JAYDEN RESOURCES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

The following Management's Discussion and Analysis ("MD&A") is intended to assist the reader to assess material changes in financial condition and results of operations of Jayden Resources Inc. ("Jayden" or the "Company") as at December 31, 2019 and 2018 and for the years then ended.

This MD&A should be read in conjunction with the audited financial statements for the year ended December 31, 2019 and supporting notes. These financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

All monetary amounts are in Canadian dollars unless otherwise specified. The effective date of this MD&A is April 29, 2020. Additional information relating to the Company is available on SEDAR at www.sedar.com.

Contents of the MD&A

1. Overview

Up until the fourth quarter of 2018, Jayden was in the advanced stage of exploration on its 80% owned Silver Coin Property, the Company's only asset. The Silver Coin Property is located approximately 25 kilometres by road north of Stewart, British Columbia in the Skeena Mining Division of British Columbia and consists of 44 claims totalling 1,496 net Ha. All of the Silver Coin assets were held in the Company's wholly owned British Columbia incorporated subsidiary, Jayden Resources (Canada) Inc. ("Jayden Canada").

At the Special General Meeting held on October 17, 2018, Jayden shareholders overwhelmingly voted in favor to sell the Silver Coin Property to Ascot Resources Ltd. ("Ascot"). On October 31, 2018, Jayden announced that it had closed the sale of all of the issued and outstanding shares of Jayden Canada to Ascot pursuant to the share purchase agreement between Jayden and Ascot signed on August 12, 2018. Ascot acquired all the issued and outstanding shares of Jayden Canada in exchange for 15,179,497 Ascot common shares at a deemed value of $0.94 per Ascot Share.

Jayden management is currently contemplating certain options for the future of the Company and will keep shareholders apprised to any developments as they progress.

2. Overall performance for the year ended December 31, 2019

The Company's performance for the year ended December 31, 2019 was a net income of $817,605 (2018: $13,851,476). The change is primarily caused by the gain of $1,879,737 on disposal of the Company's marketable securities, shares of Ascot Resources Ltd.

3. Selected annual information

For the years ended December 31, 2019, 2018 and 2017, the financial statements have been prepared in accordance with IFRS.

Statement of Operations Data	**Year Ended December 31, 2019**	**Year Ended December 31, 2018**	**Year Ended December 31, 2017**
Total revenue	$Nil	$Nil	$Nil
Net income (loss) from continuing operations	$817,605	$704,061	$(209,203)
Net income (loss) from continuing operations per common share outstanding - basic	$0.01	$0.01	$(0.00)
Net income (loss) from continuing operations per common share outstanding - diluted	$0.01	$0.01	$(0.00)
Net income (loss)	$817,605	$13,851,476	$(1,137,732)
Net income (loss) per common share outstanding - basic and diluted	$0.01	$0.16	$(0.01)
Net income (loss) per common share outstanding - diluted	$0.01	$0.15	$(0.01)
Dividend per common share outstanding	$0.17	$Nil	$Nil

	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017
Balance Sheet Data			
Total assets	57,407	20,457,164	704,265
Non-current financial liabilities	$Nil	$Nil	$Nil
Shareholders' equity (deficit)	(52,384)	20,283,971	577,704

Net Income (Loss)

The Company incurred a net income of $817,605 in the fiscal year ended December 31, 2019, $13,851,476 in the fiscal year ended December 31, 2018, and a net loss of $1,137,732 in the fiscal year ended December 31, 2017. The variance was mainly attributable to realized gain on disposal of marketable securities (2019 – $1,879,737; 2018 – $nil; 2017 – $nil), realized gain on disposal of discontinued operations (2019 – $nil; 2018 – $13,348,900; 2017 - $nil;), and net loss from discontinued operations (2019 – $nil; 2018 – $201,485; 2017 – $928,529).

As of January 2019, the company was inactive and is in search of new business opportunities.

