CASSIAR GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE-MONTH PERIODS ENDED
DECEMBER 31, 2023 AND 2022

DATED: FEBRUARY 21, 2024

INTRODUCTION

The following management's discussion and analysis ("**MD&A**") of the financial condition and results of the operations of Cassiar Gold Corp. (the "**Company**" or "**Corporation**") constitutes management's review of the factors that affected the Corporation's financial and operating performance for the three-month periods ended December 31, 2023 and 2022. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited financial statements of the Corporation for the years ended September 30, 2023 and 2022, together with the notes thereto (the "**Financial Statements**"). Results are reported in Canadian dollars, unless otherwise noted. The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the common shares (the "**Common Shares**") in the capital of the Corporation; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity. The date of this MD&A is February 21, 2024.

Further information about the Corporation and its operations, including the annual information form for the Corporation, can be obtained from the offices of the Corporation or from **www.sedar.com**.

FORWARD-LOOKING INFORMATION

This document contains certain forward-looking statements, including management's assessment of future plans and operations, and capital expenditures and the timing thereof, that involve substantial known and unknown risks and uncertainties, certain of which are beyond Cassiar's control. Forward-looking information does not relate strictly to historical or current facts and can be identified by words such as "anticipate", "believe", "estimate", "expect", "forecast", "intend", "may", "project", "should", "will" or similar expressions. These statements represent management's reasonable projections, expectations and estimates as of the date of this document but undue reliance should not be placed upon them, as they are derived from many assumptions. Such assumptions are subject to known and unknown risks and uncertainties, including the business risks discussed in the MD&A, which may cause actual performance and financial results to differ materially from any projections of future performance or results implied by such forward looking statements.

The forward-looking information in this MD&A is subject to significant risks and uncertainties and is based on many factors and assumptions which may prove to be incorrect; including, but not limited to, the following:

- the Corporation's expectations with regards to qualified expenditures for flow-through shares;
- the sufficiency of the Corporation's financial resources with which to conduct its capital program; and
- whether or not the Corporation can obtain additional capital through equity or debt issuances;

The forward-looking information presented herein represents management's views as of the date of this MD&A and such information should not be relied upon as representing our views as of any date subsequent to the date of this document. Management has attempted to identify important factors that could cause actual results to vary from those current expectations or estimates expressed or implied by the forward-looking information. However, there may be other factors that cause actual results or performance to differ materially from current estimates and expectations. Other risks and uncertainties include, but are not limited to:

- normal risks common to the mining industry, including various operational risks in the implementation of exploration, development and production operations;
- risks and uncertainties of mining economic geological reserves;
- revisions or amendments to capital expenditure programs, including development and exploitation opportunities;

- the Corporation's ability to attract and retain qualified professional employees and consultants;
- risks as to the availability and pricing of appropriate financing alternatives on acceptable terms;
- potential changes in government policies, rules, approval process changes, delays or enhancements, or income tax regulations;
- global pandemics;
- economic slowdown; and
- fluctuations in commodity prices.

The preparation of the financial statements in accordance with IFRS requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. Estimating reserves is also critical to several accounting estimates and requires judgment and decisions based on available geological, engineering and economic data. These estimates may change, having either a negative or positive effect on net earnings as further information becomes available, and as the economic environment changes.

Cassiar's actual results, performance or achievements could differ materially from those expressed in, or implied in, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits, including the amount of proceeds, that Cassiar will derive therefrom. Readers are cautioned that the foregoing list of factors is not exhaustive. All subsequent forward-looking statements, whether written or oral, attributable to Cassiar or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Furthermore, the forward-looking statements contained in this document are made as of the date of this document and Cassiar does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

DESCRIPTION OF THE BUSINESS AND OVERALL PERFORMANCE

The Corporation was incorporated under the *Business Corporations Act* (Alberta) on August 5, 2009 as a Capital Pool Company under TSX Venture Exchange (the "**TSX-V**") Policy 2.4. In January 2011, the Corporation completed an initial public offering ("**IPO**") and the common shares ("**Common Shares**") of the Corporation currently trade on the TSX-V and the OTCQB Venture Market under the trading symbols "GLDC" and "CGLCF" respectively. The registered address of the Corporation is 2800 Park Place, 666 Burrard Street, Vancouver, BC, V6C 2Z7.

