

**SINCHAO METALS CORP.**  
**Management's Discussion and Analysis**  
**For the Quarter Ended December 31, 2008**

Note: The information contained herein is current to February 28, 2009.

**INTRODUCTION**

Sinchao Metals Corp. ("Sinchao" or the "Company") is a Canadian based exploration and development company with a polymetallic project in Peru.

This Management Discussion and Analysis ("MD&A") of the financial position and results of operations is for the three and nine month periods ending December 31, 2008 compared with the three and nine month periods ending December 31, 2007. It should be read in conjunction with the Company's audited consolidated financial statements and the accompanying notes for the year ended March 31, 2008. Those financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). Except as otherwise disclosed, all dollar figures included therein are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com) or at the Company's website, [www.sinchaometals.com](http://www.sinchaometals.com)

**DESCRIPTION OF BUSINESS**

Sinchao Metals Corp. is a Canadian-based exploration and development company. The Company is a subsidiary of Andean American Mining Corp., ("Andean American") which owns 58% of the outstanding shares. The Company's principal business is the exploration of mineral properties located in Peru. This South American nation has a long tradition of mining and infrastructure to support the mining industry.

The Company is actively exploring its Sinchao property and the recently completed Phase 1 drill program has resulted in the first estimate of the size of the potential bulk tonnage, open pittable mineralization of the Breccia and Skarn zones.

The Company is registered under the Business Corporation Act of British Columbia and trades on the TSX Venture Exchange under the symbol "SMZ".

**OPERATIONS REVIEW**

The Sinchao property is located approximately 60 kilometres north of the city of Cajamarca in the district of Hualgayoc in northern Peru. The elevation of the property varies from 3,725 to 4,000 metres above sea level. Access to the property from Cajamarca consists of a paved road to Yanacocha (30km), then a well maintained gravel road currently being paved to Cerro Corona, adjacent to Sinchao. The infrastructure in Cajamarca is adequate and is steadily improving.

Four mineralized systems have been identified on the Sinchao Property: the Skarn Zone, the Breccia Zone, the High Sulphidation Epithermal Zone and the Massive Sulphide Lenses. Initial geological mapping, surface sampling, induced polarization and ground magnetometer surveys were completed in 1996, followed by over 8,000 metres of drilling during 1997 and 1998. Although results were very encouraging, metal prices were at all time lows and exploration was halted. From 1998 to 2005, Andean American, then owner of the Sinchao Property, consolidated its land position and in 2005 acquired 21 hectares contiguous with the existing Sinchao Property to complete its land acquisitions. The Sinchao Property area now totals 1,300 hectares. In September 2006, Andean American Mining Corp. completed the transfer of its wholly owned subsidiary, Corporacion Minera Sinchao, holder of the Sinchao Property, to Sinchao Metals Corp.

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During 2006 the Sinchao Project was geologically mapped in detail and state of the art 3D Induced Polarization and expanded ground magnetic surveys were completed. The geophysical surveys have successfully identified new targets with signatures that are comparable to known mineralization. Additional mapping and sampling of the high grade zinc skarn mineralization in 2006 comprised sixty-four grab samples over a length of approximately 1,500 metres, which returned average values of 14.27% zinc, 2.4% lead, 1.87 g/t gold, 85.0 g/t silver and 1.40% copper.

Drill hole SDH-26, the first hole of the 2007 drill program at the Skarn Zone, intersected 10.25 metres grading 2.34% copper, 0.81 g/t gold and 26.4 g/t silver within a broader zone of 32.0 metres grading 0.78% copper, 0.30 g/t gold and 11.1 g/t silver. Eight areas returned elevated gold-silver-copper-lead-zinc mineralization over an area of approximately 400 metres by 400 metres.

