



MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2022

APRIL 28, 2023

Description of Management's Discussion and Analysis

The purpose of this Management's Discussion and Analysis ("MD&A") is to explain management's point of view regarding the past performance and future outlook of InZinc Mining Ltd. ("InZinc" or the "Company"). This report also provides information to improve the reader's understanding of the consolidated financial statements and related notes for the years ended December 31, 2022 and 2021 as well as important trends and risks affecting the Company's financial performance. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All amounts in the financial statements and in this MD&A are expressed in Canadian dollars, unless otherwise indicated. The following discussion is dated and current as of April 28, 2023. This MD&A contains forward-looking information and statements which are based on the conclusions of management. The forward-looking information and statements are only made as of the date of this MD&A.

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings, and these financial statements together with the other financial information included in these filings. The Board of Directors approves the financial statements and MD&A and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing.

Additional information on the Company is available on SEDAR and at the Company's website, www.inzinmining.com.

Forward-Looking Statements

Certain disclosures contained in this MD&A may constitute forward-looking information. This is information regarding possible events, conditions or results of operations of the Company that is based upon assumptions about future economic conditions and courses of action which is inherently uncertain. All information other than statements of historical fact may be forward-looking information.

Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to the interpretation of drill results and the estimation of mineral resources, the geology, grade and continuity of mineral deposits; the outbreak of an epidemic or a pandemic, including the outbreak of the novel coronavirus (COVID-19), or other health crisis and the related global health emergency affecting workforce health and wellbeing; and the possibility that future exploration and development results will not be consistent with the Company's expectations. Some other risks and factors which could cause results to differ materially from those expressed in the forward-looking information contained in this MD&A are described under the heading "Risks and Uncertainties".

Readers are cautioned that any such listings of risks are not, and in fact cannot be, complete. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. The Company believes the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A.

The forward-looking information contained in this MD&A is provided as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

Description of Business

The Company is incorporated under the Canada Business Corporations Act and is listed on the TSX Venture Exchange ("TSX-V") under the trading symbol IZN. The principal business of the Company is the acquisition, exploration and development of mineral properties ("exploration and evaluation assets"), either solely or through joint ventures and options.

The Company is actively exploring the exploration stage Indy property (100% interest) ("Indy") located in central British Columbia. Indy is well located for potential development with proximal access to power, roads and rail infrastructure. The property consists of approximately 19,900 hectares covering a 29 km strike of Cambrian to Mississippian aged strata with district scale discovery potential for Sedimentary Exhalative ("Sedex") type base and precious metal deposits. In February 2023, the Company completed all the earn-in obligations of the Indy option agreement and exercised its option to acquire a 100% interest in Indy. Refer to the "Indy" section for a further description of the transaction.

The Company has an investment in the common shares of American West Metals Limited ("American West") (listed on the Australian Securities Exchange), which is advancing multiple North American base metals projects including the West Desert zinc-copper-indium project located in Utah.

The Company will also receive 50% of the revenue, on a net smelter returns royalty ("NSR") basis, from the sale of indium mined from West Desert subject to American West's right to reduce this NSR interest to 25% by paying the Company USD \$5,000,000 in cash at any time prior to the first sale of indium from the project ("Indium NSR").

In addition, the Company is engaged in a continuing review of other properties and projects for possible acquisition.

To date the Company has not generated any revenues. Indy is at the exploration stage and has not generated any revenues.

At December 31, 2022, the Company had not yet achieved profitable operations and has a deficit of \$15,100,431 (2021 - \$13,628,163).

Since Indy represents exploration stage interests, the Company does not have operations or operating results in the conventional use of the terms. The Company's assets also include the American West common shares and the Indium NSR; American West's West Desert project represents exploration stage interests. The Company's financial success will ultimately be dependent upon finding economically recoverable mineral reserves, confirmation of its interest in those reserves and its ability to obtain the necessary financing to profitably produce those reserves. Further information on the Company's properties can be found on the Company's website at www.inzincmining.com.

