AMERICAN PACIFIC MINING CORP.

MANAGEMENT DISCUSSION & ANALYSIS
(FORM 51-102F1)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

(EXPRESSED IN CANADIAN DOLLARS)

Table of Contents

BACKGROUND

This Management Discussion and Analysis ("MD&A") of American Pacific Mining Corporation's ("APMC", "American Pacific" or the "Company") financial position and results of operations for the nine months ended September 30, 2023 is prepared as at November 29, 2023. This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2023 and the supporting notes. Those unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedarplus.ca.

FORWARD-LOOKING INFORMATION

This discussion contains "forward-looking statements" that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made.

This MD&A may contain forward-looking statements that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein.

Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

COMPANY OVERVIEW

The Company was incorporated under the Business Corporations Act (British Columbia) on July 1, 2017 and is in the business of mineral exploration.

The Company's head office, principal address, registered address and records office is Suite 910 - 510 Burrard Street, Vancouver, B.C., V6C 3A8, Canada.

The Company's shares are listed on the Canadian Securities Exchange (the "CSE") under the symbol "USGD". The Company's common shares commenced trading on the OTCQX Best Market (the "OTCQX") under the ticker symbol of "USGDF" on February 25, 2022.

The Company had the following subsidiaries as of the date of this MD&A, September 30, 2023 and December 31, 2022:

		Percentage of Ownership		
	Country of incorporation	**As of the date of this MD&A**	**September 30, 2023**	**December 31, 2022**
American Pacific Mining (US) Inc. ("APM US")	Nevada, United States	100%	100%	100%
Broadway Gold Mining Ltd. ("Broadway")	Montana, United States	100%	100%	100%
Constantine Metal Resources Ltd. ("Constantine") *** ^**	British Columbia, Canada	100%	100%	100%
Constantine Metals USA Inc.* ^	Arizona, United States	100%	100%	100%
Constantine North Inc.* ^	Alaska, United States	100%	100%	100%
Constantine Mining LLC * ^ ("CML")	Delaware, United States	32.75%	40.78%	40.78%
Clearview Gold Inc. ** ^^ ("CGI")	British Columbia, Canada	100%	-	-
CV Gold Inc. ** ^^ ("CV Gold")	Nevada, United States	100%	-	-

* The acquisition was completed on October 1, 2022.
** The acquisition was completed on May 2, 2023.
^ Collectively "Constantine Group"
^^ Collectively "CGI Group"

CORPORATE HIGHLIGHTS

- **Acquisition of Clearview Gold Inc.**
  On May 17, 2023, the Company completed the acquisition of Clearview Gold Inc.

  (See Section: ACQUISITION OF CLEARVIEW GOLD INC for details).

- **Financial Arrangements**
  During the nine months ended September 30, 2023, the Company and Dowa Metals & Mining Co., Ltd. ("Dowa") entered into a financial arrangement in which Dowa committed to fund the 2023 budget and work program (the "2023 Palmer Program") for the Palmer Project.

  The Company has the option to pay its pro-rata share of the 2023 Palmer Program, in whole or in part, prior to October 31, 2023, to minimize or eliminate dilution of its' interest in the Palmer Project.

  Subsequent to September 30, 2023, the Company decided not to participate in the 2023 Palmer Program; as a result, the Company's interest was diluted to 32.75% as of October 31, 2023.

  (See Section: EXPLORATION AND EVALUATION ASSETS for details).

- **Change in Management**

  - On April 6, 2023, the Company announced the appointment of Peter Mercer as Senior Vice President, Advanced Projects.

  - On July 31, 2023, the Company announced that it has appointed Director, Joness Lang as President of the Company, with Eric Saderholm transitioning to the role of Managing Director of Exploration.

  - On November 23, 2023, the Company announced the appointment of Ali Hakimzadeh as an independent director of the Company

ACQUISITION OF CLEARVIEW GOLD INC

On May 2, 2023, the Company entered into a definitive agreement (the "CGI Agreement"), pursuant to which the Company will acquire all of the issued and outstanding common shares of CGI, a private exploration company that is part of the NewQuest Capital company (the "CGI Acquisition"). The CGI Acquisition was completed on May 17, 2023 (the "CGI Closing Date").

Under the terms of the CGI Agreement, on the CGI Closing Date, the Company paid $200,000 and issued 11.5 million common shares of the Company (the "Consideration Shares") with fair value of $4,025,000.

The Consideration Shares are subject to a voluntary hold period from the date of issuance pursuant to which:

i. 25% of the Consideration Shares were released on the CGI Closing Date;
ii. 25% of the Consideration Shares will be released on the four-month anniversary of the CGI Closing Date;
iii. 25% of the Consideration Shares will be released on the eight-month anniversary of the CGI Closing Date; and
iv. 25% of the Consideration Shares will be released on the twelve-month anniversary of the CGI Closing Date.

In connection with the CGI Acquisition, the Company incurred transaction costs of $75,555.

EXPLORATION AND EVALUATION ASSETS

South Lida Project (Nevada, USA)

On July 1, 2017, the Company entered into a Claims Purchase Agreement (the "SL Claims Purchase Agreement") with Davin Saderholm (the "Trustee"), Eric Saderholm, Patricia Saderholm, Warwick Smith and Tarin Smith (collectively, the "Vendors") whereby the Vendors agreed to sell the South Lida Project in exchange for shares in the Company. The acquisition of the South Lida Project is a related party transaction as two of the Vendors are officers and directors of the Company.

Pursuant to the SL Claims Purchase Agreement, the Company issued the Vendors a total of 1,000,000 common shares.

The Company is required to pay annual maintenance fees for the South Lida Project.

During the three months and nine months ended September 30, 2023 and 2022, the Company incurred following acquisition-related costs and exploration and evaluation costs on the South Lida Project:

	For the three months ended			For the nine months ended		
	September 30, 2023	September 30, 2022	Change	September 30, 2023	September 30, 2022	Change
	$	$	$	$	$	$
Acquisition related costs						
Maintenance fees	15,259	14,661	598	15,259	43,286	(28,027)
	15,259	**14,661**	**598**	**15,259**	**43,286**	**(28,027)**
Exploration and evaluation costs						
Consulting	-	1,132	(1,132)	-	8,530	(8,530)
Geological	-	4,762	(4,762)	-	11,295	(11,295)
	-	**5,894**	**(5,894)**	**-**	**19,825**	**(19,825)**

Tuscarora Project (Nevada, USA)

On November 6, 2017, the Company entered into an option agreement (the "Tuscarora Option Agreement") with Novo Resources Corp. The Tuscarora Option Agreement was amended on December 18, 2019 (the "Amended Tuscarora Option Agreement"). Pursuant to the Tuscarora Option Agreement, Novo Resources Corp. will grant the Company the exclusive right and option to acquire a 100% right, title, and interest in and to the Tuscarora Project (the "Tuscarora Option").

Pursuant to the Amended Tuscarora Option Agreement, the Company:

a) made $400,000 cash payments to Novo Resources Corp.; and
b) issued 266,667 common shares of the Company to Novo Resources Corp.