The 2008 drill program concentrated on the Breccia zone as part of a 9,250 metre program leading to an estimation of Inferred Resources. Highlights of the 2008 drill program include 170.3 metres grading 0.74% Copper, 1.19 g/t Gold and 7.1 g/t Silver in Hole SDH-46, and a 278.9 metre intersection in Hole SDH-50 grading 0.60% Copper, 0.53 g/t Gold and 18.4 g/t Silver. Copper-Gold-Silver mineralization has now been identified over an area of approximately 700 metres by 500 metres, and to a depth of approximately 450 metres. The mineralization is hosted by breccia and skarn, and remains open in all directions. A NI 43-101 compliant resource estimate of inferred resources was completed October 30, 2008.

**Inferred Resource estimates by cut-off:**

<u>Cut-Off</u>		<u>Tonnes</u>	<u>Copper</u>	<u>Gold</u>	<u>Silver</u>
Cu %	Au g/t	Millions	%	g/t	g/t
0.13	0.07	416	0.36	0.33	9.2
0.23	0.15	376	0.38	0.36	9.9
0.27	0.24	237	0.47	0.49	12.1
0.39	0.35	155	0.58	0.62	14.2
0.44	0.44	113	0.65	0.72	15.6
0.43	0.55	82	0.74	0.82	17.0
0.48	0.64	64	0.85	0.90	110.3

**Examples of Contained Metals:**

<u>Tonnes</u>	<u>Copper lbs</u>	<u>Gold ozs</u>	<u>Silver ozs</u>	<u>Eq. Lbs Copper</u>
237 Million	2.45 Billion	3.73 Million	92 Million	4.04 Billion grading 0.77% Copper Eq*
416 Million	3.3 Billion	4.4 Million	123 Million	5.71 Billion grading 0.62% Copper Eq*

\*based on US\$1.50/lb copper, US\$600/oz gold and US\$8/oz silver.

**Notes:**

1. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by the inability to obtain required environmental and other regulatory approval, environmental or operating permits. The estimate may also be materially affected by global economic conditions such as the price of gold and silver, the price of oil and other commodities utilized in the production of gold and silver. Unknown geologic or hydrologic conditions or other unknown factors may materially affect the resource estimates.

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2. Metallurgical recoveries and net smelter returns have not yet been determined. There has been no metallurgical work done at the Sinchao Property to date.
3. Victor Jaramillo, P. Geo., of Discover Geological Consultants Inc. is an Independent Qualified Person as defined by National Instrument 43-101 and is responsible for the resource estimates.

The Company has designed and is implementing a remediation program in respect of prior and current exploration activities under an agreement with the local communities and has initiated fieldwork. Remediation of pre-existing environmental conditions is an example of one of the benefits coming to the community as a direct result of the application of responsible exploration and mining practices.

Reinterpretation of the geology has identified Hydrothermal Breccia and Epithermal Zones of mineralization and extensions to the Skarn Zone. These zones have the potential to host between 400 million and 600 million tonnes of mineralization at the Epithermal Zone with potential grades ranging from 0.4% to 0.6% copper, 0.3 g/t to 0.5 g/t gold and 6 g/t to 8 g/t silver. The Skarn Zone also has the potential to host between 400 million and 600 million tonnes of mineralization with potential grades ranging from 0.1% to 0.3% copper, 0.2 g/t to 0.3 g/t gold and 4 g/t to 6 g/t silver. The Hydrothermal Breccia Zone has the potential to host 700 million to 1 billion tonnes of mineralization with potential grades of 0.2% to 0.4% copper, 0.2 g/t to 0.4 g/t gold and 10 g/t to 12 g/t silver. These potential mineralized zones are in addition to the current 416 million tonne Inferred Resource

Please note: The quantity and grade of the potential mineralization is conceptual in nature, and there has been insufficient exploration to define a mineral resource. It is uncertain if further exploration will result in the targets being delineated as mineral resources.

## **OUTLOOK**

The exploration program of the Sinchao Property is designed to define the size of the potential bulk tonnage, open pitable mineralization of the Breccia, Hydrothermal Breccia, Epithermal and Skarn Zones. The Company is highly encouraged by the work accomplished to date, in particular, the success of the 2008 drill program which was the basis for an estimation of inferred resources.