The Corporation is a Canadian gold exploration company focused on exploration and development of its Sheep Creek, Bayonne projects as well as its flagship Cassiar gold project (the "**Cassiar Gold Project**") in British Columbia, Canada.

On September 23, 2020, the Corporation changed its name to "Cassiar Gold Corp." from "Margaux Resources Ltd." and completed a share consolidation with respect to the Common Shares of the Corporation (the "**Consolidation**"). The Corporation's Common Shares were consolidated on a basis of one post-consolidated Common Share for every 5 pre-consolidated Common Shares. The number of Common Shares, options and warrants presented have been adjusted to reflect the impact of the Consolidation.

Cassiar Gold Project

On March 25, 2019, the Corporation entered into an Option Agreement the ("**Cassiar Gold Option Agreement**") with Wildsky Resources Inc. ("**Wildsky**") for an option to acquire a 100% interest in the Cassiar Gold. Pursuant to the Cassiar Gold Option Agreement, and in order to be eligible to exercise its option, the Corporation agreed to issue 11,640,000 Common Shares to Wildsky over the course of 18 months. The Corporation also agreed to undertake exploration on the Cassiar Gold Project and to certain other conditions as follows:

(a) the Corporation would expend at least $400,000 on the planning, development and execution of the Cassiar Gold Project 2019 work program, based on a mutually approved budget;
(b) Wildsky retains the right to appoint one member to the board of directors of Cassiar, which right may be exercised at any time in the six months after the issuance of the Common Shares;

(c) Wildsky retains the right to appoint an additional person (for a total of two board members) to the board of directors of Cassiar, which right may be exercised any time in the twelve months after the issuance of the Common Shares;
(d) Wildsky retains the right to appoint one person to the senior management team of Cassiar, on terms and conditions to be agreed upon by Cassiar and Wildsky, acting reasonably, which right may be exercised any time in the twelve months after the issuance of the Common Shares; and
(e) Wildsky is to be granted a 30% net profit interest on all minerals processed from Cassiar's tailings pond located on the Cassiar Gold Project, after capital payout of up to $500,000.

During the year ended September 30, 2021, the Corporation satisfied all the requirements outstanding to Wildsky and the 100% interest in the Cassiar Gold Project was fully acquired by the Corporation. The deemed acquisition price of the Cassiar Gold Project was $3,259,200, settled in Common Shares. Liabilities assumed by the Corporation were $2,666,584 on acquisition and related to asset retirement obligations. As at December 31, 2023, liabilities assumed by the Corporation were $2,840,321 (September 30, 2023 - $2,811,990) based on recent reclamation cost estimation.

During the three-month ended December 31, 2023, the Corporation incurred $1,114,962 (2022 - $1,653,734) exploration and evaluation costs and $66,716 (2022 - $139,337) share based compensation cost for the project.

<u>Sheep Creek Gold District</u>

Bayonne and Sheep Creek Property, British Columbia

On December 23, 2016, the Corporation entered into an option agreement with Yellowstone Resources Ltd. (a private company, based in British Columbia) ("**Yellowstone**"), as amended on February 10, 2020, July 10, 2020 and February 15, 2021 (the "**YSR Agreement**") for the acquisition of 100% of the Bayonne and Sheep Creek properties, located in Salmo, British Columbia (collectively, the "**YSR Properties**").

The Corporation has exercised its option to acquire the Bayonne property, by making payments to Yellowstone of an aggregate $194,000 in cash and an aggregate issuance of 110,000 Common Shares, paid in several installments which were completed in 2020. In addition, the Corporation has exercised its option to acquire the Sheep Creek property by making payments to Yellowstone of an aggregate $500,000 in cash and an aggregate issuance of 210,000 Common Shares, paid in several installments.

During the year ended September 30, 2022 the Corporation paid $100,000 in cash and issued 90,000 shares to satisfy the final payments under the Bayonne and Sheep Creek Option Agreement and acquired a 100% interest in the Sheep Creek Project.

During the three-month ended December 31, 2023, the Corporation incurred $Nil (2022 - $Nil) exploration and evaluation costs for the project.

