

Westhaven Gold Corp.

(An Exploration Stage Company)

MANAGEMENT'S DISCUSSION & ANALYSIS

Unaudited- Prepared by Management

Second Quarter Ending June 30, 2023

Dated as of August 29, 2023

For the quarter ended June 30, 2023

Dated August 29, 2023

This Management's Discussion and Analysis ("MD&A") for Westhaven Gold Corp. (formerly Westhaven Ventures Inc.) (the "Company" or "Westhaven") has been prepared by management and reviewed and approved by the Audit Committee. The following discussion of performance, financial condition and future prospects should be read in conjunction with the unaudited condensed interim financial statements of the Company and notes thereto for the quarter ended June 30, 2023, and with the audited financial statements of the Company and notes thereto for the years ended December 31, 2022, and 2021. The information provided herein supplements but does not form part of the financial statements. This discussion covers the quarter and the subsequent period up to the date of issue of this MD&A. Unless otherwise noted, all dollar amounts are stated in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

As of January 1, 2011, the Company adopted International Financial Reporting Standards ("IFRS"). The unaudited condensed interim financial statements for the three months ended June 30, 2023, have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") and using accounting policies consistent with IFRS as issued by the International Accounting Standards Board ("IASB"). Readers of this MD&A should refer to "Change in Accounting Policies" below for a discussion of IFRS and its affect on the Company's financial presentation.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Forward-looking Statements

Certain sections of this MD&A may contain forward-looking statements. Such forward-looking statements involve a number of 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 actual future results. The risks, uncertainties and other factors that could influence actual results are described in the "Risks and Uncertainties" section of this report. The forward-looking statements contained herein are based on information available as of August 29, 2023.

As of March 2020, the COVID-19 pandemic has caused significant disruptions to the global economy and increased volatility in the global financial markets. The extent to which COVID-19 may adversely impact the Company's business and financing opportunities will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing, business closures or business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. To date, COVID-19 has had minimal impact on the Company's exploration activities. Although it is not possible to reliably estimate the length or severity of these developments and their financial impact to the date of approval of these financial statements, there may be further significantly adverse impacts on the Company's financial position and results of operations for future periods if the pandemic is not successfully contained or the effects of which are not mitigated.

Westhaven Overview

Westhaven is focused on grassroots exploration with a view to discovering the next generation of economic gold deposits.

The Company is advancing its Shovelnose, Skoonka, Skoonka North and Prospect Valley gold-silver properties, all are in the Spences Bridge Gold Belt (the “SBGB”), in British Columbia, Canada.

The SBGB projects overview:

- Large land package (37,000 hectares (ha)) on underexplored gold belt.*
- District-scale potential.*
- 100% ownership of mineral rights on these claims.*
- Low-cost exploration.*
- Close proximity to power and rail.*
- Road accessible and close to major highways.*
- Close proximity to producing mines and expertise.*

Company Overview

Westhaven is a junior exploration company that is focused on the acquisition, exploration, and development of resource properties.

To date the Company has not generated significant revenues and is considered to be in the exploration stage. Continued operations of the Company are dependent on the Company's ability to complete equity financings or generate profitable operations in the future.

Westhaven finished the second quarter 2023 with cash and cash equivalents of \$4,489,717 vs \$450,586 for the same period in 2022.

Westhaven benefits from the British Columbia Mineral Exploration Tax Credit (METC) which is a permanent incentive to support investment in mining. The METC is a refundable British Columbia income tax credit for eligible individuals and corporations conducting grassroots mineral exploration in British Columbia and is worth 30 per cent of qualified mining exploration expenditures. In 2022, Westhaven received a METC refund of \$2,161,933. Based off qualifying expenditures incurred in 2022, Westhaven has filed for a \$2,150,000 METC refund in 2023.

Westhaven did not issue any shares or grant any options in the second quarter of 2023.

Capital Stock as of August 29, 2023

Shares Outstanding:

- 140,586,345

Options:

- 2,650,000 Exercisable at \$1.20 until November 14, 2023
- 200,000 Exercisable at \$0.70 until July 8, 2024
- 1,150,000 Exercisable at \$0.85 until December 23, 2024
- 475,000 Exercisable at \$0.80 until May 20, 2025
- 260,000 Exercisable at \$0.95 until August 10, 2025
- 2,215,000 Exercisable at \$0.70 until April 22, 2026
- 400,000 Exercisable at \$0.50 until November 29, 2026
- 3,945,000 Exercisable at \$0.35 until March 20, 2028