Gain on disposal of marketable securities

For fiscal 2019, a realized gain of $1,879,737 was recorded compared to $nil in fiscals 2018 and 2017.

During the year ended December 31, 2019, the Company distributed 14,797,234 shares of Ascot Resources Ltd. as non-cash dividend and $398,098 cash dividend to its shareholders. The fair value of the non-cash dividends was $15,241,151 at the date of distribution. A realized gain of $1,923,640 was recorded. The distribution was based on 90,995,746 issued and common shares of the Company and each shareholder is entitled to $0.17 non-cash dividend or cash dividend.

During the year ended December 31, 2019, the Company's disposal of 382,263 shares of Ascot Resources Ltd. for gross proceeds of $300,056, these shares had a carrying value of $343,959. A realized loss of $43,903 was recorded.

Gain on Disposal of Discontinued Operations

During fiscal 2019, $nil was recorded compared to $13,348,900 in fiscals 2018 and $nil in 2017. The gain in fiscal 2018 was related to the Company completing the sale of its subsidiary, Jayden Resources (Canada) Inc., to Ascot Resources Ltd., whereby the Company received 15,179,497 shares of Ascot Resources Ltd. with a carrying amount of $13,661,547 less transaction cost of $79,903 and net assets disposed of $232,744 resulted in gain on disposal of $13,348,900.

Net loss from discontinued operations

During fiscal 2019, the Company recognized net loss from discontinued operations of $nil compared to $201,485 in fiscals 2018 and $928,529 in fiscals 2017. The Company's discontinued operations were heavily active in the prior years, hence the decrease in loss over the year before disposal.

Total Assets

Total assets decreased to $57,407 as at December 31, 2019, compared to $20,457,164 as at December 31, 2018 and $704,265 as at December 31, 2017. Total assets consist mainly of cash and cash equivalents in fiscal year 2019 compared to the prior year 2018 where the majority of total assets was comprised of marketable securities of $20,036,936, which were disposed of during fiscal year 2019.

Shareholders' Equity

Total shareholder's equity decreased to a deficit of $52,384 as at December 31, 2019, compared to equity of $20,283,971 as at December 31, 2018 and $577,704 as at December 31, 2017. Total shareholders' equity consisted mainly of share capital and deficit. Deficit decreased significantly mainly due to the dividend paid out during the year ended December 31, 2019.

4. Results of operations for the year ended December 31, 2019

The following table sets forth selected information for the years ended December 31, 2019, and 2018.

	Year Ended December 31,	
	2019	**2018**
	$	$
Other income	1,879,949	192
Administrative expenses	(201,666)	(156,809)
Other operating expenses	-	-
Net income (loss) from continuing operations	1,678,283	(156,617)
Net loss from Discontinued operation	-	(201,485)
Gain on sale of subsidary	-	13,348,900
Income tax (expense) recovery	(860,678)	860,678
Net income (loss) for the period/year	817,605	13,851,476
Earnings (loss) per share continuing operations		
Basic and diluted	0.01	(0.00)
Earnings (loss) per share discontinued operations		
Basic	-	0.15
Diluted	-	0.14

Because the Company is an exploration company, it has no revenue from mining operations.

During the year ended December 31, 2019, the Company incurred a net income of $817,605 compared to a net income of $13,851,476 for the year ended December 31, 2018. The net income in the year ended December 31, 2019, relates primarily to a gain on disposal of marketable securities of $1,879,737 (2018 - $nil). The administrative expenses for the year ended December 31, 2019 totalled $201,666 (2018: $156,809). This increase was mainly due to consulting fees of $73,200 (2018 – $35,500); corporate administration of $53,160 (2018– $39,859) related to administration, corporate communication, investor relations, computer services and office expenses of the Company; professional fees of $40,865 (2018 – $61,067) related to legal and accounting fees; and regulatory and shareholder services of $29,396 (2018 – $29,710) mainly related to the regulatory filings and shareholder services.

