



**HERITAGE  
MINING LTD**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2023**

Suite 300, 1055 West Hastings Street, Vancouver,  
British Columbia, V6C 2E9

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For the nine month period ended September 30, 2023

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November 28, 2023

**OVERVIEW**

The following is management's discussion and analysis ("MD&A") of Heritage Mining Ltd. ("**Heritage**" or the "**Company**"), prepared as of November 28, 2023. This MD&A should be read together with the unaudited condensed interim financial statements for the nine months ended September 30, 2023 and 2022 and related notes, and the audited financial statements for the years ended December 31, 2022 and 2021 and related notes. Financial amounts are expressed in Canadian dollars unless otherwise specified.

Certain information included in this MD&A may constitute forward-looking statements. Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

The Company's unaudited condensed interim financial statements for the nine months ended September 30, 2023 and 2022 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") using accounting policies consistent with IFRS as issued by the IASB and interpretations of the International Financial Reporting Interpretations Committee.

*Additional information related to Heritage is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).*

**DESCRIPTION OF COMPANY'S BUSINESS**

The Company was incorporated on October 18, 2019, under the Business Corporations Act (British Columbia). The Company is engaged in the business of exploration of gold and other metals across Canada. The Company's registered office is located at Suite 1700, 1055 West Hastings Street, Vancouver, British Columbia, V6C 2E9. The Company's head office is located at 300-1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9.

The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The operations of the Company were primarily funded by the issuance of share capital. The issuance of additional equity securities by the Company may result in significant dilution to the equity interests of current shareholders. The Company's future capital requirements will depend on many factors, including operating costs, the current capital market environment and global market conditions.

**OVERALL PERFORMANCE**

**EXPLORATION PROJECTS**

**Harrigan Cove Project (Option Terminated)**

Harrigan Cove is located approximately 120 km east-northeast of Halifax, Nova Scotia, Canada. Access to the property is via Highway 7, which runs through the south east corner of the main claim block. There is an old gravel road that runs north off the highway giving access across the property. The project was considered advanced exploration with more than 100 holes drilled by previous explorers in the Harrigan District. The Company completed a drilling program pursuing a saddle reef-style deposit potential on two targeted high priority gold domains. After less than favorable results and further core sampling, the Company terminated the option agreement in September 2021.

**Drayton - Black Lake Project (Flagship Project)**

The Drayton-Black Lake project is the consolidation of the Drayton Black Lake option agreement and Zarn Lake option agreement and Split Lake Property. On November 25, 2021, the Company entered into an option agreement to acquire a 90% interest in the Drayton – Black Lake Property. On January 6, 2022, the Company entered into an option agreement to acquire a 100% interest in the Zarn Lake property contiguous with the Drayton - Black Lake Project. On August 25, 2022, the Company entered into a definitive agreement for 100% of the Split Lake property from Bounty Gold Corp. The Property is located in the Kenora District in Northwestern Ontario approximately 25 km east of the town of Sioux Lookout, Ontario and approximately 350 km northwest of the city of Thunder Bay, Ontario. The property is approximately 15,257 ha. The property adjoins Treasury Metals Goliath Gold Complex (Goliath, Goldlund and Miller Projects) and is along the Abrams – Minitaki Lake Greenstone Belt with over 176 holes drilled on the property.

The property hosts multiple precious and base metal mineralized structural zones. The company entered into the option agreements re Drayton Black Lake as the project characteristics align with the Company project evaluation criteria: project stage, commodity, region, exploration upside, technical simplicity, established historic mining jurisdiction.

Below is a description of the mentioned categories and how the project supported further work justification going forward.

**Project Stage:**

The project is at the exploration stage and along trend of significant, recent development projects (Treasury Metals). We believe this is supportive to a trend continuation and will work systematically to develop what we believe to be an extension of the trend.

**Commodity:**

The project hosts gold, silver and base metal indicators, supporting our decision to enter into the agreements.

**Region:**

The project is located in a low geo-political risk jurisdiction (Ontario, Canada). Ontario is a mature mining district and globally recognized.

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**Exploration Upside:**

We believe there is prospective geologic terrane translating to strong expansion upside that could result in economic discovery.

**Technical Simplicity:**

In our opinion, the project has never been systematically developed on a consolidated bases with all of the available current data.