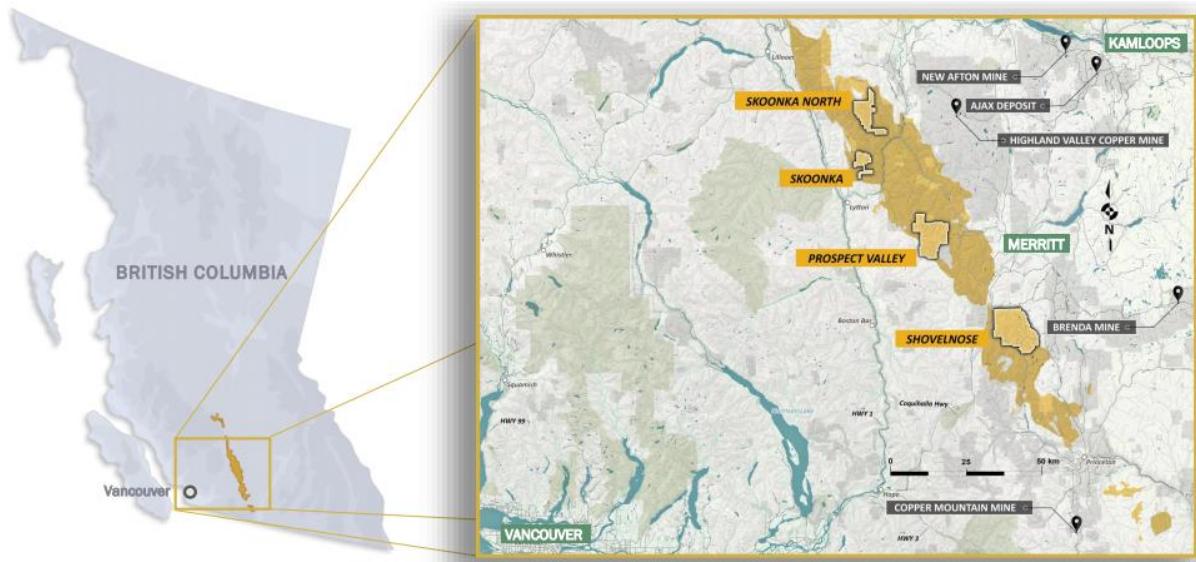
Fully Diluted:

- **151,881,345**

Directors and Officers own ~23% of the outstanding shares.

Spences Bridge Gold Belt

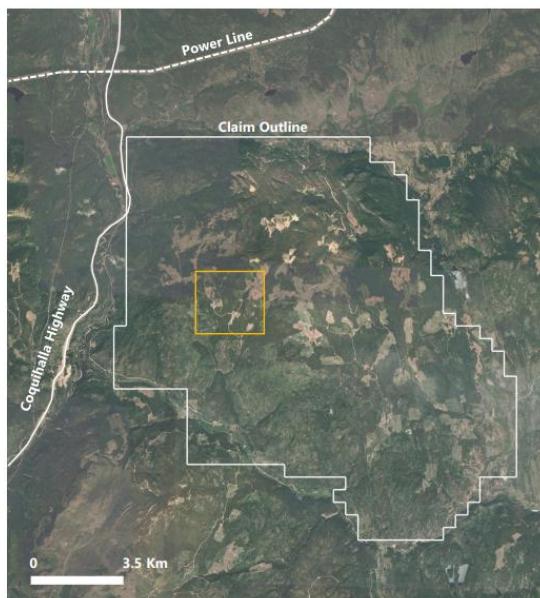
The SBGB is 110 kilometres (km) northwest-trending belt of intermediate to felsic volcanic rocks dominated by the Cretaceous Spences Bridge group. Exploration in the belt only began in 2001 when prospector Edward Balon, P.Geo, technical advisor to Westhaven, began by following up on a Regional Geochemical Survey (RGS) anomalies. These relatively underexplored volcanic rocks are highly prospective for epithermal style gold mineralization. In the mid-19th century, coarse placer gold was discovered near the mouth of the Nicoamen and Fraser rivers. This discovery sparked a gold rush that attracted an estimated 20,000 prospectors to the area.



Westhaven has a 100%-interest in mineral rights across 4 properties covering over 37,503ha within the prospective SBGB, which is situated within a geological setting like those which host other significant epithermal gold-silver systems.

Shovelnose Gold Property

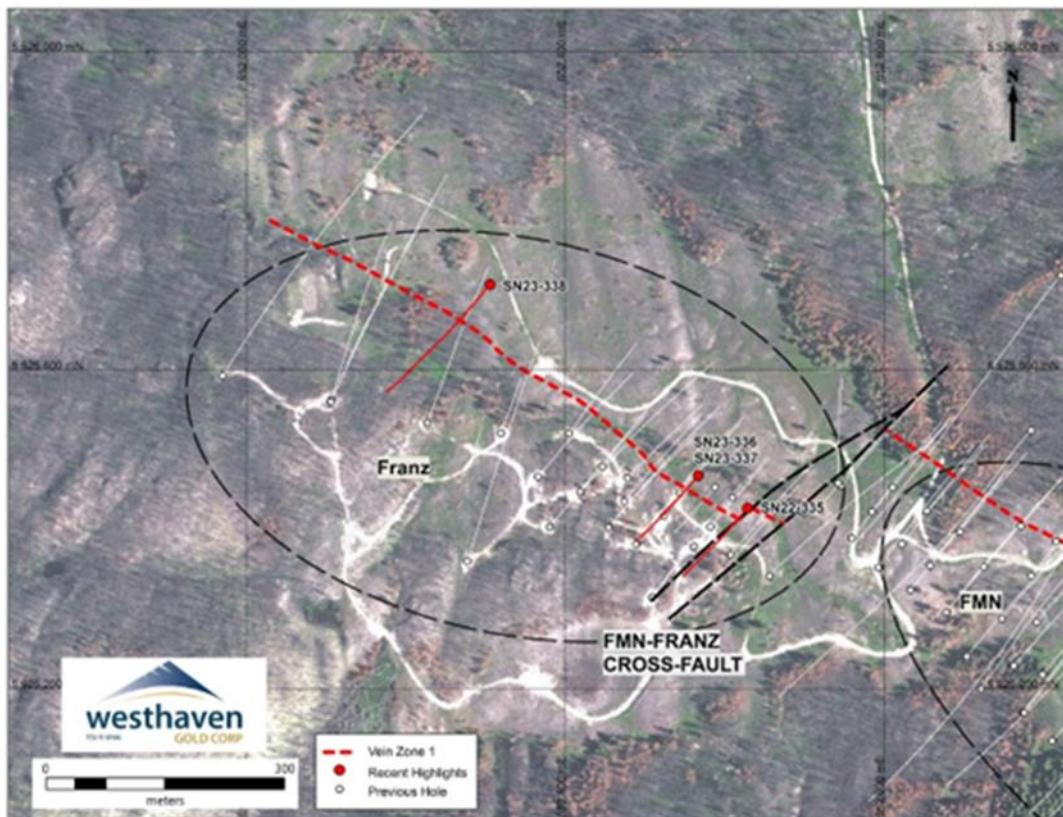
The Shovelnose gold property is located near the southern end of the SBGB, approximately 30km south of Merritt, British Columbia. The property is accessible by the Coquihalla Highway (BC Provincial Highway #5) at the Coldwater exit, then by a series of logging roads to the northern and southern portions of the property. The property currently consists of 32 contiguous mineral claims encompassing 17,625ha. Westhaven has a 100% interest in this property subject to a 4% Net Smelter Royalty (NSR). Westhaven can buy 1% of the 4% NSR for \$500,000 as well as an additional 0.5% for \$3,000,000 USD.