Less than 15% to 30% of the geological targets on the Sinchao Property have been drill tested. An additional drill program of approximately 5,000m has been recommended in order to test the extensions of the Breccia Zone to the northwest and the Skarn Zone to the southeast. An additional 15,000 metres of drilling, contingent on the results of this drilling, has been budgeted for 2009. The objectives of the 2009 drilling will be to at increase the Inferred Resource and collect representative samples for metallurgical studies.

The communities have agreed and signed formal agreements to allow the exploration program to proceed. There is an ongoing need to build continuous understanding of all stakeholders' concerns.

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**SELECTED FINANCIAL INFORMATION**

A summary of selected financial information for the last eight quarterly periods is as follows:

	<b>Three months ended</b>			
	<b>December 31</b>	<b>September 30</b>	<b>June 30</b>	<b>March 31</b>
	<b>2008</b>	<b>2008</b>	<b>2008</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Earnings and Cash Flow</b>				
Net earnings	111,827	(520,919)	(8,670)	110,988
Cash from (used by) operations	148,253	(169,137)	(118,010)	(207,278)
Net income (loss) per share	0.00	(0.010)	0.00	0.002
Capital expenditures	570,698	1,529,908	1,266,741	470,831
<b>Balance Sheet</b>				
Total assets	29,575,260	29,338,247	29,737,896	23,247,011
	<b>December 31</b>	<b>September 30</b>	<b>June 30</b>	<b>March 31</b>
	<b>2007</b>	<b>2007</b>	<b>2007</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Earnings and Cash Flow</b>				
Net earnings	(584,366)	(268,306)	110,988	(1,027,625)
Cash from (used by) operations	(1,113,961)	557,644	(207,278)	179,172
Net income (loss) per share	(0.010)	(0.005)	0.002	(0.026)
Capital expenditures	634,907	713,514	470,831	664,802
<b>Balance Sheet</b>				
Total assets	29,252,654	23,575,987	23,247,011	22,786,075

At December 31, 2008, the Company had negative working capital of \$143,850. This included an available cash balance of \$ 43,935.

**Results of Operations**

*Three Months Ended December 31, 2008 compared to the Three Months Ended December 31, 2007*

For the three months ended December 31, 2008, the Company recorded a net income of \$111,827 (2007 - net loss of \$584,366) and loss per share of \$0.00 (2007 - \$0.10 net loss per share). The increase in net income in the three months ended December 31, 2008 was due to the increase in foreign exchange gain, a decrease in professional fees, stock based compensation and administrative and management fees that was recorded in the comparative quarter.

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**Results of Operations (continued)**

*Nine Months Ended December 31, 2008 compared to the Nine Months Ended December 31, 2007*

For the nine months ended December 31, 2008, the Company recorded a net loss of \$417,762 (2007 - net loss of \$741,684) and loss per share of \$0.01 per share (2007 - \$0.01 net loss per share). The decreased net loss in the nine month period ended December 31, 2008 over the comparable period in the prior year was due to a decrease in administrative and management services, professional fees, stock based compensation and a significant decrease in the foreign exchange gain.

**Administrative and Management Services**

Costs incurred for administration and management for the quarters ended December 31, 2008 and 2007 were:

	<b>Three Months ended</b>	
	<b>December 31</b>	<b>December 31</b>
	<b>2008</b>	<b>2007</b>
<b>Services from Andean American</b>	<b>\$</b>	<b>\$</b>
Corporate administration	75,934	103,578
Management fees	-	-
	<b>75,934</b>	<b>103,578</b>

	<b>Nine Months Ended</b>	
	<b>December 31</b>	<b>December 31</b>
	<b>2008</b>	<b>2007</b>
<b>Services from Andean American</b>	<b>\$</b>	<b>\$</b>
Corporate administration	261,814	262,889
Management fees	22,155	7,155
	<b>283,969</b>	<b>270,044</b>

**Income and Resource Taxes**

The Company is subject to income taxes in Canada with the statutory income tax rate at 33.34%. The Company's operating subsidiary, Minera Sinchao, is subject to relevant income tax laws applicable in Peru with the statutory income tax rate at 30%.