During the year ended December 31, 2018, the Company received 15,179,497 shares of Ascot Resources Ltd. related to the sale of its subsidiary, Jayden Resources (Canada) Inc. As at December 31, 2018, the fair value of those Ascot shares was $20,036,936 resulting in an unrealized gain of $6,375,389 less deferred tax of $860,678 which has been recorded in Reserve.

During the year ended December 31, 2019, the Company sold 382,263 shares of Ascot Resources Ltd. for gross proceeds of $300,056, these shares had a carrying value of $343,959. A realized loss of $43,903 was recorded. During the year ended December 31, 2019, the Company distributed 14,797,234 shares of Ascot Resources Ltd. as non-cash dividend and $398,098 cash dividend to its shareholders. The fair value of the non-cash dividends was $15,241,151 at the date of distribution. A realized gain of $1,923,640 was recorded. The distribution was based on 90,995,746 issued and common shares of the Company and each shareholder is entitled to $0.17 non-cash dividend or cash dividend.

During the year ended December 31, 2019, the Company incurred administrative expense of $201,666 compared to $156,809 for the year ended December 31, 2018. The change is mainly due to increase on corporate administration expenses for the year.

5. Summary of quarterly results

The following table sets out selected unaudited quarterly financial information of the Company for the eight most recent quarters of operation. This information is derived from unaudited quarterly financial statements prepared by management. The financial data for the quarters ended from January 1, 2018, to December 31, 2019, are prepared in accordance with IFRS.

	4th Quarter 2019 December 31, 2019	**3rd Quarter 2019 September 30, 2019**	**2nd Quarter 2019 June 30, 2019**	**1st Quarter 2019 March 30, 2019**	**4th Quarter 2018 December 31, 2018**	**3rd Quarter 2018 September 30, 2018**	**2nd Quarter 2018 June 30, 2018**	**1st Quarter 2018 March 30, 2018**
Total revenue	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Net income (loss) from continuing operations	$5,424,181	$(39,023)	$(98,422)	$(4,469,131)	$(82,182)	$(54,641)	$(13,525)	$(6,269)
Net income (loss) from continuing operations per common share outstanding - basic	$0.06	$(0.00)	$(0.00)	$(0.05)	$(0.00)	$(0.00)	$(0.00)	$(0.00)
Net income (loss) from continuing operations per common share outstanding - diluted	$0.06	$(0.00)	$(0.00)	$(0.05)	$(0.00)	$(0.00)	$(0.00)	$(0.00)
Net income (loss)	$5,424,181	$(39,023)	$(98,422)	$(4,469,131)	$14,127,104	$(83,530)	$(115,554)	$(76,544)
Net income (loss) per common share outstanding - basic	$0.06	$(0.00)	$(0.00)	$(0.05)	$0.16	$(0.00)	$(0.00)	$(0.00)
Net income (loss) per common share outstanding - diluted	$0.06	$(0.00)	$(0.00)	$(0.05)	$0.16	$(0.00)	$(0.00)	$(0.00)

Overall, consulting fees, corporate administration, professional fees, regulatory and shareholder services and foreign exchanges gains/losses were the major components that caused variances in net losses from quarter to quarter while realized gains associated with the Company's disposal of marketable securities were the major components that caused variances in the net gains from quarter to quarter.

Fourth Quarter

During the quarter ended December 31, 2019, the Company incurred a net income of $5,424,181 compared to a net income of $14,127,104 for the quarter ended December 31, 2018. The change is mainly due to the Company's disposal of its shares of Ascot Resources Ltd. During the quarter ended December 31, 2019, the company incurred administrative expenses of $36,330 compared to $50,823 for the quarter ended December 31, 2018. The change is mainly due to the company incurred less expenses due to the decrease in activity.