- 2.5-hour drive from Vancouver**
- 30-minute drive from Merritt**
- 5km from the Coquihalla Highway**
- Powerline on property**
- Heavily logged, with forestry roads in place**
- Year-round exploration**

The Shovelnose gold property has a strategic advantage with regards to location as the property is situated off a major highway, in close proximity to power, rail, large producing mines, and within commuting distance from the city of Merritt, which translates into low cost, year-round exploration.

On May 31, 2023, Westhaven announced that it drilled 24.95 metres (m) of 14.66 grams per tonne (g/t) gold (Au) and 35.52 g/t silver (Ag), including 0.66m of 280 g/t Au and 222 g/t Ag at the Franz Zone.



Drilling Highlights:

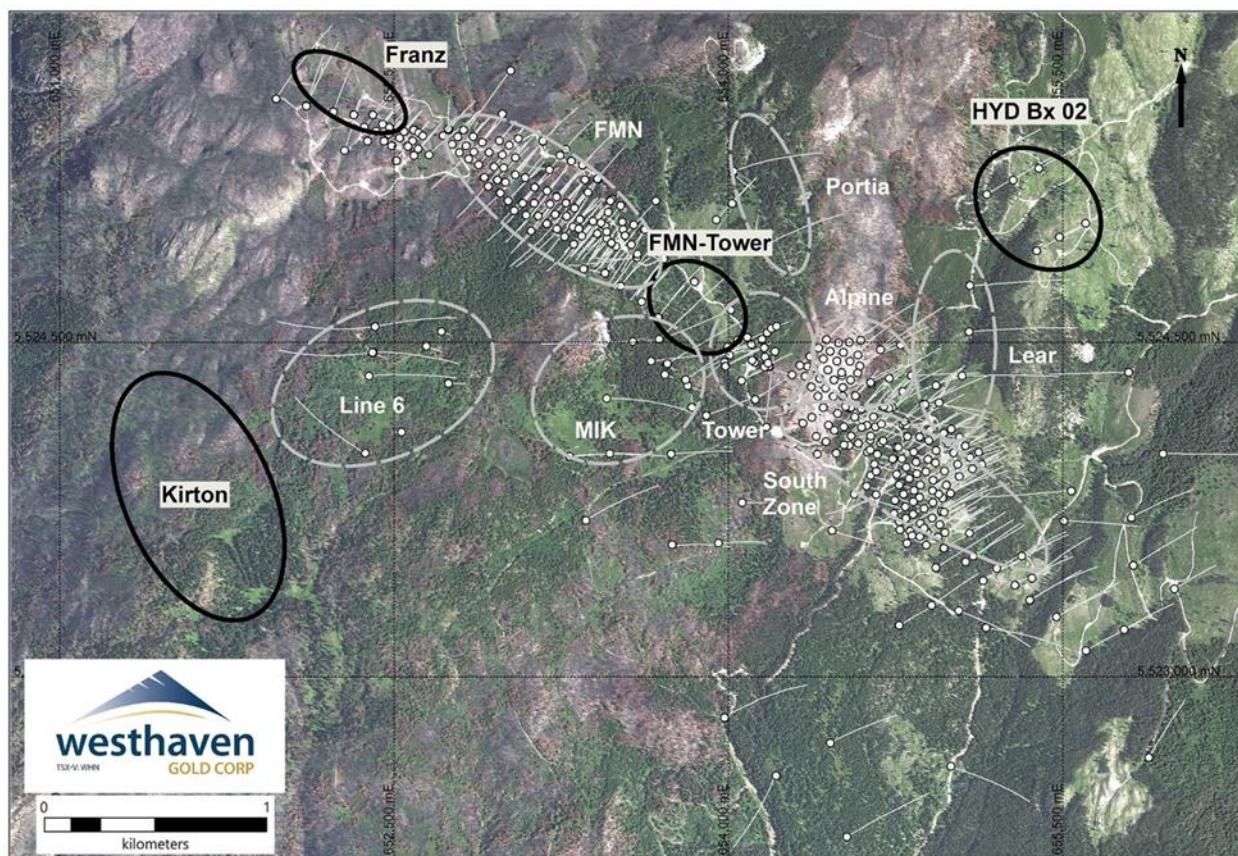
- SN23-337 : Franz
 - (21.25 – 46.2m) 24.95m of 14.66 g/t Au and 35.52 g/t Ag, including 13.0m of 27.25 g/t Au and 52.44 g/t Ag, including 0.66m of 280 g/t Au and 222 g/t Ag.
 - (60.0 – 75.9m) 15.9m of 1.49 g/t Au and 27.69 g/t Ag, including 2.0m of 6.55 g/t Au and 101.3 g/t Ag.
- SN22-335 : Franz
 - (29.0 – 43.33m) 14.33m of 1.59 g/t Au and 2.7 g/t Ag, including 1m of 16.3 g/t Au and 4.8 g/t Ag.
 - (111.38 – 114.73m) 3.35m of 3.08 g/t Au and 3.27 g/t Ag, including 1.16m of 7.2 g/t Au and 4.29 g/t Ag.
- SN23-336 : Franz
 - (32.05 – 49.04m) 16.99m of 1.01 g/t Au and 15.94 g/t Ag, including 3.0m of 2.76 g/t Au and 40.76 g/t Ag.
 - (88.0 – 92.0m) 4.0m of 1.71 g/t Au and 35.49 g/t Ag, including 0.74m of 6.29 g/t Au and 107 g/t Ag.

