

## **IRVING RESOURCES INC.**

Management's Discussion and Analysis

For the six months ended August 31, 2023

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The following Management Discussion and Analysis ("MD&A") is an overview of the activities of Irving Resources Inc. ("Irving" or the "Company"), for the six months ended August 31, 2023. The MD&A is prepared as of October 30, 2023 and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the six months ended August 31, 2023. The reader should also refer to the Company's audited consolidated financial statements for the year ended February 28, 2023. Unless otherwise cited, references to dollar amounts are Canadian Dollars and financial data has been prepared in accordance with International Financial Reporting Standards ("IFRS").

The Company recommends that readers consult the "**Cautionary Statement and Forward Looking Statement Disclaimer**" on the last page of this report.

Additional information related to the Company is available on its website at [www.IRVresources.com](http://www.IRVresources.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Description of Business**

Irving is a junior exploration company with a focus on gold in Japan. Irving also holds, through a subsidiary, a Joint Exploration Agreement with Japan Oil, Gas and Metals National Corporation.

The Company was incorporated under the Business Corporation Act (British Columbia) on August 28, 2015 under the name 1047431 B.C. Ltd. and was a privately held company and wholly-owned subsidiary of Gold Canyon Resources Inc. ("Gold Canyon"). On September 23, 2015, 1047431 B.C. Ltd. changed its name to Irving Resources Inc. On November 13, 2015, Irving, Gold Canyon and First Mining Finance Corp. ("First Mining") completed a Plan of Arrangement (the "Arrangement") under the Business Corporation Act (British Columbia) that resulted in Irving holding title to various exploration properties located in Africa.

As of the date of this report, the Company has five wholly-owned subsidiaries: Irving Resources GK ("Irving GK") in Japan; NIRV Resources GK ("NIRV") in Japan; Spring Stone Mining Corporation, ("SSM") and Spring Stone Exploration Inc., ("SSE") in the Province of British Columbia; and Spring Take Limited, ("STL") in Tanzania.

### **Technical Disclosure in the Management Discussion and Analysis**

Dr. Quinton Hennigh, Ph.D., P.Geo., a Qualified Person pursuant to NI 43-101 who is acting as a technical adviser to, and a director of, Irving, is responsible for reviewing and approving the technical information in this MD&A.

### **Overall Performance**

During the six months ended August 31, 2023, the Company recorded a comprehensive loss of \$1,205,218. As at August 31, 2023, the Company has total assets of \$50,465,374 and working capital of \$8,052,986.

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### Projects Update

#### Japan Properties

##### *Omu Gold-Silver Project*

The Company, through its wholly-owned Japan subsidiary, Irving GK, entered into an agreement to purchase a 100% interest in a mining right for the Omui Property located in Hokkaido, Japan. The total purchase price for the mining right is JPY40,000,000 cash (CAD \$477,000) and JPY10,000,000 (CAD \$118,100) worth of the Company's common shares. During 2016, the Company paid JPY20,000,000 cash (CAD \$245,000) towards the acquisition of this agreement. In August, 2017, the Company paid the balance of JPY20,000,000 cash (CAD \$232,000) as the definitive registration procedure of the transfer of the mining right was completed. In February, 2018, the Company completed the acquisition when it issued 135,747 common shares upon completion of the registration of the transfer of the mining right. The mining right encompasses an area of roughly 2.98 sq km covering a young, Miocene-aged hot spring center hosted by Tertiary-aged intermediate and felsic volcanic rocks.

To augment this land position, Irving GK has filed a total of 57 prospecting licenses (including alluvial claims) covering an additional 173.93 sq km of prospective ground in the vicinity of the Omui Mine and including another past producing Au-Ag mine, Hokuryu, situated about seven km west of Omui. Acceptance of all prospecting and alluvial applications was granted by the Ministry of Economy, Trade and Industry ("METI") and a multi-step review started for final approval. Mitsui Mineral Development Engineering Co, Ltd ("MINDECO") is assisting the Company throughout the process.

In November, 2018, the Company voluntarily filed a technical report prepared pursuant to NI 43-101 for the Omu gold-silver project. The independent technical report, entitled "Independent Technical Report on the Omu Property, Hokkaido, Japan" (the "**Omu Technical Report**"), with an effective date of November 6, 2018, was prepared for the Company by Christopher Mark Barrett, (MSc., CGeol) of SRK Exploration Services Ltd, in London, UK, and others. Mr. Barrett is a "qualified person" as defined under NI 43-101.

Upon receiving approval from METI of its Omui Mine Plan and Otoineppu Prospecting Plan, the Company began drilling in 2019 and has successfully drilled in excess of 18,000 meters.

