



**INTERNATIONAL PROSPECT VENTURES LTD.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**DATED: April 10, 2023**

## **SCOPE OF THIS MANAGEMENT'S DISCUSSION AND ANALYSIS AND NOTICE TO INVESTORS**

This management's discussion and analysis of financial position and results of operations ("MD&A"), is prepared as of April 10, 2023, and complements the audited consolidated financial statements of International Prospect Ventures Ltd. (the "Company" or "International Prospect"), for the years ended December 31, 2022 and 2021.

All financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all amounts are in Canadian dollars unless otherwise indicated. Additional information is provided in the Company's audited consolidated financial statements for the year ended December 31, 2022.

The audited consolidated financial statements and the MD&A have been reviewed by the Audit Committee and approved by the Company's Board of Directors on April 10, 2023. These documents and more information about the Company are available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **FORWARD LOOKING STATEMENTS**

Certain statements made in this MD&A are forward-looking statements or information. The Company is hereby providing cautionary statements identifying important factors that could cause the Company's actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "may", "is expected to", "anticipates", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook") are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. In making these forward-looking statements, the Company has assumed that the current market will continue and grow and that the risks listed below will not adversely impact the business of the Company. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the control of the Company that could influence actual results are summarized below under the heading "Risks and Uncertainties".

Further, unless otherwise noted, any forward-looking statement speaks only as of the date of this MD&A, and, except as required by applicable law, the Company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Company, or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement.

## **ABOUT INTERNATIONAL PROSPECT VENTURES LTD.**

International Prospect Ventures Ltd., ("International Prospect" or the "Company"), incorporated on February 18, 2010 under the Business Corporations Act of British Columbia, is involved in the process of exploring, evaluating and promoting its mineral properties and other projects.

The head office of the Company is located at 152 Chemin de la Mine École, Val-d'Or, Québec, J9P 7B6. The Company's registered and records office is located at #530 - 355 Burrard Street, Vancouver, B.C. V6C 2G8. The Company also has exploration offices located at 2864 Chemin Sullivan, Val-d'Or, Québec, J9P 0B9.

International Prospect is the parent company of Valroc Ventures Pty Ltd. ("Valroc"), a New South Wales company, located in Australia. The Company's common shares trade on Tier 2 of the TSX Venture Exchange under the trading symbol "IZZ".

As at December 31, 2022, Gold Royalty Corp. ("GROY") is the Company's largest shareholder, holding indirectly through its subsidiary Golden Valley Mines and Royalties Ltd. ("Golden Valley") 11.22% of the issued and outstanding shares (December 31, 2021 – 11.45%).

## **BUSINESS OVERVIEW**

International Prospect is a natural resource issuer involved in the process of acquiring and exploring mineral property assets. The Company uses its wholly owned subsidiary Valroc, a New South Wales company, to carry out business in Australia.

To complement its current property interests in Western Australia and elsewhere in Australia, Valroc evaluates regularly new opportunities. In 2022, the Company undertook a review of its business activities and decided to focus on its properties located in Western Australia.

The Company holds also several properties in Canada, for which the Company is seeking partners for the formation of joint ventures or for outright sales transactions. Those properties include the Porcupine Miracle Prospect within Langmuir Township in north-eastern Ontario and several Uranium properties in Saskatchewan (West Stewart and Beartooth Island), Ontario (Elliot Lake) and Quebec (Matoush North and Matoush South).

## **ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS**

International Prospect Ventures strives to ensure that its exploration activities support environmental sustainability and social responsibility. International Prospect Ventures also makes every effort to ensure that it meets or exceeds all required standards of corporate governance, following industry best practices and satisfying legal and regulatory requirements.

## CORPORATE DEVELOPMENTS

On December 8, 2022, the Company announced the closing of a non-brokered private placement offering for gross proceeds of \$500,000. The Company issued 10,000,000 units at a per unit price of \$0.05. Each unit consisted of one common share in the capital of the Company and one-half of one non-transferable share purchase warrant, with each whole warrant exercisable for a period of 24 months from the date of issuance of the securities. Each whole warrant entitles holder to purchase one common share at a per share price of \$0.075 until December 8, 2023, and at a per share price of \$0.10 from December 9, 2023 to December 8, 2024.