GOING CONCERN

The Corporation incurred a net loss of $283,600 (2022 - $567,606) and had negative cash flows relating to operating activities of $1,855,291 (2022 - $2,819,447) for the three-month ended December 31, 2023. As such, there is a material uncertainty related to these events and conditions that may cast significant doubt on the ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. The continuation of the Corporation as a going concern is dependent on the ability of the Corporation to achieve positive cash flow from operations and/or obtain necessary equity or other financing to continue exploration on its exploration and evaluation assets. The Financial Statements do not reflect any adjustments to the carrying values of assets and liabilities, reported expenses, and balance sheet classifications that would be necessary should the Corporation be unable to continue as a going concern, and these adjustments could be material. The Corporation intends to raise the required funds through the issuance of equity, by securing strategic partners or assuming debt.

The application of the going concern concept is dependent upon the Corporation's ability to generate future profitable operations and receive continued financial support from investors. Management is actively engaged in the review and due diligence of new projects, is seeking to raise the necessary capital to meet its funding requirements and has undertaken available cost cutting measures. There can be no assurance that management's plan will be successful. If the going concern assumptions were not appropriate for the Corporation's financial statements for the three-month periods ended December 31, 2023 and 2022 then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Corporation has no source of revenue and has significant cash requirements to meet its administrative overhead and maintain its mineral interests. The recoverability of amounts shown for exploration and evaluation assets is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Corporation to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets.

CORPORATE UPDATES

Business Updates

On October 4, 2022, Kevin Chen, CPA, CMA, MBA was appointed as the Corporation's Chief Financial Officer. Don Nguyen resigned as Chief Financial Officer and Shirley Anthony resigned as VP Investor Relations and Communications.

On October 19, 2022, the Corporation paid a $500,000 reclamation bond payment related to the Table Mountain Gold Mine.

The Company's 2022 program included 70 drill holes and over 23,000m of diamond drilling that commenced in June and recently concluded in October. The exploration focus of the drilling targeted high priority areas at the Taurus Deposit, significant vein prospects at Cassiar South and additional brownfields opportunities on the property. Cassiar Gold continues to focus on advancing exploration of the project through deposit expansion, optimization, and the potential for new discovery.

On March 1, 2023, the Corporation paid a $500,000 reclamation bond payment related to the Table Mountain Gold Mine.

On June 5, 2023, Jill Maxwell, P.Geo was appointed as VP of Exploration. Vernon Shein resigned as VP of Exploration but continue to support the Company as an Advisor to the Board.

The Company's 2023 program included 47 drill holes and over 16,000m of diamond drilling that commenced in June and concluded in late September. The exploration focus of the drilling targeted high priority areas at the Taurus Deposit, significant vein prospects at Cassiar South, and additional brownfields and regional opportunities on the property. In addition, a field campaign of mapping and sampling, an induced polarization (IP) survey, and a soil sampling grid was executed at the northern project area on the property to advance regional targeting. The Company continues to focus on advancing exploration through deposit expansion, optimization, and the potential for new discovery.

SUBSEQUENT EVENTS

None

HIGHLIGHTS

For the three-month periods ended December 31,	2023	2022	2021
Net revenues	$ -	$ -	$ -
Cash flows related to financing activities	**1,931,379**	367,836	1,814,467
Cash flows relating to operating activities	**(1,855,291)**	(2,819,447)	(726,240)
Net loss	**283,600**	567,606	(359,386)
Loss per share - basic and diluted	**0.00**	(0.01)	(0.01)

As at September 30,	2023	2022	2021
Total assets	**46,257,803**	36,121,910	23,138,768
Total liabilities	**3,370,751**	2,732,395	3,119,562
Current assets	**3,885,421**	4,721,193	3,437,488
Current liabilities	**530,430**	416,392	637,989
Working capital	**3,354,991**	4,305,801	2,799,499
Common shares outstanding	**104,294,555**	82,218,378	62,455,568

SUMMARY OF QUARTERLY RESULTS

The following table summarizes the Corporation's quarterly financial results:

	December 31		September 30		June 30		March 31	
Three-month periods ended	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Expenses								
General and administrative	**$ 412,645**	$ 569,199	**$ 408,695**	$ 398,912	**$ 365,372**	$ 373,034	**$ 491,139**	$ 521,191
Depreciation	**31,964**	33,529	**33,529**	35,435	**33,529**	20,461	**33,529**	12,974
Share based compensation	**186,473**	91,101	**209,290**	919,940	**182,812**	193,778	**202,926**	144,099
Loss before other items	**$ 631,082**	$ 693,829	**$ 651,514**	$ 1,354,287	**$ 581,713**	$ 587,273	**$ 727,594**	$ 678,264
Flow through share premium	**(341,721)**	(102,389)	**(580,786)**	(163,092)	**(76,136)**	(65,660)	**-**	(27,730)
Interest income	**(34,092)**	(40,946)	**(70,636)**	(12)	**(77,069)**	(18)	**(35,156)**	(17)
Accretion	**28,331**	17,112	**17,113**	13,957	**17,112**	11,910	**17,112**	341
Net loss from Operations	**$ 283,600**	$ 567,606	**$ 17,205**	$ 1,205,140	**$ 445,620**	$ 533,505	**$ 709,550**	$ 650,858
Loss per share – basic and diluted	**$0.00**	$0.01	**$0.00**	$0.02	**$0.00**	$0.01	**$0.01**	$0.01

Variances quarter over quarter can be explained as follows:

- For the quarter ended December 31, 2023, the lower net loss is related to higher flow through share premium, lower general and administrative expenses offset by higher share-based compensation from the issuance of stock options, RSUs and DSUs.
- For the quarter ended September 30, 2023, the lower net loss is related to higher flow through share premium, interest income from funds deposited in financial institutions and less share-based compensation from the issuance of stock options, RSUs and DSUs.
- For the quarter ended June 30, 2023, the lower net loss is related to higher interest income from funds deposited in financial institutions.
- For the quarter ended March 31, 2023, the higher net loss is related to higher share-based compensation from issuance of stock options, RSUs and DSUs.

DISCUSSION OF OPERATIONS

The Corporation is focused on the exploration for gold in British Columbia. The Corporation's general and administrative expenses in the three-month periods ended December 31, 2023 were $412,645 (2022 - $569,199).

General and administrative details for the three-month periods ended December 31:

	For Three-Month Periods Ended December 31	
	2023	**2022**
Consulting	95,960	19,525
Management fees	108,863	119,381
Marketing	134,573	392,293
Office and administrative	24,766	22,952
Professional Fees	48,256	13,300
Travel and meals	227	1,748
Total	**$412,645**	**$569,199**

General and administrative expenses increased during the three-month periods ended December 31, 2023, over the prior comparative period principally due to the net effect of the following:

- Consulting fees increased to $95,960 (2022 – $19,525) as a result of increase needs for third party consultants;
- Marketing cost decreased to $134,573 (2022 – $392,293) as a result of decreased activities for business development;
- Professional fees increased to $48,256 (2022 – $13,300) as a result of increased legal and listing fees in connection with financing activities.

Total expenses

Total expenses for the three-month periods ended December 31, 2023 was $631,082 (2021 – $693,829). The decrease for the three-month periods ended December 31, 2023 is a result of:

- Decreased general and administrative costs as elaborated above;
- And offset by increased share-based compensation expenses from the issuance of stock options, RSUs and DSUs.

First Quarter

The table below details the significant changes in general and administrative expenditures for the three- month periods ended December 31, 2023 as compared to the corresponding period ended December 31, 2022.

Expenses	Increase / Decrease in Expenses	Explanation for Change
Consulting	Increase of $76,435	Increase as a result of increased consulting service required during the quarter
Management fees	Decrease of $10,518	Decrease as a result of decrease fees to executives
Marketing	Decrease of $257,720	Decrease activities for business development
Office and administrative	Increase of $1,814	No major change in costs
Professional fees	Increase of $34,956	Increased legal and listing fees in connection with financing activities
Travel and meals	Decrease of $1,521	No major change in costs

FINANCIAL INTRUMENTS, LIQUIDITY AND CAPITAL RESOURCES

The Corporation's financial instruments, consisting of cash and cash equivalents, receivables and trade payables, approximate fair values due to the relatively short-term maturities of the instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions and to maintain the development program for the Corporation's properties. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity, by securing strategic partners or assuming debt. The Corporation is exposed to liquidity risk. Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

As at December 31, 2023, the Corporation had cash and cash equivalents of $3,460,318 compared with $4,499,192 at September 30, 2023. The Corporation continues to experience negative operating cash flow as a result of no revenue coupled with the Corporation's ongoing expenses related to its exploration and business development activities. The Corporation anticipates a negative operating cash flow will continue until such time as production begins on its existing properties.