In addition, to earn the Tuscarora Option, the Company will have to incur US$100,000 in expenditures on the property annually, starting on the twelve-month period commencing on the first anniversary of the listing date and per each successive twelve-month period thereafter. This amount has been incurred annually since the first anniversary of the listing date.

The property is subject to a Net Smelter Returns (the "NSR") royalties of 0.5% which may be reduced to nil (0%) by paying US$500,000.

In addition, the Company is also required to make the following payments to Ely Gold Royalties ("Ely Gold"), the owner of the Tuscarora Project:

a) Annual minimum royalty payments

Due on or before	Annual payments
November 7, 2018	$ 4,000 (Paid)
November 7, 2019	$ 4,000 (Paid)
November 7, 2020	$ 4,000 (Paid)
November 7, 2021	$ 8,000 (Paid)
November 7, 2022	$ 8,000 (Paid)
November 7, 2023	$ 8,000 (Paid)
November 7, 2024	$ 8,000
November 7, 2025	$ 8,000
November 7, 2026 and each succeeding anniversary	$ 12,000

b) Production royalty based on the NSR from the production and sale of minerals from the Tuscarora Project. The royalty percentage rate for precious metals is based on the average daily price per troy ounce of gold during the period of production of minerals from the Tuscarora Project for which the royalty is payable as follows:

- less than or equal to $1,500 Two percent (2%)
- greater than $1,500 but less than or equal to $2,000 Three percent (3%)
- greater than $2,000 Four percent (4%)

The royalty percentage will apply for all other minerals produced is 2.5% of the NSR.

On February 3, 2021, the Company announced that the Company now has 100% interest in the Tuscarora Project following the final payment to Novo Resources Corp.

In addition, the Company is required to pay an annual staking fee for the Tuscarora Project.

Lease assignment agreement with Ubica Gold Corp. ("Ubica")

On September 15, 2021, the Company entered into a lease assignment agreement with Ubica (the "Ubica Agreement"). Pursuant to the terms of the Ubica Agreement, the Company issued 3,700,000 common shares with fair value of $3,293,000 (the "Ubica Payment Shares") and paid $800,000 in cash to Ubica on September 15, 2021 to acquire 77 claims at Tuscarora totaling 1,031 acres. The Ubica Payment Shares are subject to voluntary hold periods, with 25% of the Ubica Payment Shares released on September 15, 2021 and an additional 25% released every 6 months thereafter until all Ubica Payment Shares have been released.

The Ubica Agreement consists of the following sublease agreements *(collectively, the "Ubica Sublease Agreements")*:

- **An agreement entered between Ubica and RS Gold, LLC (the "RS Agreement")**

  The initial term (the "RS Initial Term") of the RS Agreement is 20 years from April 23, 2019, the date which the RS Agreement was signed. Ubica has the option to extend the RS Agreement for an additional 20 years (the "RS Renewal Term").

Pursuant to the RS Agreement, the Company will make the following payments:

Due on or before	Annual payments
April 23, 2022	US$ 20,000 (Paid)
April 23, 2023	US$ 30,000 (Paid)
April 23, 2024	US$ 40,000
April 23, 2025 and each anniversary thereafter through the initial term and any renewal or extension thereof.	US$ 50,000

The annual work commitment required pursuant to RS Agreement had been fulfilled by Ubica.

The RS Agreement is subject to a 3% NSR. During the RS Initial Term and the RS Renewal Term, Ubica has the option to purchase up to 2% NSR of the total 3% NSR for US$1,000,000 per 1% NSR.

- **An agreement entered between Ubica and Timothy Tigerman (the "Tigerman Agreement")**

The initial term (the "Tigerman Initial Term") of the Tigerman Agreement is 20 years from June 25, 2021, the date which the Tigerman Agreement was signed. Ubica has the option to extend the Tigerman Agreement for an additional 20 years (the "Tigerman Renewal Term").

Pursuant to the Tigerman Agreement from the Tigerman Initial Term to June 25, 2040, the Company is subject to advanced annual royalties with the first payment of US$10,000 due on or before June 25, 2022. The advanced annual royalties will increase by 10% each subsequent year.

The 2022 annual royalty of US$10,000 was paid by Ubica and reimbursed by the Company during the year ended December 31, 2022.

- **An agreement entered between Ubica and Jerry K. and Lori L. Fogle, Debra L. Jacob, and Lanny and Pamela M. Morrison (collectively the "RH Lessor") (the "Rose Hill Agreement").**

The initial term (the "RH Initial Term") of the Rose Hill Agreement is 10 years from June 30, 2021, the date which the Rose Hill Agreement was signed. Ubica has the option to extend the Rose Hill Agreement for an additional 10 years (the "RH Renewal Term").

Pursuant to the Rose Hill Agreement, the Company will make the following annual payments and work commitments:

Due on or before	Annual payments	Annual work commitments
June 30, 2021	US$ 6,000 (Paid)	US$ nil
June 30, 2022	US$ 12,000 (Paid)	US$ 30,000 (Fulfilled)
June 30, 2023	US$ 18,000 (Paid)	US$ 80,000 (Fulfilled)
June 30, 2024	US$ 24,000	US$ 100,000
June 30, 2025, and each anniversary thereafter through the initial term and any renewal or extension thereof.	US$ 36,000	US$ 275,000

The Rose Hill Agreement is subject to 3% NSR. During the RH Initial Term and the RH Renewal Term, Ubica has the option to purchase up to 2% NSR of the total 3% NSR for US$1,000,000 per 1% NSR.

Pursuant to the Ubica Agreement, the Company is responsible to make the payments which are due on or after September 15, 2021 under the following Ubica Sublease Agreements.

The Company has reclamation deposits of US$20,000 as collateral on the Tuscarora Project.

During the three months and nine months ended September 30, 2023 and 2022, the Company incurred following acquisition-related costs and exploration and evaluation costs on the Tuscarora Project:

	For the three months ended			For the nine months ended		
	September 30, 2023	September 30, 2022	Change	September 30, 2023	September 30, 2022	Change
	$	$	$	$	$	$
Acquisition related costs						
Maintenance fees	72,758	94,612	(21,854)	72,758	123,934	(51,176)
	72,758	**94,612**	**(21,854)**	**72,758**	**123,934**	**(51,176)**
Exploration and evaluation costs						
Consulting	3,201	22,948	(19,747)	38,985	85,853	(46,868)
Drilling	-	339,306	(339,306)	-	1,227,734	(1,227,734)
Equipment rental	-	30,252	(30,252)	-	56,792	(56,792)
Field	1,358	1,659	(301)	3,633	11,911	(8,278)
Field office administration	301	24	277	1,519	2,745	(1,226)
Geological	2,687	144,330	(141,643)	5,384	618,358	(612,974)
Royalty payments	-	15,729	(15,729)	64,723	53,871	10,852
Sample analysis	-	258,335	(258,335)	3,581	374,729	(371,148)
Transportation	-	36,206	(36,206)	454	145,088	(144,634)
Travel	1,268	-	1,268	3,595	-	3,595
	8,815	**848,789**	**(839,974)**	**121,874**	**2,577,081**	**(2,455,207)**

During the nine months ended September 30, 2022, the Company initiated a drilling program on the Tuscarora Project and completed approximately 26 drill holes. As a result, the drilling program's associated costs, such as geological and sample analysis costs, increased. No drilling program was conducted during the nine months ended September 30, 2023.