6. Liquidity and capital resources

The following table summarizes the Company's cash on hand, working capital and cash flow:

As at December 31,		2019	2018
Cash and cash equivalents	$	51,193	392,481
Working capital (deficit)		(52,384)	20,283,971
Year ended December 31,		2019	2018
Net cash used in operating activities		(243,535)	(286,332)
Net cash provided by (used in) investing activities		300,345	(232,552)
Net cash provided by (used in) financing activities		(398,098)	340,080
Net change in cash	$	(341,288)	(178,804)

The Company is dependent on the sale of treasury shares and financings through future private placements to finance its exploration activities, property acquisition payments and general and administrative costs.

The Company's 2019 working capital decreased to $(52,384) (2018: $20,283,971). The difference is mainly due to the decrease of total current assets from $20,457,164 in fiscal year 2018 to $57,407 in fiscal year 2019.

Total current assets decreased from $20,457,164 to $57,407 is mainly due to the company held 15,179,497 Ascot Resources Ltd.'s shares with a market value of $ 20,036,936 on December 31, 2018, which were disposed of during 2019.

The Company's cash used in operating activities was $243,535 (2018: $286,332). The decrease in 2019 was primarily due to the company having less activity throughout the year.

The Company's cash provided activities were mainly from the disposal of marketable securities. During the year ended December 31, 2019, the Company sold 382,263 Ascot Resources Ltd. shares (2018: Nil) for gross proceeds of $300,056 (2018: Nil).

The Company's cash used in (from) investing activities was $398,098 (2018: $(340,080)). The cash used in 2019 financing activities was due to the cash dividend payment paid out to certain shareholders.

7. Disclosure of outstanding share data

The following information relates to share data of the Company as at the date of this MD&A:

(a) Share capital

The authorized share capital of the Company is 5,000,000,000 common shares without par value.

During the year ended December 31, 2019, there were no share capital transactions.

During the year ended December 31, 2018, 2,834,000 warrants were exercised resulting in $340,080 proceeds raised.

As at the date of this MD&A, the Company has 90,995,746 issued and outstanding common shares.

(b) Stock options

The Company has a stock option plan whereby the maximum number of shares subject to the plan, in the aggregate, shall not exceed 10% of the Company's issued and outstanding shares. The maximum term of any option will be ten years and the vesting is at the direction of the board, however, options granted to consultants performing "investor relations' activities" must at a minimum vest in stages over a period of not less than twelve months, with no more than ¼ of the options vesting in any three month period or such longer period as the board determines. The exercise price shall be no less than the discount market price as determined in accordance with TSE policies.

Stock option transactions and the number of stock options outstanding and exercisable as at December 31, 2019 and 2018 are summarized as follows:

	Year ended December 31, 2019		Year ended December 31, 2018	
	Number	Weighted average exercise price	Number	Weighted average exercise price
		$		$
Options outstanding, beginning of the year	1,425,000	0.11	1,425,000	0.11
Expired	(1,425,000)	0.11	-	-
Options outstanding	-	-	1,425,000	0.11
Options exercisable	-	-	1,425,000	0.11

During the year ended December 31, 2019, 1,425,000 outstanding stock options expired unexercised.

(c) Share purchase warrants

Share purchase warrant transactions and the number of share purchase warrants outstanding as at December 31, 2019 and 2018 are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price	
Balance, December 31, 2017	15,731,500	$	0.12
Exercised During the Year	(2,834,000)		0.12
Balance, December 31, 2018	12,897,500	$	0.12
Expired During the Year	(12,897,500)		0.12
Balance, December 31, 2019	-	$	-

During the year ended December 31, 2019, 12,897,500 outstanding warrants expired unexercised.

8. Related party transactions

The Company had no related party transaction during the year ended December 31, 2019.

The Company entered into the following material related party transactions during the year ended December 31, 2018:

Services provided for the year ended December 31, 2018	Management services
	$
Baron Global Financial Canada Ltd. (1)	20,000

(1) Mr. Herrick Lau Mong Tak, officer of the Company, is the managing director of Baron Global Financial Canada Ltd.