Certain conditions exist that may cast significant doubt on the validity of the going concern assumption. The Corporation incurred a net loss of $283,600 (2022 - $567,606) and had negative cash flows relating to operating activities of $1,855,291 (2022 - $2,819,447) for the three-month ended December 31, 2023. The continuation of the Corporation as a going concern is dependent on the ability of the Corporation to achieve positive cash flow from operations and/or obtain necessary equity or other financing to continue exploration on its exploration and evaluation assets. The Corporation's annual financial statements for the three-month periods ended December 31, 2023 and 2022 do not reflect any adjustments to the carrying values of assets and liabilities, reported expenses, and balance sheet classifications that would be necessary should the Corporation be unable to continue as a going concern, and these adjustments could be material. The Corporation intends to raise the required funds through the issuance of equity, by securing strategic partners or assuming debt.

The Corporation defines capital to include equity, comprised of share capital including common shares, warrants, contributed surplus and deficit.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has not engaged in any off-balance sheet arrangements such as obligations under guarantee contracts, a retained or contingent interest in assets transferred to an unconsolidated entity, any obligation under derivative instruments or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Corporation or engages in leasing or hedging services with the Corporation.

PROPERTY AND EQUIPMENT

	Land	Buildings	Computers, Equipment & Vehicles	Total
	$	$	$	$
Cost				
Balance as at September 30, 2022	28,993	380,706	260,286	669,985
Additions/Disposal	-	-	-	-
Balance as at September 30, 2023	28,993	380,706	260,286	669,985
Additions/Disposal	-	-	-	-
Balance as at December 31, 2023	28,993	380,706	260,286	669,985
Accumulated Depreciation				
Balance as at September 30, 2022	-	72,335	202,634	274,969
Additions	-	30,837	13,434	44,271
Balance as at September 30, 2023	-	103,172	216,068	319,240
Additions	-	6,938	2,565	9,503
Balance as at December 31, 2023	-	110,110	218,633	328,743
Net book value				
September 30, 2023	28,993	277,534	44,218	350,745
December 31, 2023	28,993	270,596	41,653	341,242

EXPLORATION AND EVALUATION ASSETS

	Cassiar Gold Project	Sheep Creek Gold District Project	Total
Balance at September 30, 2022	$25,989,647	$2,187,826	$28,177,473
Change in estimate of asset retirement obligation	484,485	-	484,485
Share based compensation related to the projects	376,583	-	376,583
Exploration costs	10,283,651	20,890.00	10,304,541
Balance at September 30, 2023	37,134,366	2,208,716	39,343,082
Share based compensation related to the projects	66,716	-	66,716
Exploration costs	1,114,962	-	1,114,962
Balance at December 31, 2023	$38,316,044	$2,208,716	$40,524,760

E&E assets consist of costs expended on the Corporation’s projects which are pending determination of technical feasibility and commercial viability.

ASSET RETIREMENT OBLIGATION ("ARO")

Cassiar has future obligations relating to retiring its exploration and evaluation assets at the Cassiar Property including dismantling, remediation and treatment of the site. The exact nature and costs of the obligation are subject to change because of the ongoing changes of environmental requirements enacted by government agencies.

A continuity of the asset retirement obligation is as follows:

Balance at September 30, 2022	$2,259,056
Accretion expense	68,449
Change in estimate	484,485
Balance at September 30, 2023	2,811,990
Accretion expense	28,331
Balance at December 31, 2023	$2,840,321

The total discounted cash flow estimated to settle the obligations as at December 31, 2023 was $2,840,321 (September 30, 2023 – $2,811,990) which was based on the recent reclamation cost estimation, and adjusted for inflation at the rate of 2.57% and then discounted at a risk free rate of 4.03%. A total of $2,840,321 discounted reclamation costs are expected to be incurred in 2033.