Madison Project (Montana, USA)

On June 26, 2020, the Company acquired the fully permitted Madison Project ("Madison Project") near Silver Star, Montana. The Madison Project is located in the heart of Montana's prolific copper-gold belt only 38km southeast of the world-renowned Butte Mining District. The Project consists of 136 unpatented and 6 patented claims (2,514 acres), accessed via improved dirt roads. The Madison Project is currently under an earn-in, joint venture agreement signed by Broadway on April 30, 2019, whereby Kennecott Exploration Company ("Kennecott"), part of the Rio Tinto Group (ASX, LON: RIO) must spend US$30 million to earn up to 70% of the Madison Project.

Under the terms of the earn-in agreement, Kennecott has an option to acquire up to 70% undivided interest by making the following option expenditures:

	Required Expenditures		Incur within	Undivided Interest Earned
1st option	US$	5,000,000*	Year 1 to Year 5	55%
2nd option	US$	10,000,000	Year 6 to Year 8	10%
3rd option^	US$	15,000,000	Year 9 to Year 11	5%
TOTAL	**US$**	**30,000,000**		**70%**

* A minimum exploration budget of US$1 million in the first year.
^ Kennecott may elect to create the joint venture after exercising each option to earn in.

In addition, in order to exercise the 1st option, Kennecott is required to make the following cash payments to Broadway:

Due on or before	Annual payments*		
April 30, 2019	US$	50,000	(Paid)
April 30, 2020	US$	25,000	(Paid)
April 30, 2021	US$	25,000	(Paid)
April 30, 2022	US$	25,000	(Paid)
April 30, 2023	US$	25,000	(Paid)
April 30, 2024	US$	75,000	
TOTAL	**US$**	**225,000**	

* The amount received for the annual payments is recognized as a reduction of the carrying value of the Maidson Project until the carrying value of the Maidson Project becomes $nil.

On May 17, 2021, the Company entered into an amendment agreement (the "First Amendment Agreement") with Kennecott. Under the First Amendment Agreement, the payment, including the annual pre-production payment of US$50,000 due on April 1 of each year until the commercial production is commenced, made directly or indirectly by Kennecott to keep the Madison Project in good standing is considered as the Option Expenditures.

Pursuant to the earn-in agreement:

- Kennecott may request Broadway to conduct exploration on its behalf during the first year in return for a 10% administration charge.

- Broadway has the right to conduct independent drilling and exploration of the skarn zones during the first year.

- Broadway has a right of first offer to acquire Kennecott's interest in the Madison Project in the event Kennecott wishes to divest its interest.

- The joint venture may be formed with 55% to Kennecott and 45% to Broadway upon Kennecott exercise the First Option, 65% to Kennecott and 35% to Broadway upon Kennecott exercise the 2nd option, or 70% to Kennecott and 30% to Broadway upon exercise the 3rd option.

- The joint venture will be managed by the Rio Tinto Group and financed by each participant in accordance with its interest.

- Broadway may elect to not finance its interest and be diluted down to a 10% interest. If Broadway is diluted below 10% interest, its interest will convert to a 2% NSR with a maximum amount payable of US$50 million.

The initial exploration program applications have been submitted to the Bureau of Land Management, Montana.

On February 8, 2023, the Company reported high-grade gold and copper rock chip samples from a program conducted by Kennecott Exploration. A total of 73 rock chip samples were collected from 5 specific exploration targets.

On September 13, 2023, the Company reported that a five-hole diamond drill campaign is set to commence later this year. The drill program is designed to further define near-surface, high-grade copper and gold mineralization and provide a foundation for deeper exploration in areas with limited historical drilling. The program aims to accomplish three key objectives: test shallow gap areas; tighten drill spacing at moderate depth within the skarn to support future mineral resource estimation; and extend below known mineralization to provide valuable information for deeper exploration in subsequent campaigns. Due to current market conditions the Company has elected to postpone the scheduled drilling until a later date.

During the three months and nine months ended September 30, 2023 and 2022, the Company incurred following acquisition-related costs and exploration and evaluation costs on the Madison Project:

	For the three months ended			For the nine months ended		
	September 30, 2023	September 30, 2022	Change	September 30, 2023	September 30, 2022	Change
	$	$	$	$	$	$
Acquisition related costs						
Option payments received	-	-	-	(33,806)	(31,663)	(2,143)
	-	-	-	**(33,806)**	**(31,663)**	**(2,143)**
Exploration and evaluation costs						
Consulting	43,013	15,754	27,259	91,243	49,528	41,715
Depreciation	3,183	3,097	86	9,583	9,132	451
Field	9,100	5,028	4,072	40,498	8,013	32,485
Field technicians	14,142	54,544	(40,402)	32,734	147,117	(114,383)
	69,438	**78,423**	**(8,985)**	**174,058**	**213,790**	**(39,732)**

Gooseberry Project (Nevada, USA)

On April 23, 2019, the Company acquired through staking the Gooseberry Mine in Storey County, Nevada, USA. The Gooseberry Project includes 42 unpatented claims, totaling approximately 708 acres. The Gooseberry Project contains gold-silver bearing quartz-calcite vein structures that are characterized as low-sulfidation epithermal style mineralization typified by banded to cockade quartz textures and the presence of adularia and kaolinite.

Initial surface sampling and exploration around the property commenced May 10, 2019. Total of nine initial samples were taken from the dumps and old mineralized stockpiles at Gooseberry, with highlight results including the following:

- Sample GB19ECS-007- 1.05 kg: 18.45 g/t Au and 595 g/t Ag
- Sample GB19ECS-003- 0.59 kg: 17.75 g/t Au and 310 g/t Ag
- Sample GB19ECS-001- 1.25 kg: 10.25 g/t Au and 218 g/t Ag
- Sample GB19ECS-006- 0.70 kg: 10.20 g/t Au and 273 g/t Ag

Samples were taken from mineralized vein material composed of dolomite, calcite and quartz. Grab samples are selective samples and may not necessarily be representative of the mineralization hosted on the property.

Historically, mined materials were brought to the surface and stockpiled at Gooseberry, crushed and then run through a heap leach. These nine samples were taken from materials most likely extracted late in the mining phase due to their location on the upper stockpile. Some materials have gone through a primary crushing process only. According to historical records Asamera Minerals Inc. ceased hard rock mining during 1989 due to low metals prices and higher underground production costs and moved to re-process the more easily accessible mine tailings.

The Company has reclamation deposits of US$35,000 as collateral on the Gooseberry Project.

In addition, in order to hold the claims, the Company is required to pay an annual maintenance fee for the Gooseberry Project.