**Established Historic Mining Jurisdiction:**

The project is located close to infrastructure and skilled labour supporting the likelihood of future economic production.

The table below provides an estimate of the future cash and share option payments for the project.

<b>Drayton - Black Lake</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Shares	1,100,000	1,100,000	1,100,000
Shares*	-	\$25,000	\$50,000
Cash Payments (C\$)	150,000	20,000	70,000
Minimum Expenditure (C\$)	1,050,000	1,100,000	2,750,000

\* This is share equivalent payment

The Company is currently compliant with all option agreements.

**Development Plan**

The Company plans to systematically explore the Drayton – Black Lake Project. The Company has completed the 2022 field program inclusive of Airborne geophysical results, check sampling and channel sampling. Assay results are currently pending on the channel sampling program and planning for the 2023 field and drilling program has commenced.

Significant milestones of this projects are as follows supporting systematic development:

**1) Historical data compilation integrated with geophysical results**

The Company is current in the process of on going data compilation, inclusive of 2022 field program.

**2) Ground geophysical and geological evaluations**

The Company plans to use historical data and geophysical results to develop targets for ground work has been completed and the Company is now planning for the 2023 field program, which is anticipated to be completed late Q4 2022. Capital deployed is dependent on funds available.

**3) Drill target development & drill program**

The Company plans to incorporate results from the above mentioned milestones to systematically develop and prioritize drill targets executing on a priority basis.

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The Company anticipates to deploy a lot of the capital raise in respect to the IPO allocated to project development as this is the Company's flagship project. The Company notes that, depending on the its ability to raise capital, more may be allocated to meet the minimum cash payments and spending required under the two option agreements.

**Contact Bay Project**

During Q4 2021 the Company entered into multiple agreements consolidating the 4,700 hectare property. The property is located approximately 14.5 km south for Dryden Ontario and borders KG Exploration (a wholly owned subsidiary of Kinross). The property is largely underexplored with limited data. However the property hosts multiple precious and base metal occurrences and was acquired at a favorable price.

The project was acquired as its characteristics align with the Company project evaluation criteria outlined below:

**Project Stage:**

Early exploration stage with little data provide significant project development upside.

**Commodity:**

Gold, Copper, Nickle, Platinum and Palladium occurrences align with high valued commodities.

**Region:**

The project is a low geo-political risk jurisdiction. Ontario is a mature mining district and globally recognized.

**Exploration upside:**

We believe there is prospective geologic terrane translating to strong expansion upside that could result in an economic discovery.

**Technical Simplicity:**

Significant early stage development work must be completed systematically to development this project.

**Established historic mining jurisdiction:**

The project is located close to infrastructure and skilled labour, supporting the likelihood of future economic production.

The table below provides an estimate of the future cash and share option payments for the project.

<b>Contact Bay</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Shares*	Nil	\$10,000	\$10,000
Cash Paid (C\$)	Nil	Nil	Nil
Minimum Expenditure (C\$)	Nil	Nil	Nil

\* This is cash payment or share equivalent payment

The Company has completed its obligations for the property to date and is in compliance with all agreements.

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**Development Plan**

The Company is currently evaluating the project and will and does not currently intend to deploy additional capital at this time to advance this project until preliminary evaluations are complete.

Overall, the industry is experiencing high demand on specialized labor such as geologists, drilling contractors etc., supporting a risk of higher than anticipated costs. Above average inflationary pressures further increase this risk of higher than expected costs. Furthermore, to the Company's benefit, the price of gold and other precious and base metals remains strong, supporting the ability to raise sufficient capital to maintain and execute on operations. In order to mitigate this risk to an acceptably low level, the Company has taken proactive measures in its initial planning, budgeting and cost management to ensure the long term success of the Company and its ability to generate value to current and future stakeholders.

