.95	1.03

As part of the DFS, the Company will be proceeding with a program of in-fill drilling, currently budgeted at approximately 12,000 meters, to enhance the quality of the above resources.

The full text of the H & S Report can be viewed under the Company's profile at www.sedar.com.

Development in the fourth quarter and for the year ended December 31, 2004

In a Pre-feasibility Study in 2002, Bateman recommended a revised and simplified metallurgical recovery process (process flowsheet), from that proposed in a 1997 study by Fluor Daniel Wright (the "Fluor Study"), for recovery of cathode copper, cathode cobalt and zinc from Boleo ore. In order to determine the viability of the process flowsheet and both the viability and cost of the proposed underground mining method and rate of production, three significant studies will be undertaken as part of the DFS:

1. Solid/Liquid Separation Test

One of the key variations proposed by Bateman from the Fluor Study was is the area of solid/liquid separation in a high clay environment (Boleo ore typically contains 30-40% clay), utilizing a series of high rate thickeners in a counter current decantation ("CCD") circuit. The CCD circuit separates the metal rich aqueous leach solution, generated from a two stage atmospheric leach of the whole ore, from the clayey waste. In the CCD circuit, the clayey waste introduced into the first of six thickeners (tanks) is washed by barren solution (introduced to the sixth tank) as it proceeds from the first tank to the sixth tank and the metal rich aqueous solution is collected as the clear overflow solution from the first tank (i.e. the waste moves in counter-flow to the barren solution), effectively separating the waste and the metal rich solution.

This separation technique was successfully tested at SGS Lakefield Research Ltd., at Lakefield, Ontario, in May and June of 2004. The work was overseen by Bateman Engineering and involved Pocock Industrial (Salt Lake City) and Outokumpu (Toronto) in the testing. Pocock and Outokumpu are specialists in solid-liquid separation technology. The test work demonstrated that Boleo ores could be settled and washed in a CCD circuit utilizing high rate thickeners.

2. Pilot Plant of the process flowsheet

The second key component to the DFS is to test the technical and economic viability of the process flowsheet for the recovery of copper, cobalt and zinc sulphate from Boleo ore. This involves construction of a pilot plant of the process flowsheet, basically a fully operational miniature version of the proposed process facility. The pilot plant has two phases. Phase 1 a "Proof of Concept" operation to demonstrate the viability, and preliminary estimated operating costs, of the flowsheet and a Phase 2 to determine definitive viability and more precise costs. Phase 1 started on November 16, 2004 and finished on November 28, 2004 at SGS Lakefield Research Ltd. Approximately 2 metric tonnes of ore were treated through the pilot plant and the following

findings were jointly reported by SGS Lakefield and Bateman per a December 13, 2004 press release:

The pilot plant operated continuously for a total of 12 days in leaching, 11.5 days in CCD, 9.5 days in Copper solvent extraction/electro winning (“SX/EW”) and 9 days in Cobalt and Zinc solvent extraction (“SX”) using Direct Solvent Extraction (“DSX”) technology.

- The oxidation, reduction-leaching circuit gave excellent extractions of copper, cobalt and zinc. Copper extraction exceeded 90% during pilot operation. Cobalt extraction was as high as 90%. Zinc extraction was generally above 70%. These numbers are indicative of the potential of the Boleo process to efficiently extract the three pay metals Cu, Co and Zn. Final extractions will be calculated once all samples have been assayed and metallurgical balances completed.
- The CCD circuit was found to work very well. The CCD circuit was set up to simulate the use of the “high rate” type of thickeners with recirculation of overflow solution to dilute the feed slurry prior to flocculation. This method of settling and washing was based on recommendations from prior bench-scale testing by Outokumpu and Pocock Industrial and proved to be highly effective. The leach residue settled quickly producing clear overflow solutions to advance to copper, cobalt and zinc recovery.
- The copper SX/EW circuit performed very well. 15.5 kg of copper metal were electrowon from the solvent extraction strip solutions at high efficiency.
- The iron removal circuit was designed to remove iron, aluminium and other impurities from the solution prior to recovery of cobalt and zinc using DSX technology. The iron removal circuit consistently produced very low concentrations of key impurities in solution with negligible losses of cobalt and zinc.
- The DSX circuit for cobalt and zinc recovery also performed very well. The advantage of the DSX circuit for Boleo plant design is that cobalt and zinc are selectively separated from a solution background of deleterious elements that includes manganese, iron, aluminium and magnesium in the Boleo leach solutions. In the Lakefield pilot plant, cobalt and zinc were recovered with high overall efficiency (+95%) to produce a concentrated zinc sulfate solution (for production of zinc sulfate monohydrate crystals for sale) and a concentrated cobalt solution (for production of cobalt metal cathode).
- After the normal commissioning problems with the pilot plant, the circuit behaved very well with stable consistent operation over many days.
- Following receipt of all final assays, report and metallurgical balances, Bateman will use the pilot plant data in developing design data for the Feasibility Study.

