

**ARIZONA GOLD & SILVER INC.
MANAGEMENT DISCUSSION AND ANALYSIS
SIX MONTHS ENDED FEBRUARY 29, 2024**

SUMMARY OF QUARTER ENDED FEBRUARY 29, 2024 ACTIVITIES

The following financial and operational highlights occurred during the six months ended February 29, 2024 and to the date of this report of April 29, 2024:

- Arizona Gold & Silver Inc.'s (formerly Arizona Silver Exploration Inc.) (the "Company") cash balance increased by \$22,301 over the six months ended February 29, 2024, primarily due proceeds received from loans payable of \$232,949, issuing 45,000 common shares related to the exercise of stock options for proceeds of \$8,475, issuing 81,040 common shares related to the exercise of warrants for proceeds of \$26,562, and subscriptions received of \$17,500, mainly offset by cash used in operating activities of \$126,044 and cash exploration and evaluation expenditures of \$167,141 during the six months ended February 29, 2024.
- During the six months ended February 29, 2024, the Company incurred exploration and evaluation expenditures of \$354,487. Of this total amount, \$5,063 was incurred on the Ramsey Property, \$2,241 was incurred on the Sycamore Canyon Property, \$290,981 was incurred on the Philadelphia Group Property and \$56,202 was incurred on the Silverton Property. In addition, the Company terminated the leases on the Ramsey Property resulting in the Company recognizing a write-down of exploration and evaluation of \$2,584,054.
- On April 3, 2024, the Company closed a non-brokered private placement of 5,328,297 units for gross proceeds of \$1,598,489 at a price of \$0.30 per unit. Each unit is comprised of one common share and one warrant exercisable into a common share for \$0.45 per share for a period of two years.

OVERVIEW

The following management discussion and analysis ("MDA"), prepared on April 29, 2024, should be read in conjunction with the audited consolidated financial statements for the year ended August 31, 2023 and the unaudited condensed consolidated interim financial statements for the six months ended February 29, 2024. All amounts are stated in Canadian dollars unless otherwise indicated. These consolidated financial statements together with this MDA are intended to provide investors with a reasonable basis for assessing the financial performance of the Company.

Information contained in this MDA that is not historical fact may be considered "forward looking statements". These forward-looking statements sometimes include words to the effect that management believes or expects a stated condition or result. All estimates and statements that describe the Company's objectives, goals or plans are forward looking statements. Since forward looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors, including such variables as new information, changes in demand for commodity prices, legislative, environmental and other regulatory or political changes, competition in areas where the Company operates, and other factors discussed herein. Readers are cautioned not to place undue reliance on this forward-looking information.

Additional information related to the Company is available for view on SEDAR+ at www.sedarplus.ca or by requesting further information from the Company's head office in Vancouver.

DESCRIPTION OF BUSINESS

The Company was incorporated under the Business Corporations Act (British Columbia) on May 12, 2011. On November 16, 2016 the Company changed its name from Damon Capital Corp. to Arizona Silver Exploration Inc. On November 18, 2016, the Company acquired Arizona Silver Corporation, holder of several property lease and option agreements and certain surface and mineral rights for the Ramsey Mine area located in La Paz County, Arizona, USA. The acquisition constitutes the Company's qualifying transaction as such term is defined in the policies of the TSX Venture Exchange (the "Exchange"). The Company is classified as a Tier 2 issuer, trading on the Exchange under the symbol AZS. On September 14, 2023, the Company changed its name from Arizona Silver Exploration Inc. to Arizona Gold & Silver Inc.

The head office, the principal address, and the registered and records office of the Company are located at 900-777 West Pender Street, Vancouver, British Columbia, Canada, V6Z 1S4.

RESOURCE PROPERTIES

UNITED STATES

La Paz County, Arizona ("Ramsey Property")

Lease and Option Agreements

In connection with the acquisition of Arizona Silver Corporation ("ASC"), the Company acquired property lease and option agreements as well as rights for surface and minerals as described below.

On November 25, 2014, the Company entered into a property lease and option agreement with Precious Metals LLC, in which they were granted an exclusive right and option to acquire a 100% interest in certain unpatented lode mining claims in La Paz County, Arizona.

On February 23, 2015, the Company entered into a property lease and option agreement with J & D Development, Inc. in which the Company was granted an exclusive right and option to acquire a 100% interest in certain patented mineral claims in La Paz County, Arizona.

On February 6, 2015 and February 26, 2015, Greg Hahn, Vice President Exploration of the Company staked and recorded a group of additional unpatented lode mining claims in La Paz County, Arizona, and on March 22, 2017 Greg Hahn staked and recorded additional unpatented lode mining claims in La Paz County, Arizona. These claims are held on behalf of the Company.

Property Description

The mining claims cover a total of approximately 1000 acres, located in La Paz County, Arizona about 120 miles west of Phoenix along Interstate I-10, and 25 miles southeast of the Copperstone (gold) Mine.

Silver mineralization on the Property was first discovered by John Ramsey in 1921. Between then and the early 1960s, somewhere between 7,000 t (8,000 tons) and 12,700 t (14,000 tons) of material grading 1,270 g/t (37 oz/T) to 1,340 g/t (39 oz/T) silver (Ag) were reported to have been mined from the Ramsey vein and shipped to the Inspiration Smelter, east of Phoenix. In the late 1960s MM Sundt Co. drilled 41 long holes from drill stations established along the vein underground to test for parallel high grade veins. These holes identified a low-grade silver halo that ranged from 20-40 metres wide peripheral to the historic high-grade vein.