During the three months and nine months ended September 30, 2023 and 2022, the Company incurred following acquisition-related costs and exploration and evaluation costs on the Gooseberry Project:

	For the three months ended			For the nine months ended		
	September 30, 2023	**September 30, 2022**	**Change**	**September 30, 2023**	**September 30, 2022**	**Change**
	$	**$**	**$**	**$**	**$**	**$**
Acquisition related costs						
Maintenance fees	10,359	9,879	480	10,359	9,879	480
	10,359	**9,879**	**480**	**10,359**	**9,879**	**480**
Exploration and evaluation costs						
Consulting	28,888	14,117	14,771	201,266	43,084	158,182
Drilling	-	2,367	(2,367)	784,365	269,579	514,786
Equipment rental	-	2,596	(2,596)	-	15,961	(15,961)
Field	1,193	3,496	(2,303)	5,434	85,857	(80,423)
Field office administration	-	-	-	2,250	-	2,250
Geological	1,253	46,864	(45,611)	55,282	295,496	(240,214)
Sample analysis	1,535	78,623	(77,088)	1,535	186,192	(184,657)
Travel	872	-	872	8,569	-	8,569
	33,741	**148,063**	**(114,322)**	**1,058,701**	**896,169**	**162,532**

<u>During the nine months ended September 30, 2023</u>

- On February 15, 2023, the Company announced the 2023 drill plans and reported the final compilation of the 2022 soil geochemistry and integrated CSAMT geophysics target generation at the Gooseberry Project. The 2023 drilling program has been updated and re-permitted to test emerging targets generated by soil geochemistry and integrated CSAMT geophysics completed in 2022. Approximately 15 holes of up to 3,048 metres ("m") of Phase II reverse circulation drilling is schedule to commence in Q2, 2023. A total of 2,889 soil samples were collected during the 2022 field season and assay results have been received and compiled into the exploration database.

- The Company announced on April 4, 2023 that it has commenced drilling at the Gooseberry Project. The planned 15 hole will focus on testing the extension of the Gooseberry vein as well as the Elderberry and Strawberry zones.

- On October 18, 2023, the Company announced the completion of 10 of 29 proposed drill holes this year to begin testing regional exploration targets in the pursuit of discovering additional veins across the project. There were no other significant assay results to report. The program was terminated early due to drilling/ground condition challenges. The Company has decided to conserve capital and revisit the other regional targets after integrating the new data and refining its target concepts beyond the known past-producing Gooseberry vein.

As a result of the drilling program, the drilling costs increased by $514,786, to $784,365 during the nine months ended September 30, 2023, compared to $269,579 during the nine months ended September 30, 2022.

The geological and sample analysis costs incurred during the nine months ended September 30, 2022, primarily related to the initiation of the Controlled Source Audio-frequency Magnetotelluric ("CSAMT") geophysical survey and the costs incurred for the preparation of the 43-101 technical report on the Gooseberry Project.

Red Hill Project (Nevada, US)

On July 29, 2021 (the "RH Effective Date"), the Company entered into a ten-year renewable lease agreement for the Red Hill Project (the "RH Lease Agreement") with Nevada North Resources (USA) Inc. ("Nevada North"). The Red Hill Project is located on the southern end of the prolific Cortez gold trend and is contiguous to NuLegacy Gold's (TSXV:NUG) rift anticline target. One of the Company's directors owns a 10% interest in the Red Hill Project.

Red Hill is a sediment-hosted gold project located 24 kilometers southeast of the 12-million-ounce Cortez Hills gold deposit within the Cortez trend. The project covers an extensive area of hydrothermally altered lower plate carbonate rocks. Gold mineralization is hosted in silty carbonate rocks of the Denay formation associated with altered lamprophyre dikes; and high levels of arsenic, antimony, mercury and thallium. These features are indicative of a Carlin-style gold system.

Pursuant to the RH Lease Agreement the Company is required to make the first payment of US$25,000 (paid) Nevada North to hold the Red Hill property for one year from the RH Effective Date and make the following annual payment to Nevada North:

	On or before	Annual payments*		
2nd payment	July 29, 2022	US$	25,000	(paid)
3rd payment	July 29, 2023	US$	25,000	(paid)
4th payment	July 29, 2024	US$	25,000	
5th payment	July 29, 2025	US$	40,000	
6th payment	July 29, 2026	US$	40,000	
7th payment	July 29, 2027	US$	40,000	
8th payment	July 29, 2028	US$	55,000	
9th payment	July 29, 2029	US$	55,000	
10th payment*	July 29, 2030	US$	55,000	

* Beginning on the 11th payment due on July 29, 2031, the annual payment of US$55,000 will be adjusted for inflation increase according to the United States Depart of Labor Consumer Price Index.

In addition, the Company is required to pay annual claim maintenance fees for the Red Hill Project.

Upon commencement of commercial production, the Company is required to pay Nevada North a royalty on production equal to 3% of NSR of which 1.5% the Company may buy back for US$3,000,000.

During the three months and nine months ended September 30, 2023 and 2022, the Company incurred following acquisition-related costs and exploration and evaluation costs on the Red Hill Project:

	For the three months ended			For the nine months ended		
	September 30, 2023	September 30, 2022	Change	September 30, 2023	September 30, 2022	Change
	$	$	$	$	$	$
Acquisition related costs						
Acquisition costs	33,652	32,620	1,032	33,652	32,620	1,032
Maintenance fees	19,309	18,587	722	19,309	18,587	722
	52,961	**51,207**	**1,754**	**52,961**	**51,207**	**1,754**

Palmer Project (Alaska, USA)

On October 1, 2022, the Company acquired the Palmer Project which included the Palmer Property and the Haines Block Lease, through the acquisition of Constantine.

- **Palmer Property**
  The Palmer Property is comprised of mining claims subject to a 99-year mining lease, dated December 19, 1997, and mining claims located near Haines, Alaska. To maintain the lease, there is a requirement to make annual advance royalty payments of US$42,500 and pay Federal claim annual maintenance fees.

  The lease is subject to a 2.5% NSR royalty. The lessee has a right of first refusal to purchase the NSR or any portion thereof at any time during the term of the lease. The advance royalty payments are deductible from the NSR royalty.

  The Palmer Property is held by CML which is jointly owned by Constantine and Dowa. As of September 30, 2023 and December 31, 2022, Constantine and Dowa owned 40.78% and 59.22%, respectively.

  Under the terms of the CML members' agreement, Constantine is the operator of CML and each party is responsible for its proportionate share of expenses, determined on the basis of ownership and subject to dilution according to standard dilution provisions. As an operator of CML, Constantine charges CML 7% management fees on eligible expenditures incurred.

  <u>During the nine months ended September 30, 2023</u>

  On April 24, 2023, the Company announced the 2023 Palmer Program for the Palmer Property. The 2023, multi-purpose, US $25.5 million work program at the Palmer Property, includes a surface exploration drilling program, geotechnical drilling, camp construction, ongoing baseline environmental and site engineering work.

  On June 19, 2023, the Company announced the commencement of its 2023 drill program at the Palmer Project. The 9,000 m resource infill drill program at the Southwall Zone is designed to begin the process of upgrading mineral resources from Inferred to Measured and Indicated.