Franz Zone

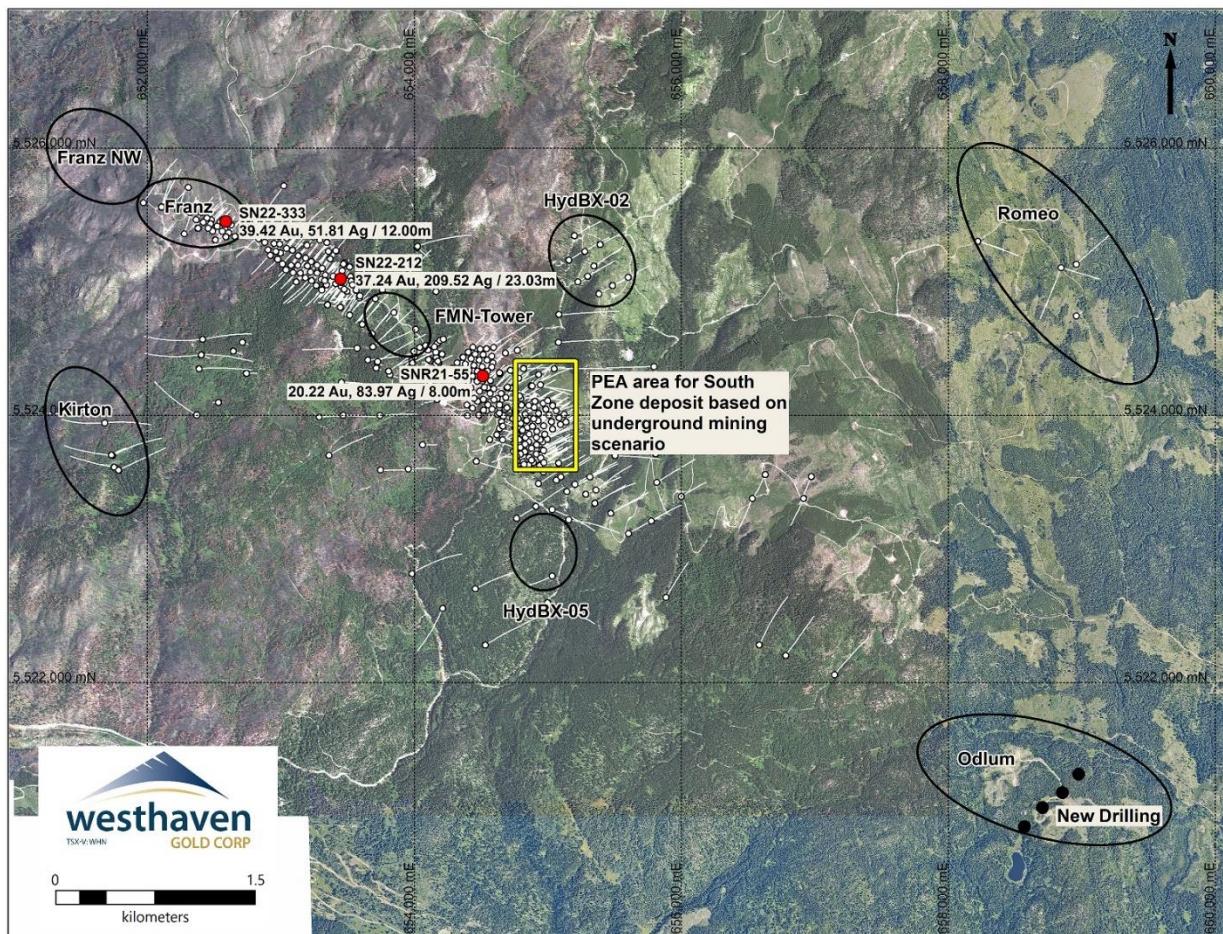
A detailed mapping program initiated in April 2023 has subsequently been completed at Franz. This initiative began in November 2022, however, was not completed due to snowfall. This work will help guide follow-up detailed surface sampling to compliment the previously completed and ongoing drilling. This sampling program is currently underway. Next steps to establish a resource, and to potentially facilitate the collection of a larger surface sample, would be additional shallow drilling, preliminary metallurgical test work and enhanced environmental baseline studies.