The Company is subject to assessment by Canadian and Peruvian authorities, which may interpret tax legislation in a manner different from the Company. These differences may affect the final amount or the timing of the payment of taxes. When such differences arise the Company makes provision for such items based on management's best estimate of the final outcome of these matters.

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**FINANCIAL POSITION AND LIQUIDITY**

**Operating Cash Flow**

*Three Months Ended December 31, 2008 compared to the Three Months Ended December 31, 2007*

Cash provided from (used by) operations in the quarter ended December 31, 2008 was (\$117,612), compared with (\$1,113,961) in the comparative quarter for 2007. The increase in cash flow was mainly due to the increase in related party receivables and an increase in accounts payable and accrued liabilities.

*Nine Months Ended December 31, 2008 compared to the Nine Months Ended December 31, 2007*

Cash provided from (used by) operations in the nine months ended December 31, 2008 was (\$404,759), compared with (\$763,595) in the comparative nine months of 2007. The increase in cash flow outflow was mainly due to the reduction in related party receivables and accounts payable and accrued liabilities.

**Investing Activities**

*Three Months Ended December 31, 2008 compared to the Three Months Ended December 31, 2007*

Capital expenditures in the quarter ended December 31, 2008 amounted to \$304,833 (including \$17,277 on equipment) and for the comparative quarter in 2007 amounted to \$634,907 (including \$47,915 on equipment) mainly relating to deferred exploration costs.

*Nine Months Ended December 31, 2008 compared to the Nine Months Ended December 31, 2007*

Capital expenditures for the nine months ended December 31, 2008 amounted to \$3,047,981 (including \$53,501 on equipment) and for the comparative period in 2007 amounted to \$1,819,255 (including \$53,980 on equipment) mainly relating to deferred exploration costs.

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<b>Exploration costs:</b>	<b>Three Months Ended December 31</b>	
	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Geological and consulting	40,795	92,500
Engineering and consulting	-	9,000
Mapping and plotting	-	874
Drilling and exploration	(16,199)	136,915
Mining rights & claims	-	10,211
Travel expenses	5,554	7,985
Sampling	1,260	30,791
Camp procurement & expediting	59,390	27,945
Transportation	12,414	7,341
Equipment rental	-	11,796
Field supplies	(735)	11,599
Site personnel	29,312	45,395
Remediation	1,182	66,289
Community expenses	9,524	4,016
Logistic & administrative support	104,726	39,534
Sales tax	19,256	58,208
Miscellaneous	8,687	26,595
	<u>275,166</u>	<u>586,994</u>
Stock based compensation	12,390	-
	<u>287,556</u>	<u>586,994</u>

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	<b>Nine Months Ended December 31</b>	
	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Geological and consulting	184,431	284,248
Engineering and consulting	-	9,000
Mapping and plotting	1,429	2,084
Drilling and exploration	1,148,917	344,996
Mining rights & claims	23,281	21,829
Travel expenses	59,331	51,626
Sampling	76,340	69,175
Camp procurement & expediting	151,588	111,155
Transportation	18,827	15,997
Equipment rental	87,904	96,656
Field supplies	52,868	60,064
Site personnel	272,187	84,632
Remediation	8,299	136,761
Community expenses	79,833	19,389
Logistic & administrative support	463,417	286,863
Sales tax	285,273	143,640
Miscellaneous	34,413	27,160
	2,948,338	1,765,275
Stock based compensation	99,643	49,970
	3,047,981	1,815,245

**Financing Activities**

*Three Months Ended December 31, 2008 compared to the Three Months Ended December 31, 2007*

During the quarter ended December 31, 2008, the Company did not issue any shares. During the three months ended December 31, 2007, the Company received \$6,000,000 in cash from the issue of 15,000,000 common shares, \$30,000 pursuant to the exercise of 30,000 stock options and \$204,436 pursuant to the exercise of 499,394 share purchase warrants

During the nine months ended December 31, 2008, the Company did not issue any shares. During the nine months ended December 31, 2007 the Company received \$6,000,000 from the issue of 15,000,000 common shares, \$901,936 pursuant to the exercise of 5,189,394 warrants and \$45,000 from the issue of 45,000 common shares pursuant to the exercise of 45,000 stock options.