The successful completion of this phase 1 pilot program is an important milestone in moving the Boleo project forward. This demonstrated that the Boleo ore can be treated in a continuous pilot plant program to leach, separate and recover pay metals in final commercial form.

A much larger Phase 2 pilot plant will be run in the June/July 2005 time frame to replicate the circuit set up in the proof of concept pilot plant run and incorporating all of the engineering refinements from Phase I. This pilot plant run will process approximately 40 tonnes of material and run in steady state conditions for at least six weeks. Bateman has advised that longer pilot plant runs are essential to determine performance of key reagents. It is from this level of test that Bateman will provide process guarantees.

3. Test Mining Program

A portion of the Boleo deposit was historically exploited by labour intensive underground mining methods (recovering approximately 14 million tonnes of ore at an average grade of 4.81% copper) during the period 1884-1934. The Fluor Study investigated the possibility of an open pit mine producing 11,500 tonnes per day of run-of-mine ore but at a relatively high strip (tonne of waste to tonnes of ore) ratio. While the open pit is feasible, management are investigating developing the mine as an underground mine to exploit potentially significantly higher-grade resources. Accordingly, a further key component to the DFS will be to conduct an underground test mine utilizing what are known as Continuous Underground Mining Machines. These machines are commonly used in underground coal, salt and potash mines. The objective is to determine the viability of obtaining a relatively high underground production rate (approximately 7500 dry tonnes per day of run-of-mine ore) and also a relatively high extraction rate of the ore (target +80%). A portal and adit for commencement of the test mine was completed in February 2005. The test-mining program is currently scheduled for June 2005.

In addition to the above-mentioned study, the Company also commenced exploration drilling at the Montado S-W Basin in December 2004. The Montado Basin is a previously unexplored basin located contiguous with the existing Boleo property that is believed to be prospective for copper-cobalt-zinc resources. Further, as a result of a review of previous drilling the Company's exploration geologist's recognized the presence of ore grade material in manto 4 (the deepest manto at Boleo) in an area beneath the area of the test mine proposed to be conducted in manto 3. As a result, the balance of the exploration budget for the Montado Basin was redirected to exploration drilling of manto 4 (results are still pending).

Since the RTO, the Company also assembled the technical team needed to move the Boleo project forward through Final Feasibility Study.

As of December 31, 2004, the Company had working capital of \$4,252,155, which is not sufficient to satisfy the costs related to the completion of the Final Feasibility Study and current general and administrative activities for the 2005 fiscal year. The Company will undertake additional financing in the near future to complete the Final Feasibility Study, which we anticipate completing by December 2005.

1.3 Results of Operations For the Year Ended December 31, 2004

Operations

Currently the Company is still at the exploration stage at its Boleo Project and has no revenue generating activities. For the year ended December 31, 2004 and December 31, 2003 Baja Mining recorded a consolidated net loss of \$5,391,685 (\$0.10 loss per share) and \$404,029 (\$0.01 loss per share) respectively. The results show the effect of the higher level of exploration and operating activities in 2004 compared with the previous year.