At Omu Sinter, the most significant drill intercept to date is a high-grade vein interval in hole 19OMS-002 between 184.93-185.72 m grading 48.96 gpt Au and 945.4 gpt Ag and discussed in the Company's news release dated May 6, 2019. Sixteen additional veins and vein breccia zones were encountered in hole 19OMS-002, but of low Au grades and variable Ag grades. Assays from the remaining six holes were reported in a press release dated November 5, 2019. All eight widely spaced diamond drill holes at Omu Sinter encountered significant gold-silver mineralization including notable vein intercepts in seven of eight holes. Further drilling at Omu Sinter was conducted from January to April, 2020.

The Company has undertaken geophysical surveys to help evaluate subsurface structure to better design its drill program. MINDECO completed a loop electromagnetic ("EM") survey at the Omu Sinter which revealed further evidence that basement rocks may underlie the target area as well as providing a very clear picture of the underlying structural architecture that hosts the Omu hydrothermal "plumbing" system.

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In addition, with technical assistance from Newmont Corporation and help from MINDECO, Irving undertook a controlled-source audio-frequency magnetotellurics ("CSAMT") survey at each of its three main target areas, Omu Sinter, Omui Mine and Hokuryu Mine and these results have provided more refined phase two drilling targets. A detailed gravity survey was also completed to complement the CSAMT survey.

Drilling at Omui commenced in October 2019 and has been carried on intermittently over the past four years. Notable results from Honpi target include numerous vein intercepts in hole 19OMI-010 including 3.00 m grading 27.0 gpt Au and 40.5 gpt Ag, 1.10 m grading 29.6 gpt Au and 36.5 gpt Ag, 3.77 m grading 12.3 gpt Au and 84.5 gpt Ag, and 1.20 m grading 7.8 gpt Au and 887.5 gpt Ag.

Results from Nanko target include 12.59 gpt Au and 91.36 gpt Ag (13.81 gpt Au eq) over 2.01 m within 2.90 gpt Au and 29.5 gpt Ag (3.29 gpt Au eq) over 14.50 m in hole 20OMI-002. Hole 20OMI-003 yield one vein intercept of 8.15 gpt Au and 147.29 gpt Ag (10.11 gpt Au eq) over 1.76 m within 3.55 gpt Au and 69.24 gpt Ag (4.47 gpt Au eq) over 14.24 m and a second of 21.65 gpt Au and 538.75 gpt Ag (28.83 gpt Au eq) over 1.72 m including 56.10 gpt Au and 1,435.00 gpt Ag (75.23 gpt Au eq) over 0.60 m. Further results from Nanko include 2.39 m grading 6.77 gpt Au eq (5.22 gpt Au and 103.6 gpt Ag) in hole 20OMI-006, and 1.87 m grading 10.27 gpt Au eq (8.88 gpt Au and 93.1 gpt Ag) and a second interval of 6.50 m grading 4.73 gpt Au eq (4.37 gpt Au and 24.4 gpt Ag) including 2.51 m grading 9.74 gpt Au eq (9.21 gpt Au and 35.2 gpt Ag) in hole 20OMI-009.

In September 2021, the Company commenced its maiden drill program at Hokuryu, which was undertaken by a Japanese-based drill contracted from Sumiko Resources Exploration & Development Co., Ltd., a wholly-owned subsidiary of Sumitomo Metal Mining Co., Ltd. Irving's CSAMT survey identified a large corridor of resistive, presumably silicified, rock extending well beyond the historic mine area. The initial hole encountered 3.12 gpt Au and 469 gpt Ag (9.13 gpt Au eq) over 0.41m and 14.05 gpt Au and 13.35 gpt Ag (14.22 gpt Au eq) over 0.33m within 4.27 gpt Au and 7.55 gpt Ag (4.37 gpt Au eq) over 1.67m, respectively.

In June 2022, the Company reported that geophysical crews were granted visas to enter Japan and phase II of the CSAMT surveys at the Omu project had begun.

In July 2022, the Company announced drill results from the first two holes of the 2022 exploration season. Both diamond drill holes at the Omui mine site encountered high-grade veins and are thought to belong to the same network of high-grade veins encountered in this area by holes completed in 2019.

In November 2022, the Company announced drill results from the extended diamond drill hole at Hokuryu, first started in 2021 and completed in the summer of 2022. The hole was re-entered and extended to a depth of 600m where veins encountered are thought to be extensions of the Hokuryu vein assemblage mined during a brief period from around 1928 to 1943.

In January 2023, the Company announced the resumption of drilling at the Omu project. The 2023 exploration program will include testing multiple new drill targets and vein extensions at the Omui mine site, follow-up drilling at the Omu Sinter and Hokuryu, and maiden drilling at the Maruyama target. In March, June, and August 2023, the Company announced drill results from its fall drilling and various discoveries, targets and exploration activities through the spring.