Shovelnose Drill Program

In addition to drilling at the Franz and Tower Zones, Westhaven's ongoing fully financed drill program is testing drill targets off the main Vein Zone 1 trend, including Hydrothermal Breccia No. 2 target to the northeast, the Kirton target to the southwest and the MIK Zone target to the south.



On July 18, 2023, Westhaven announced the completion of a Preliminary Economic Assessment ("PEA") for the South Zone at the Shovelnose gold property. The PEA is considered by P&E Mining Consultants Inc. ("P&E") to meet the requirements as defined in Canadian National Instrument ("NI") 43-101 Standards of Disclosure for Mineral Projects. The PEA was prepared in accordance with the requirements of NI 43-101 and has an effective date of July 18, 2023. A technical report relating to the PEA, prepared in accordance with NI 43-101, will be filed on SEDAR and posted on the company's website within 45 days of July 18, 2023.



Mineral Resources, PEA Preparation and Results

The previous public Mineral Resource Estimate ("MRE") for the South Zone was carried out by P&E Mining Consultants Inc. ("P&E") with an effective date of January 1, 2022. That MRE was built with a pit constrained cut-off of 0.35 g/t AuEq and can be found at: [2022 News Release South Zone Pit Constrained MRE](#). The January 2022 MRE is superseded by the new July 2023 underground MRE reported herein. All drilling and assay data were provided by Westhaven, in the form of Excel data files. The GEOVIA GEMS™ V6.8.4 database compiled by P&E for the July 2023 MRE consisted of 162 surface drill holes, totalling 61,726 metres, of which 17 drill holes (SNR21-41 to 57), totalling 5,235 metres, were added to the initial January 2022 MRE. A total of 83 drill holes (32,089 metres) were intersected by the Mineral Resource wireframes used in the PEA.

Preliminary Economic Assessment Highlights:

*Base case parameters of US\$1,800 per ounce gold, US\$22 per ounce silver and CDN\$/US\$ exchange rate of \$0.76.

*All costs are in Canadian dollars unless otherwise specified.

- Robust financial metrics.
 - Pre-tax Internal Rate of Return ("IRR") of 41.4%; After-tax IRR of 32.3%.
 - Low All-In Sustaining Cost ("AISC") of \$989/ounce ("oz") (US\$752/oz) gold equivalent ("AuEq").
 - Low Cash Cost of \$804 oz/AuEq (US\$ 611/oz AuEq).
 - Pre-tax Net Present Value ("NPV"6%) of \$359 million (M) and After-tax NPV of \$222M.
 - Payback period from start of production year 1 of 2.4 years pre-tax and 2.6 years after-tax.
 - After-tax (NPV 6%) increases to \$268.4M and After-tax IRR increases to 37.2% using spot prices of US\$1,950 gold and US\$24 silver.
- Low capital-intensive development and operating costs.
 - Total Preproduction Capital of \$149.6M.
 - Total Life of Mine ("LOM") Capital Costs of \$247M.
 - Average operating cost of \$132/ tonne processed.
 - 94% of total mining is cost effective longitudinal and traverse longhole stoping, with only 6% of total mining requiring cut and fill stoping.
- 9.5-year mine life and ability to expand processing to accommodate satellite discoveries.
 - Production rate of 1,000 tonnes per day ("tpd").
 - Total payable metals of 534,000 oz gold ("Au") and 2,715, 000 oz silver ("Ag").
 - Average annual production of 56,100 oz Au peaking in year 7 at 68,000 oz Au.
 - Total mineralized rock production of 1,452,000 tonnes at 5.37 g/t Au and 28.62 g/t Ag.
 - Metallurgical recoveries of 91.5% Au and 92.9% Ag.
- Community/stakeholder benefits.
 - Total projected income taxes paid of \$136M.
 - Total projected British Columbia mineral taxes paid of \$79M.
 - More than 130 well-paying local full-time jobs created during life of mine.
 - Additional employment during construction phase.
 - Indirect spin-off benefits during both construction and mine operations.
 - Local communities/stakeholders will be prioritized for contract/employment opportunities wherever possible.

P&E validated the Mineral Resource database in GEMS™ by checking for inconsistencies in analytical units, duplicate entries, interval, length, or distance values less than or equal to zero, blank or zero-value assay results, out-of-sequence intervals, intervals or distances greater than the reported drill hole length, inappropriate collar locations, survey and missing interval and coordinate fields. Some minor errors were identified and corrected in the database. P&E are of the opinion that the supplied database is suitable for Mineral Resource estimation.

A block model was constructed using GEOVIA GEMS™ V6.8.4 modelling software and consists of separate model attributes for estimated Au, Ag and AuEq grade, rock type (mineralization domains), volume percent, bulk density, and classification. The Mineral Resource was classified as Indicated and Inferred based on the geological interpretation, variogram performance and drill hole spacing. P&E also considers mineralization at the South Zone to be potentially amenable to underground mining methods. The revised MRE used for the PEA is reported with an effective date of July 18, 2023, and is tabulated in Table 1.