Exploration Expenses

The Company incurred \$3,825,698 of exploration expenses in fiscal 2004 compared to \$381,698 in fiscal 2003. The increase was attributed to higher exploration activities in 2004 subsequent to the RTO and the \$10 million financing. The majority of the exploration expenses related to pilot plant costs, definitive feasibility study and professional fees. Included in the exploration expenses was a non-cash expense of \$578,382 related to stock-based compensation expense for employees, consultants and officers directly involved with exploration activities.

General and Administrative Expenses

Overall general and administrative expenses increased significantly in fiscal 2004 totalling \$1,645,228 compared to \$94,033 in fiscal 2003, an increase of \$1,551,195. In fiscal 2003, the Company was relatively inactive; therefore, general and administrative expenses were much lower in comparison to fiscal 2004.

Included in general and administrative expenses was a non-cash stock-based compensation expense of \$817,324 (\$nil-2003) granted to management, administrative staffs, investor-relations consultants, marketing consultant and directors, which comprised of 46% of the total general and administrative expenses.

Other significant general and administrative expenses are as follows:

- The Company incurred \$102,345 in travelling costs in fiscal 2004 compared to \$849 in fiscal 2003. In an effort to expand investor awareness of the Company's exploration project, management staffs and investor-relations staffs travelled to various conferences and trade shows to promote the Company's Boleo project. In comparison, the Company was inactive in 2003 in connection with promotion and site selection resulting in much lower travelling costs.
- With increased exploration and operating activities in fiscal 2004, the Company assembled additional management and administrative staff in order to move the Boleo project forward. Consequently, management and consulting fees increased significantly from \$50,398 in fiscal 2003 to \$173,740 in fiscal 2004, an increase of \$123,342. Wages and subcontract also increased from \$21,367 to \$116,162 respectively.
- Investor relations and promotion also increased significantly in the year ended December 31, 2004 due to promotional activities for the Boleo project. The Company retained two in-house investor-relations representatives and one marketing consultant acting as liaison with the investment community. In promoting the Company, Baja developed its own website, brochures, newsletter and ads and presentation material at trade shows. Consequently, investor relations and promotion expenses totalled \$83,483 and \$103,566 respectively in fiscal 2004 versus \$nil in fiscal 2003.
- As a publicly traded company, Baja Mining Corp incurred \$40,110 in filing, exchange, transfer agent fees in fiscal 2004. In contrast prior to the RTO, Mintec International Corporation was a privately held company; therefore, there was \$nil exchange and filing expense incurred in fiscal 2003.
- The Company paid rent of \$64,000 to related companies in connection with the use of their office facilities in fiscal 2004 versus \$nil in fiscal 2003. Total rent expense for fiscal 2004 was \$70,595. Rent expense is expected to increase significantly in 2005 and subsequent years as development of the Boleo project continues.
- The Company incurred \$33,311 and \$18,342 for audit and legal fees respectively in fiscal 2004 compared to \$nil in fiscal 2003. Audit fees for the year included \$23,000, which was for fiscal 2003.

1.4 Transactions with Related Parties

For the year ended December 31, 2004, the Company paid \$335,157 management and consulting fees to companies controlled by officers and directors of the Company. Of this amount, \$173,740 is included in general and administrative expenses and the balance is included in exploration expenses. In addition, the Company paid \$97,640 of legal expenses and \$65,000 of financing fees to companies

controlled by officers and directors for services rendered in connection with the RTO and private placement financing. These legal and financing fees are included in share issuance costs for the year.

The Company also paid \$64,000 of rent expense to related companies, which are controlled by directors and officers, for shared office facilities.

All the above charges are on terms and conditions similar to non-related parties.

1.5 Selected Annual Information

The following financial data are selected financial information for the Company for the three most recently completed financial years.