On December 2, 2022, the Company announced that it had entered into a letter agreement dated November 30, 2022 with one of Gold Royalty's wholly owned subsidiaries, Golden Valley. Amongst other terms, the agreement provides that for as long as Gold Royalty and its affiliates hold at least 10% of the outstanding common shares of the Company, the Company shall not sell, transfer or otherwise dispose of any interest in a royalty or similar interest in any mineral property in Australia (the "Subject Royalties") without first offering Golden Valley a right of first refusal to acquire such Subject Royalties.

## AUSTRALIAN EXPLORATION PROPERTY PORTFOLIO (VALROC)

The Company holds properties and performs exploration activities in Australia through its wholly-owned subsidiary Valroc. International Prospect has advanced all necessary funding for corporate and exploration expenditures in Valroc.

### Property Holdings

As part of its ordinary business activities, the Company acquires new prospective tenements to enhance its existing property portfolio or to pursue new geological ideas and/or drops tenements that are no longer considered to be material based on results or changing commodity prices over time.

As of December 31, 2022, Valroc held a total of 12 tenements covering an area of 14,890 hectares. This compares to four (4) tenements (A-005, A-006, A-007, A-008) covering an area of 8,370 hectares as of December 31, 2021. Eleven of the 12 tenements overly prospective areas of the Mosquito Creek Basin, a formation within the Eastern Pilbara that is currently being explored and mined for gold by Novo Resources Corp.

- On March 21, 2022, the Company announced the 100% acquisition of two tenements (A-009, A-010) by way of staking, totalling approximately 5,580 hectares.
- On June 29, 2022, the Company announced the acquisition of two additional tenements (A-011, A-012) from a local prospector. As consideration for the acquisition of the two tenements, the Company made a cash payment of AUD\$15,000 to the vendor of the tenements as a reimbursement of historical expenditures and issued 1.0 million shares in the capital of the Company fair valued at \$45,000. The two tenements cover about 281 hectares.

- On December 15, 2022, the Company acquired three new tenements (A-013, A-014, A-015) and on December 22, 2022 an additional tenement (A-016), all by way of staking and totalling approximately 659 hectares.

The Company aims to add value to the 12 tenements with the completion of some early-stage exploration programs, and then seeks partners to further advance the exploration on some of the more advanced properties retaining NSR royalties.

#### Summary of 2022 Exploration Programs

Exploration activities during 2022 were limited due to the continuing effects of COVID-19. However, the Company used a network of independent local prospectors to gather information about gold-bearing structures on its tenements. This is a low-cost, but effective way to target specific areas, where traditional exploration programs will be deployed as circumstances and financings permit.

#### Plans for 2023 Exploration Programs

The Company is currently compiling the data obtained from the prospectors and plans are being made for the 2023 exploration season. The execution of more extensive exploration programs will depend on the availability of internal and/or external financing sources.

### **CANADIAN EXPLORATION PROPERTY PORTFOLIO**

The Company holds several properties in Canada, for which the Company is seeking partners for the formation of joint ventures or for outright sales transactions. Those properties include the Porcupine Miracle Prospect (gold) within Langmuir Township in north-eastern Ontario and several Uranium properties in Saskatchewan (West Stewart and Beartooth Island), Ontario (Elliot Lake) and Quebec (Matoush North and Matoush South).

On January 7, 2022, the Company entered into an agreement with Uravan Minerals Inc. (“Uravan”) to acquire a 1.0% net smelter return royalty (the “NSR”) that covers five mineral dispositions (17,795 ha) held by Cameco Corporation (“Cameco”) and a 100% interest in the West Stewardson Uranium Project (5,251 ha), both located in the Athabasca Basin of northern Saskatchewan (together, the “Property”). In consideration for the Property, the Company paid Uravan cash of \$35,000 and issued to Uravan 500,000 common shares, fair valued at \$80,000, of the Company. The Company paid a finder’s fee to an independent arms-length third party consisting of 21,562 common shares, fair valued at \$3,450, of the Company. Cameco is the holder of the five mineral dispositions that are subject to the NSR and Cameco has an exclusive option to purchase 100% of the NSR for \$500,000.