Mineral Properties

Indy

Indy is located approximately 90 km southeast of the city of Prince George, in central British Columbia. The property is 85 km south of the CNR transcontinental railway and 65 km south of the Yellowhead highway at moderate elevations ranging from 950 m to 1300 m. The property is accessed by well-maintained Forest Service roads.

Indy covers a 29 km trend (19,900 hectares) of Cambrian to Mississippian aged rocks with district scale discovery potential for Sedex type base and precious metal deposits. An initial drill program completed by the Company in 2018 discovered near surface, high grade Sedex-style zinc mineralization at one of four large areas of strongly anomalous soil geochemistry on the project. Extensive soil geochemical programs in 2019 and 2021 outlined an additional 10 km of high-quality, base and precious metal targets at Indy.

Mineral Properties (cont'd...)

Indy (cont'd...)

2022 Exploration and Results

On February 2, 2022, the Company announced it had increased its mineral claims to encompass 19,900 ha (199 km²) by staking an additional six contiguous mineral claims (7,600 ha).

On February 16, 2022, the Company reported it had retained the services of an airborne geophysical contractor to provide surveys covering a 28 km length of the project.

On April 21, 2022, the Company announced 2022 drill plans for zinc and silver-gold targets at Indy, including a 2,500 m diamond drilling contract. Drill plans included provisions for 20 to 25 drill holes focusing on targets occurring along the 7 km Main Trend and supported by an extensive network of existing roads.

On June 28, 2022, the Company announced the mobilization of exploration crews and equipment to commence an 1,100 line km program of airborne geophysics and an extension of an access trail to support ground based drilling. The Echo South, Keel, Fox East and B-9 targets were prioritized for exploration drilling in 2022. The Fox West, Hat and Anomaly G precious metal targets would be prepared for drilling in subsequent programs. The northern 900 m extension of the Echo target (Echo North), Delta Horizon and Anomaly C would also be planned as future drill targets.

On August 3, 2022, the Company announced completion of an 1,100 line km airborne geophysical survey and progress of the 2022 drill program including completion of five drill holes at the Fox East silver-gold target and the Keel zinc +/- silver target.

On October 12, 2022, the Company announced completion of the 2022 drill program and demobilization of equipment and personnel. The 2616 m ground-based diamond drill program (17 drill holes) explored three new areas and the extension of mineralization discovered at the B-9 Zone in 2018.

On December 15, 2022, the Company reported initial results from the 2022 drill program and announced the southern extension of near surface high grade zinc mineralization at the B-9 Zone.

On January 25, 2023, the Company reported a new oxide occurrence of zinc with nickel, cobalt and copper from drilling at Keel Red and additional results from the 2022 exploration drill program.

On February 6, 2023, the Company reported final drill results from the 2022 exploration drill program. Shallow, wide spaced drilling explored the B-9 Zone along a 450 m trend to 130 m at depth, with B-9 remaining open for expansion in all directions. The Company also announced it completed all the earn-in obligations of the Indy option agreement and exercised its option to acquire a 100% interest.

The 2022 drill program extended zinc mineralization at the B-9 Zone and discovered a new oxide occurrence of zinc with nickel, cobalt and copper at Keel Red, two drill targets located on approximately 10 km of high-quality base and precious metal targets defined along the Main Trend at Indy. Untested large base metal drill targets included Echo North and South, Delta, Anomaly C and Action.

Exploration activities are permitted and monitored under a Multi-Year Access Bond with the Government of British Columbia. Exploration expenditures are eligible for the BC Mineral Exploration Tax Credit ("BCMETC"). The Company has received \$409,308 from BCMETC claims for 2017 – 2021.

2023 Expenditure Requirements

Under the terms of the Indy option agreement, additional property expenditures of \$1,250,000 are required on or before January 31, 2023. These requirements have been met.

Mineral Properties (cont'd...)

Indy (cont'd...)

Previous Exploration (2017 – 2021)

In 2017, the Company completed initial soil geochemical surveys, geological mapping and prospecting in the Anomaly B and C areas.