	<u>Dec 31, 2002</u>	<u>Dec 31, 2003</u>	<u>Dec 31, 2004</u>
Total revenues	\$ -	\$ -	\$ -
Income (Loss) before discontinued operations and extraordinary items	\$ 481,445	\$ (404,029)	\$(5,391,685)
Income (Loss) per share before discontinued operations and extraordinary items	\$ 0.01	\$ (0.01)	\$ (0.10)
Fully diluted loss per share before discontinued operations and extraordinary items	\$ 0.01	\$ (0.01)	\$ (0.10)
Net Income (Loss)	\$ 481,455	\$ (404,029)	\$(5,391,685)
Income (Loss) per share	\$ 0.01	\$ (0.01)	\$ (0.10)
Fully diluted Income (loss) per share	\$ 0.01	\$ (0.01)	\$ (0.10)
Total assets	\$ 892,383	\$ 970,077	\$6,355,007
Total long term debt	\$ -	\$ -	\$ -
Cash dividend	\$ Nil	\$ Nil	\$ Nil

Fiscal 2004 compared to Fiscal 2003

For the year ended December 31, 2004, the Company incurred a loss of \$5,391,685 (\$0.10 loss per share) compared to a loss of \$404,029 (\$0.01 loss per share). The loss in 2004 was primarily attributed to increase exploration and operating activities as well as the expensing of stock-based compensation expenses.

Fiscal 2003 compared to Fiscal 2002

The Company recorded a loss in 2003 of \$404,029 (\$0.01 loss per share) compared to an income of \$481,455 (\$0.01 income per share) in 2002. The loss in 2003 was primarily attributed to exploration expenses and ongoing activity with respect to the Boleo property. General and administrative expenses were \$85,722 in fiscal 2003 compared to \$131,415 in fiscal 2002, a decrease of \$45,693. The decrease was a result in the reduction of wages and benefits and office expenses.

In fiscal 2002, the Company reported net income of \$481,455, due to a gain of \$1,054,082 on sale of certain tax losses of its Mexican subsidiary.

1.6 Summary of Quarterly Information

Quarterly financial data for the eight most recently completed quarters is provided below:

	Q1 Mar 31, 2003	Q2 June 30, 2003	Q3 Sept 30, 2003	Q4 Dec 31, 2003	Q1 Mar 31, 2004	Q2 June 30, 2004	Q3 Sept 30, 2004	Q4 Dec 31, 2004
Total Revenues	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-

Income or loss before discontinued operations and extraordinary items:

Total	\$(71,878)	\$4,660	\$(193,717)	\$(143,094)	\$(47,428)	\$(453,256)	\$(2,436,996)	\$(2,454,005)
Per Share	\$(0.00)	\$0.00	\$(0.005)	\$(0.005)	\$(0.00)	\$(0.01)	\$(0.04)	\$(0.04)
Per Share Fully Diluted	\$(0.00)	\$0.00	\$(0.005)	\$(0.005)	\$(0.00)	\$(0.01)	\$(0.04)	\$(0.04)

Net income or loss:

Total	\$(71,878)	\$4,660	\$(193,717)	\$(143,094)	\$(47,428)	\$(453,256)	\$(2,436,996)	\$(2,454,005)
Per Share	\$(0.00)	\$0.00	\$(0.005)	\$(0.005)	\$(0.00)	\$(0.01)	\$(0.04)	\$(0.04)
Per Share Fully Diluted	\$(0.00)	\$0.00	\$(0.005)	\$(0.005)	\$(0.00)	\$(0.01)	\$(0.04)	\$(0.04)

General Discussion of Quarterly Results

Net Income (Loss)

The Company carried out exploration activities on the Boleo property in Mexico. Factors that caused fluctuations in the Company's quarterly results are the amount and extent of exploration and operation activities in the quarters. Since completion of the \$10 million equity financing in the second quarter of fiscal 2004, exploration and operation activities increased significantly as reflected in higher net loss for the second, third and fourth quarter of fiscal 2004.

1.7 Liquidity and Capital Resources

On December 31, 2004, the Company had working capital of \$4,252,155 compared to a working capital deficit of \$664,256 at December 31, 2003. The improvement resulted from the completion of two equity financing on April 20, 2004 and consisted of the followings: 1) a private placement by

issuance of 10,666,666 Units at \$0.75 per unit for gross proceeds of \$8,000,000. Each unit consists of one common share of the Company and one-half of one Warrant. One whole warrant will entitle the holder to purchase on share at a price of \$1.15 per share at any time for a period of 60 months from the date of issue of the Unit. 2) A short form offering financing through issuance of 2,666,666 Units at a price of \$0.75 per unit for gross proceeds of \$2,000,000. Each unit consists of one common share of the Company and one-half of one Warrant. One whole warrant will entitle the holder to purchase one share at a price of \$1.15 per share at any time for 60 months from the date of issue of the Unit. Total net proceeds from the financing were \$8,941,215. In addition, the Company received \$11,160 from the exercise of share purchase warrants and options since the RTO.