  On August 8, 2023, the Company provided an update on the ongoing activities at the Palmer Project, which included the following:

  - 4,178 m of the planned 9,000 m resource definition program has been drilled representing 46% of the planned 2023 program.

- 1,022 m of the planned 2,550 m geotechnical drill program has been drilled, representing 40% of the planned program. Hydrogeologic testing and monitoring well installations are ongoing to determine the hydrogeological characteristics and rock mechanics of the hanging wall and footwall.
- The first 378 samples for assays were shipped to the laboratory with results pending.

On October 4, 2023, the Company announced that one drill rig has remained to test the Christmas/Red Creek ("CRC") Target area during demobilization of the 2023 mountain drilling program. The CRC Target is one of 12 known volcanogenic massive sulphide-sulphate ("VMS") showings at the Palmer Project outside the mineral resource envelopes of the Palmer and AG deposits.

On October 18, 2023, the Company announced that the initial assay results continue to highlight the copper-zinc rich nature of mineralization at the Palmer Project. The Company has received complete assay results for seven of the 23 drill hots completed as part of the 2023 resource definition drilling at the Southwall Zones of the Palmer deposit.

During the three months and nine months ended September 30, 2023 and 2022, the Company incurred following acquisition-related costs and exploration and evaluation costs on the Palmer Project:

	For the three months ended			For the nine months ended		
	September 30, 2023	September 30, 2022	Change	September 30, 2023	September 30, 2022	Change
	$	$	$	$	$	$
Exploration and evaluation costs						
Consulting	774,353	-	774,353	1,517,241	-	1,517,241
Depreciation	198,975	-	198,975	368,544	-	368,544
Drilling	2,143,156	-	2,143,156	2,642,116	-	2,642,116
Field	664,776	-	664,776	1,060,510	-	1,060,510
Field office administration	220,306	-	220,306	543,934	-	543,934
Geological	103,672	-	103,672	407,963	-	407,963
Recoveries	(530,525)	-	(530,525)	(850,476)	-	(850,476)
Royalty payments	5,812	-	5,812	17,497	-	17,497
Transportation	507,776	-	507,776	704,418	-	704,418
Travel	64,716	-	64,716	97,505	-	97,505
Technical studies	739,086	-	739,086	1,381,360	-	1,381,360
Social responsibility	2,585	-	2,585	5,029	-	5,029
	4,894,688	**-**	**4,894,688**	**7,895,641**	**-**	**7,895,641**

For accounting purposes, Constantine's interest in CML has been considered a joint operation and its proportionate interest in the accounts of CML has been consolidated within the Company's financial statements.

The significant expenditures incurred on the Palmer Project during the three and nine months ended September 30, 2023, were primarily related to drilling and associated costs to support the 2023 Palmer Program.

The recoveries of $530,525 and $850,476 for the three and nine months ended, respectively, were mainly related to the 7% management fees paid by Dowa to the Company as the project operator.

- **Haines Block Lease**

  The Haines Block is contiguous with and surrounds the Federal and State mining claims that make up the Palmer Property. The lease agreement was signed by Constantine and the Alaska Mental Health Trust.

  To maintain the lease, the Company is required to make:

Due on or before	Annual payments*		Annual work commitments	
Year 1	US$	25,000	US$	75,000
Year 2	US$	25,000	US$	125,000
Year 3	US$	25,000	US$	175,000
Year 4	US$	40,000	US$	225,000
Year 5	US$	40,000	US$	275,000
Year 6	US$	40,000	US$	325,000
Year 7	US$	55,000	US$	375,000
Year 8	US$	55,000	US$	425,000
Year 9	US$	55,000	US$	475,000
TOTAL	**US$**	**360,000**	**US$**	**2,475,000**

* Annual payments are replaced by royalty payments upon achieving commercial production.

  In addition, production royalties payable to the Alaska Mental Health Trust include a sliding scale of 1% to 4.5% royalty for gold, based on gold price, and a 3.5% royalty on minerals other than gold.

  A portion of the Haines Block land parcel with surface and mineral rights has been assigned to CML on September 1, 2017.

The Company has reclamation deposits of US$90,966 as collateral on the Palmer Project.

Big Nugget Property (Alaska, USA)

In connection with the acquisition of Constantine, the Company acquired the Big Nugget Property, a portion of the Haines Block Lease which has not been assigned to CML.

Alpha Project (Nevada, USA)

In connection with the CGI Acquisition, the Company acquired the Alpha Project which is 100% owned by CGI.

In addition, the Company is required to pay an annual claim maintenance fee for the Alpha Project.

Upon commencement of commercial production, the Company is required to pay a royalty on production equal to 2.5% of NSR of which 0.5% the Company may buy back for US$500,000.

During the three months and nine months ended September 30, 2023 and 2022, the Company incurred following acquisition-related costs and exploration and evaluation costs on the Alpha Project:

	For the three months ended			For the nine months ended		
	September 30, 2023	September 30, 2022	Change	September 30, 2023	September 30, 2022	Change
	$	$	$	$	$	$
Acquisition related costs						
Acquisition costs	-	-	-	115,672	-	115,672
Staking fees	19,481	-	19,481	19,481	-	19,481
	19,481	**-**	**19,481**	**135,153**	**-**	**135,153**

Ziggurat Project (Nevada, USA)
In connection with the CGI Acquisition, the Company acquired the Ziggurat Project which is 100% owned by CGI and is currently under a joint venture agreement with Centerra Gold Inc (TSX: CG / NYSE: CGAU) ("Centerra"). Centerra has the option to spend up to US$6 million to earn 70% of the project until Year 2026.

Pursuant to the joint venture agreement with Centerra, Centerra is required to make the following annual payment to CGI and incur the minimum expenditures on the project:

Due on or before	Annual payments*			Annual work commitments		
July 8, 2023	US$	20,000	(Paid)	US$	500,000	(Fulfilled)
July 8, 2024	US$	20,000		US$	750,000	
July 8, 2025	US$	20,000		US$	1,250,000	
July 8, 2026	US$	20,000		US$	1,500,000	
July 8, 2027	US$	-		US$	2,000,000	
TOTAL	**US$**	**80,000**		**US$**	**6,000,000**	

* The amount received for the annual payments is recognized as a reduction of the carrying value of the Ziggurat Project until the carrying value of the Ziggurat Project becomes $nil.

Upon commencement of commercial production, the Company is required to pay a royalty on production equal to 1.5% of NSR of which 0.5% the Company may buy back for US$500,000.

In addition, pursuant to the CGI Agreement, the Company will be required to issue 4,500,000 common shares of the Company to NewQuest Capital Inc. ("NewQuest"), the largest CGI Shareholder, in the event that:

- the option agreement dated July 8, 2022 (the "Ziggurat Option Agreement") among CGI, CV Gold Inc., and Centerra (U.S.) Inc. (Centerra US), a wholly owned subsidiary of Centerra, is in good standing on January 31, 2024; and

- by January 31, 2024, Centerra US has either:
  - commenced making the second tranche of annual expenditures required by the Ziggurat Option Agreement; or
  - provided formal assurances to the Company that it intends to keep the Ziggurat Option Agreement in good standing following the third anniversary of the effective date of the Ziggurat Option Agreement.