Additional geochemical surveys were completed in mid-August 2018, prior to an initial diamond drill program (1,270 m in eleven drill holes) which was completed in September 2018. In November 2018, the Company announced the discovery of shallow, high grade zinc sulphide mineralization in drill hole IB18-009 at the B-9 Zone located in the southern portion of Anomaly B. Significant drill intersections from the 2018 drill program include:

B-9 Zone 2018 Drilling – Selected Highlights

- 12.33% Zn, 2.98% Pb, 24.46 g/t Ag over 6.29 m at 60 m below surface in hole IB18-009
- 5.76% Zn, 0.48% Pb, 3.41 g/t Ag over 6.73 m at 56 m below surface in hole IB18-008
- 4.49% Zn, 1.13% Pb, 7.32 g/t Ag over 4.28 m at 27 m below surface and
- 2.24% Zn, 0.83% Pb, 5.23 g/t Ag over 5.38 m at 33 m below surface and
- 3.50% Zn, 0.66% Pb, 4.59 g/t Ag over 4.57 m at 37 m below surface in Hole IB18-002
- 9.26% Zn, 2.43% Pb, 17.98 g/t Ag over 3.05 m at 23 m below surface in hole IB18-003*
- 3.88% Zn, 1.34% Pb, 8.90 g/t Ag over 3.99 m at 29 m below surface in hole IB18-006

*Note: Drilled intersections are apparent width only. The intersections in IB18-002 are separated by lost core/no recovery. *Low core recoveries.*

In late 2018, the Company increased its claim holdings to encompass an additional zinc-in-soil geochemical anomaly, called the Action anomaly.

From mid-June until late-August 2019, extensive soil geochemical surveys (1,194 soils) to further outline, extend and prioritize the various anomalies were completed. Additional work included mapping and prospecting programs on priority targets. In late September 2019, the Company announced the definition of a large new Sedex-type target called the Delta Horizon located 5 km northwest of the B-9 Zone.

The 2019 program identified the distinctive geochemical signatures commonly associated with Sedex deposits, in several potentially stacked horizons over the 7 km long Main Trend.

The summer 2021 program continued to expand soil geochemical sampling (1,419 samples) in the northeastern portion of the 7 km long Main Trend. Road access to Anomaly B was completed in August 2021 in conjunction with third parties. The coordinated program included a semi-permanent bridge span, three stream crossings and significant upgrades to existing roads to allow industrial scale traffic. The Company was responsible for the installation of one of the stream crossings.

In September 2021, the Company announced the discovery of the Echo target – a 1.9 km long, continuous, multi-element (Zn, Pb, Ba) soil anomaly located 1 km east of the Delta Horizon target. In addition, two large and discrete areas, named Hat and Fox, containing soils enriched in silver (2 to 24.8 ppm) were discovered in the area between the Delta and Echo targets.

A follow-up program in October 2021 focused on additional soil sampling in the Anomaly B area, minor sub-crop sampling and establishing drill trail access to the Delta Horizon area.

Mineral Properties (cont'd...)

Indy (cont'd...)

In February 2022, the Company announced additional and final results from the 2021 exploration program. On February 9, 2022, the Company announced the discovery of the Anomaly G silver target, completion of the rehabilitated road access to the Delta Horizon area and plans for a 2022 exploration program with a minimum \$1,250,000 budget including proposed drilling. On February 16, 2022, the Company announced the discovery of gold in soils at the Fox silver target and that it had retained the services of an airborne geophysical contractor to provide surveys covering a 28 km length of the project.

After reporting results from the 2021 exploration program, a total of 10 km of high-quality, base and precious metal targets were defined at Indy.

Historical Exploration

Kennco staked the area in 1981 and between 1980 and 1982 located several zinc-lead-silver geochemical anomalies over a 6.5 km trend. Four short diamond drill holes on two selected geochemical targets were completed.

In 1988, Cominco optioned the property from Kennco and completed soil geochemistry programs outlining a fourth anomaly on the property. Five shallow, wide-spaced diamond drill holes were reported by Cominco in 1989 which targeted a portion of a high contrast soil anomaly (Anomaly B). All five holes intersected mineralization at estimated vertical depths less than 100 m over a 450 m long trend. Drill intersections ranged from 1.5 m to 19.7 m, grading from 1.9% to 8.9% zinc, 1.0 g/t to 55.6 g/t silver and 0.04% to 2.4% lead. Locations and true widths of these intersections are not known and in some cases core recoveries were less than 50%.

