CASSIAR GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE-MONTHS PERIODS ENDED
JUNE 30, 2023 AND 2022

DATED: AUGUST 23, 2023

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 and nine-months periods ended June 30, 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, 2022 and 2021, 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 August 23, 2023.

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;
- whether or not the Corporation can obtain additional capital through equity or debt issuances; and
- the potential impacts of COVID-19 to the drill and exploration program.

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;
- economic slowdown as a result of COVID-19; 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 Suite 1000, Livingston Place W, 250 2nd St., Calgary, Alberta, T2P 0C1.

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.

<u>Cassiar Gold Project</u>

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.

The Corporation incurred $5,722,382 of exploration and evaluation ("**E&E**") costs on the Cassiar Project during the period ended June 30, 2023 (2022 – $4,877,268) relating to exploration activity.

<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 fifth and final anniversary payment on the Sheep Creek property thereby satisfying all of its requirements to acquire a 100% interest in the Sheep Creek project.

The Corporation incurred $17,890 of E&E costs on the Sheep Creek project during the period ended June 30, 2023 (2022 – $24,421) relating to exploration activity.

GOING CONCERN

The Corporation incurred a net loss of $445,620 and $1,722,776 (2022 - $533,505 and $1,543,649) and had positive cash flows relating to operating activities of $236,015 (2022 - $262,988) and negative cash flows of $3,415,030 (2022 - $1,095,145) for the three and nine-months periods ended June 30, and had a working capital of $7,169,339 as at June 30, 2023 (September 30, 2022 – $6,529,507). 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 and nine-months periods ended June 30, 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.

COVID-19 Public Health Crisis

The Corporation’s business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. To date, there have been a large number of temporary business closures and government enforced lockdowns, along with a general reduction in consumer activity in Canada. The outbreak has caused companies and various governmental bodies to impose travel, gathering and other restrictions pursuant to public health orders. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Corporation cannot estimate whether or to what extent this outbreak and its financial impact may extend. Such public health crises can result in volatility and disruptions in the supply and demand for gold and other metals and minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people. All of the foregoing may impact mineral prices, interest rates, credit ratings, credit risk, share prices and inflation. The risks to the Corporation of COVID-19 and related public health orders may include but are not limited to the following: potential slowdowns or temporary suspensions of operations in locations impacted by an outbreak; interruptions to supply chains and supplies upon on which the Corporation relies; restrictions that the Corporation and its contractors and subcontractors impose to ensure the safety of employees and others; increased labor costs; regulatory changes; political or economic instabilities; and civil unrest.

As of the date hereof, the British Columbia provincial government has designated businesses engaged in mineral exploration and development as an “essential service”. Provided the Corporation's exploration activities continue to be so designated and the current availability of labor and supplies is not materially affected by new developments respecting COVID-19 or responses thereto, the Corporation expects that its personnel and/or consultants will be able to continue surveying and drilling activities respecting any exploration activities without significant delays or increases in cost.

The Corporation has and will continue to take measures recommended by Health Canada and applicable regulatory bodies, as appropriate. At this point, the extent to which COVID-19 will or may impact the Corporation is uncertain and these factors are beyond the Corporation's control; however, it is possible that COVID-19 may have a material adverse effect on the Corporation's business, results of operations and financial condition.

CORPORATE UPDATES

Summary of Financing and Securities Matters

On May 4, 2023, the Corporation closed a bought deal offering of flow-through units ("FT Units") of the Corporation by issuing 12,760,00 FT Units at a price of $0.75 per FT Unit for gross proceeds of $9,570,000 (the "Bought Deal Offering"). Concurrent with the Bought Deal Offering, the Company closed a non-brokered private placement of 466,667 FT Units at a purchase price of $0.75 per unit for total proceeds of $350,000.

On June 5, 2023, the Corporation closed a non-brokered private placement of 269,999 FT Units at a purchase price of $0.75 per unit for total proceeds of $202,500.

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-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will be exercisable by the holder to acquire one common share at a price of $0.70 for a period of 24 months from the date of issuance.

The Bought Deal Offering was completed by way of short form prospectus. In connection with the Bought Deal Offering, the underwriters were paid a cash commission of $573,525 and were issued 764,700 non-transferable brokers warrants. Each broker warrant is exercisable to acquire one common share at an exercise price of $0.50 per broker warrant share for a period of 24 months from the date of issuance.