During the three months and nine months ended September 30, 2023 and 2022, the Company incurred following acquisition-related costs and exploration and evaluation costs on the Ziggurat Project:

	For the three months ended			For the nine months ended		
	September 30, 2023	**September 30, 2022**	**Change**	**September 30, 2023**	**September 30, 2022**	**Change**
	$	**$**	**$**	**$**	**$**	**$**
Acquisition related costs						
Acquisition costs	-	-	-	2,059,527	-	2,059,527
Option payments received	(26,829)	-	(26,829)	(26,829)	-	(26,829)
	(26,829)	**-**	**(26,829)**	**2,032,698**	**-**	**2,032,698**

Danny Boy Mine Property (Nevada, USA)

In connection with the CGI Acquisition, the Company acquired the Danny Boy Mine Property which included the Danny Boy Claims and the Lappin Project.

For Danny Boy Claims, under the option agreement entered with NewQuest, CGI has the option to acquire 100% interest in the claims by:

- issuing 500,000 common shares of the Company to NewQuest on or before August 11, 2023 (issued by CGI prior to the CGI Acquisition); and
- making a cash payment of $4,000,000 to NewQuest on completion of a pre-feasibility study.

Upon commencement of commercial production, the Company is required to pay a royalty on production equal to 1.5% of NSR, of which 0.5% the Company may buy back for US$500,000.

In addition, pursuant to the assignment agreement entered with NQ Holdings Inc., CGI has granted a lease right for the Lappin Project until April 14, 2032. To maintain the lease right, CGI has to make a minimum payment of $257,500 to Lappin LLC (the "Lappin Annual Payments") as follows:

Due on or before	Annual payments
April 15, 2023	$ 12,500 (Paid)*
April 15, 2024	$ 15,000
April 15, 2025	$ 20,000
April 15, 2026, and each year until April 14, 2032	$ 30,000

* Paid by CGI prior to the CGI Acquisition'

CGI is also required to incur a total work commitment of $350,000, of which $100,000 and $250,000 should be incurred on or before April 15, 2025 and April 15, 2028, respectively.

The Company also has an option to acquire 100% interest in Lappin by making a $500,000 payment minus any Lappin Annual Payment which had been made previously to Lappin LLC.

Upon commencement of commercial production, the Company is required to pay a royalty on production equal to 3% of NSR, of which 1% the Company may buy back for US$1,000,000 and another 1% may buy back for US$2,000,000 at any time.

In addition, the Company is required to pay an annual claim maintenance fee for the Danny Boy Mine Property.

During the three months and nine months ended September 30, 2023 and 2022, the Company incurred following acquisition-related costs and exploration and evaluation costs on the Danny Boy Mine Property:

	For the three months ended			For the nine months ended		
	September 30, 2023	September 30, 2022	Change	September 30, 2023	September 30, 2022	Change
	$	$	$	$	$	$
Acquisition related costs						
Acquisition costs	-	-	-	2,124,930	-	2,124,930
Maintenance fees	25,417	-	25,417	25,417	-	25,417
	25,417	**-**	**25,417**	**2,150,347**	**-**	**2,150,347**
Exploration and evaluation costs						
Consulting	43,478	-	43,478	43,478	-	43,478
Geological	2,682	-	2,682	2,682	-	2,682
Sample analysis	4,064	-	4,064	4,064	-	4,064
Travel	9,048	-	9,048	9,048	-	9,048
	59,272	**-**	**59,272**	**59,272**	**-**	**59,272**

On August 22, 2023, the Company reported the completion of the first phase of sampling and property evaluation at the Danny Boy Project. The expanded and consolidated property now covers more than 25 square kilometres and is the largest assembled claims package in the district. A total of 10 rock chip samples were collected during the first phase of reconnaissance evaluation work.

QUALIFIED PERSON

Eric Saderholm, P.Geo. and Philip Mulholland, P.Geo. are the designated Qualified Persons (QP) under National Instrument 43-101 (NI 43-101), who have reviewed and approved the technical information disclosed in this MD&A.

Michael Vande Guchte, P.Geo., VP Exploration for Constantine and a qualified person as defined by National Instrument 43-101, has also reviewed and approved the technical information related to the Palmer Project disclosed in this MD&A.

SELECTED INFORMATION

	For the nine months ended		
	September 30, 2023	**September 30, 2022**	**September 30, 2021**
	$	**$**	**$**
Operating expenses	11,969,401	7,294,739	1,705,228
Net loss for the period	(11,969,401)	(7,294,739)	(2,703,310)
Comprehensive loss for the period	(11,894,653)	(6,351,090)	(2,667,416)
Basic and diluted loss per share:			
- net loss	(0.06)	(0.06)	(0.03)

As at	**September 30, 2023**	**December 31, 2022**	**December 31, 2021**
	$	**$**	**$**
Working capital (deficiency)	(6,621,300)	5,456,836	14,602,265
Total assets	47,112,775	42,961,087	28,685,662
Total liabilities	10,913,042	1,109,369	620,584
Share capital	65,118,945	59,705,367	39,568,281
Deficit	(35,534,527)	(23,565,126)	(13,474,114)

The increase in operating expenses and net loss during the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 was mainly related to the additional operating expenses incurred by the Constantine Group and the CGI Group which were acquired on October 1, 2022 and May 17, 2023, respectively. The increase in operating expenses and net loss during the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021 was mainly related to increase in exploration and evaluation costs and share-based payments. During the nine months ended September 30, 2021, the Company recognized a realized loss on marketable securities which was classified as other expenses. No such gain / loss was recognized during the nine months ended September 30, 2023 and 2022.

The decrease in working capital (deficiency) as of September 30, 2023 compared to December 31, 2022 was mainly related to the financial arrangement entered with Dowa for the 2023 Palmer Program. The decrease in working capital (deficiency) as of December 31, 2022 compared to December 31, 2021 was mainly related to the increase in operating activities during the year ended December 31, 2022.

The increase in total assets as of September 30, 2023 and December 31, 2022 compared to December 31, 2022 and December 31, 2021, respectively, was mainly related to the acquisitions of the Constantine Group and the CGI Group.

The increase in share capital as of September 30, 2023 compared to December 31, 2022 was mainly related to the shares issued for the acquisition of the CGI Group and the shares issued for warrant exercised. The increase in share capital as of to December 31, 2022 compared to December 31, 2021 was mainly related to the shares issued for the acquisition of the Constantine Group.

There is no seasonality to these variations, nor are they indicative of any trend. The Company has no operating revenue and relies primarily on financing activities to fund its activities. There have been no distributions or cash dividends declared for the periods presented.