Table 1**Shovelnose Underground Mineral Resource Estimate @ 1.5 g/t AuEq Cut-off⁽¹⁻⁵⁾**

Classification	Tonnes (k)	Au (g/t)	Contained Au (k oz)	Ag (g/t)	Contained Ag (k oz)	AuEq (g/t)	Contained AuEq (k oz)
Indicated	2,983	6.38	612	34.1	3,273	6.81	654
Inferred	1,331	3.89	166	16.9	725	4.10	176

1. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
2. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.
3. The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could potentially be upgraded to an Indicated Mineral Resource with continued exploration.
4. The Mineral Resources were estimated in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions (2014) and Best Practices Guidelines (2019) prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council.
5. PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be classified as Mineral Reserves, and there is no certainty that the PEA will be realized.

A financial model was developed to estimate the Life of Mine ("LOM") plan and considered only underground mining of Mineral Resources at the South Zone. Other known gold-silver mineralization at the Shovelnose Gold Property, currently being evaluated by Westhaven, are not included.

The LOM plan covers an 11.5-year period (2 years pre-production and 9.5 years of production) Currency is in Q2 2023 Canadian dollars unless otherwise stated. Inflation has not been considered in the financial analysis.

The PEA outlines a production mine life of 9.5 years with average annual production of 56,100 ounces gold and 284,200 ounces silver at average cash costs and all-in sustaining costs ("AISC") per ounce gold equivalent of US\$752. The PEA considers the payable recovery of 534,200 oz gold and 2,715,200 oz silver from an underground operation, at average mine production grades of 5.37 g/t and 28.62 g/t, respectively.

This PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be classified as Mineral Reserves, and there is no certainty that the PEA will be realized. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no guarantee that Westhaven Gold Corporation will be successful in obtaining any or all of the requisite consents, permits or approvals, regulatory or otherwise for the Project to be placed into production.

Skoonka North Gold Property

The Skoonka North gold property consists of 3 contiguous mineral claims comprising 6,167 hectares. The Property is situated northwest of the community of Spences Bridge in south-central British Columbia, within the Kamloops Mining Division. The Skoonka North claims have some of the highest gold silt samples on the SBGB, including 594 parts per billion (ppb) Au, 383.7 ppb Au, and 131.3 ppb Au. The claims have seen limited exploration work and have yet to be drill tested.

In April 2023, Westhaven completed a sampling program, collecting 210 soils, 136 stream silts and 103 rocks. Soil and silt sampling targeted previously unsampled areas, and specific areas of interest identified from past programs. Rock samples were collected during the geochemical work but do not represent a focused prospecting program, though veining and alteration were encountered. Stream silt sampling was the primary focus of this program as we collected and analyzed 5 size fractions at each sample site. The highest gold values received to date include 1,720 ppb Au and 992 ppb Au coarse size fraction analysis.

Fall 2023 Exploration Program

The prior property operator delineated a gold showing at the Ridge zone. The main anomaly that has received the most work, including trenching, has returned rock and soil assays of up to 2.0 g/t Au and 701 ppb Au, respectively. The anomaly has been traced northeast for 260 metres (m). Trenching has exposed a 55 m-long, east-trending zone of carbonate-zeolite veining assaying up to 1.44 g/t Au. Due to conditions in April 2023, Westhaven was unable to sample/prospect this showing. As a result, the gold values generated from the most recent work are not likely sourced from the Ridge zone meaning there are potentially multiple gold mineralized zones across this property. Westhaven will further evaluate this area as part of the upcoming fall exploration program.

Property Ownership and Commitments**Shovelnose Property, British Columbia, Canada**

In January 2011, the Company signed an option agreement (the “Shovelnose Agreement”) with Cornish Metals Inc. (formerly Strongbow Exploration Inc.) (“Cornish”) whereby the Company can earn up to a 70% interest in the Shovelnose Gold Property, a mineral claim near Merritt, British Columbia, staked by Cornish in 2005 and 2008. A director of the Company is also a director of Cornish.

Under the terms of the Shovelnose Agreement, the Company would earn an initial 51% interest in the Shovelnose Gold Property by issuing a total of 300,000 common shares (issued) to Cornish and incurring \$1,500,000 (\$750,000 incurred) in exploration expenditures on the property.

On September 1, 2015, the Company entered into a new purchase agreement with Cornish to acquire 100% of the mineral rights at the Shovelnose Gold Property replacing the January 2011 agreement. Under the terms of the new agreement the Company acquired a 100% interest in the property by issuing 2,000,000 common shares (issued upon completion of the new agreement). In addition, Cornish was granted a 2% net smelter returns royalty (“NSR”) on the property. The Company will retain the right to reduce the NSR to 1% by paying Cornish \$500,000 at any time prior to the commencement of commercial production.

On May 8, 2019, Cornish transferred ownership of the NSR to Osisko Gold Royalties Ltd. “Osisko” in exchange for the settlement of a debt owing to Osisko of \$1.5 million. The terms and rights under the NSR now held by Osisko remain unchanged.

Prospect Valley Property, British Columbia, Canada

On September 21, 2015, the Company entered into an option and purchase agreement with Green Battery Minerals Inc. (“Green Battery”) to acquire a 70% interest the Prospect Valley Gold Property near Merritt. The Company paid \$20,000 to Green Battery upon signing as per the terms of the agreement. On October 22, 2015, the Company exercised the option by making a second and final payment of \$80,000 and issued 500,000 common shares. The common shares have a hold period of five years.

On February 16, 2016, the Company acquired the remaining 30% interest in the Property for a cash payment of \$40,000 and the issue of 500,000 common shares.