Cominco returned the property to Kennco post 1991, after which only minor activities are recorded.

Option Agreement

On October 17, 2016, subsequently amended April 2, 2020, the Company entered into an option agreement to acquire a 100% interest in Indy from Pac Shield Resources Inc. ("PSR"), a private British Columbia company. On January 31, 2023, pursuant to the agreement with PSR, the Company has the option to earn a 100% interest after a six-year period of making staged cash payments totaling \$315,000 (completed), issuing an aggregate of 2,400,000 shares (completed) and completing work commitments of \$2,600,000 (completed).

On February 6, 2023, the Company announced it completed all the earn-in obligations of the Indy option agreement and exercised its option to acquire a 100% interest.

In addition, a \$500,000 cash payment and the issuance of 500,000 shares of the Company will be made to PSR if the Company files a technical report establishing a 500,000,000 pound zinc resource on the property. A further \$500,000 cash payment will be made to PSR should the Company file a technical report establishing a 750,000,000 pound zinc resource on the property. The property is subject to a 1.0% NSR held by PSR (the "PSR NSR") and a 1.5% NSR held by Kerry Curtis, a director, Chairman of the Board and former interim Chief Executive Officer of the Company, and a director and the controlling shareholder of PSR. On exercise of the option and prior to completion of a feasibility study on the property, the Company has the right to purchase the PSR NSR for \$1,500,000.

Summary of Exploration and Evaluation Assets and Activities

Exploration and evaluation asset summary

Exploration and evaluation asset acquisition costs for the year ended December 31, 2022 are as follows:

	Indy	Total
Balance, December 31, 2021	\$ 273,345	\$ 273,345
Additions during the year:		
Cash payments	50,000	50,000
Shares issued	22,000	22,000
Staking	13,315	13,315
	85,315	85,315
Total, December 31, 2022	\$ 358,660	\$ 358,660

Exploration and evaluation expenditures for the year ended December 31, 2022 are as follows:

	Indy	Total
Air support	\$ 4,577	\$ 4,577
Analytical	67,135	67,135
Claims maintenance	500	500
Communication	4,927	4,927
Drilling	821,492	821,492
Equipment and supplies	93,509	93,509
Geochemistry	13,825	13,825
Geophysics	221,990	221,990
Personnel	231,000	231,000
Room and board	68,619	68,619
Travel	8,659	8,659
	1,536,233	1,536,233
BC mineral exploration tax credit	(90,024)	(90,024)
Total, December 31, 2022	\$ 1,446,209	\$ 1,446,209

Summary of Exploration and Evaluation Assets and Activities (cont'd...)

Exploration and evaluation expenditures (cont'd...)

Cumulative exploration and evaluation expenditures from acquisition on October 17, 2016 to December 31, 2022 are as follows:

	Indy	Total
Air support	\$ 111,152	\$ 111,152
Analytical	135,611	135,611
Claims maintenance	4,580	4,580
Communication	10,777	10,777
Community engagement	750	750
Drilling	1,301,313	1,301,313
Engineering	14,035	14,035
Environmental	596	596
Equipment and supplies	229,580	229,580
Geochemistry	23,337	23,337
Geophysics	221,990	221,990
Permitting	3,319	3,319
Personnel	655,266	655,266
Room and board	165,979	165,979
Travel	22,312	22,312
	2,900,597	2,900,597
BC mineral exploration tax credit (2017 to 2021)	(409,308)	(409,308)
Total, December 31, 2022	\$ 2,491,289	\$ 2,491,289

Selected Annual Information

The following financial data, which has been prepared in accordance with IFRS, is derived from the Company's financial statements for the year ended December 31, 2022, 2021, and 2020:

		2022	2021	2020
Total Revenue		\$ -	\$ -	\$ -
Income (Loss)	Total	\$ (1,622,267)	\$ 3,273,175	\$ (202,101)
	Per Share ⁽¹⁾	\$ (0.01)	\$ 0.03	\$ (0.00)
Net Income (Loss) and Comprehensive Loss	Total	\$ (1,622,267)	\$ 3,273,175	\$ (202,101)
	Per Share ⁽¹⁾	\$ (0.01)	\$ 0.03	\$ (0.00)
Total Assets		\$ 3,222,032	\$ 4,645,360	\$ 1,067,294
Working Capital		\$ 2,743,576	\$ 4,257,860	\$ 243,274
Total Non-Current Liabilities		\$ -	\$ -	\$ -
Total Liabilities		\$ 79,796	\$ 74,155	\$ 50,277
Cash Dividends Declared		\$ -	\$ -	\$ -

⁽¹⁾ basic and diluted

Selected Annual Information (cont'd...)

The Company's projects are at the exploration stage and have not generated any revenues. At December 31, 2022, the Company had not yet achieved profitable operations and has a deficit of \$15,100,431 (2021 - \$13,628,163). These losses resulted in net income (loss) per share for the year ended December 31, 2022 of \$(0.01) (2021 - \$0.03).

The loss and comprehensive loss for the Company has varied from year to year, depending mainly on the amount of exploration activities, communication and investor relations activities, professional fees, exploration activity and whether or not stock options were issued. The income in the current year is from the completion of the Second Amendment Agreement with American West.

Results of Operations: Year-to-date

The net income (loss) and comprehensive income (loss) for the year ended December 31, 2022 was \$(1,622,267) or \$(0.01) per share compared with net income (loss) and comprehensive income (loss) of \$3,273,175 or \$0.03 per share during the same period of 2021. The following discussion should be read in conjunction with the accompanying financial statements and related notes for the period.

The table below explains the significant changes in expenditures for the year ended December 31, 2022 compared with December 31, 2021.

Expense	Change in Expense	Explanation for Change
Communication and investor relations	Increase of \$15,443	The increase is due to increased activity in the Company. There were more frequent news releases than in the prior year and additional work was performed as the Company updated its website. Additional costs were also incurred on corporate activities.
Exploration and evaluation expenditures	Increase of \$1,147,282	The increase is due to increased exploration planning activities, airborne geophysical surveys and drilling. The Company is utilizing the funds from the sale of West Desert.
Professional fees	Decrease of \$172,880	The decrease resulted from lower legal fees incurred on the option agreement with American West compared to the prior year. Although additional legal fees were incurred subsequent to the closing of the transaction, the prior year was when the significant work was done.
Share-based compensation	Increase of \$66,924	There were more stock options granted and vested during the current year as compared to the prior year.
Unrealized gain on marketable securities	Increase of \$859,376	The American West shares were adjusted to their fair value at period end. This is determined based on market price. The prior year was adjusted for a discount to reflect the hold period on the shares.

Selected Quarterly Information

Quarter Ended	Revenue	Net income (loss) and comprehensive income (loss)	Net income (loss) per share
December 31, 2022	\$ nil	\$ (249,993)	\$ (0.00)
September 30, 2022	\$ nil	\$ (1,083,829)	\$ (0.01)
June 30, 2022	\$ nil	\$ (691,655)	\$ (0.01)
March 31, 2022	\$ nil	\$ 403,210	\$ 0.00
December 31, 2021	\$ nil	\$ 3,442,395	\$ 0.03
September 30, 2021	\$ nil	\$ (98,658)	\$ (0.00)
June 30, 2021	\$ nil	\$ (41,270)	\$ (0.00)
March 31, 2021	\$ nil	\$ (29,292)	\$ (0.00)

The loss and comprehensive loss for the Company varies from quarter to quarter, depending mainly on the amount of exploration activities, communication and investor relations activities, professional fees, and whether stock options were granted.

Results of Operations: Quarter

The net income (loss) and comprehensive income (loss) for the three months ended December 31, 2022 was \$(249,993) or \$(0.00) per share compared with net income (loss) and comprehensive income (loss) of \$3,442,395 or \$0.03 per share during the same quarter of 2021. The following discussion should be read in conjunction with the accompanying financial statements and related notes for the period.