### **UNCERTAINTY DUE TO COVID-19**

The Company’s operations are subject to the risk of emerging infectious diseases or the threat of outbreaks of viruses or other contagions or epidemic diseases, including the novel coronavirus diseases (COVID-19) pandemic. The Company continues to closely monitor the ongoing COVID-19 pandemic.

While governments have implemented vaccination programs, the COVID-19 pandemic continues to result in widespread global infections and fatalities, market volatility and impact global economic activity. From time to time, numerous governments implemented measures, such as travel bans, quarantines, business closures, shelter-in-place and other restrictions, including restrictions that impact mineral exploration and development and mining activities in many jurisdictions. Despite reductions in such measures and the current vaccination programs instituted by many governments, there remains significant ongoing uncertainty surrounding COVID-19 and the extent and duration of the impacts that it may have on the operations of the projects underlying the Company's interests and on global financial markets.

The Company cannot currently predict whether the recent emergence of new strains or continued infections or fatalities may cause governments to re-impose some or all prior or new restrictive measures, including business closures. Continuing effects of the pandemic, including variants of the virus, could result in negative economic effects which could have a material adverse impact on the Company's results of operations and financial condition. The ongoing COVID-19 pandemic and related mobility, travel and other restrictions are expected to continue to impact the Company's ability to complete site-visits, exploration programs and diligence of potential acquisition opportunities.

## SELECTED FINANCIAL POSITION

|  | As at December 31, |                   |
|--|--------------------|-------------------|
|  | 2022               | 2021              |
| Cash and cash equivalents                | \$ 409,808         | \$ 445,345        |
| Other current assets                     | 26,223             | 59,497            |
| Exploration and evaluation assets        | 283,140            | 92,978            |
| <b>Total Assets</b>                      | <b>\$ 719,171</b>  | <b>\$ 597,820</b> |
|  |                    |                   |
| Accounts payable and accrued liabilities | 36,602             | 14,962            |
| Due to related parties                   | 26,396             | 20,574            |
| <b>Total Liabilities</b>                 | <b>\$ 62,998</b>   | <b>\$ 35,536</b>  |
| <b>Total Equity</b>                      | <b>656,173</b>     | <b>562,284</b>    |
| <b>Total Liabilities and Equity</b>      | <b>\$ 719,171</b>  | <b>\$ 597,820</b> |

## TOTAL ASSETS

### *Cash and cash equivalents*

The Company ended fiscal year 2022 with cash and cash equivalents of \$409,808 compared to \$445,345 as at December 31, 2021. Refer to *Cash Flow Analysis* section below for further discussion on the Company's cash position and changes thereof for the years ended December 31, 2022 and 2021.

### *Other current assets*

Other current assets of \$26,223 as at December 31, 2022 (December 31, 2021 - \$59,497) included sales taxes recoverable of \$13,463 (December 31, 2021 - \$46,737), and prepaid insurance and deposits of \$12,760 (December 31, 2021 - \$12,760).

### Exploration and evaluation assets

Exploration and evaluation assets amounted to \$283,140 as at December 31, 2022 compared to \$92,978 as at December 31, 2021:

|                             |    | As at<br>January 1,<br>2022 | Additions | Credits | Impairment | As at<br>December 31,<br>2022 |
|-----------------------------|----|-----------------------------|-----------|---------|------------|-------------------------------|
| Claim and claim maintenance | \$ | 44,062                      | \$ 1,976  | \$ (99) | \$ -       | \$ 45,939                     |
| Acquisition                 |    | 32,818                      | 188,285   | -       | -          | 221,103                       |
| Program management          |    | 11,570                      | -         | -       | -          | 11,570                        |
| Geology                     |    | 4,290                       | -         | -       | -          | 4,290                         |
| Other                       |    | 238                         | -         | -       | -          | 238                           |
| Royalty advances            |    | -                           | 10,000    | -       | (10,000)   | -                             |
|                             | \$ | 92,978                      | 200,261   | (99)    | (10,000)   | \$ 283,140                    |