**SUMMARY OF PROJECT EXPENDITURES**

The exploration and evaluation expenses for the Company for the nine months ended September 30, 2023 and 2022 are summarized as follows:

Period ended September 30, 2023	Drayton – Black Lake	Contact Bay	Zarn Lake	Total
Acquisition cost	\$ -	\$ -	\$ 35,000	\$ 35,000
Assay	40,058	-	30,537	70,595
Field work and supplies	191,480	22,241	27,895	241,616
Geological and geophysical	114,044	47,582	31,089	192,715
Drilling	208,513	-	344,006	552,519
Cost recoveries	(200,000)	-	-	(200,000)
Exploration expenditures	\$ 354,095	\$ 69,823	\$ 468,527	\$ 892,445

Period ended September 30, 2022	Drayton – Black Lake	Contact Bay	Zarn Lake	Other Properties	Total
Acquisition cost	\$ 512,500	\$ 33,100	\$ 55,000	\$ -	\$ 600,600
Assay	8,248	-	-	6,994	15,242
Field work and supplies	169,691	-	26,979	-	196,670
Geological and geophysical	269,374	9,000	13,785	17,000	309,159
Report	91,334	8,481	11,679	-	111,494
Exploration expenditures	\$ 1,051,147	\$ 50,581	\$ 107,443	\$ 23,994	\$ 1,233,165

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**SUMMARY OF QUARTERLY RESULTS**

The Company's operating results from the last eight quarters are summarized as follows:

<i>Three months ended</i>				
	30-Sep-23	30-Jun-23	31-Mar-23	31-Dec-2022
<b>Revenue</b>	\$ -	\$ -	\$ -	\$ -
<b>Net and comprehensive loss</b>	(1,313,092)	(543,956)	(210,650)	(1,178,378)
<b>Loss per share</b>	(0.03)	(0.01)	(0.01)	(0.04)
<i>Three months ended</i>				
	30-Sep-22	30-Jun-22	31-Mar-22	31-Dec-21
<b>Revenue</b>	\$ -	\$ -	\$ -	\$ -
<b>Net and comprehensive loss</b>	(1,151,753)	(185,316)	(365,585)	(181,150)
<b>Loss per share</b>	(0.05)	(0.01)	(0.02)	(0.01)

Over the past eight quarters comprehensive losses ranged from a high of \$1,313,092 in the third quarter of 2023 to a low of \$181,150 in the fourth quarter of 2021. Expenses increased significantly in the third quarter of 2022 due to property acquisition payments in both cash and shares incurred as well as an increased exploration program. Variance between quarters is based on the timing of project advancement, due diligence on potential projects, share capital structure changes, and professional/management services.

During the three months ended September 30, 2023, net and comprehensive loss increased to \$1,313,092 (June 30, 2023 - \$543,956) primarily due to exploration expenditures of \$823,833 (June 30, 2023 - \$189,428).

As an exploration stage company, the Company has not generated any revenue from its projects and does not anticipate it will do so for the foreseeable future. These costs are expected to increase during the next few quarters as the Company closed an equity financing subsequently pending the anticipated capital raise.

The Company is currently in the process of developing its flagship project, Drayton – Black Lake, provided the Company meets all its cash and minimum spend requirements on the Drayton Black Lake project. The Company notes this is subject to change pending future exploration results.

The Company notes that it operates in Canadian Dollars. The Canadian Dollar is both the functional and presentation currency.

**LIQUIDITY AND CAPITAL RESOURCES**

As the Company is a start-up and its mineral exploration activities are at its infancy stage, the Company has to depend on its ability to procure sufficient funding through share offerings to support current and future expenditures. The Company has demonstrated its ability to raise capital given the current economic environment through the initial public offering on the Canadian Securities Exchange. The Company notes that additional capital will be required to significantly advance exploration initiative, however the Company remains well capitalized for current budgeted expenditures for the foreseeable future. The Company anticipates additional capital requirements driven from cash payment and minimum spend requirements under recent options agreements.

As at September 30, 2023, the Company had net working capital of \$508,138 (December 31, 2022 - \$1,447,985) and a cumulative deficit of \$5,699,225 (December 31, 2022 - \$3,631,527). The cash component of working capital as at September 30, 2023, was \$337,620 (December 31, 2022 - \$808,833).

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As the Company will not generate funds from operations for the foreseeable future, the Company is primarily reliant upon the sale of equity securities and debt in order to fund operations.