The table below explains the significant changes, not previously detailed (refer to "Results of Operations: Year-to-date" above), in expenditures for the three months ended December 31, 2022 compared with December 31, 2021.

Expense	Change in Expense	Explanation for Change
Gain on sale of exploration and evaluation assets	Decrease of \$4,677,235	In the prior period, the amount consisted of the option payments and common shares received on the American West agreement, after reducing the property value to \$nil. As the property was sold in fiscal 2021, there was no comparable amount in the current period.

Liquidity, Financial Position and Capital Resources

The Company's liquidity and capital resources are as follows:

	December 31, 2022	December 31, 2021
Cash	\$ 1,464,808	\$ 3,165,251
Receivables	12,861	36,976
Prepays and advances	17,627	19,142
Marketable securities	1,328,076	1,110,646
Total current assets	\$ 2,823,372	\$ 4,332,015
Accounts payable and accrued liabilities	\$ 79,796	\$ 74,155
Total current liabilities	\$ 79,796	\$ 74,155
Working capital	\$ 2,743,576	\$ 4,257,860

The Company had a net working capital position of \$2,743,576 at December 31, 2022 compared with \$4,257,860 as at December 31, 2021.

The Company had cash on hand of \$1,464,808 on December 31, 2022 (2021 - \$3,165,251). The source of cash consists of receipt of payments from American West, funds raised in previous financings, along with proceeds from the BCMETC, less cumulative expenditures incurred. The primary use of cash during the year ended December 31, 2022 was the funding of operations of \$1,654,628 (2021 - \$683,925). The increase is mainly for exploration work on Indy. The acquisition of exploration and evaluation assets of \$63,315 (2021 - \$36,582) consisted of additional claims acquired via staking and the annual cash payment required on Indy. The prior period also had funds received of \$3,318,770 from American West and \$120,635 returned from the reclamation deposit on West Desert. There was \$17,500 received from stock options exercised during the year ended December 31, 2022, as compared to one financing during the year ended December 31, 2021, which raised net proceeds of \$176,139.

Currently, exclusive of stock options, there is no compensation (paid or accrued) for the CEO or Board Members, which would be recorded as general and administrative costs. The Company's general and administrative costs include maintenance costs typical for a public company of this nature and consist of stock exchange fees, legal fees, accounting and audit fees, transfer agent fees and general office expenses such as rent, insurance, basic administrative assistance and phone. General and administrative costs are in the range of \$180,000 annually. Direct business costs such as acquisitions and exploration costs are excluded from general and administrative costs. As the Company has commenced further exploration of its properties, it may have an impact on general and administrative costs.

The Company has no known mineral reserves and is not in commercial production on any of its properties or royalty interests and accordingly, the Company does not generate cash from operations. The Company finances exploration activities by raising capital from equity markets from time to time.

Related Party Transactions

The Company entered into the following transactions with related parties during the year ended December 31, 2022:

Summary of key management personnel compensation:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Professional fees (Steve Vanry)	\$ 1,000	\$ 17,000
Professional fees (Lesia Burianyk)	38,500	-
Share-based compensation on stock options (John Murphy)	21,095	13,717
Share-based compensation on stock options (Kerry Curtis)	19,689	12,802
Share-based compensation on stock options (Louis Montpellier)	19,689	12,802
Share-based compensation on stock options (Wayne Hubert)	19,689	10,973
Share-based compensation on stock options (Steve Vanry)	27,353	8,530
Share-based compensation on stock options (Lesia Burianyk)	18,678	-
	\$ 165,693	\$ 75,824

As at December 31, 2022, included in accounts payable and accrued liabilities, are amounts owing to related parties of \$4,654 (2021 - \$1,252).

Proposed Transactions

There are no proposed transactions to be reported.

Risks and Uncertainties

The business and operations of the Company are subject to numerous risks, many of which are beyond the Company's control. The Company considers the risks set out below to be some of the most significant to potential investors in the Company, but not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware or which it considers to be material in relation to the Company's business actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

History of losses

The Company has incurred net losses since inception and as of December 31, 2022, had an accumulated deficit of \$15,100,431.