Additions to Exploration and evaluation assets mainly relate to:

- Acquisition of a 1.0% NSR that covers five mineral dispositions held by Cameco and a 100% interest in the West Stewardson Uranium Property for cash consideration of \$35,000 and share consideration of 500,000 common shares of the Company, fair valued at \$80,000, to Uravan, plus finder's fee of 21,562 common shares of the Company, valued at \$3,450, paid to an independent arms-length third party.
- Acquisition of property package in the Eastern Pilbara of Western Australia pursuant to an agreement to acquire two mineral Prospecting Licences (the "Tenements"). As consideration for the acquisition of the Tenements, the Company made a cash payment of \$13,453 (or AUD\$15,000) to the vendor of the Tenements as a reimbursement of historical expenditures and issued 1.0 million shares in the capital of the Company fair valued at \$45,000.
- Advance royalty payment of \$10,000 to 2973090 Canada Inc. under a Mining Option Agreement signed on the Porcupine Miracle Prospect.

### TOTAL LIABILITIES

Total liabilities of \$62,998 as at December 31, 2022 (December 31, 2021 - \$35,536) consisted of trade payables of \$36,602 (December 31, 2021 - \$14,962), and due to related parties of \$26,396 (December 31, 2021 - \$20,574).

As discussed further in the related party balances and transactions section below, amounts due to related parties of \$26,396 (December 31, 2021 - \$20,574) includes an amount of \$4,024 (December 31, 2021 - \$4,024) due to 2973090 Canada Inc. relating to the services of the Company's Chairman of the Board and of \$22,372 (December 31, 2021 - \$5,250) due to Caracle Creek International Consulting Inc. relating to the services of the Company's VP Exploration. Due to related parties as at December 31, 2021 also

included an amount of \$11,300 due to Ironbark International Limited relating to the services of the Company's former President and CEO.

## EQUITY

Equity totalled \$656,173 as at December 31, 2022 compared to \$562,284 as at December 31, 2021, an increase of \$93,889 mainly from the issuance of 10,000,000 common shares for gross proceeds of \$500,000 under the recently completed non-brokered private placement, issuance of 521,562 common shares, valued at \$83,450, relating to the transaction with Uravan and issuance of 1,000,000 common shares, valued at \$45,000, relating to the acquisition of the property package in the Eastern Pilbara of Western Australia as described above, offset by net loss for the year ended December 31, 2022 of \$545,555.

## DISCUSSION AND RESULTS OF OPERATIONS

|  | For the year<br>ended December 31, |                     |                |
|--|------------------------------------|---------------------|----------------|
|  | 2022                               | 2021                | 2020           |
| Operating expenses                                 | \$ 540,516                         | \$ 1,345,172        | 376,597        |
| Other expenses                                     | 5,039                              | 7,067               | 1,323          |
| <b>Net loss and comprehensive loss</b>             | <b>\$ 545,555</b>                  | <b>\$ 1,352,239</b> | <b>377,920</b> |
| <b>Basic and diluted net loss per common share</b> | <b>\$ 0.013</b>                    | <b>\$ 0.037</b>     | <b>0.012</b>   |

Operating expenses for fiscal year 2022 was \$540,516, compared to \$1,345,172 for the same period in 2021. Excluding the impairment loss of \$742,164 on Exploration and Evaluation assets recognized in 2021, operating expenses for fiscal year 2021 totaled \$603,008. The decrease in operating expenses in fiscal year 2022 resulted from lower consulting fees of \$40,000 (2021- \$120,000) relating to the services of the Company's former President and CEO and lower share-based payment of \$33,716 (2021 - \$67,052), offset by higher professional fees relating to fees paid, effective January 1, 2022, for the services of the Chief Financial Officer and the spouse of the Company's Chief Operating Officer as further described in the *Related Party Transaction* section below.