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In March 2023, the Company announced that it has discovered a new high-grade vein system in an area approximately 300 m west of Hokuryu historic mine site and encountered substantial veining in a newly drilled diamond drill hole at Omui. Hole 22HKR-001 completed at Hokuryu in late 2022 encountered a new high-grade Au-Ag vein system nearly 300 m west-northwest of known underground mine workings. Results are summarized in the table below:

Hole ID	From (m)	To (m)	Length (m)	Au (gpt)	Ag (gpt)	Au Eq (gpt)	Ag Eq (gpt)
<b>22HKR-001</b>	7.40	40.35	32.95	1.35	15.45	1.55	120.75
including	10.50	13.15	2.65	5.55	11.32	5.70	444.22
including	12.52	13.15	0.63	15.00	25.70	15.33	1195.70
and	28.80	31.30	2.50	7.82	25.90	8.15	635.86
including	28.80	29.05	0.25	23.90	40.40	24.42	1904.60
including	31.00	31.30	0.30	42.70	120.00	44.24	3450.60

These veins were intercepted near the top of the hole and occur within a broad envelope of mineralization extending 33m grading 1.35 gpt Au and 15.45 gpt Ag. Although the exact orientation of these veins is unknown at this point in time, they do not appear to reconcile with any known veins at the Hokuryu historic mine meaning these represent new vein discoveries. Interestingly, multiple vein intercepts deeper in the hole encountered sub 1 gpt Au grades, but these may contain higher grades at shallower levels above.

In June 2023, the Company announced high-grade assays from three diamond drill holes recently completed at Omui.

Hole 22OMI-003, drilled from north to south at an inclination of -60 degrees to test a deep-rooted vertical resistivity anomaly, encountered two high-grade veins. The first, 13.87 gpt Au and 121.74 gpt Ag (15.43 gpt Au Eq) over 1.67m, started at a downhole depth of 378.91m, and the second, 8.49 gpt Au and 270.00 gpt Ag (11.95 gpt Au Eq) over 0.57m started at 490.20m. These intercepts, the two deepest yet encountered at the Nanko target, clearly demonstrate that high-grade veins extend in excess of 400m providing very encouraging confirmation that Omui is a deep-rooted vein system. Estimated true width of these veins is estimated at 50-70% of down-hole width.

Both veins display banded quartz with traces of ginguero, or silver sulphosalts. In 2020, similar banded veins were encountered much closer to surface in hole 20OMI-003 positioned above hole 22OMI-003. This included a 14.24m wide intercept grading 4.47 gpt Au Eq. The two new veins in 22OMI-003 do not appear to be connected to the much shallower vein in hole 20OMI-003, but may represent hanging wall splays off of this very large vein. More drilling is needed to evaluate this possibility.

*Deep Test at Honpi*

As a follow up test of the deep hydrothermal system discovered by drill hole 21OMI-002 completed in late 2021 at Honpi, Irving drilled 23OMI-001, a south-oriented hole inclined at -75 degrees, to crosscut this older hole. The silica sinter interval persisted for 14.40m and grades 0.58 gpt Au and 15.85 gpt Ag (0.79 gpt Au Eq), very strong values for this type of material. Underneath the sinter, nearly 57m of

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stockwork quartz veining grading 0.65 gpt Au and 7.09 gpt Ag (0.74 gpt Au Eq) was encountered. Based on these results, the Company believes the position of 23OMI-001 is peripheral to the main feeder zone at Honpi.

*West Honpi Extension*

In order to test the depth extension of West Honpi, Irving drilled hole 23OMI-002, a north-oriented hole inclined at -50 degrees. West Honpi Extension was encountered at the top of hole 21OMI-002 which encountered 9.88 gpt Au Eq over 9.90m. Hole 23OMI-002 encountered West Honpi Extension approximately 70m vertically beneath surface. This intercept includes 5.80 gpt Au and 13.80 gpt Ag (5.98 gpt Au Eq) over 2.00m within 1.91 gpt Au and 13.89 gpt Ag (2.08 gpt Au Eq) over 10.00m. Given the high quartz content of this interval, it is believed to be suitable for smelter flux material. True width is estimated at about 60% of down hole width.

Significant assays from winter 2023 diamond drill holes are as follows:

Hole ID	From (m)	To (m)	Length (m)	Au (gpt)	Ag (gpt)	Au Eq (gpt)	Ag Eq (gpt)	Comments	
<b>22OMI-003</b>	24.50	25.57	1.07	0.74	5.41	0.81	63.47		
	33.65	34.65	1.00	0.99	8.50	1.10	85.64		
	41.18	41.68	0.50	2.14	41.90	2.68	208.82		
	153.70	155.45	1.75	1.32	11.91	1.47	114.48		
	163.50	165.50	2.00	0.92	17.83	1.14	89.23		
	184.35	186.30	1.95	0.58	76.71	1.56	122.00		
	<b>378.91</b>	<b>380.58</b>	<b>1.67</b>	<b>13.87</b>	<b>121.74</b>	<b>15.43</b>	<b>1203.82</b>	<i>New Vein</i>	
	<b>378.91</b>	<b>380.00</b>	<b>1.09</b>	<b>19.99</b>	<b>176.94</b>	<b>22.26</b>	<b>1736.44</b>	<i>New Vein</i>	
	<b>490.20</b>	<b>490.77</b>	<b>0.57</b>	<b>8.49</b>	<b>270.00</b>	<b>11.95</b>	<b>932.22</b>	<i>New Vein</i>	
	815.10	816.00	0.90	0.00	93.20	1.20	93.51		
833.00	834.00	1.00	2.59	0.43	2.60	202.45			
<b>23OMI-001</b>	85.35	89.00	3.65	1.08	107.13	2.45	191.08		
	102.85	104.30	1.45	0.55	7.61	0.64	50.16		
	119.50	133.90	14.40	0.58	15.85	0.79	61.42	<i>Sinter</i>	
	<i>including</i>	124.50	132.40	7.90	0.84	17.56	1.06	82.91	<i>Sinter</i>
	144.55	201.50	56.95	0.65	7.09	0.74	58.09	<i>Stockwork</i>	
	<i>including</i>	146.40	152.00	5.60	0.87	8.67	0.98	76.46	<i>Stockwork</i>
	<i>and</i>	162.90	168.72	5.82	1.14	9.96	1.27	98.99	<i>Stockwork</i>
	<i>and</i>	194.70	200.37	5.67	1.11	8.83	1.22	95.31	<i>Stockwork</i>
	239.56	243.50	3.94	0.25	38.03	0.73	57.14		
	261.00	263.90	2.90	1.60	32.69	2.02	157.87		
<b>23OMI-002</b>	30.00	36.39	6.39	0.59	7.05	0.68	52.78		
	<b>86.00</b>	<b>96.00</b>	<b>10.00</b>	<b>1.91</b>	<b>13.89</b>	<b>2.08</b>	<b>162.62</b>	<i>W Honpi Ext</i>	
	<i>including</i>	<b>88.00</b>	<b>90.00</b>	<b>2.00</b>	<b>5.80</b>	<b>13.80</b>	<b>5.98</b>	<b>466.20</b>	<i>W Honpi Ext</i>
	98.00	99.00	1.00	0.31	60.70	1.09	84.80		
	109.00	112.15	3.15	1.06	10.66	1.20	93.70		
147.00	150.00	3.00	0.26	39.03	0.76	59.57			

Au eq = Au + (Ag/78); Ag eq = Ag + (Au x 78); recovery of both Au and Ag is expected to be +95% as smelter flux

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Drill collar data:

Hole No.	Type	Grid	Collar Easting	Collar Northing	Elevation	Depth	Azimuth	Angle
22OMI-003	Core	WGS84-54N	651762.12	4932907.171	180.898	936.2	190°	-53°
23OMI-001	Core	WGS84-54N	651530.7	4933262.647	170.375	400.03	165.1°	-75°
23OMI-002	Core	WGS84-54N	651518.1	4933122.799	176.734	150	309.9°	-50°

*Omu Sinter*

In August 2023, the Company announced that drilling at Omu Sinter had defined a robust deposit of silica with appreciable gold and silver, including an approximately 200m wide and 400m long silica sinter deposit. This terrace of silica starts at surface and is open to the north. Silica thicknesses range from a few meters up to 54.5m. Gold values in reported intervals range between 0.54-1.04 gpt, and silver, between 6-32 gpt. Gold equivalency ranges between 0.78-1.21gpt. Silica contents are high, commonly above 95%, making this exceptional quality for smelter flux. Deleterious elements including arsenic, antimony and mercury, are generally low also making this material attractive.

Silica-rich rock utilized for smelter flux has commercial value on the order of a few tens of dollars per tonne. With payable precious metals, paid in the range of 90-95%, significant value is added to this material. A robust precious metal-bearing silica deposit in Japan is viewed as having strategic value given the numerous smelters active in the country. Irving takes the view that Omu Sinter has ideal characteristics for smelter flux and is a potential important future source of such material. Significant assays from Omu Sinter drilling are as follows:

Hole	From (m)	To (m)	Length (m)	Gold (gpt)	Silver (gpt)	Gold Eq (gpt)	Silica (%)	Arsenic (ppm)	Mercury (ppm)	Antimony (ppm)
<b>19OMS-008</b>	5.70	8.70	3.00	0.88	14.21	1.06	97.97	8.27	0.86	262.67
	19.50	21.90	2.40	0.71	6.84	0.80	95.86	85.88	2.60	259.68
<b>20OMS-002</b>	5.40	30.27	24.87	0.73	18.94	0.97	94.00	28.69	3.51	67.80
	<i>including</i>	8.60	28.30	19.70	0.82	20.81	1.09	93.96	33.10	2.71
<b>21OMS-004</b>	33.60	36.73	3.13	0.73	6.73	0.82	97.92	7.66	3.05	317.02
	50.70	55.20	4.50	0.76	11.48	0.91	97.40	10.02	14.13	160.97
<i>including</i>	4.90	59.40	54.50	0.54	21.62	0.82	91.74	27.17	2.68	84.87
<b>23OMS-001</b>	19.95	40.61	20.66	0.69	32.34	1.10	95.92	28.51	3.02	138.46
<i>including</i>	0.59	38.00	37.41	0.66	10.02	0.79	97.98	22.84	4.42	106.27
<b>23OMS-004</b>	8.50	25.55	17.05	0.96	11.82	1.11	98.22	17.87	6.47	109.63
<b>23OMS-005</b>	4.10	6.85	2.75	0.66	14.38	0.84	96.28	27.82	1.30	80.17
<i>including</i>	0.40	30.90	30.50	0.63	12.45	0.79	93.46	293.01	5.90	142.98
	7.00	18.80	11.80	0.91	21.93	1.19	87.25	658.75	8.45	184.72