Since inception, the Company has funded limited operations through the issuance of equity securities on a private placement basis. This has permitted the Company to carry out limited exploration and ongoing expenses. The Company completed a private placement in the first quarter of 2022 for gross proceeds of \$378,500 and as at May 31, 2022 filed a prospectus offering and on August 25, 2022, announced that it completed an initial public offering of units and flow-through units of the Company at a price of \$0.25 per Unit and \$0.275 per FT Unit. Pursuant to the IPO, a total of 7,973,580 Units and 2,320,210 FT Units for gross proceeds of approximately \$2,630,000 and the common shares in the capital of Heritage are now listed on the Canadian Securities Exchange. The Common Shares started trading on the Exchange on August 26, 2022, under the symbol "HML".

Share transactions for the nine month period ended September 30, 2023:

On January 6, 2023, the Company issued 333,333 common shares at a value of \$25,000 as part of the acquisition payments for the Zarn Lake Property Agreement.

On April 12, 2023, the Company completed the first tranche of a non-brokered private placement of 1,418,333 units at a price of \$0.09 per unit for gross proceeds of \$127,650. Each unit consists of one common share and one warrant entitling the holder to purchase an additional common share at an exercise price of \$0.15 until April 12, 2026.

The Company also issued 2,510,000 flow-through units at a price at a price of \$0.10 per flow-through unit for gross proceeds of \$251,000. Each flow-through unit consists of one flow-through common share and one warrant entitling the holder to purchase an additional common share at an exercise price of \$0.15 until April 12, 2026.

The Company paid \$17,020 in finders' fees and issued 258,177 agent options entitling the holder to purchase one additional unit at an exercise price of \$0.09 until April 12, 2026.

On June 19, 2023, the Company completed the second tranche of a non-brokered private placement of 502,777 units at a price of \$0.09 per unit for gross proceeds of \$45,250. Each unit consists of one common share and one warrant entitling the holder to purchase an additional common share at an exercise price of \$0.15 until June 19, 2026.

The Company also issued 4,050,000 flow-through units at a price at a price of \$0.10 per flow-through unit for gross proceeds of \$405,000. Each flow-through unit consists of one flow-through common share and one warrant entitling the holder to purchase an additional common share at an exercise price of \$0.15 until April 12, 2026.

The Company paid \$17,620 in finders' fees and issued 258,000 agent options entitling the holder to purchase one additional unit at an exercise price of \$0.09 until June 19, 2026.



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On August 18, 2023, the Company completed the third and final tranche of a non-brokered private placement by issuing 4,804,441 units at a price of \$0.09 per unit for gross proceeds of \$472,400. Each unit consists of one common share and one warrant entitling the holder to purchase an additional common share at an exercise price of \$0.15 until August 21, 2026.

The Company also issued 400,000 flow-through units at a price at a price of \$0.10 per flow-through unit for gross proceeds of \$40,000. Each flow-through unit consists of one flow-through common share and one warrant entitling the holder to purchase an additional common share at an exercise price of \$0.15 until August 21, 2026.

The Company paid \$6,940 in finders' fees and issued 76,000 agent options entitling the holder to purchase one additional unit at an exercise price of \$0.09 until August 21, 2026.

Share transactions subsequent to the period ended September 30, 2023:

The Company issued 100,000 common shares at a value of \$6,000 pursuant to the acquisition of the Contact Bay project.

**RESULTS OF OPERATIONS**

**For the three month period ended September 30, 2023 vs 2022**

The Company had net and a comprehensive loss of \$1,313,092 for the three month period ended September 30, 2023 (2022 – \$1,151,753).

The Company was more active in 2023 as compared to 2022, as the Company expects the majority of expenses to increase throughout 2023 as the Company becomes more active in exploring its properties. This will be dependent on the financial position of the Company.

The Company's other expenses include the following:

- Capital market advisory of \$62,500 (2022 - \$46,044) due to the Company's efforts to enhance awareness of progress on the projects.
- Consulting of \$61,420 (2022 - \$Nil) increased due to increased consultants in the current period.
- Depreciation of \$23,977 (2022 - \$Nil) increased due to depreciation on right to use assets in the current period.
- General and administrative of \$74,530 (2022 - \$14,665) increased due to an increase in general activities in the current period.
- Management fees of \$196,750 (2022 - \$31,500) increased due to a bonus paid to CEO of the Company.
- Share-based payments of \$16,519 (2022 - \$4,432) due to stock options granted during the current period.

**For the nine month period ended September 30, 2023 vs 2022**

The Company had net and a comprehensive loss of \$2,067,698 for the nine month period ended September 30, 2023 (2022 – \$1,702,654).