**Cash Resources and Liquidity**

At December 31, 2008 the Company had a working capital surplus (deficit) of \$(143,850), (2007 – \$10,030,354). This included an available cash balance of \$43,935 (2007 - \$10,182,396). As at the date of this report the net amount due to Andean from the Company is \$228,580.

**The Company has instituted severe cost cutting measures to conserve its cash resources. However, should the Company be obliged to seek additional funding under current market conditions then it is likely that existing shareholders would suffer significant dilution.**

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**Off - Balance Sheet arrangements**

The Company has no off-balance sheet arrangements.

**FINANCIAL INSTRUMENTS**

All significant financial assets, financial liabilities and equity instruments of the Company are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk.

The Company's financial instruments are comprised of cash and cash equivalents, amounts receivable, amounts receivable from and payable to related parties, GST receivable, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of the Company's cash and cash equivalents, accounts receivable, GST receivable, and accounts payables and accrued liabilities approximate their carrying values.

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, interest risk and commodity price risk.

**CHANGES IN ACCOUNTING POLICIES**

***Current Changes in Accounting Policies***

On April 1, 2008, the Company adopted the following provisions of the Canadian Institute of Chartered Accountants ("CICA") Handbook Sections. There was no material impact on the Company's financial condition or operating results as a result of the adoption of these new standards:

- (a) Section 3862 – Financial Instruments – Disclosures, which replaces Section 3861 and provides expanded disclosure requirements that provide additional detail by financial asset and liability categories (see Note 11).
- (b) Section 3863 – Financial Instruments – Presentation, to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows (see Note 11).
- (c) Section 1535 – Capital Disclosures, which establishes standards for disclosing information about an entity's capital and how it is managed (see Note 10). Under this standard, the Company will be required to disclose the following:
  - qualitative information about its objectives, policies and processes for managing capital;
  - summary quantitative data about what it manages as capital;
  - whether during the period it complied with any externally imposed capital requirement to which it is subject; and
  - when the Company has not complied with such externally imposed capital requirements, the consequences of such non-compliance.
- (d) Section 1400 – General Standards of Financial Statement Presentation, to include requirements for management to assess and disclose an entity's ability to continue as a going concern (see Note 1).

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***Future Changes in Accounting Policies***

(a) International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for the publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended March 31, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

(b) Goodwill and Intangible Assets

In February 2008, the AcSB issued Handbook Section 3064, Goodwill and Intangible Assets and amended Section 1000, Financial Statement Concepts clarifying the criteria for the recognition of assets, intangible assets and internally developed intangible assets. Items that no longer meet the definition of an asset are no longer recognized with assets. The standard is effective for fiscal years beginning on or after October 1, 2008 and early adoption is permitted. The adoption of this new section is not expected to have a material impact on the Company's earnings and financial position.

**OUTSTANDING SHARE DATA**

As at March 2, 2009, there were 70,103,514 issued common shares, 2,365,000 stock options outstanding and exercisable at a price between \$0.15 and \$0.66 per share and 11,750,000 warrants outstanding with an expiration period between June 15, 2009 and December 12, 2009 and with an exercise price between \$0.60 and \$5.00 per share.

**RISK AND UNCERTAINTIES**

**Exploration and Development**

Although the Company has taken steps to verify title to mineral properties in which it has an interest, according to the usual industry standards for this stage of exploration and development of such properties, these procedures including confirmation by the government's Mine Registry Offices and National Cadastral Plans do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects. The costs and results of the exploration and development programs affect Sinchao Metals' profitability and value. Exploration for minerals involves many risks and may not result in any new economically viable mining operations or yield new reserves. Acquiring title to mineral properties is a detailed and time-consuming process.