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<b>23OMS-006</b>	12.50	45.50	33.00	0.59	14.49	0.78	92.55	155.68	13.45	156.02
<i>including</i>	14.00	27.19	13.19	0.92	20.15	1.18	93.97	166.58	18.75	154.20
<b>23OMS-007</b>	7.50	13.71	6.21	0.72	9.88	0.85	83.77	310.60	41.78	283.41
	20.80	41.00	20.20	0.63	16.10	0.84	96.47	63.31	8.01	106.23
<b>23OMS-008</b>	16.06	42.90	26.84	0.69	14.00	0.87	94.53	79.35	9.58	143.87
<i>including</i>	18.50	39.00	20.50	0.79	16.01	1.00	94.37	72.80	8.63	138.59
<b>23OMS-009</b>	4.90	16.00	11.10	0.88	13.88	1.06	96.37	76.43	13.78	86.20
	24.00	28.00	4.00	1.04	13.47	1.21	94.93	67.75	6.83	125.55

$Au\ eq = Au + (Ag/78)$ ;  $Ag\ eq = Ag + (Au \times 78)$ ; recovery of both Au and Ag is expected to be +95% as smelter flux

Drill collar data:

HoleID	Grid	CoordsOrigX	CoordsOrigY	Elev	DepthActual
19OMS-008	WGS84-54N	651770.343	4941911.536	33.76	539
20OMS-002	WGS84-54N	651801.624	4941716.973	34.03	373.5
21OMS-004	WGS84-54N	651798.988	4941715.937	33.502	324
23OMS-001	WGS84-54N	651750.638	4941813.149	35.722	60.3
23OMS-004	WGS84-54N	651759.192	4941858.119	35.274	40.8
23OMS-005	WGS84-54N	651711.406	4941871.122	35.885	56.4
23OMS-006	WGS84-54N	651694.661	4941729.34	22.919	57.5
23OMS-007	WGS84-54N	651727.493	4941666.135	28.855	72.5
23OMS-008	WGS84-54N	651735.202	4941714.464	29.575	60.8
23OMS-009	WGS84-54N	651743.986	4941763.923	32.721	57.5

Over the past three years, the Company has purchased a total of 1.35 sq km of surface rights covering an area over the Omu Property for the total purchase price of JPY38,145,974 (CAD\$458,279).

In addition, the Company entered into long-term leases of surface rights covering a total area of 1.06 sq km in an area over the Omui Property. The total costs for the initial five-year period is JPY10,637,140, (CAD\$129,613). The leases are for a five-year term and can be extended for up to three additional five-year periods.

Securing ownership and long-term lease agreements of these key properties puts the Company in a strong position to advance the Omu gold-silver project. These surface rights are considered critical for Irving to proceed with mining work.

In June 2022, the Company announced it has purchased two new diamond drills for its exploration programs in Japan. A new Zinex A5 diamond drill was purchased through a Canadian company and a new LF90DT diamond drill purchased from Boart Longyear.

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### *Yamagano Property*

In September 2020, the Company announced that it signed a binding option agreement with Shimadzu Limited to acquire the 5.2 sq km Yamagano mining license, site of extensive historic high-grade gold vein mining, in southern Kyushu. The Yamagano mining district, situated approximately 11 km southwest of the large, high-grade Hishikari gold mine, is host to innumerable historic gold mine workings, some dating back to 1640 AD during the early Edo Period in Japan. Mining focused on a multitude high-grade epithermal gold veins hosted by volcanic rocks blanketing this region. Irving also holds four important new mineral prospecting licenses immediately east of the Yamagano mining tenement as well as another key property in Kyushu, Satsuma project. Each of these projects encompass gravity highs that Irving considers highly prospective for blind epithermal vein mineralization.

In December 2021, the Company provided an update at the Yamagano and Satsuma Projects. In preparation of exploration activities, Irving has secured an office near Kagoshima airport, appointed Kagoshima Mine Manager, appointed a VP of Exploration and engaged in consultations with local government offices, communities and universities. In addition, the Company has engaged a local geotechnical firm to undertake the geologic mapping over the entirety of the Yamagano claim holdings. Detailed gravity and drone magnetics surveys were also conducted across the property.

During 2022, the Company conducted geophysical work that now allows it to define drill targets. The Company's exploration team has recently submitted permits for drilling with the intent of commencing a maiden drill program late this year.

