ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our consolidated financial statements for the two years ended May 31, 2018 and 2017, and the related notes thereto, which have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including, but not limited to, those set forth under the section heading "Item 1A. Risk Factors" above and elsewhere in this annual report on Form 10-K. See section heading "Forward-Looking Statements" above.

Current Business Activities

General

North Bullfrog Project Exploration

No further drilling was performed on the NBP during 2017-2018. The resource model was updated using new drill results developed in 2015 and 2016. The North Bullfrog Technical Report was updated effective October 31, 2017 and the updated report was filed on SEDAR.com in December 2017.

Baseline characterization work continued in the fiscal year ended May 31, 2018, with annual water quality sampling in September and November 2017. The site meteorological station continued to operate with quarterly reports submitted to NDEP. Wildlife and botanical surveys required by the site operating permits were performed as required.

Financing

On July 6, 2017, the Company closed a non-brokered private placement equity financing and issued 6,200,000 common shares at a price of $0.75 per common share for gross proceeds of $4,650,000. In connection with the financing, the Company paid an additional $14,788 in share issuance costs.

On December 7, 2017, the Company closed a non-brokered private placement equity financing and issued 2,829,130 common shares at a price of $1.15 per common share for gross proceeds of $3,253,499, and 1,574,803 common shares at a price of $1.27 per common share for gross proceeds of $2,000,000. In connection with the financing, the Company paid an additional $84,857 in share issuance costs.

On June 7, 2018, the Company closed a non-brokered private placement equity financing and issued 1,730,770 common shares at a price of $2.60 per share for gross proceeds of $4,500,002.

2018 Outlook

During 2018-2019, the Company expects to focus on further exploration and resource verification drilling at the Mother Lode property. A metallurgical testing program was implemented in January 2018. A mineral resource is anticipated to be developed for Mother Lode in Q3 of 2018, and the Company intends to produce a preliminary economic assessment of an integrated conceptual model of North Bullfrog and Mother Lode as a single operation. The Company also plans to continue the collection of baseline environmental data in its water quality sampling, waste geochemistry and meteorological programs, and to expand those databases to include data for the Mother Lode property. See Part I, Item 2, Properties in this Annual Report for a more complete description of planned activities at the Properties and projected budgets for work programs.

Results of Operations

Year ended May 31, 2018 Compared to Year ended May 31, 2017

For the year ended May 31, 2018 the Company had a net loss of $9,298,163 compared to a net loss of $6,727,722 in the prior year. Included in net loss was $673,233 (2017 - $581,379) in stock-based compensation charges which was a result of stock options granted during the year and previously granted stock options which vested during the year. Stock-based compensation in the current year comprised of stock options granted on September 9, 2015, November 13, 2015, June 22, 2016, September 15, 2016 and July 31, 2017 which vested during the year. The prior year had stock-based compensation arising from stock options granted on September 8, 2014, September 9, 2015, November 13, 2015, June 22, 2016 and September 15, 2016 with vesting during the prior year. The increase in loss of $2,570,441 in the current year was due to a combination of factors discussed below.

The primary factor for the increase in the net loss was the exploration expenditures of $5,333,180 incurred in the current year compared to $3,145,589 in the prior year. The exploration activities of the Company increased mainly due to an increase of $2,165,560 incurred in the exploration in the current year compared with the prior year as the Company secured additional financing in July and December 2017 and focused its exploration efforts on the Properties and partly due to increased stock-based compensation charges of $55,464 during the current year compared to $33,433 in the prior year. Management expects increases in exploration costs over prior year are likely to continue in the immediate future year as the Company secured further financing in June 2018.

Insurance expenses increased to $201,415 (2017 - $156,940) mainly due to increased insurance premiums as a result of increased Director and Officer Liability coverage during the current year.

Investor relations expenses increased to $909,798 (2017 - $768,098) and travel expenses increased to $213,335 (2017 - $154,391) mainly due to increase in investor relations-related travels, advertising, marketing and conference attended, property tours conducted during the current year as part of the Company's efforts to secure additional financing. Investor relations expenses also increase in part due to increased stock-based compensation charges of $92,351 during the current year compared to $73,514 in the prior year.