The Corporation intends to use the net proceeds raised for the exploration of the Corporation's Cassiar Gold property in British Columbia, Canada.

Other Updates

On May 11, 2022, the Corporation completed the filing on an independent National Instrument 43-101 technical report on its 100% owned flagship Cassiar Gold Project located in northern British Columbia, Canada. The technical report, with an effective date of April 28, 2022, titled "*National Instrument 43-101 Technical Report on the Cassiar Gold Property*" can be viewed on Cassiar's website and has been filed under the Corporation's profile on SEDAR. The new technical report was completed by Scott Zelligan, P.Geo.; James Moors, P.Geo.; and Chantal Jolette, P.Geo., all of whom meet the requirements of independent qualified persons as described in National Instrument 43-101 and the companion Policy 43-101CP.

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 1, 2023, the Company launched the first phase of the 2023 drill program at the Cassiar North project area. Drilling commenced with two rigs, initially focused on expansion of the Taurus Deposit through step out drilling and evaluating untested areas between resource blocks, with one drill shifting to test high-priority outlying exploration targets (ex Wings Canyon, Newcoast) in the third quarter. A third rig started mid-June to concurrently test highly prospective targets identified during the 2022 drill campaign at Cassiar South, with focus on the East Bain Extension and Main Mine targets. Drill testing at Cassiar South concluded in late July.

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

HIGHLIGHTS

	Three months ended		Nine months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Net revenues	$ -	$ -	$ -	$ -
Cash flows related to financing activities	9,200,707	8,872,536	9,597,904	12,858,550
Cash flows relating to operating activities	236,015	262,988	(3,415,030)	(1,095,145)
Net loss	445,620	533,505	1,722,776	1,543,649
Loss per share - basic and diluted	0.00	0.01	0.02	0.02

As at June 30,	2023	2022	2021
Total assets	$ 46,026,286	$ 34,560,761	$ 19,423,596
Total liabilities	5,336,479	4,086,172	3,867,321
Current assets	10,195,426	10,932,720	3,967,129
Current liabilities	3,026,087	1,506,427	849,488
Working capital (deficiency)	7,169,339	9,426,293	3,117,641
Number of common shares outstanding	95,715,044	76,958,275	54,346,435

SUMMARY OF QUARTERLY RESULTS

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

	June 30		March 31		December 31		September 30	
Three-month periods ended	**2023**	**2022**	**2023**	**2022**	**2022**	**2021**	**2022**	**2021**
Expenses								
General and administrative	**$ 365,372**	$ 373,034	**$ 491,139**	$ 521,191	**$ 569,199**	$ 271,104	**$ 398,912**	$ 487,559
Depreciation	**33,529**	20,461	**33,529**	12,974	**33,529**	12,974	**35,435**	15,316
Share based compensation	**182,812**	193,778	**202,926**	144,099	**91,101**	144,099	**919,940**	196,356
Loss before other items	**$ 581,713**	$ 587,273	**$ 727,594**	$ 678,264	**$ 693,829**	$ 428,177	**$ 1,354,287**	$ 699,231
Flow through share premium	**(76,136)**	(65,660)	**-**	(27,730)	**(102,389)**	(69,212)	**(163,092)**	(502,353)
Interest income	**(77,069)**	(18)	**(35,156)**	(17)	**(40,946)**	(20)	**(12)**	(20)
Accretion	**17,112**	11,910	**17,112**	341	**17,112**	341	**13,957**	(139,480)
Net loss from Operations	**$ 445,620**	$ 533,505	**$ 709,550**	$ 650,858	**$ 567,606**	$ 359,286	**$ 1,205,140**	$ 57,378
Loss per share – basic and diluted	**$0.00**	$0.01	**$0.01**	$0.01	**$0.01**	$0.01	**$0.02**	$0.00

Variances quarter over quarter can be explained as follows:

- 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.
- For the quarter ended December 31, 2022, the higher net losses are related a higher general and administrative costs related to business development expenses.
- For the quarter ended September 30, 2022, the higher net loss is related to higher share-based compensation from the issuance of stock options, RSUs and DSUs, and less flow through share premium received.