### *Noto Property*

In March 2021, the Company announced that it had conducted stream sediment surveys over much of the Noto Peninsula, in Honshu, Japan and upon review of the stream sediment analyses and recognition of several significant gold and multi-element anomalies, the Company applied for 99 prospecting licenses covering approximately 337.37 sq km on the Noto Peninsula. These prospecting licenses cover four discrete target areas displaying strong stream sediment gold, silver, arsenic, antimony, mercury and/or copper anomalism. The mineral prospecting licenses have been accepted by METI and a multi-step review has started for the final approval.

### *Shimokawa Property*

During the year ended February 28, 2019, the Company filed 15 mineral prospecting licenses covering 48.50 sq km of the Shimokawa area. The Company withdrew these prospecting license applications in August 2023.

### *Engaru Property*

During the year ended February 28, 2019, the Company filed 25 mineral prospecting licenses totaling 84.42 sq km covering an area a few km south of the historic Konomai gold field. All applications were accepted by METI and a multi-step review has started for final approval. Reconnaissance prospecting near Engaru by Irving geologists in November, 2018, led to discovery of several areas of epithermal quartz vein float within a sub-basin of Miocene intermediate and felsic volcanic rocks. Hot spring silica sinter deposits, some with fossilized wood, are also present at Engaru.



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### *Eniwa Project*

In May, 2017, the Company announced that Irving GK filed applications for 20 mineral prospecting licenses totaling 56.15 sq km covering a prospective area approximately 20 km south of Sapporo, Hokkaido, Japan. The Company withdrew these prospecting license applications in August 2023.

### **Tanzania Project**

The Company, through its wholly-owned Tanzanian subsidiary, and with its joint venture participant, JOGMEC, had exploration prospecting licenses in Tanzania, Africa. During the year ended February 28, 2019, the Company elected to surrender the final license. The Company is in the process of winding up the subsidiary in Tanzania.

## **Results of Operations**

### **For the Six months ended August 31, 2023**

During the six months ended August 31, 2023, the Company's operating expenses were \$1,322,813 (2022: \$803,961) before other items of interest income of \$157,780 (2022: \$54,607) and a write-off of exploration and evaluation assets of \$40,185 (2022: \$nil) for a total comprehensive loss of \$1,205,218 (2022: \$749,354).

Key items included \$78,936 in depreciation (2022: \$70,779), \$126,032 in consulting fees (2022: \$93,069), \$15,144 in insurance expenses (2022: \$13,930), \$9,632 in interest expense on lease liabilities (2022: \$8,584), \$3,163 in investor relations (2022: \$30,572), \$46,000 in management fees (2022: \$36,000), \$27,104 in office and miscellaneous expenses (2022: \$46,388), \$192,245 in professional fees (2022: \$107,680), \$nil in property investigation expenses (2022: \$13,667), \$36,247 in regulatory fees (2022: \$35,007), \$53,779 in salaries and benefits (2022: \$65,710), \$389,661 in share-based compensation expense (2022: \$597,364), \$11,696 in telephone expense (2022: \$9,962), \$7,939 in transfer agent expenses (2022: \$6,252), \$84,092 in travel and promotion (2022: \$40,089), and a foreign exchange loss of \$233,302 (2022: gain of \$388,014).

Some of the Company's operating expenses increased such as interest expenses on lease liabilities, management fees, and professional fees.

The variance for the comparative period is an increase in total comprehensive loss of \$455,864.

### **For the Three months ended August 31, 2023**

During the three months ended August 31, 2023, the Company's operating expenses were \$707,050 (2022: \$134,616) before other items of interest income of \$70,035 (2022: \$44,890) and a write-off of exploration and evaluation assets of \$40,185 (2022: \$nil) for a total comprehensive loss of \$677,200 (2022: \$89,726).

Key items included \$40,831 in depreciation (2022: \$38,977), \$85,100 in consulting fees (2022: \$57,195), \$7,572 in insurance expenses (2022: \$6,965), \$4,652 in interest expense on lease liabilities (2022: \$5,916), \$170 in investor relations (2022: \$21,966), \$28,000 in management fees (2022: \$18,000),

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\$13,040 in office and miscellaneous expenses (2022: \$15,273), \$145,996 in professional fees (2022: \$40,436), \$nil in property investigation expenses (2022: \$13,667), \$24,071 in regulatory fees (2022: \$23,746), \$19,165 in salaries and benefits (2022: \$32,017), \$7,841 in shareholder costs (2022: \$16,922), \$170,490 in share-based compensation expense (2022: \$217,866), \$5,874 in telephone expense (2022: \$4,805), \$4,532 in transfer agent expenses (2022: \$3,212), \$25,013 in travel and promotion (2022: \$27,897), and a foreign exchange loss of \$124,703 (2022: gain of \$410,244).

Some of the Company's operating expenses increased such as professional fees and management fees.

The variance for the comparative period is an increase in total comprehensive loss of \$587,474.