Office expenses increased to $132,168 (2017 - $118,161) mainly due to the moving expenses associated with the Company moving its Denver office location in October 2017.

Professional fees decreased to $261,428 (2017 - $286,556) due to the adjustment of prior years' audit over accrual and decreased legal expenses offset by increased stock-based compensation charges of $7,332 during the current year compared to $6,777 in the prior year.

Regulatory expenses increased to $96,982 (2017 - $77,155) mainly due to an increase in the base and variable fee paid to the TSX, an increase from $19,296 in 2017 to $32,766 in 2018.

Wages and benefits increased to $1,302,813 (2017- $1,256,749) mainly due to increased stock-based compensation charges of $211,576 during the current year compared to $165,771 in the prior year.

Other expense categories that reflected only moderate change year over year were administration expenses of $422 (2017 - $649), consulting expenses of $625,677 (2017 - $635,152), depreciation expenses of $18,020 (2017 - $22,176) and rent expenses of $99,440 (2017 – $109,201).

Other items amounted to a loss of $103,485 compared to an income of $3,095 in the prior year. There was an increase in foreign exchange loss of $123,758 (2017 - $23,406), which is the result of factors outside of the Company's control and an increase in interest income of $20,273 (2017 - $26,501) as a result of less investment in cashable GIC's during the prior year.

Three months ended May 31, 2018 Compared to Three months ended May 31, 2017

For the three months ended May 31, 2018, the Company had a net loss of $2,184,520 compared to a net loss of $1,898,295 in the comparative period of the prior year. Included in net loss was $164,368 (2017 - $127,591) in stock-based compensation charges which is a result of stock options granted during the period and previously granted stock options which vested during the period. Stock-based compensation in the current period comprised of stock options granted on September 15, 2016 and July 31, 2017 which vested during the period. The prior period comparative had stock-based compensation arising from stock options granted on September 9, 2015, November 13, 2015, June 22, 2016 and September 15, 2016 which vested during the comparative period of the prior year. The increase in loss of $286,225 in the three month period of the current year was due to a combination of factors discussed below.

The primary factor for the increase in the net loss was the exploration expenditures of $1,257,796 incurred in the current period compared to $1,038,353 in the comparative period of the prior year. The exploration activities of the Company increased mainly due to an increase of $215,212 incurred in the exploration in the current period compared with the comparative period of the prior year as the Company secured additional financing in December 2017 and focused its exploration efforts on the two Nevada properties and partly due to increased stock-based compensation charges of $14,298 during the current year compared to $10,067 in the prior year. Management expects increases in exploration costs over prior periods are likely to continue in the immediate future periods as the Company secured further financing in June 2018.

Consulting fees decreased to $156,695 (2017 - $178,621) mainly due to decreased consulting fees of $21,926 during the current period as the Company did not retain one of the consultants in the current year. This was offset by an increase in stock-based compensation charges of $75,445 during the current period compared to $68,603 in comparative period of the prior year.

Investor relations expenses increased to $293,503 (2017 - $203,743) mainly due to increase in investor relations-related travels, advertising, marketing and conference attended, property tours conducted during the current period as part of the Company's efforts to secure additional financing. Investor relations expenses increase in part due to increased stock-based compensation charges of $22,534 during the current period compared to $18,083 in the comparative period of the prior year.

Professional fees decreased to $66,993 (2017 - $80,200) due to a decrease in legal and accounting fees as a result of the Company's plan to acquire the Mother Lode property from Goldcorp USA, Inc. in the comparative period of the prior year. The decrease in professional fees is offset by an increase in stock-based compensation charges of $1,821 during the current period compared to $1,665 in the comparative period of the prior year.

Wages and benefits increased to $269,744 (2017 - $211,067) mainly due to increased wages and benefits of $37,580 during the current period and an increase in stock-based compensation charges of $50,270 in the current period compared to $29,173 in the prior period.

Other expense categories that reflected only moderate change period over period were administration expenses of $106 (2017 - $104), depreciation expenses of $4,543(2017 - $5,632), insurance expenses of $54,136 (2017 - $51,027), office expenses of $23,731 (2017 - $28,230), regulatory expenses of $10,671 (2017 - $9,346), rent expenses of $19,956 (2017 – $28,892) and travel expenses of $49,375 (2017 - $46,976).