Operating expenses for fiscal year 2021 was \$1,345,172, compared to \$376,597 for the same period in 2020. The higher operating expenses in 2021 was due to impairment loss of \$742,164 recognized mainly on surrendering four of the eight tenements in the Pilbara Region and the Porcupine Miracle Prospect; and, higher fees, paid to senior management under consulting agreements that came into effect on July 1, 2020, recognized as consulting fees (\$120,000 in 2021 compared to \$60,000 in 2020) and as exploration and evaluation expenses (\$187,250 in 2021 compared to \$95,135 in 2020),



## CASH FLOW ANALYSIS

|  | For the year ended<br>December 31, |              |
|--|------------------------------------|--------------|
|  | 2022                               | 2021         |
| Cashflows used by operating activities       | \$ (441,103)                       | \$ (635,790) |
| Cashflows used by investing activities       | (71,712)                           | (169,934)    |
| Cashflows from financing activities          | 477,278                            | 782,926      |
| Decrease in cash                             | \$ (35,537)                        | \$ (22,798)  |
| Cash and cash equivalents, beginning of year | 445,345                            | 468,143      |
| Cash and cash equivalents, end of year       | \$ 409,808                         | \$ 445,345   |

Cash outflows from operating activities for the year ended December 31, 2022 was \$441,103 compared to \$635,790 for the same period in 2021. The variance in cash outflows from operating activities relates to changes in non-cash working capital items stemming from the timing of recognition and settlement of sales taxes recoverable and amounts due to related parties.

Cash outflows from investing activities for the year ended December 31, 2022 totalled \$71,712 compared to \$169,934 for the same period in 2021. Cash outflows for 2022 were mainly related to the cash consideration of \$35,000 paid on the transaction with Uravan, payments of \$24,835 for the acquisition of a property package in the Pilbara region as described above and of \$10,000 for royalty advance on the Porcupine Miracle property. Cash outflows in 2021 were related to claim staking fees of \$61,293 and \$30,050 for the Otish/Mistassini and Elliot Lake uranium projects, respectively, cash payment of \$10,000 as part of the consideration to acquire the remaining 60% of Beartooth Island Uranium Project and royalty advance of \$10,000 paid to 2973090 Canada Inc.

Cashflows from financing activities for the year ended December 31, 2022 was \$477,278 compared to \$782,926 for the same period in 2021. The cash inflows for 2022 was mainly related to gross proceeds of \$500,000, net of share issuance costs of \$22,722, on issuance of 10,000,000 Units, at a per Unit price of \$0.05, pursuant to a non-brokered private placement completed on December 8, 2022. Cash inflows in 2021 were mainly related to gross proceeds of \$800,250, net of share issuance costs of \$23,824, on issuance of 5,334,999 Units, at a per Unit price of \$0.15 pursuant to a non-brokered private placement completed on June 15, 2021.

## SUMMARY OF QUARTERLY RESULTS

The following selected financial information is for the 8 most recently completed quarters as derived from the Company's respective financial statements and notes thereto. The following information should be read in conjunction with the referenced financial statements, the notes to those statements and "Results of Operations" herein.

|   | Dec<br>2022       | Sept<br>2022     | Jun<br>2022       | Mar<br>2022       | Dec<br>2021       | Sept<br>2021      | Jun<br>2021       | Mar<br>2021       |
|---|-------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Operating expenses                          | \$ 123,052        | \$ 94,979        | \$ 150,262        | \$ 172,223        | \$ 371,079        | \$ 221,614        | \$ 642,504        | \$ 109,975        |
| Other expenses                              | 1,302             | 571              | 2,643             | 523               | 1,007             | 1,002             | 3,010             | 2,048             |
| <b>Net loss and comprehensive loss</b>      | <b>\$ 124,354</b> | <b>\$ 95,550</b> | <b>\$ 152,905</b> | <b>\$ 172,746</b> | <b>\$ 372,086</b> | <b>\$ 222,616</b> | <b>\$ 645,514</b> | <b>\$ 112,023</b> |
| Basic and diluted net loss per common share | \$ 0.013          | \$ 0.002         | \$ 0.004          | \$ 0.004          | \$ 0.010          | \$ 0.006          | \$ 0.019          | \$ 0.003          |

The net loss for the three months ended December 31, 2022 was \$124,354 (or \$0.013 loss per share), compared to \$372,086 (or \$0.01 loss per share) for the same period in 2021. The higher net loss for the three months ended December 31, 2021 was mainly related to impairment loss of \$252,144 recognized on properties as part of the Company's ordinary business activities of staking new claims, filing for tenements, dropping claims and/or surrendering tenements.