### **Events and transactions during the six months ended August 31, 2023**

- a) On March 10, 2023, 66,667 stock options were exercised for gross proceeds of \$66,667.
- b) On April 4, 2023, the Company announced the appointment of Mr. Shuichi Miyatake as VP of Exploration and Alliance Project Manager of Irving GK.
- c) On April 10, 2023, 220,000 stock options were granted to employees at an exercise price of \$1.30.
- d) On July 7, 2023, the Company closed a private placement raising gross proceeds of US\$1,094,353 (\$1,340,000) by the issuance of 1,429,573 common shares of the Company at a purchase price of \$1.0351 per share. All of these common shares are subject to a hold period expiring on November 8, 2023.
- e) On July 28, 2023, the Company announced that Ms. Lisa Sharp resigned, and that Mr. Ronan Sabo-Walsh replaced Ms. Sharp as the Company's Chief Financial Officer and Secretary.
- f) On August 24, 2023, the Company announced that, at the Company's annual general meeting of shareholders held on August 23, 2023, the incumbent directors standing for re-election were all re-elected as directors for the coming year, and that the incumbent auditors, Davidson & Company, were re-appointed as the Company's auditors for the coming year.

### **Subsequent Events**

- a) On September 7, 2023, the Company granted 1,835,000 incentive stock options to its directors, officers, employees and consultants with an exercise price of \$0.91 per share. The stock options have a term of three years, with one-third of the grant vesting every six months from the date of grant and full vesting in the first 18 months of the term.
- b) On September 22, 2023, the Company issued the third and final tranche of 87,500 shares to Shimadzu Limited for its option over the Yamagano mining license.

### **Summary of Quarterly Results**

The following financial information is for the eight most recently completed quarters of the Company.

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	<b>August 31, 2023</b>	<b>May 31, 2023</b>	<b>February 28, 2023</b>	<b>November 30, 2022</b>
Total assets	\$50,465,374	\$49,497,375	\$49,879,987	\$50,989,385
Exploration and evaluation assets	39,764,398	38,317,936	36,582,433	34,561,811
Working capital	8,052,986	8,569,056	10,537,453	12,784,425
Equity in net assets	50,009,514	49,037,575	49,279,755	49,540,838
Total comprehensive loss	(677,200)	(528,018)	(588,141)	(116,929)
Loss per share	(0.01)	(0.01)	(0.01)	(0.00)
	<b>August 31, 2022</b>	<b>May 31, 2022</b>	<b>February 28, 2022</b>	<b>November 30, 2021</b>
Total assets	\$49,731,995	\$38,435,935	\$38,393,129	\$39,063,845
Exploration and evaluation assets	31,966,549	29,634,137	28,073,873	26,769,489
Working capital	16,043,113	6,562,167	8,933,301	10,821,608
Equity in net assets	49,228,919	37,249,353	37,529,483	37,864,080
Total comprehensive loss	(89,726)	(659,628)	(811,588)	(258,823)
Loss per share	(0.00)	(0.01)	(0.01)	(0.00)

The Company has experienced a substantial amount of growth since inception in August, 2015. During the previous and current fiscal years, the Company completed private placements raising gross proceeds of \$11,686,957. The majority of these funds are directed towards the Company's deferred exploration costs resulting in the continued increase in total assets, now exceeding \$50M. The Company's general and administration costs have been increasing with increased activity, primarily as a result of the growth in Japan and also as well as the issuance of incentive stock options and increased corporate activities, but these expenses are being offset by significant gains in foreign exchange in the current year, and to a lesser extent in the prior year. The Company's large gain in foreign exchange is attributed to the US cash on hand. Some of the key costs that have increased as a result of the growth in Japan include consulting fees, office and miscellaneous, professional fees, and travel.

**Liquidity and Capital Resources**

As at August 31, 2023, the Company had working capital of \$8,052,986. This consists of \$8,321,351 in cash, \$19,701 in accounts receivable, and \$72,599 in prepaid expenses less \$360,665 in accounts payable and other current liabilities.

The condensed interim consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has not generated revenues from operations. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing in the future. The Company will seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

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**Related Party Transactions**

The Company has recorded the following amounts in related party transactions:

	Six months ended August 31, 2023	Six months ended August 31, 2022
Management fees	\$ 92,200	\$ 95,570
Consulting fees	171,188	153,142
	<b>\$ 263,388</b>	<b>\$ 248,712</b>

- a) Included in the management fees were fees for services provided by the President and Chief Executive Officer, former Chief Financial Officer, and current Chief Financial Officer.
- b) Included in consulting fees are amounts paid to independent directors for services other than their role as directors.
- c) During the period, Nil (2022 – Nil) stock options were granted to directors and officers. The total vested share-based compensation allocated to directors and officers is \$170,888 (2022 - \$317,591).

**Key Management Compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

Other than disclosed above, there was no other compensation paid to key management during the periods ended August 31, 2023 and 2022.