DISCUSSION OF OPERATIONS

The Corporation is focused on the exploration of gold in British Columbia. The Corporation's general and administrative expenses decreased to $365,372 from the 2022 comparative amount of $373,034 for three-month ended June 30, 2023. The decrease in general and administrative expenses is primarily a result of less management fees and travel expenses offset by higher consulting fees.

The Corporation's general and administrative expenses increased to $1,425,710 from the 2022 comparative amount of $1,165,329 for nine-month ended June 30, 2023. The increase in general and administrative expenses is primarily a result of increased marketing fees related to the business development of the Corporation.

General and administrative details for the three and nine-months periods ended June:

	Three months ended		Nine months ended	
	June 30, 2023	**June 30, 2022**	**June 30, 2023**	**June 30, 2022**
Management fees	$107,124	$147,446	$340,316	$425,525
Consulting	87,962	24,000	200,075	96,000
Travel and meals	2,674	40,511	5,941	62,257
Office and administrative	35,150	35,254	91,444	87,435
Marketing	96,049	89,623	635,373	235,819
Professional Fees	36,413	36,200	152,561	258,293
Total	**$365,372**	**$373,034**	**$1,425,710**	**$1,165,329**

General and administrative expenses decreased during the three-month period ended June 30, 2023 and increased during the nine-month period ended June 30, 2023 over the prior comparative year principally due to the net effect of the following:

- Management fees decreased to $107,124 and $340,316 (2022 – $147,446 and $425,525) as a result of reduced fees to executives;
- Consulting fees increased to $87,962 and $200,075 (2022 – $24,000 and $96,000) as a result of increase needs for third party consultants;
- Travel and meals decreased to $2,674 and $5,941 (2022– $40,511 and $62,257) as a result of decreased travel related costs;
- Marketing cost increased to $96,049 and $635,373 (2022 – $89,623 and $235,819) as a result of increased activities for business development; and
- Professional fees decreased to $152,561 (2022 – $258,293) as a result of reduced needs for legal services.

Total expenses

Total expenses for the three and nine-months periods ended June 30, 2023 were $581,713 and $2,003,136 (2022 – $587,273 and $1,693,714).

The decrease for the three-month period ended June 30, 2023 is a result of:

- Decreased general and administrative expenses as a result of less management fees and travel expenses offset by increased consulting fees;
- Decreased share-based payments as a result of less expenses for stock option vesting;
- And offset by increased depreciation costs due to additional of right-of-use assets from office lease;

The increase for the nine-month period ended June 30, 2023 is due to the increased general and administrative expenses as a result of increased marketing cost.

Third Quarter

The table below details the significant changes in general and administrative expenditures for the three months period ended June, 2023 as compared to the corresponding period ended June 30, 2022

Expenses	Increase / Decrease in Expenses	Explanation for Change
Management fees	Decrease of $40,322	Decrease as a result of decrease fees to executives
Consulting	Increase of $63,962	Increase as a result of increased consulting service required during the quarter
Travel and meals	Decrease of $37,837	Decrease as a result of less travel

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 June 30, 2023, the Corporation had cash and cash equivalents of $9,325,007 compared with $8,589,522 at September 30, 2022. 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 $445,620 and $1,722,776 (2022 - $533,505 and $1,543,649) and had positive cash flows relating to operating activities of $236,015 (2022 - $262,988) and negative cash flows of $3,415,030 (2022 - $1,095,145) for the three and nine-months periods ended June 30, and had a working capital of $7,169,339 as at June 30, 2023 (September 30, 2022 – $6,529,507). 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 financial statements for the three and nine-months periods ended June 30, 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 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, 2021	28,933	380,706	260,286	669,925
Additions/Disposal	-	-	-	-
Balance as at September 30, 2022	28,993	380,706	260,286	669,985
Additions/Disposal	-	-	-	-
Balance as at June 30, 2023	28,993	380,706	260,286	669,985
Accumulated Depreciation				
Balance as at September 30, 2021	-	38,071	185,003	223,074
Additions	-	34,264	17,631	51,895
Balance as at September 30, 2022	-	72,335	202,634	274,969
Additions	-	23,128	10,075	33,203
Balance as at June 30, 2023	-	95,463	212,709	308,172
Net book value				
September 30, 2022	28,993	308,371	57,652	395,016
June 30, 2023	28,993	285,243	47,577	361,813