No history of dividends

Since incorporation, the Company has not paid any cash or other dividends on its common stock and does not expect to pay such dividends in the foreseeable future, as all available funds will be invested primarily to finance its mineral exploration programs. The Company will need to achieve profitability prior to any dividends being declared.

Risks and Uncertainties (cont'd...)

Dilution

The Company does not generate any revenues. The Company has limited financial resources and has financed its operations primarily through the sale of securities such as common shares. The Company will need to continue its reliance on the sale of such securities for future financing, resulting in dilution to the Company's existing shareholders. The amount of additional funds required will depend largely on the success of the Company's exploration programs.

Further expenditures will depend on the Company's ability to obtain additional financing which may not be available under favourable terms, if at all.

Capital and liquidity risk

The amount of financial resources available to invest for the enhancement of shareholder value is dependent upon the size of the treasury, profitable operations, and willingness to utilize debt and issue equity. Due to the size of the Company, financial resources are limited and if the Company exceeds growth expectations or finds investment opportunities it may require debt or equity financing. There is no assurance that the Company will be able to obtain additional financial resources that may be required to successfully finance transactions or compete in its markets on favourable commercial terms.

Dependence on key personnel

Loss of certain members of the executive team or key operational leaders of the company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and the competition for a professional is intense. The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

Mineral exploration

Mineral exploration is subject to a high degree of risk, which even a combination of experience, knowledge and careful evaluation may fail to overcome. These risks may be even greater in the Company's case given its formative stage of development. Furthermore, exploration activities are expensive and seldom result in the discovery of a commercially viable resource. There is no assurance that the Company's exploration will result in the discovery of an economically viable mineral deposit.

Preliminary Economic Assessments

Preliminary Economic Assessments are considered to be preliminary in nature. They include inferred mineral resources that are considered too speculative to have the economic considerations applied that would enable their classification as mineral reserves. There is no certainty that the conclusions within a Preliminary Economic Assessment will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Management of industry risk

The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company's mineral exploration activities expose it to potential environmental liability risk. It is management's policy to review environmental compliance and exposure on an ongoing basis. The Company follows industry standards and specific project environmental requirements. The Company is currently in the exploration stage on its property interests and has not determined whether significant site recovery costs will be required. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations.

Risks and Uncertainties (cont'd...)

Commodity and equity prices

The Company has exposure to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities.

Global Economic Conditions

The Company's operations could be adversely affected by general conditions in the global economy and global financial markets, including such conditions as contribute to inflation, and cause currency fluctuations and market volatility. Recent global financial conditions have been characterized by increased volatility. A severe or prolonged economic downturn could result in a variety of risks to the Company's business, including adversely affecting the Company's ability to raise capital when needed on acceptable terms, or at all, causing the Company to incur costs in excess of the Company's expectations or resulting in the financial instability of companies who supply products or services to the Company. The Company cannot anticipate all the ways in which the current or future economic climate and financial market conditions could adversely impact the Company's business. These conditions are beyond the Company's control and there can be no assurances that any mitigating actions by the Company will be effective.

Other risks

The Company will need additional funding to complete its short and long term objectives. The ability of the Company to raise such financing in the future will depend on the prevailing market conditions, as well as the business performance of the Company. Current global financial conditions have been subject to increased volatility which has negatively impacted access to public financing. There can be no assurances that the Company will be successful in its efforts to raise additional financing on terms satisfactory to the Company. The market price of the Company's shares at any given point in time may not accurately reflect value. If adequate funds are not available or not available on acceptable terms, the Company may not be able to take advantage of opportunities, to develop new projects or to otherwise respond to competitive pressures.

The Company is dependent upon the services of key executives, including the Chief Executive Officer. Certain directors and officers of the Company also serve as directors and/or officers of other companies involved in mineral exploration and development and, consequently, there exists the possibility for such directors and officers to be in a position of conflicts of interest.