## **LIQUIDITY, CAPITAL RESOURCES AND SOURCES OF FINANCING**

The Company's objectives in managing capital are to safeguard its ability to continue its operations, to increase the value of the assets of the business and to provide an adequate return to owners. These objectives will be achieved by identifying the right exploration prospects, adding value to these projects and ultimately taking them through to production either with partners or by the Company's own means or sale.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares to improve its financial performance and flexibility. When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its exploration and evaluation activities or may slow its activities until conditions improve. The Company monitors capital on the basis of the carrying amount of equity.

Readers are invited to refer to the Risk and Uncertainties section for more information.

## **COMMITMENTS**

Please refer to Note 17 of the audited consolidated financial statements for the Company's commitments.

## **RELATED PARTY TRANSACTIONS**

### ***Transactions with a shareholder***

Effective July 1, 2020, the Company entered into a Cost Sharing Arrangement (the "Sharing Arrangement") with Golden Valley Mines and Royalties Ltd ("Golden Valley"), a significant shareholder of the Company, pursuant to which Golden Valley will provide certain management and financial services such as office space and administrative support relating to the exploration offices located at 2864 Chemin Sullivan, Val-d'Or, Québec, J9P 0B9, in consideration of \$8,919 per year (the "reimbursement"), payable on a monthly basis. The Sharing Arrangement provides for the reimbursement to be reviewed on an annual basis. For the year ended December 31, 2022, the Company reimbursed Golden Valley the amount of

\$3,628 (2021 - \$8,919) from this Sharing Arrangement. The Sharing Arrangement was terminated and not renewed on July 1, 2022.

Effective July 1, 2022 a similar Sharing Agreement was entered into with Val-d'Or Mining Corp ("Val-d'Or Mining"), a company related by common management, as further discussed below under *Transactions with related parties*.

### ***Transactions with key management***

Key management personnel of the Company comprise of the members of the board of directors, as well as the President and Chief Executive Officer, Chief Operating Officer, Vice President Exploration, and the Chief Financial Officer. The compensation paid to key management is presented below:

- For the year ended December 31, 2022, consultant fees of \$42,000 (2021 - \$42,000) were paid by the Company to 2973090 Canada Inc. ("2973090") a company controlled by a director of the Company, relating to the services of the Company's Chairman of the Board. These fees are recorded under exploration and evaluation expense in the consolidated statements of net loss and comprehensive loss. In addition, as part of a Mining Option Agreement signed on the Porcupine Miracle Prospect, the Company made an advance royalty payment of \$10,000 (2021 - \$10,000) to 2973090 Canada Inc. As at December 31, 2022, the Company had indebtedness of \$4,024 (December 31, 2021 - \$4,024), included in due to related parties, to 2973090.
- For the year ended December 31, 2022, consultant fees of \$40,000 (2021 - \$120,000) were incurred by the Company to Ironbark International Limited ("Ironbark") relating to the services of the Company's former President and CEO. These fees are recorded under consulting fees in the consolidated statements of net loss and comprehensive loss. As at December 31, 2022, the Company had no indebtedness (December 31, 2021 - \$11,300, included in due to related parties) to Ironbark.
- For the year ended December 31, 2022, consultant fees of \$60,000 (2021 - \$60,000) were incurred by the Company to Caracle Creek International Consulting Inc. ("Caracle") relating to the services of the Company's VP Exploration. These fees are recorded under exploration and evaluation expenses in the consolidated statement of net loss and comprehensive loss. As at December 31, 2022, the Company had indebtedness of \$22,372 (December 31, 2021 - \$5,250) to the Company's VP Exploration, which is included in due to related parties.
- For the year ended December 31, 2022, consultant fees of \$60,000 (2021 - \$60,000) were incurred by the Company to a company controlled by the Company's Chief Operating Officer for technical services. These fees are recorded under exploration and evaluation expenses in the consolidated statements of net loss and comprehensive loss. As at December 31, 2022 and 2021, the Company had no indebtedness to the Company's Chief Operating Officer.
- For the year ended December 31, 2022, consultant fees of \$24,000 (2021 - \$nil) were incurred by the Company relating to the services of the Company's Chief Financial Officer. These fees are recorded under Professional fees in the consolidated statements of net loss and comprehensive loss. As at December 31, 2022 and 2021, the Company had no indebtedness to the Company's Chief Financial Officer.