EXPLORATION AND EVALUATION ASSETS

	Cassiar Gold Project	Sheep Creek Gold District Project	Total
Balance at September 30, 2021	$15,565,169	$1,978,346	$17,543,515
Cash option payments	-	100,000	100,000
Share option payments	-	83,700	83,700
Change in estimate of asset retirement obligation	(248,725)	-	(248,725)
Exploration costs	10,673,203	25,780	10,698,983
Balance at September 30, 2022	$25,989,647	$2,187,826	$28,177,473
Exploration costs	5,722,382	17,890	5,740,272

Balance at June 30, 2023	$31,712,029	$2,205,716	$33,917,745

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, 2021	$2,481,232
Accretion expense	26,549
Change in estimate	(248,725)
Balance at September 30, 2022	$2,259,056
Accretion expense	51,336
Balance at June 30, 2023	$2,310,392

The total discounted cash flow estimated to settle the obligations as at June 30, 2023 was $2,310,392 (September 30, 2022 – $2,259,056) which was adjusted for inflation at the rate of 2% and then discounted at a risk free rate of 3.03%. significant reclamation costs are expected to be incurred in 2029.

As at June 30, 2023, the Corporation had $1,468,944 (September 30, 2022 - $418,944) 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 June 30, 2023, the Corporation had an amount of $Nil (2022 - $Nil) due to directors and officers included in trade and other payables.

During the three and nine-months periods ended June 30, 2023:

An aggregate of $86,014 and $226,012 (2022 - $70,000 and $183,227) was paid for compensation as Vice President Exploration of the Corporation. The total amounts have been capitalized to E&E.

An aggregate of $21,000 and $63,000 (2022 - $37,500 and $106,500) in consulting fees was paid to a company owned by an officer of the Corporation for compensation as CFO.

An aggregate of $71,250 and $213,750 (2022 - $71,250 and $185,000) in consulting fees were paid to a company owned by an officer of the Corporation for compensation as CEO.

Compensation of key management personnel

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

	Three Months Ended		Nine Months Ended	
	June 30, 2023	**June 30, 2022**	**June 30, 2023**	**June 30, 2022**
Short-term compensation	178,264	$315,994	$502,762	$611,971
Share-based payments	150,460	144,099	458,863	481,976
Capitalized share-based payments	23,697	10,411	84,620	31,232
Total	**$352,421**	**$470,504**	**$1,046,245**	**$1,125,179**

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, 2022	81,563,103	$41,970,081
Common share issued (c) (d)	13,496,666	8,974,067
Warrant Exercised (a)	555,275	333,165
Option Exercised (b)	100,000	83,994
Share issuance costs		(914,422)
Flow-through share discount		(1,291,901)
Balance at June 30, 2023	95,715,044	$49,154,984

Warrants		
	Number of warrants	**Share capital**
Balance at September 30, 2022	15,363,957	$3,758,702
Warrants issued (c) (d)	6,748,336	1,148,433
Warrants expired (a)	(4,322,143)	(1,932,687)
Balance at June 30, 2023	17,790,150	$2,974,448
Total share capital at September 30, 2022		$45,728,783
Balance at June 30, 2023		$52,129,432

Overview of Share History

On October 30, 2022, 555,275 common share purchase warrants were exercised at a price of $0.60. The Corporation received proceeds of $333,165 and issued 555,275 common shares. 4,570,488 common share purchase warrants expired unexercised.

On November 24, 2022, 100,000 stock options were exercised at a price of $0.45. The Corporation received proceeds of $45,000 and issued 100,000 Common Shares.

On May 4, 2023, the Corporation closed a bought deal offering of flow-through units ("FT Units") of the Corporation by issuing 12,760,000 FT Units at a price of $0.75 per FT Unit for gross proceeds of $9,570,000 (the "Bought Deal Offering"). Concurrent with the Bought Deal Offering, the Company closed a non-brokered private placement of 466,667 FT Units at a purchase price of $0.75 per unit for total proceeds of $350,000.

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-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will be exercisable by the holder to acquire one common share at a price of $0.70 for a period of 24 months from the date of issuance.