Other items amounted to an income of $22,729 compared to a loss of $16,104 in the prior period. There was an increase in foreign exchange to a gain of $15,023 (2017 – loss of $18,546), which was the result of factors outside of the Company's control and an increase in interest income of $7,706 (2017 - $2,442) as a result of less investment in cashable GIC's during the current period.

Liquidity and Capital Resources

The Company has no revenue generating operations from which it can internally generate funds. To date, the Company's ongoing operations have been financed by the sale of its equity securities by way of public offerings, private placements and the exercise of incentive stock options and share purchase warrants. The Company believes that it will be able to secure additional private placements and public financings in the future, although it cannot predict the size or pricing of any such financings. In addition, the Company can raise funds through the sale of interests in its mineral properties, although current market conditions have substantially reduced the number of potential buyers/acquirers of any such interest(s). This situation is unlikely to change until such time as the Company can develop a bankable feasibility study on one of its projects. When acquiring an interest in mineral properties through purchase or option, the Company will sometimes issue Common Shares to the vendor or optionee of the property as partial or full consideration for the property interest in order to conserve its cash.

The consolidated financial statements have been prepared on a going concern basis, which presume the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and/or obtaining additional financing.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future within one year from the date the consolidated financial statements are issued. There is substantial doubt upon the Company's ability to continue as going concern, as explained below and in the financial statements.

The Company has sustained significant losses from operations, has negative cash flows and has an ongoing requirement for capital investment to explore its mineral properties. Based on its current plans, budgeted expenditures, and cash requirements, the Company has sufficient cash to finance its current plans for the 18 months from the date the consolidated financial statement are issued.

The Company reported cash and cash equivalents of $2,610,541 as at May 31, 2018 compared to $1,300,553 as at May 31, 2017. The change in cash position was the net result of $8,465,043 used for operating activities, $38,384 used for capitalized acquisition costs, $7,710 used on property and equipment, and $9,966,014 received from the private placements of common shares in July and December 2017 (net of share issue costs), and exercise of stock options during the year ended May 31, 2018.

As at May 31, 2018, the Company had working capital of $2,562,047 compared to working capital of $1,270,168 as at May 31, 2017. On July 6, 2017, the Company closed a non-brokered private placement equity financing and issued 6,200,000 common shares at a price of $0.75 per share for gross proceeds of $4,650,000. On December 7, 2017, the

Company closed a non-brokered private placement equity financing and issued 2,829,130 common shares at a price of $1.15 per share for gross proceeds of $3,253,499 and 1,574,803 common shares at a price of $1.27 per common share for gross proceeds of $2,000,000. On June 7, 2018, the Company closed a non-brokered private placement equity financing and issued 1,730,770 common shares at a price of $2.60 per share for gross proceeds of $4,500,002.

The Company expects that it will operate at a loss for the foreseeable future and believes the current cash and cash equivalents will be sufficient for it to maintain its currently held properties, and fund its currently anticipated general and administrative costs until January 31, 2020. Following January 31, 2020, the Company will need to scale back anticipated activities and costs or raise additional financing to fund operations through the year ending May 31, 2020. The Company's current anticipated operating expenses are $4,025,000 until May 31, 2019 and $5,511,000 until November 30, 2019. The Company's anticipated monthly burn rate averages approximately $335,000 for June 2018 to May 2019, where approximately $206,000 is budgeted for administrative purposes and approximately $129,000 is for planned exploration expenditures and holding costs for the NBP and the Mother Lode property. From June 2018 to May 2019, the Company's anticipated monthly burn rate averages approximately $306,000, of which $200,000 is budgeted for administrative purposes and approximately $106,000 is for planned exploration expenditures and holding costs for the NBP and the Mother Lode Property. In any event, the Company will be required to raise additional funds, again through public or private equity financings, prior to the end of December 2019 in order to continue in business. Should such financing not be available in that time-frame, the Company will be required to reduce its activities and will not be able to carry out all of its presently planned exploration and development activities at the NBP and the Mother Lode Property on its currently anticipated scheduling.