- For the year ended December 31, 2022, director fees of \$19,027 (2021 - \$15,737) were incurred by the Company. As at December 31, 2022 and 2021, the Company had no indebtedness to a director of the Company.
- For the year ended December 31, 2022, no incentive stock options were granted. For the year ended December 31, 2021, the Company granted stock options to a director to purchase an aggregate 300,000 common shares of the Company, of which share-based payments of \$24,280 was recorded by the Company.

### ***Transactions with related parties***

- For the year ended December 31, 2022, the Company incurred fees of \$18,000 (2021 - \$nil) with an individual, the spouse of the Company's Chief Operating Officer, as part of a consulting agreement for accounting services. These fees were recorded under Professional fees in the consolidated statements of net loss and comprehensive loss. As at December 31, 2022 and 2021, the Company had no indebtedness to this individual.
- Effective July 1, 2022, the Company entered into a Cost Sharing Arrangement (the "Sharing Arrangement") with Val-d'Or Mining, pursuant to which Val-d'Or Mining will provide certain management and financial services such as office space and administrative support relating to the exploration offices located at 2864 Chemin Sullivan, Val-d'Or, Québec, J9P 0B9, in consideration of \$7,256 per year (the "reimbursement"), payable on a monthly basis. The Sharing Arrangement provides for the reimbursement to be reviewed on an annual basis. For the year ended December 31, 2022, the Company reimbursed Val-d'Or Mining the amount of \$3,628 (2021 - \$nil) from this Sharing Arrangement.

### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements.

### **JUDGMENT, ESTIMATES AND ASSUMPTIONS**

The judgements, estimates and assumptions used by management are described in Note 6 of the audited consolidated financial statements for the year ended December 31, 2022.

### **CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION**

The changes in accounting policies including those that have not been adopted are explained in note 5 of the audited consolidated financial statements as at December 31, 2022.

### **RISKS RELATED TO FINANCIAL INSTRUMENTS**

Please refer to Note 16 "Financial Risks" of the audited consolidated financial statements of the Company for the year ended December 31, 2022 for a full description of these risks.

## INFORMATION ON OUTSTANDING SECURITIES

The following table sets out the number of common shares, incentive stock options and share purchase warrants outstanding as of the date hereof:

|                                   |            |
|-----------------------------------|------------|
| <b>Common shares outstanding:</b> | 50,561,798 |
| <b>Stock options outstanding:</b> | 2,615,312  |
| <b>Warrants outstanding:</b>      | 7,692,499  |

| <b>Expiry<br/>Date</b> | <b>Exercise<br/>Price</b> | <b>Number of stock options<br/>outstanding</b> |
|------------------------|---------------------------|--|
| February 28, 2024      | \$ 0.170                  | 50,000   |
| June 17, 2024          | \$ 0.160                  | 390,312  |
| June 26, 2025          | \$ 0.115                  | 365,000  |
| July 10, 2027          | \$ 0.050                  | 1,315,000                                      |
| December 12, 2027      | \$ 0.265                  | 495,000  |
|                        |                           | 2,615,312                                      |

| <b>Expiry<br/>Date</b> | <b>Exercise<br/>Price</b> | <b>Number of warrants<br/>outstanding</b> |
|------------------------|---------------------------|---|
| June 15, 2024          | \$ 0.20                   | 2,667,499                                 |
| December 8, 2024       | \$ 0.09                   | 5,025,000                                 |
|                        |                           | 7,692,499                                 |