The Company's business and operations could be adversely affected by the outbreak of an epidemic or a pandemic or other health crises, including the recent outbreak of COVID-19. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency. Global government actions, along with market uncertainty could cause an economic slowdown resulting in a decrease in the demand for metals and have a negative impact on metal prices, as well as possible disruptions to global supply chains. While many of the disruptions to business activity caused by COVID-19 have currently eased, infections may resurge at any time, either globally or in specific countries or regions, due to the emergence of new variants or for other reasons. Any such resurgence could adversely affect global or local economies, or lead to the renewal of restrictions, either of which could have a material adverse effect on the Company. The duration, severity, and geographic spread of any such resurgence, and its impact on the Company's operations cannot be estimated with any degree of certainty at this time.

Critical Accounting Estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported expenses during the period.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Estimates are made when applying accounting policies. The critical estimates that have the most significant effects on the amounts recognized in the consolidated financial statements are as follows:

Economic recoverability and probability of future economic benefits of exploration and evaluation assets

Management has determined that expenditures incurred on exploration and evaluation assets which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Valuation of share-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Marketable securities

The Company's marketable securities had a hold period of one year (from issue) and could not be actively traded. Accordingly, as part of the valuation a discount was applied based on a valuation model to account for the lack of marketability. The model requires the input of subjective assumptions including expected price volatility. Changes in the input assumptions could materially affect the fair value estimate.

New Accounting Policies Adopted

There were no changes in accounting policies, including initial adoption, during the period.

New standards, interpretations and amendments to existing standards not yet effective

A number of new standards and amendments to standards and interpretations have been issued by the IASB and are effective for annual periods beginning on or after January 1, 2023 which have not been applied in preparing these consolidated financial statements as they are not yet effective. The standards and amendments to standards that would be applicable to the consolidated financial statements of the Company are the following:

IAS 1, Presentation of Financial Statements

The amendments clarify the requirements for classifying liabilities as current or non-current. The amendments provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. This amendment is effective for financial statements beginning on or after January 1, 2024, with early adoption permitted. While management does not currently anticipate these amendments having a material effect on the Company's consolidated financial statements for 2023, they may have an effect in periods beyond 2023.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Financial Instruments and Risk Management

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

The fair value of cash, receivables, reclamation deposits, and accounts payable and accrued liabilities approximates their carrying values. Marketable securities are measured at fair value using level 1 inputs. In the prior year, they were measured at fair value using level 2 inputs.

Financial risk factors

The Company is exposed to a variety of financial risks by virtue of its activities including credit, liquidity, interest rate, foreign currency, and price risk.

Credit risk

The Company is exposed to industry credit risks arising from its cash holdings and receivables. The Company manages credit risk by placing cash with major Canadian financial institutions. The Company's receivables are primarily due from the Federal Government of Canada. Management believes that credit risk related to these amounts is nominal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company reviews additional sources of capital and financing to continue its operations and discharge its commitments as they become due. The Company has sufficient cash as at December 31, 2022 to settle its current liabilities as they come due for the upcoming year.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any significant financial instruments with interest rates, with the exception of cash. Interest earned on cash is based on prevailing bank account interest rates, which may fluctuate. A 1% change in interest rates would result in a nominal difference for the year ended December 31, 2022.

Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payables and accrued liabilities that are denominated in United States Dollars. A 10% change in foreign exchange rates would result in a nominal difference for the year ended December 31, 2022.

Financial Instruments and Risk Management (cont'd...)

Financial risk factors (cont'd...)

Price risk

The Company has limited exposure to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's marketable securities are exposed to price risk.

Subsequent Events

Events subsequent to December 31, 2022 have been disclosed elsewhere in this MD&A.

Authorized and Issued Share Capital as at Report Date

Issued and outstanding: 123,402,084 common shares

Stock options outstanding are as follows:

Number of stock options	Exercise price	Expiry date
100,000	\$ 0.05	February 4, 2024
2,575,000	\$ 0.05	June 11, 2026
300,000	\$ 0.06	January 24, 2027
2,425,000	\$ 0.06	June 1, 2027
Total	5,400,000	

There were no warrants outstanding.

Approval

The Board of Directors of the Company has approved the disclosure contained in this Management's Discussion and Analysis. A copy will be provided to anyone who requests it.

On Behalf of the Board of Directors,

April 28, 2023