Despite the Company's success to date in raising significant equity financing to fund its operations, there is significant uncertainty that the Company will be able to secure any additional financing in the current or future equity markets. See "Risk Factors – We will require additional financing to fund exploration and, if warranted, development and production". Failure to obtain additional financing could have a material adverse effect on our financial condition and results of operation and could cast uncertainty on our ability to continue as a going concern. The quantity of funds to be raised and the terms of any proposed equity financing that may be undertaken will be negotiated by management as opportunities to raise funds arise. Specific plans related to the use of proceeds will be devised once financing has been completed and management knows what funds will be available for these purposes. Due to this uncertainty, if the Company is unable to secure additional financing, it may be required to reduce all discretionary activities at the NBP and the Mother Lode Property to preserve its working capital to fund anticipated non-discretionary expenditures beyond the 2019 fiscal year.

The Company has no exposure to any asset-backed commercial paper. Other than cash held by its subsidiaries for their immediate operating needs in Alaska and Nevada, all of the Company's cash reserves are on deposit with a major Canadian chartered bank. The Company does not believe that the credit, liquidity or market risks with respect thereto have increased as a result of the current market conditions. However, in order to achieve greater security for the preservation of its capital, the Company has, of necessity, been required to accept lower rates of interest, which has also lowered its potential interest income.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Environmental Regulations

The operations of the Company may in the future be affected from time to time in varying degrees by changes in environmental regulations, including those for future removal and site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company vary greatly and are not predictable. The Company's policy is to meet or, if possible, surpass standards set by relevant legislation by application of technically proven and economically feasible measures.

Critical Accounting Policies

Basis of presentation

These consolidated financial statements are presented in Canadian dollars and have been prepared in accordance with generally accepted accounting principles in the United States ("US GAAP").

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries (collectively, the "Group"), Corvus USA (a Nevada corporation), Corvus Nevada (a Nevada corporation), Raven Gold (an

Alaska corporation), SoN (a Nevada limited liability company) and Mother Lode Mining Company LLC (a Nevada limited liability company). All intercompany transactions and balances were eliminated upon consolidation.

Significant judgments, estimates and assumptions

The preparation of these financial statements in accordance with US GAAP requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting year. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the year in which the estimate is revised and future periods if the revision affects both current and future years. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting year, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the carrying value and the recoverability of the capitalized acquisition costs, the assumptions used to determine the fair value of stock-based compensation, and the estimated amounts of reclamation and environmental obligations.

Significant judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. The Company made the following critical accounting judgments:

- The determination of deferred tax assets and liabilities.
- The analysis of resource calculations, drill results, laboratory work, etc., which can impact the Company's assessment of impairments, and provisions, if any, for environmental rehabilitation and restorations.
- The determination of functional currency, using the currency of the primary economic environment in which each of the parent company and its subsidiaries operates.
- The assessment of the Company's ability to continue as a going concern.

Cash and cash equivalents

Cash equivalents include highly liquid investments in term deposits that are readily convertible to known amounts of cash with original maturities of three months or less, and term deposits with original term of maturities greater than three months but are cashable after 30 days with no penalties, and are subject to an insignificant risk of change in value.

Foreign currency translation

The presentation currency of the Company is the Canadian dollar.

The functional currency of each of the parent company and its subsidiaries is measured using the currency of the primary economic environment in which that entity operates. The functional currency of Corvus USA, Corvus Nevada, Raven Gold, SoN and Mother Lode Mining Company LLC is US dollars, and for the Company the functional currency is Canadian dollars.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the Statement of Operations and Comprehensive Income (Loss) in the year in which they arise.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income (loss) in the Statement of Operations and Comprehensive Income (Loss) to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income (loss). Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Parent and Subsidiary Companies

The financial results and position of foreign operations whose functional currency is different from the presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date; and
- Income and expenses are translated at monthly average exchange rates during the year.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's exchange difference on translating foreign operations in the Statement of Operations and Comprehensive Income (Loss) and are reported as a separate component of shareholders' equity titled "Cumulative Translation Differences". These differences are recognized in profit or loss in the year in which the operation is disposed of.

Property and equipment

Recognition and measurement

On initial recognition, property and equipment are valued at cost, being the purchase price and directly attributable costs of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items.