## RISKS AND UNCERTAINTIES

An investment in the common shares of the Company involves a high degree of risk and must be considered highly speculative due to the financial and operational risks inherent to the nature of the Company's business and the present stage of exploration and development of its mineral resource properties. These risks may affect the Company's eventual profitability and level of operating cash flow. Prospective buyers of the common shares of the Company should consider the following risk factors:

### Climate Change

The Company has properties and joint venture agreements in various regions and jurisdictions where environmental laws are evolving and are not consistent. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to the potential impact of climate change, such as regulation relating to emission levels. If the current regulatory trend continues, this may result in increased costs directly or indirectly affecting the Company. In addition, the physical effect of climate change, such as extreme weather conditions, natural disasters, resource shortages, changing sea levels and changing temperatures, could have an adverse financial impact on operations located in the regions where these conditions occur, directly or indirectly impacting the business of the Company.

### Investment of Speculative Nature

Investing in the Company, at this early stage of its development, is of a highly speculative nature.

### Nature of Mineral Exploration and Mining

There are no known mineral resources on the Company's properties. Mineral exploration and development involves a high degree of risk, requires substantial expenditures and few properties that are explored are ultimately developed into producing mines.

### Exploration and Development Risks

Resource exploration and development is a speculative business, involving considerable financial and technical risks, including the failure to discover mineral deposits, market fluctuations and government regulations, which are beyond the control of the Company.

### Country Risk

The Company has operations outside Canada in Australia. The Australian regulatory regime is generally stable. Country risk refers to the risk of investing in a country, dependent on changes in the business environment that may adversely affect operating profits or the value of assets in a specific country. For example, financial factors such as currency controls, devaluation or regulatory changes, or stability factors such as mass riots, civil war and other potential events contribute to companies' operational risks.

### Additional Financing

Future exploration and development activities will require additional equity and debt financing. Failure to obtain such additional financing could result in delay or indefinite postponement of exploration and development of the property interests of the Company.

### Stress in the Global Economy and Financial Condition

The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing. Adverse effects of coronavirus developments (COVID-19) on consumer confidence, market stability and public health creates uncertainties on macroeconomic conditions and may also result in closures, cancellations of, or reductions in operations or production on properties where the Company holds royalty interests or investments.

### Permits and Licenses

There can be no assurances that the Company will be able to obtain all necessary licenses and permits required to carry out exploration, development and mining operations for its proposed projects.

### Competition

The mineral exploration and mining business is competitive in all of its phases. There is no assurance that the Company will be able to compete successfully with the competition in acquiring suitable properties or prospects for mineral exploration.

### No Assurance of Title to Property

The Company's claims may be subject to prior unregistered agreements or transfers or third party and aboriginal land claims and title may be affected by undetected defects.

### Dependence on Key Individuals

The Company is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on the Company.

### Political Regulatory Risks

Any changes in government policy may result in changes to laws affecting the Company's ability to undertake exploration and development activities in respect of present and future properties.

### Conflicts of Interest

The Directors and Officers of the Company are also directors and officers of other companies, some of which are in the same business as the Company. This situation may result in conflicting legal obligations which may expose the Company to liability to others and impair its ability to achieve its business objectives.

### Insurance

The Company will remain at risk and will be potentially subject to liability for hazards associated with mineral exploration which it cannot insure against or which it has elected not to insure against because of premium costs or other reasons.

### Influence of Third-Party Stakeholders

Claims by third parties on the lands in which the Company holds interests, or the exploration equipment and road or other means of access which the Company intend to utilize in carrying out work programs or general exploration mandates, even if not meritorious, may create delays resulting in significant financial loss and loss of opportunity for the Company.

### Fluctuation in Market Value of Shares

The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the entity. The future effect of these and other factors on the market price of Company's shares on the Exchange cannot be predicted.