SUMMARY OF QUARTERLY INFORMATION

The quarterly results for the last eight quarters are summarized below:

	Three months ended			
	September 30, 2023	**June 30, 2023**	**March 31, 2023**	**December 31, 2022**
	$	**$**	**$**	**$**
Interest income	34,336	23,577	36,532	26,989
Net loss	(6,122,191)	(4,042,398)	(1,804,812)	(2,796,273)
Comprehensive loss	(5,445,948)	(4,625,103)	(1,823,602)	(3,231,857)
Basic and diluted loss per share	(0.03)	(0.02)	(0.01)	(0.02)
	Three months ended			
	September 30, 2022	**June 30, 2022**	**March 31, 2022**	**December 31, 2021**
	$	**$**	**$**	**$**
Interest income	5,780	2,288	939	402
Net income (loss)	(1,628,671)	(2,171,587)	(3,494,481)	(1,578,962)
Comprehensive (loss)	(892,102)	(1,759,442)	(3,699,546)	(1,592,598)
Basic and diluted (loss) per share	(0.01)	(0.02)	(0.03)	(0.02)

All the Company's resource properties are in the exploration stage. The Company has not had revenue from inception and does not expect to have revenue in the near future. The Company's operating results are not seasonal in nature and have been mainly due to the amount of exploration activities in each quarter *(See Section: EXPLORATION AND EVALUATION ASSETS for details)*. In addition, the information presented above for period ended from December 31, 2021 to September 30, 2022 did not include the operating results of the Constantine Group and the CGI Group. Except for the fluctuation of the exploration and evaluation costs for each presented quarter due to various drilling programs, the increase in net loss for the three months ended March 31, 2022, was mainly due to the recognition of the share-based payments for the options granted. None of the variations in net loss reported in the previous periods were unusual or indicative of any trend with respect to the future when the Company expects to have more involvement in revenue-generating operations.

RESULTS OF OPERATIONS

During the three months ended September 30, 2023, the Company recorded a net loss of $6,122,191 of which $5,142,348 was related to the Constantine Group and the CGI Group, an increase of $4,493,520, compared to compared to a net loss of $1,628,671 for the three months ended September 30, 2022.

During the nine months ended September 30, 2023, the Company recorded a net loss of $11,969,401 of which $8,561,613 was related to the Constantine Group and the CGI Group, an increase of $4,674,662, compared to a net loss of $7,294,739 for the nine months ended September 30, 2022.

Operating Expenses

	For the three months ended		
	September 30, 2023	September 30, 2022	Change
	$	$	$
Expenses (income)			
Consulting fees	111,433	72,059	39,374
Depreciation	9,752	88	9,664
Exploration and evaluation costs	5,065,954	1,081,169	3,984,785
Finance income	(34,336)	(5,780)	(28,556)
Finance costs	196,741	-	196,741
Foreign exchange (gain) loss	254,223	10,497	243,726
General and administrative expenses	126,659	73,895	52,764
Directors' fees	16,177	16,486	(309)
Professional fees	157,358	82,858	74,500
Project evaluation costs	20,328	24,388	(4,060)
Shareholder information and investor relations	123,764	155,635	(31,871)
Transfer agent, regulatory and filing fees	34,857	40,331	(5,474)
Travel	39,281	77,045	(37,764)
Total expenses	**6,122,191**	**1,628,671**	**4,493,520**

During the three months ended September 30, 2023, the Company incurred operating expenses of $6,122,191 of which $5,142,348 was related to the Constantine Group and the CGI Group, an increase of $4,493,520, compared to $1,628,671 for the three months ended September 30, 2022.

	For the nine months ended		
	September 30, 2023	September 30, 2022	Change
	$	$	$
Expenses (income)			
Consulting fees	415,870	223,323	192,547
Depreciation	29,259	265	28,994
Exploration and evaluation costs	9,309,546	3,706,865	5,602,681
Finance income	(94,445)	(9,007)	(85,438)
Finance costs	276,992	-	276,992
Foreign exchange (gain) loss	252,973	33,956	219,017
General and administrative expenses	370,795	212,022	158,773
Directors' fees	48,680	46,962	1,718
Professional fees	426,138	497,091	(70,953)
Project evaluation costs	20,328	27,687	(7,359)
Share-based payments	-	1,827,754	(1,827,754)
Shareholder information and investor relations	678,723	427,066	251,657
Transfer agent, regulatory and filing fees	133,788	88,255	45,533
Travel	100,754	212,500	(111,746)
Total expenses	**11,969,401**	**7,294,739**	**4,674,662**

During the nine months ended September 30, 2023, the Company incurred operating expenses of $11,969,401 of which $8,561,613 was related to the Constantine Group and the CGI Group, an increase of $4,674,662, compared to $7,294,739 for the nine months ended September 30, 2022.

The following discussion focuses on the significant expenses incurred during the three and nine months ended September 30, 2023 and 2022:

- **Consulting fees** included the fees incurred by the Company's CEO and President *(See Section: RELATED PARTY TRANSACTIONS AND BALANCES for details)* and other contractors.

  During the nine months ended September 30, 2023, the Constantine Group incurred consulting fees of $135,571 which is a one-time payment to terminate the consulting agreement with the former CFO of the Constantine Group.

- **Exploration and evaluation costs** were mainly the cost incurred on various projects. *See Section: EXPLORATION AND EVALUATION ASSETS* for further discussion.

- **Finance costs** mainly related to interest expense on the loan payable to Dowa and the accretion of interest on the lease obligations.

  During the nine months ended September 30, 2023, the Company entered into a financing arrangement with Dowa to fund the 2013 Palmer Program. During the three and nine months ended September 30, 2023, the Company recorded interest expense and placement fees related to the financial arrangement of $152,557 and $188,970. No such interest expenses were recognized during the three and nine months ended September 30, 2022.

  During the nine months ended September 30, 2023, the Company entered into a lease agreement for camp equipment used for the Palmer Project. The lease is considered as a capitalized lease; as a result, the Company capitalized the future lease payment by using a discount rate of $12%. During the three and nine months ended

September 30, 2023, the Company recognized an accretion of interest of the lease obligation of $44,184 and $88,022. No such accretion of interest was recognized during the three and nine months ended September 30, 2022.

- **Foreign exchange (gain) loss** is primarily a result of the translation of the Company's US$-denominated financial assets and liabilities into Canadian dollars.

- **General and administrative expenses** consist of salaries, insurance, rent-related lease agreements which are not required to be capitalized under IFRS, and other general office expenses.

  The increase in general and administrative expenses during the three and nine months ended September 30, 2023 compared to the three and nine months ended September 30, 2022 was mainly related to salaries paid to the Constantine Group employees. The amount paid for salaries during the three and nine months ended September 30, 2023 to the Constantine Group were $28,862 and $111,358, respectively.

- **Professional fees** mainly included the fees incurred by the Company's CFO *(See Section: RELATED PARTY TRANSACTIONS AND BALANCES for details)*, legal counsel, corporate secretary, and the Company's auditors. The change in professional fees during the three and nine months ended September 30, 2023 compared to the three and nine months ended September 30, 2022 was mainly due to the increase in professional fees incurred by the Company's CFO due to the increase in accounting and business activities resulting from the acquisitions of the Constantine Group and the CGI Group and the decrease in legal fees.

- **Share-based payments** are mainly related to recognizing the fair value of the options granted during the vesting period. Previous recognized share-based payments of the forfeited options are reversed as a recovery at the date of forfeiture. During the nine months ended September 30, 2022, the Company granted 2,900,000 options with an exercise price of $1.01 to its directors, officers, and consultants and recognized share-based payment $1,827,754. No stock options were granted during the nine months ended September 30, 2023.