As at December 31, 2023, the Corporation had $1,468,944 (September 30, 2023 - $1,468,944) of reclamation bonds with the Ministry of Energy and Mines of British Columbia as commitments to meet its regulatory obligations. $354,944 of reclamation bonds were acquired pursuant to the acquisition of Cassiar (2020).

RELATED PARTY TRANSACTIONS

All related party transactions are in the normal course of operations and initially recorded at fair value.

As at December 31, 2023, the balance due to related parties is $Nil (September 30, 2023 - $16,198) due to directors and officers included in trade payables and accrued liabilities.

Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the periods were as follows:

	For Three month Ended December 31	
	2023	**2022**
Short-term compensation	$157,133	$162,249
Share-based payments	166,072	145,372
Capitalized share-based payments	29,266	27,333
Total	**$352,471**	**$334,954**

OUTSTANDING SHARES

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares, all without nominal or par value. The preferred shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares of each series. As at the date hereof, no preferred shares have been issued by the Corporation.

Common Shares		
	Number of Common Shares	**Share capital**
Balance at September 30, 2023	**96,869,044**	**$49,952,631**
Common share issued	7,425,511	1,117,592
Balance at December 31, 2023	**104,294,555**	**$51,070,223**
Warrants		
	Number of warrants	**Share capital**
Balance at September 30, 2023	**12,873,484**	**$2,110,662**
Warrants issued	7,425,511	837,879
Balance at December 31, 2023	**20,298,995**	**$2,948,541**
Total share capital at September 30, 2023		$52,063,293
Total share capital at December 31, 2023		$54,018,764

Overview of Share History

On December 12, 2023, the Company closed a non-broker private placement as below:

The Company issued 6,005,500 non-flow through units ("Units) at a price of $0.25 per share for gross proceeds of $1,501,375. Each Unit consists of one common share ("Common Share") of the Company and one Common Share purchase warrant ("Warrant").

The Company issued 1,420,011 flow through units ("FT Units) at a price of $0.35 per unit for gross proceeds of $497,004. Each FT Unit consists of one Common Share of the Company issued on a "CEE flow-through" basis pursuant to the Income Tax Act (Canada) and one Warrant.

Each Warrant will be exercisable by the holder to acquire one Common Share at a price of $0.50 for a period of 24 months from the date of issuance.

In connection with the non-broker private placement, $79,553 finders' fees were paid in cash and 264,930 finders' warrants were issued. Each finders' warrant is exercisable to acquire one Common Share at a price of $0.50 for a period of 24 months from the date of issuance.

A fair value of $837,879 has been attributed to the warrants based on the Black-Scholes option pricing model on the date of grant using the following assumptions:

Risk-free rate	3.91%
Weighted-average life	2 years
Dividend yield	nil
Annualized Volatility	75%
Weighted-average fair value	$0.11
Expected Life	2 years

FLOW-THROUGH SHARES

During the three-month ended December 31, 2023, the Company raised $497,004 (2022 - $Nil) on a CEE flow-through share basis and was required to incur a net total of $497,004 (2022 - $Nil) of qualifying expenditures to renounce the tax deductions to investors.

As at December 31, 2023, the Company still needs to incur an additional $2,669,812 (September 30, 2023 - $4,893,073) to meet its flow through share commitment. A flow-through share premium liability of $293,258 (September 30, 2023 - $634,979) was recognized as the Company has not incurred sufficient qualifying expenditures to offset the liability.

The flow-through share premium of $341,721 (2022 - $102,389) was recognized during the period.

STOCK OPTION PLAN

The Corporation has adopted an incentive stock option plan in accordance with the policies of the TSX-V (the "Stock Option Plan") which provides that the Board of Directors of the Corporation may from time to time, at its discretion, grant to directors, officers, employees and consultants of the Corporation non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding common shares exercisable for the period of up to ten (10) years. In addition, the number of common shares reserved for issuance to any one person shall not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding common shares. The Board of Directors determines the price per common share and the number of common shares which may be allocated to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of TSX-V.

