InZinc Mining

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

NOVEMBER 29, 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. (the "Company"). This report also provides information to improve the reader's understanding of the condensed interim consolidated financial statements and related notes for the nine months ended September 30, 2023 as well as important trends and risks affecting the Company's financial performance and should therefore be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2022. Those 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 November 29, 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.inzincmining.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, 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 Indy property (100% interest) ("Indy") located in central British Columbia. The property covers a 29 km trend (19,900 hectares) with district scale potential for Sedimentary Exhalative ("Sedex") type deposits. The Company's surface exploration and shallow drilling programs have identified zinc, gold, silver, lead, nickel-cobalt-copper and rare earth element mineralization.

In addition to its 100% working interest in the Indy project in central British Columbia, the Company has an investment in the common shares of American West Metals Limited ("American West") (listed on the Australian Securities Exchange (ASX:AW1)), 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"). The Indium NSR has not yet generated revenue.

The Company is engaged in a continuing review of other properties and projects for possible acquisition.

Summary and Highlights

Since 2021, exploration programs at the Indy project have been fully-funded by the Company's working capital. The Company's most recent private placement, for total gross proceeds of $200,000, closed in February 2021.

In January 2023, the Company earned a 100% working interest at Indy by completing required payments and property exploration expenditures over a 6-year term (refer to "Mineral Properties: Indy" for further details).

The 2023 Phase 1 surface exploration program focused on the Keel Red area, an occurrence of zinc with nickel-cobalt-copper and associated rare earth elements (dominated by heavy rare earth oxides) identified in 2022 and the new Echo North target which was defined, principally, by its strong zinc-lead-barium in soil signatures. Results from the Phase 2 exploration drilling program (9 drill holes), completed in September 2023, are pending.

During the quarter ended September 30, 2023, the Company sold 2,711,302 shares of American West for net proceeds of $494,550. The last sale of American West shares was on August 18, 2023. The Company currently holds 7,163,698 shares of American West for investment purposes.

During the nine months ended September 30, 2023, the Company:

- Incurred $572,578 on exploration and evaluation expenditures at the Indy project.
- Received net proceeds of $714,974 from the sale of 6,221,302 American West shares.

Working capital for the nine months ended September 30, 2023 was $2,151,251 compared to $2,743,576 at December 31, 2022 (refer to "Liquidity, Financial Position and Capital Resources" for further details).

Subsequent to September 30, 2023, the Company received $460,870 from the British Columbia Mineral Exploration Tax Credit ("BCMETC").

Currently, exclusive of stock options, there is no compensation (paid or accrued) for the CEO or Board membership. The Company currently has no office rental overhead costs.

Exploration Stage

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.

To date the Company has not generated any revenues. At September 30, 2023, the Company had not yet achieved profitable operations and, since the Company was incorporated in 1997, has a cumulative deficit of $15,578,557 (December 31, 2022 - $15,100,431).

Mineral Properties

Indy

The Company has a 100% interest in the Indy project located approximately 90 km southeast of the city of Prince George, in central British Columbia. The property is also 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. Well-maintained Forest Service roads provide ready access to the property.

On October 17, 2016 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 April 2, 2020, the terms of the Indy option agreement were revised to provide one additional year to achieve the property expenditures required under the terms of the original 5-year agreement.

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. Pursuant to the agreement with PSR, the Company completed staged cash payments totaling $315,000, issued an aggregate of 2,400,000 shares and completed work commitments of $2,600,000 over a six-year period.

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.

Mineral Properties (cont'd…)

Indy (cont'd…)

The Company completed an initial surface exploration program in 2017. The field program consisted of soil geochemical surveys, geological mapping and prospecting in the Anomaly B and C areas, two of four high priority areas occurring over the Main Trend.

In 2018, the Company completed further geochemical surveys and an initial diamond drill program (1,271 m in 11 drill holes) which discovered 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, located within 60 m of surface, included:

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.*

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

In 2019, the Company completed extensive soil geochemical surveys, mapping and prospecting programs. A large new Sedex-type target, the Delta Horizon, was defined 5 km northwest of the B-9 Zone.