The Company was more active in 2023 as compared to 2022, as the Company also received \$200,000 from the Ontario Junior Exploration program. The Company expects the majority of expenses to increase

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throughout 2023 as the Company becomes more active in exploring its properties. This will be dependent on the financial position of the Company.

Investor relations increased significantly in the 2023 as the Company hired several firms to help with investor relations and the awareness of Heritage and its projects.

The Company's other expenses include the following:

- Advertising, promotion, and investor relations of \$400,534 (2022 - \$252,334) relate to investor relations consultants fees incurred in the current period.
- Capital market advisory of \$237,500 (2022 - \$53,544) due to the Company's efforts to enhance awareness of progress on the projects.
- Consulting of \$82,420 (2022 - \$Nil) increased due to increased consultants in the current period.
- Depreciation of \$33,135 (2022 - \$Nil) increased due to depreciation on right to use assets in the current period.
- Exploration expenditures of \$892,445 (2022 - \$1,233,165) as the Company received a \$200,000 grant from the Ministry of Northern Development under the Ontario Junior Exploration Program during the current period.
- General and administrative of \$129,908 (2022 - \$40,095) increased due to an increase in general activities in the current period.
- Management fees of \$259,750 (2022 - \$94,500) increased due to a bonus paid to the CEO of the Company.
- Share-based payments of \$35,813 (2022 - \$8,011) due to stock options granted during the current period.

**CAPITAL RESOURCES**

The Company relies on its ability to procure capital via equity issuances as none of their projects generate revenue. The Company has no fixed expenditure commitments. The Company has entered into option agreements requiring share issuances, cash payments, and minimum spend requirements on its projects. The Company is also obliged to minimum spend requirements to maintain its exploration mining claims in good standing. The Company notes that pending exploration results, capital requirements and allocated expenditures are subject to change based on management judgement.

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company had no off-balance sheet arrangements as at September 30, 2023, or as of the date of this report.

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**TRANSACTIONS BETWEEN RELATED PARTIES**

**Related party balances**

As at September 30, 2023 and 2022 there were amounts owing to related parties in the amount of \$6,523 (December 31, 2022 - \$3,310).

**Related party transactions and key management compensation**

During the nine months ended September 30, 2023 and 2022, the Company incurred the following amounts through transactions with the directors and officers of the Company:

	September 30, 2023	September 30, 2022
Management fees, consulting fees, professional fees, and general and administrative	\$ 328,955	\$ 80,131
Share-based payments	21,982	14,574
	<u>\$ 350,937</u>	<u>\$ 94,705</u>

During the nine months ended September 30, 2023, the Company paid \$259,955 (2022 - \$111,062) to a Company controlled by Peter Schloo, CEO and Director for executive, administrative services and rent. The Company signed an independent contractor agreement with its CEO for \$126,000 per annum.

During the nine months ended September 30, 2023, the Company paid \$60,000 (2022 - \$Nil) to directors of the Company.

During the nine months ended September 30, 2023, the Company paid \$Nil (2022 - \$11,000) to James Fairbairn, former CFO and Director, for professional services rendered.

During the nine months ended September 30, 2023, the Company paid \$9,000 (2022 - \$Nil) to Rachel Chae, CFO, for professional services rendered.

**Detailed discussions related to the Company's cash flows**

Cash balances decreased by \$471,213 during the nine months ended September 30, 2023 (2022 - \$663,567).

During the nine months ended September 30, 2023, cash used in the operating activities was \$1,693,150 compared to cash used by operating activities of \$1,895,304 during the nine months ended September 30, 2022. The cash used in operating activities in 2023 decreased as there was a decrease in the company's operating expenses, namely, the advancement and acquisition of mineral properties and professional fees.

During the nine months ended September 30, 2023, cash provided by investing activities amounted to \$Nil (2022 - \$1,500), relating to the return of a reclamation bond.

During the nine months ended September 30, 2023, cash provided by financing activities amounted to \$1,221,937 (2022 - \$2,557,371), relating to shares issued for cash, net of issue costs and lease payments made during the respective periods.