For the year ended December 31, 2004, the Company had negative cash outflow of \$2,955,108 from operating activities compared to negative cash outflow of \$331,054 in fiscal 2003. The increase in cash outflow was due to the increase exploration and operation activities on the Boleo property.

For investment activities, the Company and subsidiaries acquired \$104,392 of property, plant and equipment in fiscal 2004 for exploration and operating purposes. The Company also paid \$34,990 of costs for a related company and will recover these costs in fiscal 2005 and acquired \$81,339 of cash on the reverse takeover transaction. In fiscal 2003, the Company spent \$1,272 on acquisition of concessions.

During fiscal 2004, the Company repaid \$746,846 to related parties versus \$374,677 advanced from related parties in fiscal 2003.

As an exploration stage company, Baja Mining Corp continues to rely on equity or debt financing to meet the ongoing cash requirements of the Company. The Company is investigating the possibility of raising additional capital through debt or equity financing arrangements and, although management has successfully raised significant amounts of capital in the past, there can be no assurance that it will be able to raise additional capital in the future.

1.8 Off-Balance Sheet Arrangements

The Company has no material off-balance sheet arrangement such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations and any obligations that trigger financing, liquidity, market or credit risk to the Company.

1.9 Contractual Obligations and Commitments

The Company has no long-term debts, material capital lease obligations, operating leases, purchase obligations and purchase obligations. The Company has management contracts with two officers and directors of the Company for management services at \$9,000 per month totalling \$18,000 for an initial term until April 30, 2005. In addition, the Company has management and consulting agreement with two other officers and/or directors for monthly remuneration of \$4,000 per month and US\$3,000 per month respectively, expiring April 2005.

The Company also signed an agreement with Bateman Engineering Ltd. Canada for the completion of Final Feasibility Study budgeted at approximately CDN \$8.9 million. The Bateman Agreement does not include the costs of in-fill drilling, the test mining program, or management costs related to the DFS. The completed DFS is estimated to cost approximately US\$10,992,000 (CDN\$13,700,000), of which approximately CDN\$3,000,000 has been incurred to date.

1.10 Financial instruments and Risk Factors

As of December 31, 2004 the Company was not exposed to any financial instruments risks since their fair value approximates their carrying values because of the short-term maturity of those instruments.

The Company operates internationally, which gives rise to the risk of that cash flows may be adversely impacted by exchange rate fluctuations. The Company has not entered into foreign currency contracts to hedge its risk against foreign currency fluctuations.

Mineral exploration and development involves a high degree of risk since few properties are developed into producing mines. There is no assurance that the Company's mineral exploration activities will result in the discovery of resources that would be economical for commercial production. The commercial viability of the mineral deposits is dependent upon a number of factors, which are beyond the Company's control. Some of these factors are attributable to commodity prices, government policy and regulation and environmental protection.

Resource estimates involves degree of uncertainty in the calculation of reserves and the corresponding grades. Resource estimates are dependent partially on statistical inferences drawn from drilling, sampling and other data. The indicated and inferred resources figures set forth by the Company is estimates, and there is no certainty that the level of resources will be realized. In addition, decline in the market price for copper, zinc and cobalt may adversely affect the economics of a reserve and may require the Company to reduce its estimates.

1.11 Outlook

The Company is actively proceeding with the DFS of the Boleo property in order to develop a mine at the Boleo property with an overall objective of maximizing production output and minimizing capital and operating costs.

1.12 Caution on Forward-Looking Information

This report contains certain "forward-looking statements" within the meaning of Section 21E of the United States Securities Exchange Act of 1934 as amended. Such forward-looking statements are subject to risks, uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those acknowledged in such statements.