Sinchao Metals takes steps to verify and secure legal title to mineral properties in which the Company has or is seeking an interest. Although the Company takes every precaution to ensure that legal title to its properties is properly recorded in the name of Sinchao Metals, there can be no assurance that such title will ultimately be secured on every property. The legal title to our properties depends on the appropriate and consistent application of the laws in the countries in which we operate.

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**Capital and Operations**

The recoverability of the amounts capitalized in respect of non-producing mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the properties, and upon future profitable production or proceeds from the disposition of the properties. The business of mining involves many operational risks and hazards. Through high operational standards, an emphasis on hiring and training appropriately skilled personnel and operational improvements, Sinchao Metals works to reduce the risks associated with our projects. The Company also maintains adequate insurance to cover normal business risk. The Company also relies on a number of key employees. Sinchao Metals' success depends on attracting and retaining qualified personnel in a competitive labour environment. Further exploration and development of mineral resource properties or acquisitions beyond our current operations may require additional capital. Accordingly, the continuing development of projects will depend on the Company's ability to obtain financing through joint venture projects, debt financing and equity financing or other means. There is no assurance that Sinchao Metals will be successful in obtaining the required financing.

**Environment**

The Company is in compliance with the material regulations applicable to its exploration activities. Existing and possible future environmental regulations might cause additional expenses, capital expenditures and delays in the operations of the company, the extent of which cannot be predicted. Sinchao Metals' activities are subject to extensive federal, provincial, state and local laws and regulations governing environmental protection and employee health and safety. The Company must obtain governmental permits and provide associated financial assurance to carry on certain activities. The Company is also subject to various reclamation-related conditions imposed under federal, state or provincial air, water quality and mine reclamation rules and permits. While Sinchao Metals has budgeted for future capital and operating expenditures to maintain compliance with environmental laws and permits, any future changes to these laws could adversely affect Sinchao Metals' financial condition, liquidity or results of operations.

**Laws and Regulations**

Sinchao Metals' exploration activities are subject to extensive federal, provincial, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. These laws and regulations are subject to change, which may restrict our ability to operate. The Company draws on the expertise and commitment of its management team, advisors, employees and contractors to ensure compliance with current laws, and fosters open communication and co-operation with regulatory bodies.

**Legal Proceedings**

The nature of the business may subject the Company to regulatory investigation, claims, lawsuits and other proceedings in the ordinary course of business. Sinchao Metals cannot predict the outcome of any legal proceedings with certainty.

**Currency Fluctuations**

Sinchao Metals operates in Canada and Peru. The main transactions in Peru are in US dollars and, to a lesser extent, Peruvian soles. The Company is therefore affected by currency fluctuations among the Canadian dollar, the US dollar and the Peruvian sol.

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**Political Risk**

Sinchao Metals conducts operations outside of North America, namely in Peru. These operations are potentially subject to a number of political, economic and other risks that may affect its future operations and financial position.

**CAUTION ON FORWARD-LOOKING STATEMENTS**

The Management's Discussion and Analysis contains forward-looking statements concerning anticipated developments for Sinchao Metals in future periods. Forward-looking statements often, but not always, contain words such as "believes", "intends", "anticipates", "estimates", "intends", "potential" and similar words or statements that certain conditions or results "may", "should" or "could" happen or occur. These forward-looking statements are found primarily under the heading "Outlook". Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or other future events, including forecast production, earnings and cash flows, to be materially different from any future results, performances or achievements or other events expressly or implicitly predicted by such forward-looking statements. Sinchao Metals' forward-looking statements are based on the expectations and opinions of management on the date that the statements are made and Sinchao Metals does not assume any obligation to update forward-looking statements if circumstances change. For the above reasons, investors should not place undue reliance on forward-looking statements.

**QUALIFIED PERSON**

Mr. Andrew Gourlay, P. Geol., President of Sinchao Metals Corp., is a Qualified Person as defined by National Instrument 43-101 with the ability and authority to verify the authenticity and validity of the technical and scientific data. Mr. Gourlay has verified the technical and scientific data disclosed in this document including sampling, analytical and test data underlying the information.