Property and equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Subsequent costs

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefit embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

Major maintenance and repairs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenditures are charged to profit or loss during the financial year in which they are incurred.

Gains and losses

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized net within other items in profit or loss.

Depreciation

Depreciation is recognized in profit or loss on a declining-balance basis at the following annual rates:

Computer equipment	-	30% declining balance
Vehicles	-	30% declining balance
Tent	-	20% declining balance

Additions during the year are depreciated at one-half the annual rates.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Mineral exploration and evaluation expenditures

The Company's mineral projects are currently in the exploration and evaluation phase. All direct costs related to the acquisition of mineral property interests are capitalized. Mineral property exploration costs are expensed as incurred. At such time that the Company determines that a mineral property can be economically developed, subsequent mineral property expenses will be capitalized during the development of such property.

Impairment of long-lived assets

The Company assesses long-lived assets for impairment or when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. Impairment analysis includes assessment of the following circumstances: a significant decrease in the market price of a long-lived asset or asset group; a significant adverse change in the extent or manner in which a long-lived asset or asset group is being used or in its physical condition; a significant adverse change in legal factors or in the business climate that could affect the value of a long-lived asset or asset group, including an adverse action or assessment by a regulator; an accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of a long-lived asset or asset group; a current-period operating or cash flow loss combined with a history of operating or cash flow losses or a projection or forecast that demonstrates continuing losses associated with the use of a long-lived asset or asset group; a current expectation that, more likely than not, a long-lived asset or asset group will be sold or otherwise disposed of significantly before the end of its previously estimated useful life. The term more likely than not refers to a level of likelihood that is more than 50%.

Asset retirement obligations

The Company records a liability based on the best estimate of costs for site closure and reclamation activities that the Company is legally or contractually required to remediate at the time environmental disturbance occurs. The provision for closure and reclamation liabilities is estimated using expected cash flows based on engineering and environmental reports and accreted to full value over time through periodic charges to profit or loss. As at May 31, 2018, the Company recorded a provision of $366,641 (USD 283,000) (2017 - $340,176 (USD 252,000)) for environmental rehabilitation.

Income taxes

The Company accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under the asset and liability method, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is recognized if it is more likely than not that some portion or the entire deferred tax asset will not be realized.

Share capital

The proceeds from the exercise of stock options, warrants and escrow shares are recorded as share capital in the amount for which the option, warrant or escrow share enabled the holder to purchase a share in the Company.

Commissions paid to agents, and other related share issuance costs, such as legal, auditing, and printing, on the issue of the Company's shares are charged directly to share capital.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as contributed surplus. Upon exercise of the warrants, the related fair value is reallocated to share capital.

Earnings (loss) per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on earnings (loss) per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the year. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive. For the year ended May 31, 2018, 9,861,900 outstanding stock options (2017 – 8,846,900) were not included in the calculation of diluted earnings (loss) per share as their inclusion was anti-dilutive.

Stock-based compensation

The Company follows the provisions of Financial Accounting Standards Board Accounting Standards Codification Section 718 "Compensation - Stock Compensation", which establishes accounting for equity based compensation awards to be accounted for using the fair value method. The Company uses the Black-Scholes option pricing model to determine the grant date fair value of the awards. Compensation expense is measured at the grant date and recognized over the requisite service period, on a straight line basis, which is generally the vesting period. Upon exercise of stock options, the related fair value is reallocated to share capital.

Non-monetary transactions

All non-monetary transactions are measured at the fair value of the asset surrendered or the asset received, whichever is more reliable, unless the transaction lacks commercial substance or the fair value cannot be reliably established. The commercial substance requirement is met when the future cash flows are expected to change significantly as a result of the transaction. When the fair value of a non-monetary transaction cannot be reliably measured, it is recorded at the carrying amount (after reduction, when appropriate, for impairment) of the asset given up adjusted by the fair value of any monetary consideration received or given. When the asset received or the consideration given up is shares in an actively traded market, the value of those shares will be considered fair value.

Joint venture accounting

Where the Company's exploration and development activities are conducted with others, the accounts reflect only the Company's proportionate interest in such activities. The Company currently is not a party to any joint venture arrangements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not Applicable