9. Additional Disclosure for Junior Issuers

The Company has incurred the following material cost components:

	Year Ended December 31, 2019	Year Ended December 31, 2018
	$	$
Consulting Fee	73,200	35,500
Corporate Administration	53,160	39,859
Professional fees	40,865	61,067
Regulatory and shareholder services	29,396	29,710

During the year ended December 31, 2019, $73,200 (2018 - $35,500) in consulting fees was paid in relation to consultants providing corporate communication, administrative and corporate development services to the Company.

During the year ended December 31, 2019, $53,160 (2018 - $39,859) in corporate administration fees was paid in relation to the Company's general office expenses, meals and entertainment, insurance and travel.

During the year ended December 31, 2019, $40,865 (2018 - $61,067) in professional fees was paid in relation to the previous year's financial statement audit, tax return services, and legal services requested throughout the year.

During the year ended December 31, 2019, $29,396 (2018 - $29,710) in regulatory and shareholder services fees was paid in relation to the Company's regulatory filing fees, shareholder correspondence and investor relations services.

10. Adoption of accounting standards and pronouncements under IFRS

The following amendment was adopted by the Company for the year ended December 31, 2019:

IFRS 16 Leases

On January 13, 2016, the International Accounting Standards Board published a new standard, IFRS 16, Leases, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier adoption permitted. The Company has adopted IFRS 16 from January 1, 2019. There is no impact from the adoption of IFRS 16 on the Company's financial statements because the Company does not have any lease agreement in effect during the year ended December 31, 2019.
The Company has reviewed new accounting pronouncements that have been issued but are not yet effective. The Company will continue to evaluate the impact these standards will have on the financial statements when they are finalized. Currently the effect is expected to be immaterial. These standards include:

IFRS 3 Business Combinations (Amendment)

In October 2018, the International Accounting Standards Board (IASB) issued amendments to IFRS 3, incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in December 2018. The amendments clarify the definition of a business, permitting a simplified assessment to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendments are effective for transactions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020. Earlier application is permitted.

11. Financial instruments

The Company is exposed to financial risks through its use of financial instruments in its ordinary course of operations. The financial risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company does not have any written risk management policies and guidelines. However, the board of directors meets regularly and co-operates closely with key management to identify and evaluate risks and to formulate strategies to manage financial risks. The Company has not used any derivatives or other instruments for hedging purposes and does not hold or issue derivative financial instruments for trading purposes. The most significant risks to which the Company is exposed to are described below.

(i) Currency risk

Some of the operating expenses and cash and cash equivalents held are denominated in foreign currencies and as such are subject to currency risk. The Company does not enter into derivative financial instruments to mitigate this risk but the Company does not believe its net exposure to foreign exchange risk is significant as most funds are held by the Company in Canadian dollars.

(ii) Credit risk

The Company's cash and cash equivalents are held in authorized Canadian and Hong Kong financial institutions. Management believes that the credit risk concentration with respect to its financial instruments is minimal. The Company adopts conservative investment strategies. Usually investments are in liquid securities quoted on recognized stock exchanges. No margin trading is allowed. Loans and financial guarantees have to be approved by the board of directors. The board monitors the Company's overall investment position and exposure on a day to day basis. The credit and investment policies have been followed by the Company since prior years and are considered to have been effective in limiting the Company's exposure to credit risk to a desirable level.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest-bearing assets in relation to cash at banks and cash equivalents carried at floating interest rates with reference to the market and non-interest bearing director's loans.

The Company's operating cash flows are substantially independent of changes in market interest rates. The Company has not used any financial instrument to hedge potential fluctuations in interest rates. The exposure to interest rates for the Company is considered minimal. The Company has no interest bearing borrowings.
The policies to manage interest rate risk have been followed by the Company since prior years and are considered to be effective.