**CHANGES IN ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES**

For a detailed summary of the Company's significant accounting policies and critical accounting estimates, the readers are directed to Note 3 of the Notes to the unaudited condensed interim financial statements for the nine months ended September 30, 2023 and audited financial statements for the year ended December 31, 2022 that are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

**RISKS AND UNCERTAINTIES**

The Company believes that the following risks and uncertainties may materially affect its success.

**Limited Operating History**

The Company has no history of business or mining operations, revenue generation or production history. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

**Exploration, Development and Operating Risks**

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered would result in an increase in the Company's resource base.

The Company's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity; flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

**Fluctuating Mineral Prices**

The economics of mineral exploration is affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, it may be determined that it is impractical to continue the mineral exploration operation.

Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the Property.

### **Substantial Capital Requirements and Liquidity**

Substantial additional funds for the establishment of the Company's current and planned mining operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all.

If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion and pursue only those development plans that can be funded through cash flows generated from its existing operations.

### **Financing Risks and Dilution to Shareholders**

The Company will have limited financial resources, no operations and no revenues. If the Company's exploration program on its properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

### **Title to Properties**

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to the Property will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company, as the case may be, does not have title to the properties could cause the Company to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

### **No Mineral Reserves or Mineral Resources**

The properties in which the Company holds an interest are considered to be an early exploration stage property, however no mineral reserve or mineral resource estimates have been prepared in respect of the properties. Mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates, may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different mineral grades may cause a mining operation to be unprofitable in any particular accounting period.

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**Environmental Risks**

The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

**Conflict in Ukraine**

In late February 2022, a conflict commenced in Ukraine. In response, various countries, including Canada, issued broad-ranging economic sanctions against Russia. The ramifications of the sanctions may not be limited to Russia and Ukraine and may spill over to and negatively impact other regional and global economic markets, sectors, industries and markets for securities and commodities globally. The current circumstances are dynamic and the duration of the conflict and related impact of imposed sanctions on the business cannot be reasonably estimated at this time. While the company expects any direct impacts of the conflict in Ukraine to the business to be limited, the direct impacts on the economy may negatively affect the business and future operations.

**FORWARD-LOOKING STATEMENTS**

This MD&A may include certain "forward-looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company's businesses, operations, plans and other such matters are forward-looking statements. When used in this MD&A, the words "estimate", "plan", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, risks that actual results of current exploration activities will differ, changes in project parameters as plans continue to be refined, unavailability of financing, fluctuations in precious and/or base metals prices and other factors, as outlined in the Company's preliminary long form prospectus filed on SEDAR+. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

**HERITAGE MINING LTD.**  
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**DIRECTORS**

Certain directors of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploring natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

Current Directors and Officers of the Company are as follows:

Peter Schloo, CEO, President and Director  
Rachel Chae, CFO  
Patrick Mohan, Chairman  
James Fairbairn, Director  
Wray Carvelas, Director  
Patrick Sullivan, Corporate Secretary

**OUTLOOK**

The Company's primary focus for the foreseeable future will be on continuing exploration and development activities on its mineral projects.

**OUTSTANDING SHARE DATA**

As of the date of this MD&A there were:

- A total of 47,117,503 shares issued and outstanding.

Details of stock options outstanding are as follows:

Outstanding	Exercisable	Exercise Price	Expiry Date
921,666	921,666	\$ 0.075	August 29, 2025
1,290,000	-	0.15	December 23, 2025
2,490,000	-	0.09	September 1, 2026
4,701,666	921,666		

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Details of Unit Warrants outstanding are as follows:

Outstanding and Exercisable	Exercise Price	Expiry Date
3,823,242	\$ 0.20	February 19, 2024
2,094,006	0.40	December 31, 2024
3,028,000	0.40	January 26, 2025
2,399,993	0.075	May 22, 2025
10,293,790	0.40	August 25, 2025
3,928,333	0.15	April 12, 2026
4,552,777	0.15	June 19, 2026
5,204,441	0.15	August 18, 2026
35,324,582		

Details of Agent Options/Warrants outstanding are as follows:

Outstanding and Exercisable	Exercise Price	Expiry Date
105,084	\$ 0.20	February 19, 2024
11,900	0.40	December 31, 2024
42,000	0.40	January 26, 2025
677,136	0.25	August 25, 2025
258,177	0.09	April 12, 2026
258,000	0.09	June 19, 2026
76,000	0.09	August 18, 2026
1,428,297		