All options expire in five years and vest based on terms and conditions set out in the stock option agreements. A summary of the Corporation's stock option plan activity is as follows:

	Number of Options	Weighted Average Exercise
Exercisable as at September 30, 2022	3,912,325	$0.68
Outstanding at September 30, 2022	6,093,668	$0.67
Granted	1,400,000	$0.35
Cancelled	(248,000)	$1.16
Exercised	(100,000)	$0.45
Exercisable as at September 30, 2023	4,935,659	$0.65
Outstanding at September 30, 20223	7,145,668	$0.60
Exercisable as at December 31, 2023	5,102,326	$0.66
Outstanding at December 31, 2023	7,145,668	$0.60

At December 31, 2023, the weighted-average life of the options outstanding was 2.95 years (September 30, 2023 – 3.20 years). Details of stock options outstanding as at December 31, 2023 were as follows:

Exercise price	Weighted average	Number of options	Number of options
$0.50	0.48	485,000	485,000
$0.75	1.66	1,150,000	1,150,000
$0.60	2.22	1,710,668	1,710,667
$0.79	2.88	470,000	470,000
$0.66	3.70	1,930,000	1,286,659
$0.35	4.73	1,400,000	-
Total	**2.95**	**7,145,668**	**5,102,326**

Total share-based payments of $102,142 for the three-month periods ended December 31, 2023 (2022 – $143,223) was recognized based on the estimated fair value of the options on the grant date using the Black-Scholes option pricing model. Of the total share-based payments, $30,960 (2021 - $41,934) were capitalized to E&E.

SHARE UNIT PLAN

The Corporation has established a deferred share unit and restricted share unit plan (the "Unit Plan"), which provides for the grant of DSUs and RSUs to eligible directors, officers, employees, advisors and consultants of the Company. The Unit Plan provides for settlement through cash payment or the issuance of common shares. The form of settlement is at the option of the Corporation. The Corporation does not intend to make cash payments and there is no history of the Company making cash payments under the Unit plan and, as such, the DSUs and RSUs are accounted for within shareholders' equity. These common shares would be issued from the same 10% rolling pool as the common shares issued under the Corporation's Deferred Share Unit Plan and the Company's Share Option Plan. As DSUs and RSUs are expected to be settled with equity, an amount equal to compensation expense is initially credited to contributed surplus, recognized over the term of the vesting period, and transferred to share capital if and when the units are exercised.

The Corporation has adopted its Share Unit Plan which received shareholder approval on March 16, 2022.

RSU and DSU movements during the three-month ended December 31, 2023 are as follows:

	Number of RSUs
Outstanding as at September 30, 2022	1,068,000
Granted	1,390,000
Exercised	(665,998)
Cancelled	(44,000)
Outstanding at September 30 and December 31, 2023	1,748,002

	Number of DSUs
Outstanding as at September 30, 2022	744,000
Granted	550,000
Exercised	(488,002)
Cancelled	(16,000)
Outstanding at September 30 and December 31, 2023	789,998

Total share-based payments of $151,047 for the three-month ended December 31, 2023 (2022 – $87,215) was recognized based on the estimated fair value of the RSU and DSU from $0.345 to $0.79. Of the total share-based payments, $35,756 (2022 - $25,943) were capitalized to E&E.

During the three-month ended December 31, 2023, $Nil (2022 - $71,460) share based payments for previous year were reclassified to capitalized to E&E as the share-based payments were related to exploration and development activities.

CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management of the Corporation is responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. Management is also responsible for the design and evaluation of internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and in the financial statements for the years ended September 30, 2023 and 2022.

Management of the Corporation has filed the Venture Issuer Basic Certificate with the filings for the three-month periods ended December 31, 2023 and 2022 on SEDAR at www.sedar.com.

In contrast to the certificate required under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"), as defined in NI 52-109. In particular, the certifying officers filing certificates for venture issuers are not making any representations relating to the establishment and maintenance of:

(a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with the issuer's generally accepted accounting principles.

The Corporation's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement DC&P and ICFR as defined in NI 52-109 on a cost-effective basis may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

CRTITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the audited financial statements is in conformity with IFRS. Preparing the audited financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Management continually evaluates these judgments, estimates and assumptions based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates. Note 3 and Note 4 of the Corporation's audited financial statements for the years ended September 30, 2023 and 2022 provide greater detail regarding use of estimates and judgments, and all of the significant accounting policies.