**Financial Instruments**

The Company has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk. Management and the Board of Directors monitor risk management activities and review the adequacy of such activities.

*Credit risk*

Credit risk is the risk of potential loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying amount on the statement of financial position and arises from the Company's cash and receivables.

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The Company's cash is held with high-credit quality financial institutions. Receivables mainly consist of goods and services tax due from the Federal Government of Canada and amounts due from joint venture partner.

### *Liquidity risk*

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating investing and financing activities. As at August 31, 2023, the Company had cash of \$8,321,351 to settle current liabilities of \$360,665.

### *Market risk*

Market risk is the risk of loss that may arise from changes in market prices, such as interest rates and foreign exchange rates.

#### i) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term certificates of deposits issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit rating of its banks.

#### ii) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. The ability of the Company to explore its mineral properties and future profitability of the Company are directly related to the market price of rare earth elements and other non-gold minerals. The Company monitors commodity prices to determine appropriate actions to be undertaken.

#### iii) Foreign exchange rate risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds certain operations, exploration and administrative expenses by using US Dollars and Japanese Yen converted from its Canadian bank accounts. Management is aware of the possibility of foreign exchange risk derived from currency conversions. Based on the net US dollar and Japanese Yen asset and liability exposure as at August 31, 2023, a 10% fluctuation in the CAD/US and CAD/YEN exchange rates would impact the Company's earnings by approximately \$872,000. The Company has not entered into any agreements or purchased any instruments to hedge possible foreign exchange rate risk at this time.

## **Contingency**

None.

## **Off-Balance Sheet Arrangements**

The Company does not have any off-balance sheet arrangements as at August 31, 2023.

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### Outstanding Share Data

The following table summarizes the Company's outstanding share data as of the date of this Management Discussion and Analysis:

	Number of shares issued or reserved for issuance
Common shares	73,950,640
Stock options	5,468,333
Warrants	1,487,270

As at the date of this Management Discussion and Analysis, there are no common shares held in escrow.

### Critical Accounting Policies

The financial statements have been prepared in accordance with accounting principles generally accepted in Canada and form the basis for the following discussion and analysis of critical accounting policies and estimates. The Company makes estimates and assumptions that affect the reported amounts of assets, liabilities and expenses and related disclosure of contingent assets and liabilities during the course of preparing these financial statements. On a regular basis, the Company evaluates estimates and assumptions including those related to the recognition of share-based compensation.

Estimates are based on historical experience and on various other assumptions that the Company believes to be reasonable. These estimates form the basis of judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates.

### New Accounting Standards

The Company has not applied the following revised IFRS that has been issued but was not yet effective at August 31, 2023. These new accounting standards are not expected to have a significant effect on the Company's accounting policies or financial statements.

**IAS 1, Presentation of Financial Statements** - In January 2020 and October 2022, the IASB issued amendments to International Accounting Standards 1 ("IAS 1"), Presentation of Financial Statements, to clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. Rights are in existence if covenants are complied with at the end of the reporting period. Settlement refers to the transfer to the counterparty of cash, equity instruments, or other assets or services. The amendments will be effective January 1, 2024, with early adoption permitted. Retrospective application is required on adoption. The Company is in the process of assessing the impact of this amendment to the Company's financial statements and does not expect it to have a significant effect on the Company's financial statements.

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### **Outlook**

The Company is optimistic that exploration at the Omu Property in Japan, as well as the multiple prospecting licenses acquired at other properties around Japan, will merit positive results over the course of the year. The Company is maintaining a watchful eye on the markets, its budgets and managing to minimize cash outflows.

### **Business Risks**

The Company is engaged in the exploration and evaluation of mineral properties. These activities involve a high degree of risk which, even with a combination of experience, knowledge and careful evaluation, may not be overcome. Consequently, no assurance can be given that commercial quantities of minerals will be successfully found or produced.

The Company has no profitable operations and its present business is at an early stage. As such, the Company is subject to many common risks to new and developing enterprises, including under capitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a positive return on shareholders' investment.

The Company has no source of operating cash flow and there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and evaluation of its properties.

The Company's property interests are located in remote, undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, cannot be assured. These are integral requirements for exploration, development and production facilities on mineral properties.

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

The Company competes with other junior mineral exploration companies, some of which have greater financial resources and technical facilities. The business of mineral exploration and extraction involves a high degree of risks and few properties that are explored are ultimately developed into production. In addition to specific risks disclosed throughout this discussion, other risks facing the Company include reliance on third parties, environmental and insurance risks, statutory and regulatory requirements, metal prices and foreign currency fluctuations, share price volatility and title risks.

### **Cautionary Statement and Forward Looking Statement Disclaimer**

Certain information included in this discussion may constitute forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual

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results or events to differ materially from those anticipated in such forward-looking statements. Such statements are based on a number of assumptions which may prove to be incorrect.

Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the ability of obtaining sufficient financial support.

**Approval**

The Company's Board of Directors have approved the disclosure contained in this MD&A.