- **Shareholder information and investor relations** were mainly related to the costs incurred to enhance communication between the Company and its investors and increase the Company's awareness among investors.

  The increase during the nine months ended September 30, 2023 compared to the nine months ended September 30, 2023 was mainly related to additional costs incurred for various conferences.

  In addition, during the nine months ended September 30, 2023, the Company engaged Petergrandich.com as its marketing provider.

LIQUIDITY AND CAPITAL RESOURCES

The Company's activities have been funded through equity financings and the Company expects it will continue to be able to utilize this source of financing until it develops cash flow from future operations.

Although the Company has been successful in the past in financing its activities through the sale of equity securities there can be no assurance that it will be able to obtain sufficient financing, in the future to carry out exploration and development work on any acquired properties. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration success.

As of September 30, 2023, the Company has working capital deficiency of $6,621,300 (December 31, 2022 – working capital of $5,456,836) of which included the loan payable of $8,364,796 due to Dowa. As discussed previously, subsequent to September 30, 2023, the Company decided not to contribute to the 2023 Palmer Program; as a result, pursuant to the financial arrangement, the Company's interest was diluted by the loan payable balance and the Company is no longer obligated for the amount due to Dowa.

- **Operating activities**

  Cash used in operating activities comprises primarily of cash spent on administrative overhead costs to support exploration and evaluation activities. During the nine months ended September 30, 2023, the Company used $11,181,652 of cash in operating activities compared to $5,870,667 in the prior year comparable period. The increase was mainly due to increase in net loss and increase in non-cash working capital for the nine months ended September 30, 2023

- **Investing activities**

  During the nine months ended September 30, 2023, the Company used $974,303 of cash in investing activities compared to $196,643 in the prior year comparable period.

  During the nine months ended September 30, 2023, the Company made the following significant payments:

  - Paid $196,235 for the acquisition of exploration and evaluation assets;
  - Paid $275,483 for the acquisition of the CGI Group; and
  - Paid $529,844 for equipment purchases.

- **Financing activities**

  During the nine months ended September 30, 2023, the Company generated $9,267,342 of cash in financing activities compared to $11,000 in the prior year comparable period.

  During the nine months ended September 30, 2023, the Company received / made the following significant payments:

  - Received a loan from Dowa of $8,265,294;
  - Received proceeds of $1,309,114 from the exercise of warrants; and
  - Made lease payments of $351,997.

OUTSTANDING SHARE DATA

Following is a breakdown of the Company's equity instruments issued and outstanding:

As of	The date of this MD&A	September 30, 2023	December 31, 2022
Common shares	196,588,051	196,588,051	176,773,937
Warrants	11,991,352*	11,991,352	33,129,198
Options	13,432,528**	7,732,528	9,882,168
Fully diluted	**222,011,931**	**216,311,931**	**219,785,303**

* Exercise price ranging from $0.34 to $1.40
** Exercise price ranging from $0.19 to $1.01

<u>During the nine months ended September 30, 2023:</u>

- 11,500,000 common shares with a fair value of $4,025,000 were issued for the CGI Acquisition.
- 8,181,964 warrants were exercised for proceeds of $1,309,114.
- 132,150 stock options were exercised for proceeds of $44,931.
- 3,888,849 warrants with an expiry date of August 12, 2023, were extended to August 12, 2025. The extension was approved by the Canadian Securities Exchange.
- 12,955,882 warrants expired unexercised.
- 66,075 options expired unexercised.
- 1,951,415 options were cancelled.

<u>Subsequent to September 30, 2023:</u>

- The Company granted 5,700,000 options with an exercise price of $0.25 to its directors, officers, and consultants. The options are exercisable for a period of five years. All of the options granted vested immediately at the date of grant.

RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

The following table discloses the total compensation incurred to the Company's key management personnel during the nine months ended September 30, 2023 and 2022:

	For the nine months ended	
	September 30, 2023 $	September 30, 2022 $
Warwick Smith, CEO and Director		
Consulting fees [1]	230,299	186,331
Share-based payments	-	315,130
	230,299	**501,461**
Eric Saderholm, Managing Director of Exploration and Director, Former President		
Consulting fees	-	19,142
Project evaluation costs	7,062	4,599
Exploration and evaluation costs	178,587	153,366
Share-based payments	-	315,130
	185,649	**492,237**
Alnesh Mohan, CFO and Corporate Secretary		
Professional fees [2]	237,384	148,200
Transaction costs (Note 3)	7,000	-
Share-based payments	-	220,591
	244,384	**368,791**
Ken Cunningham, Director		
Directors' fees	24,282	23,481
Share-based payments	-	315,130
	24,282	**338,611**
Joness Lang, President and Director		
Consulting fees [3]	50,000	-
Directors' fees [3]	24,398	23,481
Share-based payments	-	315,130
	74,398	**338,611**
TOTAL	**759,012**	**2,039,711**

(1) Paid to Harbourside Consulting Ltd. which is controlled by Mr. Smith.
(2) Paid to Quantum Advisory Partners LLP, an accounting firm in which Mr. Mohan is an incorporated partner. Fees were paid for provision of CFO, financial reporting, accounting support and transaction support services. Fees increased during the nine months ended September 30, 2023 due to the accounting and acquisition of Constantine and CGI.
(3) Paid to EBC Consulting Group Ltd. which is controlled by Mr. Lang.

As at September 30, 2023, the balances due to the Company's directors and officers included in accounts payables and accrued liabilities were $43,375 (December 31, 2022 – $180,210). These amounts are unsecured, non-interest bearing and payable on demand.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

These financial statements, including comparatives, have been prepared using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. Refer to Note 2 of the audited financial statements for the year ended December 31, 2022 for details on critical accounting estimates and judgments.

NEW ACCOUNTING STANDARDS

There were no new or amended IFRS pronouncements effective January 1, 2023 that impacted the Company's unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2023.

FINANCIAL INSTRUMENTS

In the normal course of business, the Company is inherently exposed to certain financial risks, including market risk, credit risk and liquidity risk, through the use of financial instruments. The timeframe and manner in which the Company manages these risks varies based upon management's assessment of the risk and available alternatives for mitigating risk. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. All transactions undertaken are to support the Company's operations. These financial risks and the Company's exposure to these risks are provided in various tables in note 13 of our unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2023. For a discussion on the significant assumptions made in determining the fair value of financial instruments, refer also to note 2 of the financial statements for the year ended December 31, 2022.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMETNS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

RISKS AND UNCERTAINTIES

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic; the Company has not been significantly impacted by the spread of COVID-19. However, the ongoing COVID-19 pandemic, inflationary pressures, rising interest rates, the global financial climate and the conflict in Ukraine are affecting current economic conditions and increasing economic uncertainty, which may impact the Company's operating performance, financial position and the Company's ability to raise funds at this time.

For a detailed listing of the risk factors faced by the Company, please refer to the Company's MD&A for the years ended December 31, 2022 and 2021 on SEDAR (www.sedarplus.ca).