(iv) Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the board of directors are actively involved in the review, planning and approval of significant expenditures and commitments.

The liquidity policies have been followed by the Company since prior years and are considered to have been effective in managing liquidity risk.

(v) Fair value measurements

The following table presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets. The fair value hierarchy has the following three levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets;
Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – inputs for the asset that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset is categorized in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The marketable securities are grouped into level 1 as at December 31, 2019 and 2018.

There have been no significant transfers between levels 1 and 2 in the respective reporting periods. The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting periods.

Financial instruments that are not measured at fair value on the balance sheet are represented by cash and cash equivalents and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying value due to their short-term nature.

12. Capital risk management

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern so as to benefit from its operations to provide an adequate return for its shareholders.

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support the acquisition, exploration and development of mineral properties. The Company defines capital that it manages as its shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company has historically relied on the equity markets to fund the acquisition, exploration and development of mineral properties. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements.

13. Proposed transactions

The Company does not currently have any proposed transactions approved by the Board of Directors. All current transactions are fully disclosed in the financial statements for the year ended December 31, 2019.

14. Off balance sheet transactions

There are currently no off balance sheet arrangements which could have a material effect on current or future results of operations, or the financial condition of the Company.

15. Internal control over financial reporting

The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of the Company, together with the Company's management, are responsible for the information disclosed in this MD&A and in the Company's other external disclosure documents. For the year ended December 31, 2019, the CEO and the CFO have designed, or caused to be designed under their supervision, the Company's disclosure controls and procedures ("DCP") to provide reasonable assurance that material information relating to the Company has been disclosed in accordance with regulatory requirements and good business practices and that the Company's DCP will enable the Company to meet its ongoing disclosure requirements.

The CEO and CFO have evaluated the effectiveness of the Company's DCP and have concluded that the design and operation of the Company's DCP were effective as of December 31, 2019 and that the Company has the appropriate DCP to ensure that information used internally by management and disclosed externally is, in all material respects, complete and reliable.

The CEO and the CFO are also responsible for the design of the internal controls over financial reporting ("ICFR") within the Company in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards ("IFRS"). During the year ended December 31, 2012, the Company engaged an international business advisory firm to assess the effectiveness of the Company's ICFR.

During the design and evaluation of the Company's ICFR, management identified certain non-material deficiencies, a number of which have been addressed or are in the process of being addressed in order to enhance the Company's processes and controls. The Company employs entity level and compensating controls to mitigate any deficiencies that may exist in its process controls. Management intends to continue to further enhance the Company's ICFR. Management concluded that the Company's ICFR were effective as of December 31, 2012, 2011 and 2010.

The Company's management, including its CEO and CFO, believe that any DCP and ICFR, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override to the future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

There have been no changes in the Company's ICFR during the year ended December 31, 2019 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

16. Critical accounting estimates and judgements

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Deferred taxes
The Company recognizes the deferred tax benefit related to deferred tax assets to the extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in the future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

The following is the critical judgment, apart from those involving estimations that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Going concern
Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its financial statements for the year ended December 31, 2019. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management considered a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing. As a result of the assessment, management concluded the ultimate appropriateness of the use of accounting principles applicable to a going concern.

17. Cautionary statement on forward-looking information

This MD&A, which contains certain forward-looking statements, are intended to provide readers with a reasonable basis for assessing the financial performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, fluctuations in the currency markets such as Canadian dollar, and U.S. dollar, fluctuations in the prices of commodities, changes in government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States, or other countries in which the Company carries or may carry on business in the future, risks associated with mining or development activities, the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits, and quantities or grades of reserves. Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company.

Readers are cautioned that forward-looking statements are not guarantees of future performance. 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. Specific reference is made to the Company's most recent Annual Information Form on file with Canadian provincial securities regulatory authorities for a discussion of some of the factors underlying forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

18. Subsequent event

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.