In 2021, the Company completed soil geochemical sampling, mapping, prospecting and access work in the northeastern portion of the Main Trend. The Company also completed soil sampling in the Anomaly B area, minor sub-crop sampling and drill trail access work to the Delta Horizon area.

The 2021 surface exploration program discovered four additional zinc, silver and/or gold exploration targets – Echo, Hat, Fox and Anomaly G. The 1.9 km long Echo target, a multi-element (Zn, Pb, Ba) soil anomaly, is located 1 km east of the Delta Horizon target. The Hat and Fox target areas, in the area between the Delta and Echo targets, contain soils enriched in silver. Anomaly G is an additional silver target. Gold in soil was also discovered at the Fox silver target.

In February 2022, the Company increased its mineral claims to encompass 19,900 ha (199 km^2) by staking an additional six contiguous mineral claims (7,600 ha).

Mineral Properties (cont'd…)

Indy (cont'd…)

In 2022, the Company completed an extensive airborne geophysical survey (1,100 line km) and a ground-based diamond drill program (2,616 m in 17 drill holes). Shallow, wide spaced exploration drilling in 2022 expanded the B-9 Zone and established a 450 m mineralized trend, extending to 130 m at depth. The B-9 Zone remains open for expansion to the north, south and at depth. Drilling also discovered a new occurrence of zinc with nickel-cobalt-copper at Keel Red. On August 22, 2023, the Company reported the identification of rare earth elements associated with the nickel-cobalt-copper discovery at Keel Red.

B-9 Zone 2022 Drilling – Selected Highlights

- 2.8% Zn, 0.6% Pb, 3.8 g/t Ag over 3.0 m at 80 m below surface in hole IB22-025 and
  3.5% Zn, 0.6% Pb, 6.4 g/t Ag over 3.6 m at 93 m below surface in hole IB22-025
- 3.4% Zn, 0.5% Pb, 4.6 g/t Ag over 4.0 m at 90 m below surface in hole IB22-028

Keel Red Oxide 2022 Drilling – Selected Highlights

- 0.67% Zn, 0.13% Ni, 0.06% Cu, 163 ppm Co, 363 ppm total rare earth oxides ("TREO")* over 27.1 m at 30 m below surface in hole IB22-020
- Includes 0.66% Zn, 0.14% Ni, 0.11% Cu, 154 ppm Co, 433 ppm TREO over 7.8 m and
- 0.93% Zn, 0.17% Ni, 0.09% Cu, 280 ppm Co, 427 ppm TREO over 6.0 m

Note: Drilled intersections are apparent width only.
**Total rare earth oxides include oxides of 15 heavy and light rare earth elements including yttrium, as defined by the USGS, 2018. In drill hole IB22-020, the heavy rare earth oxides ("HREO") comprise approximately 60% of the average TREO content over the 27.1 m interval.*

2023 Exploration Programs

On May 3, 2023, the Company announced the 2023 exploration program at Indy. The two-phased program followed-up on the discovery of nickel-cobalt-copper mineralization intersected in the 2022 drill program and several new geochemical anomalies highlighted in the area as a result of the discovery. The program also focused on large, untested zinc targets identified by previous geochemical and geophysical surveys.

On June 20, 2023, the Company announced the commencement of Phase 1 of the 2023 exploration program at Indy. The Phase 1 program consisted of detailed groundwork to evaluate multiple new nickel-cobalt-copper targets and advance two large zinc targets in the northern area of the 7 km Main Trend. Groundwork included detailed geological mapping, soil profiling, sampling and access determinations to prioritize the targets for drill testing in Phase 2.

On August 22, 2023, the Company announced commencement of the fully funded 2023 exploration drill program and on September 25, 2023, announced completion. The 9 hole, 1,064 m ground-based reverse circulation drill program explored the Keel Red target area (6 holes) where rare earth elements were identified with nickel-cobalt-copper discovered in 2022 and the Echo North target (3 holes) defined, principally, by its strong zinc-lead-barium in soil signatures.