BUSINESS RISKS AND UNCERTAINTIES

The Corporation's exploration activities are concentrated in Western Canada where activity is highly competitive and includes companies ranging from smaller junior exploration companies to the much larger integrated mining companies. The Corporation is subject to various types of business risks and uncertainties, including:

- Finding and developing mineral reserves at economic costs
- Commodity risk
- Production of minerals in commercial quantities
- Marketability of minerals produced
- Substantial capital requirements and access to capital markets
- Environmental risks
- Reliance on operators and key employees
- Third party credit risk
- Insurance
- Changes in legislation and incentive programs

The Corporation is not in a position to predict these risks or uncertainties, nor evaluate their impact, as the case may be, on its activities. The following summary of risks and uncertainties applicable to the Corporation are not comprehensive, and there may be other factors, or a combination of factors, that can cause actual results to differ from those presented in the Corporation's forward-looking statements.

Commodity Risk

The value of the Corporation's exploration and evaluation of assets are related to the price of gold and other mineral commodities, and the outlook for the minerals. The Corporation's business could be affected by commodity market price movements and their impact on the future economic viability of the Corporation's projects and the ability of the Corporation to raise capital. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis and adjusting operating and exploration budgets accordingly.

Exploration Risk

The Corporation operates as a mineral explorer in the mining industry which involves considerable financial and technical risk. Substantial time and expenditures are usually required to make discoveries and to establish economic reserves. It is impossible to ensure that the current properties and programs of the Corporation will result in economic discoveries and development. Accordingly, success in achieving the objectives of the Corporation is affected by some circumstances over which the Corporation has no control.

In order to reduce exploration risk, the Corporation strives to employ highly qualified and motivated professional employees with a demonstrated ability to generate quality proprietary geological and geophysical prospects. To help maximize drilling success, the Corporation combines exploration in areas that afford multi-zone prospect potential, targeting a range of low to moderate risk prospects with some exposure to select high risk, high reward opportunities.

Additional Financing

The business of the Corporation depends, in part, on its ability to raise funds by issuing securities of the Corporation. The Corporation is exposed to financing risks such as not being able to raise sufficient funds to meet the required option payments on the Corporation's properties. To mitigate this risk, the Corporation has intermediaries with valuable commercial relationships actively searching for ways to raise funds. The Corporation intends to raise the required funds through issuance of equity by securing strategic partners or assuming debt. The exercise of stock options, as well as any new equity financings, represent dilution factors for present and future shareholders.

Credit Risk

Credit risk is the risk that a customer or counter party will fail to perform an obligation or fail to pay amounts due causing a financial loss. The Corporation's credit risk is primarily attributable to cash and trade and other receivables which are with customers and are subject to normal credit risks.

Credit risk associated with cash is minimized substantially by ensuring that these financial assets are placed with major Canadian financial institutions.

The Corporation's maximum exposure for the three-month periods ended December 31, 2023 relates to $3,460,318 (September 30, 2023 – $4,499,192) of cash and $150,189 (September 30, 2023 – $295,488) of receivables.

Liquidity Risk

Liquidity risk rises from the Corporation's general funding needs and in the management of the Corporation's assets, liabilities and mineral property expenditure requirements. The Corporation manages its liquidity risk to maintain sufficient liquid financial resources to meet its commitments and obligations as they come due in a cost-effective manner.

Environmental Risks

Mining can involve environmental risks such as pollution of the environment and destruction of natural habitat, as well as safety risks such as personal injury. In order to mitigate such risk, the Corporation conducts its operations at high standards and follows safety procedures intended to reduce the potential for personal injury to employees, contractors and the public at large.

The Corporation mitigates its risk related to producing hydrocarbons and minerals through the utilization of the most appropriate technology and information systems. In addition, the Corporation seeks to maintain operational control of the majority of its prospects.

Management and Employees

The Corporation depends on the skills and experience of its management team and other key employees. The Corporation also relies on its ability to attract and retain skilled personnel in a competitive environment. A failure to recruit and retain employees in order to assist the Corporation's business may adversely affect the Corporation's business or financial condition.

Directors and Officers

Marco Roque, CEO, President and Director
Kevin Chen, CFO
Stephen Letwin, Director and Chairman
Christopher Stewart, Director
James Maxwell, Director
Michael Wood, Director
Stephen Robertson, Director