The Bought Deal Offering was completed by way of short form prospectus. In connection with the Bought Deal Offering, the underwriters were paid a cash commission of $573,525 and were issued 764,700 non-transferable brokers warrants. Each broker warrant is exercisable to acquire one common share at an exercise price of $0.50 per broker warrant share for a period of 24 months from the date of issuance.

On June 5, 2023, the Corporation closed on a non-brokered private placement of 269,999 FT Units at a purchase price of $0.75 per unit for total proceeds of $202,500. Each FT unit consists of one common share of the Company issued on a "CEE flow-through" basis and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will be exercisable by the holder to acquire one common share at an exercise price of $0.70 for a period of 24 months from the date of issuance.

FLOW-THROUGH SHARES

During the period ended June 30, 2023, the Corporation met its flow through share commitments related to the $11,079,040 raised on a CEE flow-through share basis during the year ended September 30, 2022. The remaining $102,389 flow-through share premium liability amortized during the period.

During the period ended June 30, 2023, the Corporation raised $10,122,500 on a CEE flow-through share basis and was required to incur a net total of $12,122,500 of qualifying expenditures to renounce the tax deductions to investors. As at June 30, 2023, the Corporation still needs to incur an additional $9,516,414 to meet its flow through share commitment. A flow-through share premium liability of $1,215,764 was recognized as the Corporation has not incurred sufficient qualifying expenditures to offset the liability as at June 30, 2023.

The accumulated flow-through share premium of $76,136 and $178,525 (2022 - $65,660 and $162,602) was recognized during the three and nine- months periods ended June 30, 2023.

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 one-third immediately and one-third on the first and second anniversaries on the grant date respectively.

A summary of the Corporation's stock option plan activity is as follows:

	Number of Options	Weighted Average Exercise
Exercisable as at September 30,2021	2,496,657	$0.77
Outstanding at September 30,2021	4,156,000	$0.71
Granted	2,580,000	$0.69
Forfeited	(150,000)	$0.68
Cancelled	(309,000)	$1.42
Exercised	(183,332)	$0.58
Exercisable as at September 30, 2022	3,912,325	$0.68
Outstanding at September 30, 2022	6,093,668	$0.67
Cancelled	(248,000)	$1.16
Exercised	(100,000)	$0.45
Exercisable as at June 30, 2023	4,292,328	$0.65
Outstanding at June 30, 2023	5,745,668	$0.66

During the period ended June 30, 2023, Nil options were issued (2022 – 650,000). At June 30, 2023, the weighted-average life of the options outstanding was 3.02 years (September 30, 2022 – 3.7 years).

Total share-based payments of $134,868 and $437,875 for the three and nine-months periods ended June 30, 2023 (2022 – $204,189 and $513,208) 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, $46,247 and $139,230 (2022 - $10,411 and 31,232) 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. RSUs vest in three tranches, with all RSUs vesting no later than the second anniversary from the date of grant.

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 June 30, 2023 are as follows:

	Number of RSUs
Outstanding at September 30, 2021	-
Granted	1,140,000
Exercised	(72,000)
Outstanding as at September 30,2022	1,068,000
Cancelled	(44,000)
Outstanding at June 30, 2023	1,024,000
	Number of DSUs
Outstanding at September 30, 2021	-
Granted	744,000
Outstanding as at September 30,2022	744,000
Cancelled	(16,000)
Outstanding at June 30, 2023	728,000

Total share-based payments of $122,316 and $331,847 for the three and nine-months ended June 30, 2023 (2022 – $Nil) was recognized based on the estimated fair value of the RSU and DSU of $0.66 and $0.79. Of the total share-based payments, $28,125 and $82,193 (2022 - $Nil) were capitalized to E&E.

During the period ended June 30, 2023, $71,460 (2022 - $Nil) share based payments for year ended September 30, 2022 were reclassified to capitalized to E&E.

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, 2022 and 2021.

Management of the Corporation has filed the Venture Issuer Basic Certificate with the filings for the three and nine-month periods ended June 30, 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 4 of the Corporation's audited financial statements for the years ended September 30, 2022 and 2021 provide greater detail regarding 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
- Potential impacts of COVID-19

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.

The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Corporation has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the three-month periods ended December 31, 2022 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Corporation for future periods.

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 June 30, 2023 relates to $9,325,007 (September 30, 2022 – $8,589,522) of cash and $197,051 (September 30, 2022 – $408,342) 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