Exploration activities in 2023 were permitted and monitored under a Multi-Year Access Bond with the Government of British Columbia. Certain exploration expenditures incurred in 2023 are eligible for the BCMETC. The Company has received $870,178 from BCMETC claims for 2017 – 2022.

Mineral Properties (cont'd…)

Indy (cont'd…)

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

Summary of Exploration and Evaluation Assets and Activities

Exploration and evaluation asset summary

Exploration and evaluation asset acquisition costs for the nine months ended September 30, 2023 are as follows:

	Indy	Total
Total, December 31, 2022	$ 358,660	$ 358,660
Additions during the period:		
Cash payments	125,000	125,000
Shares issued	15,000	15,000
	140,000	140,000
Total, September 30, 2023	$ 498,660	**$ 498,660**

Exploration and evaluation expenditures for the nine months ended September 30, 2023 are as follows:

	Indy	Total
Analytical	$ 32,795	**$ 32,795**
Communication	2,221	**2,221**
Drilling	307,874	**307,874**
Engineering	1,000	**1,000**
Equipment and supplies	52,144	**52,144**
Geochemistry	1,938	**1,938**
Personnel	131,370	**131,370**
Room and board	38,526	**38,526**
Travel	4,710	**4,710**
Total, September 30, 2023	$ 572,578	**$ 572,578**

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 September 30, 2023 are as follows:

	Indy	Total
Air support	$ 111,152	**$ 111,152**
Analytical	168,406	**168,406**
Claims maintenance	4,580	**4,580**
Communication	12,998	**12,998**
Community engagement	750	**750**
Drilling	1,609,187	**1,609,187**
Engineering	15,035	**15,035**
Environmental	596	**596**
Equipment and supplies	281,724	**281,724**
Geochemistry	25,275	**25,275**
Geophysics	221,990	**221,990**
Permitting	3,319	**3,319**
Personnel	786,636	**786,636**
Room and board	204,505	**204,505**
Travel	27,022	**27,022**
	3,473,175	**3,473,175**
BCMETC (2017 to 2021)	(409,308)	**(409,308)**
Total, September 30, 2023	$ 3,063,867	**$ 3,063,867**

Selected Quarterly Information

Quarter Ended	Revenue	Net income (loss) and comprehensive income (loss)	Net income (loss) per share
September 30, 2023	$ nil	$ (563,255)	$ (0.00)
June 30, 2023	$ nil	$ 952,538	$ 0.01
March 31, 2023	$ nil	$ (903,661)	$ (0.01)
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

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. The change in fair value of marketable securities may also have a significant impact.

Results of Operations: Year-to-date

The loss and comprehensive loss for the nine months ended September 30, 2023 was $514,378 or $0.00 per share compared with the loss and comprehensive loss of $1,372,274 or $(0.00) per share during the same period of 2022. 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 nine months ended September 30, 2023 compared with September 30, 2022.

Expense	Change in Expense	Explanation for Change
Exploration and evaluation expenditures	Decrease of $852,287	The decrease is due to a smaller exploration program this period relative to the prior period.
Professional fees	Decrease of $5,004	The decrease is due to lower legal and audit fees incurred in the current period, offset by fees paid for on-site reviews of activities by a Director.
Share-based compensation	Decrease of $99,307	Although incentive share options were granted and vested during the current period, they had a lower fair value than previous grants, which results in a lower expense.
Realized loss on sale of marketable securities	Increase of $99,625	During the current period, the Company sold 6,221,302 common shares of American West and recorded a loss. There were no sales in the prior period.

Results of Operations: Quarter

The loss and comprehensive loss for the three months ended September 30, 2023 was $563,255 or $0.00 per share compared with the loss and comprehensive loss of $1,083,829 or $0.00 per share during the same quarter of 2022. 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 September 30, 2023 compared with September 30, 2022.

Expense	Change in Expense	Explanation for Change
Interest	Increase of $8,014	The Company has currently invested its excess cash in interest-earning, highly-liquid, guaranteed and insured deposits available on demand or with original maturities of 30 days or less.

Results of Operations: Quarter (cont'd…)

Unrealized gain on marketable securities	Increase of $264,663	The American West shares are adjusted to their fair value at period end. This is determined based on market price. The change also includes the adjustment to previously recorded fluctuations on shares sold.