Skoonka Creek Property, British Columbia, Canada

On May 24, 2017, the Company signed a purchase agreement with Cornish, and Almadex Minerals Ltd. (“Almadex”), to acquire 100% interest in the Skoonka Creek gold property, located within the prospective SBGB, British Columbia. Under the terms of the agreement the Company issued 2,000,000 common shares (issued on May 30, 2017) at a price of \$0.09 per share. Almadex retains its original NSR of 2% from future production.

Skoonka North Property, British Columbia, Canada

In May 2018, the Company staked an additional gold mineral property, Skoonka North, within the SBGB, British Columbia for total acquisition costs of \$10,793.

On October 6, 2022, the Company completed the grant and sale of a 2% net smelter return royalty (the “NSR”) to Franco-Nevada Corporation for US\$6,000,000. The NSR applies to all of the Company’s mineral claims across the Spences Bridge Gold Belt. The Company has an option to buy-down 0.5% of the NSR for US\$3,000,000 for a period of 5 years from the closing of the transaction. Westhaven has also sold to Franco-Nevada for US\$750,000 a 2.5% net smelter return royalty (the “Talisker Royalty”) originally granted to Westhaven by Sable Resources Ltd. in 2018. The proceeds of the royalty sales were US\$6,750,000 which were exchanged into CAD\$9,249,930.

Realization

The Company's investment in and expenditures on the mineral property interests comprise a substantial portion of the Company's assets. Realization of the Company's investment in the assets is dependent on establishing legal ownership of the property interests, on the attainment of successful commercial production or from the proceeds of its disposal. The recoverability of the amounts shown for the mineral property interests is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the property interests, and future profitable production or proceeds from the disposition thereof.

Title and environmental

Although the Company has taken steps to verify the title to mineral properties in which it has or had a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

Summary of Quarterly Results

	3 Months Ending June 30, 2023	3 Months Ending March 31, 2023	3 Months Ending December 31, 2022	3 Months Ending September 30, 2022	3 Months Ending June 30, 2022	3 Months Ending March 31, 2022	3 Months Ending December 31, 2021	3 Months Ending September 30, 2021
Interest Income	\$43,816	\$51,523	\$68,333	\$5,401	\$4,438	\$3,486	\$13,141	\$4,236
Loss before other Items:	(\$430,388)	(\$1,105,533)	(\$374,956)	(\$547,353)	(\$534,784)	(\$477,868)	(\$501,333)	(\$320,874)
Premium on flow-through shares	-	-	\$601,639	-	-	-	\$378,947	-
Net Income/(Loss):	(\$386,572)	(\$1,054,010)	\$297,327	(\$541,951)	(\$530,346)	(\$474,382)	(\$109,245)	(\$316,638)
Income (Loss) per Common Share, Basic and Diluted	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)
Loan payable:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends Paid/Payable:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Results of Operations

The Company has sustained recurring losses and negative cash flows from operations. During the three months ended June 30, 2023, the Company incurred a net loss of \$386,572 vs. a net loss of \$530,346 in the second quarter of 2022. A significant portion of this difference can be attributed to a reduction in the advertising and promotion spend for the second quarter 2023 vs. 2022.

In the first quarter of 2023, Westhaven granted options and recognized a share-based payment expense of \$478,125. Westhaven did not grant any options in the second quarter and, as such, did not incur any share-based expenses.

The major expenses for the current quarter include Salary and Benefits of \$176,645 (vs. \$171,511 in Q2 2022 period); Rent in the amount of \$18,230 (vs. \$20,530 in Q2 2022); General and Administrative of \$12,457 (vs. \$10,270 in Q2 2022); Travel of \$24,868 (vs. \$26,735 in Q2 2022); Advertising and promotion of \$105,253 (vs. \$231,831 in Q2 2022); and Professional fees of \$35,263 (vs. \$21,304 in Q2 2022) and Regulatory and filings fees of \$19,159 (vs. \$19,707 in Q2 2022).

Mineral Properties

Amounts capitalized as mineral property costs are as follows:

	Shovelnose Gold Property	Prospect Valley Property	Skoonka Creek Property	Skoonka North Property	Total
Balance, December 31, 2021	\$ 23,229,980	\$ 752,021	\$ 279,760	\$ 105,051	\$ 24,366,812
Deferred exploration costs					
Acquisition costs	142,958	4,277	5,969	3,078	156,282
Geological and assays	1,723,079	-	379,188	36,428	2,138,695
Drilling	6,579,672	-	529,148	-	7,108,820
Lab fees	1,398,580	-	57,287	-	1,455,867
Amortization	114,267	-	-	-	114,267
Total additions during the year	9,958,556	4,277	971,592	39,506	10,378,007
BCMETC (mining tax credits)	(2,268,678)	-	-	-	(2,268,678)
NSR (Net Smelter Royalty)	(9,249,930)	-	-	-	(9,249,930)
Net change during the year	(1,441,374)	4,277	971,592	39,506	(425,999)
Balance, December 31, 2022	21,788,606	756,298	1,251,352	144,557	23,940,813
Deferred exploration costs					
Acquisition costs	230,168	1,046	14,034	8,759	254,007
Geological and assays	554,550	30,011	55,186	176,175	815,922
Drilling	1,025,036	-	-	2,866	1,027,902
Lab fees	223,768	-	46,411	5,588	275,767
Share-based payments	307,793	-	-	-	307,793
Amortization	63,473	-	-	-	63,473
Total additions during the year	2,404,788	31,057	115,631	193,388	2,744,864
Net change during the period	2,404,788	31,057	115,631	193,388	2,744,864
Balance, June 30, 2023	\$ 24,193,394	\$ 787,355	\$ 1,366,983	\$ 337,945	\$ 26,685,677

Related Party Transactions

The Company entered into the following transactions with related parties in addition to those discussed elsewhere in the condensed interim financial statements.