Liquidity, Financial Position and Capital Resources

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

	September 30, 2023	December 31, 2022
Cash and cash equivalents	$ 1,501,440	$ 1,464,808
Receivables	38,936	12,861
Prepaids and advances	14,317	17,627
Marketable securities	879,437	1,328,076
Total current assets	$ 2,434,130	$ 2,823,372
Accounts payable and accrued liabilities	$ 282,879	$ 79,796
Total current liabilities	$ 282,879	$ 79,796
Working capital	$ 2,151,251	$ 2,743,576

The Company had a net working capital position of $2,151,251 at September 30, 2023 compared with $2,743,576 as at December 31, 2022.

The Company had cash on hand of $1,501,440 on September 30, 2023 (December 31, 2022 - $1,464,808). The source of cash consists of receipt of payments from the sale of West Desert to American West, funds raised in previous financings, along with proceeds from the BCMETC and sale of American West shares, less cumulative expenditures incurred. Cash in the current period also includes funds received from the sale of American West shares. The last sale of American West shares was on August 18, 2023. The primary use of cash during the nine months ended September 30, 2023 was the funding of operations of $553,342 (2022 - $1,566,859). The primary use of cash was on the continued exploration of Indy, namely on the drilling program. Financing activities included cash paid for the acquisition of exploration and evaluation assets of $125,000 (2022 - $63,315), which consisted of the final annual cash payment required on Indy; this was offset by funds received from the sale of American West shares of $714,974 (2022 - $nil). The prior period consisted of payments for additional claims acquired via staking and the annual cash payment required on Indy. There were no financing activities in the current period. The prior period consisted of funds received of $17,500 for various share related activities.

Currently, exclusive of stock options, there is no compensation (paid or accrued) for the CEO or Board membership. Such compensation 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.

Liquidity, Financial Position and Capital Resources (cont'd…)

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 nine months ended September 30, 2023:

Summary of key management personnel compensation:

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Professional fees (Steve Vanry)	$ -	$ 1,000
Professional fees (Lesia Burianyk)	31,500	28,000
Professional fees (Kerry Curtis)	8,000	-
Share-based compensation (John Murphy)	7,283	21,095
Share-based compensation (Kerry Curtis)	6,620	19,689
Share-based compensation (Louis Montpellier)	6,620	19,689
Share-based compensation (Wayne Hubert)	6,620	19,689
Share-based compensation (Steve Vanry)	369	25,940
Share-based compensation (Lesia Burianyk)	6,636	16,199
	$ 73,648	$ 151,301

As at September 30, 2023, included in accounts payable and accrued liabilities, are amounts owing to related parties of $11,675 (December 31, 2022 - $4,654).

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. 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. For a discussion of risks and uncertainties which are the most applicable to the Company, please refer to the Company's audited consolidated financial statements and related notes thereto and the annual MD&A for the year ended December 31, 2022. These documents are available for viewing at the Company's website at www.inzincmining.com or on the Company's profile at www.sedarplus.ca.

Critical Accounting Estimates

The preparation of the condensed interim 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 condensed interim 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 condensed interim 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.

New Accounting Policies Adopted

During the nine months ended September 30, 2023, the Company adopted the following account policy:

Cash and cash equivalents

Cash and cash equivalents include deposits held with banks and other short-term highly liquid investments with original maturities of three months or less.

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, 2024 which have not been applied in preparing the condensed interim 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.

The Company is currently assessing any potential impact on the consolidated financial statements.

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.

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 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 September 30, 2023 to settle its current liabilities as they come due for the upcoming twelve months.

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 nine months ended September 30, 2023.

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 nine months ended September 30, 2023.

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, if any, subsequent to September 30, 2023 have been disclosed elsewhere in this MD&A.

Authorized and Issued Share Capital as at the 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
2,275,000	$ 0.05	June 11, 2026
100,000	$ 0.06	January 24, 2027
2,175,000	$ 0.06	June 1, 2027
1,625,000	$ 0.05	June 1, 2028
Total 6,275,000		

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,

November 29, 2023