Key management compensation

During the six months ended June 30, 2023, and 2022, short-term employee benefits for key management compensation, and directors' fees, were incurred as follows:

		2023	2022
Gareth Thomas (CEO)	Salary and Bonus	\$ 144,524	\$ 130,000
Shaun Pollard (CFO)	Salary and Bonus	144,524	130,000
Victor Tanaka (Director)	Fees	6,458	3,000
Hannah McDonald (Director)	Fees	6,458	3,000
Paul McRae (Director)	Fees	6,458	3,000
Grenville Thomas (Director)	Fees	4,989	0
<hr/>			
Total key management compensation		\$ 313,411	\$ 269,000

In addition to the above costs, the Company paid \$36,460 (2022 - \$36,460) of rent and office expenditures to Anglo Celtic Exploration Ltd. ("Anglo"). Anglo is a company controlled by Grenville Thomas, a director of the Company, and Gareth Thomas, CEO.

December 31, 2022, \$14,635 (June 30, 2023 - nil) in respect of fees and expense reimbursements were due to key management and included in accounts payable and accrued liabilities. The amounts are non-interest bearing and subject to normal trade terms.

Capital Management

The Company considers its capital structure to consist of shareholders' equity. The Company manages its capital structure and makes adjustments to it based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the three months ended June 30, 2023. The Company is not subject to externally imposed capital requirements.

Risk Management and Financial Instruments

The Company's cash and cash equivalents, other receivables, accounts payable and accrued liabilities, equipment loan and lease liability have carrying values that approximate their fair values due to their short term to maturity.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Company manages credit risk, in respect of cash and cash equivalents, by ensuring that these financial assets are placed with a major Canadian financial institution with strong investment-grade ratings. Concentration of credit risk exists with respect to the Company's cash and cash equivalents, as amounts are held with a single major Canadian financial institution.

The Company's concentration of credit risk and maximum exposure thereto is as follows:

	June 30, 2023	December 31, 2022
Cash– Canadian dollars	\$ 4,489,717	\$ 3,810,775

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

At June 30, 2023, the Company had cash in the amount of \$4,489,717 (December 31, 2022- \$3,810,775) and accounts payable and accrued liabilities of \$445,507 (December 31, 2022 - \$521,798). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of June 30, 2023. The current portions of the lease liability and equipment loan are due within a year. The amount of the Company's remaining undiscounted contractual maturities for the lease liability and equipment loan is approximately \$186,000 (December 31, 2022 - \$211,500) which are due between one to five years.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk consists of interest rate risk, loan fixed interest rate risk, foreign currency risk and other price risk. The Company is not exposed to significant market risk.

The Company's cash and cash equivalents, other receivables, accounts payable and accrued liabilities, equipment loan and lease liability have carrying values that approximate their fair values due to their short term to maturity.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

Commitments

On May 14, 2023, the Company entered into a two-year lease for building space associated with the Shovelnose project.

During the year ended December 31, 2022, the Company entered into three one-year leases for building space associated with the Shovelnose project. Given the lease terms do not exceed one year, the Company elected to not apply IFRS 16 to these leases.

On December 12, 2019, the Company entered into a three-year lease for building space associated with the Shovelnose project. On September 14, 2022, the lease was extended for an additional three years.

On June 2, 2020, the Company entered a two-year lease for building space. On June 1, 2022, this lease was extended for an additional three years.

At June 30, 2023, under the terms of the leases noted above, the Company is committed to the following annual lease payments plus additional occupancy costs:

2023	\$ 99,145
2024	\$ 132,000
2025	\$ 66,900

During the year ended December 31, 2022, the Company entered a loan to purchase equipment. The Company is committed to payments of \$1,025 bi-weekly until May 13, 2027.

During the year ended December 31, 2021, the Company entered a loan to purchase equipment. The Company is committed to payments of \$365 per month until June 30, 2025.

On July 29, 2022, the Company issued flow-through shares which require the Company to incur qualifying exploration expenditures of \$4,285,532 by December 31, 2023. At June 30, 2023, the Company had allocated \$2,427,384 in qualifying expenditures to the commitment leaving \$1,858,148 of remaining qualifying expenditures to incur in 2023.

On June 16, 2020, the Company issued flow-through shares which require the Company to incur qualifying exploration expenditures of \$5,175,315 within 24 months. As at December 31, 2022, the Company had \$nil (2021 - \$3,175,315) of remaining qualifying expenditures to spend. As a result of satisfying the flow-through obligation, the premium on flow-through shares of \$601,639 was recognized in income during the year ended December 31, 2022.

Changes in Accounting Policies

There were no changes in accounting policies during the three months ended June 30, 2023.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

At the date of this MD&A, the Company does not have any proposed material transactions. All material transactions, including those completed subsequent to the date of the financial statement date, are fully disclosed in the unaudited condensed interim financial statements for the three-month periods ended June 30, 2023.

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the unaudited condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim financial statements, and (ii) the unaudited condensed interim financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP. The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Management's responsibility for financial statements

The information provided in this report, including the unaudited condensed interim financial statements is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properly reflected in the accompanying unaudited condensed interim financial statements.

August 29, 2023

On behalf of Management and the Board of Directors,

"Shaun Pollard"

Chief Financial Officer