In December 2016 and January 2017 ASC drilled five core holes immediately adjacent to the old Ramsey Mine workings: two to the south of the workings and three to the north. The first hole to the south of the workings encountered an old stope (working) and was abandoned before testing the low grade halo. The second hole to the south of the workings intersected 15.3 metres grading 102 grams per tonne (g/t) silver, indicating the silver mineral system continues to the south of the old workings. The three core holes to the north of the old workings encountered extremely faulted ground of silver mineralized material. Hole #5 intersected 47.5 metres of 32.4 g/t silver in the hanging wall of the contact where the vein should have been, and then got stuck in a fault that appears to separate this hanging wall mineralization from the vein and related footwall mineralization. These three holes

demonstrate that the silver mineralization continues north of the old workings but is highly faulted immediately adjacent to the work workings.

The indication from the three holes north of the workings is that the old workings stopped because miners had encountered a fault that offset the vein, and they did not pursue the vein across the fault. Geophysical surveying (magnetics, VLF-EM, and IP) completed by ASC all detect a large anomaly north of the fault zone encountered in the three holes drilled north of the old workings. This anomaly is similar to, but 20 times the size of, the geophysical anomaly that coincides with the silver mineralization at the Ramsey Mine. The IP survey also detected a large but deep IP anomaly west of the magnetic anomaly and the Ramsey Mine location on all three lines surveyed. Modelling of the IP data suggest the body generating the anomaly is +500 metres long by +500 metres wide by +200 metres thick. This represents a very large anomaly (up to 7 times background in strength).

A reverse circulation (RC) drilling program commenced on May 7, 2017 to test the large magnetic anomaly to the north and to continue drilling the open extension to the Ramsey mine mineralization to the east and south. Five holes drilled into the magnetic anomaly encountered strongly altered and iron-enriched Tertiary volcanic rocks beginning below between 100-150 meters of cemented alluvium and volcanoclastic rocks. Alteration and geochemical signatures increased with depth until four of the five drill holes penetrated what appears to be a low-angle fault, below which alteration and silver mineralization ceased abruptly. The fault is characterized by mylonitic textures similar to those seen in detachment faults elsewhere in western Arizona. Below the mylonitized fault zone the holes encountered propylitically altered granite of presumed Precambrian age. It is believed this fault zone is a low-angle detachment fault, which has moved the rocks containing the magnetic anomaly to the east and off the top of the rocks that host the deep western IP anomaly. The deep western IP anomaly may represent the roots of the system that generated the large magnetic anomaly.

Two holes from the May 2017 drilling campaign were completed east of the old Ramsey Mine workings, and encountered significant thicknesses (40-80 metres) of silver mineralization with accompanying lead and zinc values. Drill hole R1706 intersected 44.2 metres of 62.5 gpt Ag and drill hole R1707 intersected 76.3 metres of 31 gpt Ag. These holes demonstrate that the Ramsey mine silver system remains open to the east and south. The silver zone encountered in the above two holes starts at a depth of approximately 60 metres depth, and continues to a depth of approximately 120 metres. Surface mapping of alteration completed in 2015 suggests that the surface alteration may be the hanging wall manifestation of the extension of the Ramsey silver system to the south and east. That alteration area is 700 metres by 250 metres in dimension and totally untested by drilling.

A follow-up drilling program was completed in the second half of 2017 to test the deep IP anomaly on its southern end immediately west of the old Ramsey Mine, and to drill 4-5 holes in to the open southern extension of the Ramsey Mine silver system. Five holes drilled into the Ramsey Mine silver system south of the previous drilling all intersected silver mineralization as anticipated. The silver mineralization appears to continue to both the north, east, and south from the drill holes completed to date. One hole was drilled about 850 metres to the west of the Ramsey Mine to test the deep IP anomaly identified earlier. It was terminated at 215 metres due to hard drilling conditions and intersected weak silver mineralization across the detachment fault that separates overlying Cretaceous meta-sediments from underlying propylitic granite. The propylitic granite appears to be the source of the IP anomaly.

A small drilling program consisting of seven holes totaling 1240 metres was completed February and early March 2018 to test the open eastward extension of the Ramsey silver mineralization. Results were released in a press release dated April 9, 2018, and demonstrated the silver mineral system continues to the east of the previous drilling and historic mine workings at an average thickness of +22 metres. No work has been done on the property since 2020.

The Company terminated the leases on the Ramsey property in order to focus its resources on the remaining properties, particularly the Philadelphia property.

Graham County, Arizona (“Sycamore Canyon Property”)

Lease and Option Agreement

On March 1, 2018 the Company acquired a lease with option to purchase the Sycamore Canyon gold-silver property located in Graham County, Arizona. Terms call for lease payments over a five-year period totalling USD\$60,000, with a balloon payment of USD\$40,000 thereafter to own 100% of the property. The underlying Lessor retains a 2% NSR royalty, half of which the Company can buy-back for USD\$500,000 any time before commencement of commercial production.

Property Description

Sycamore Canyon is located approximately 20 miles northeast of the town of Willcox. The core of the property consists of 10 unpatented lode mining claims on US Forest Service administered public lands. The property contains a prominent silicified breccia body that is over 600 meters long and between 20-80 meters wide. The silicified body occurs primarily within Precambrian granite. Small exposures of mafic lava and agglomerate near or adjacent to the breccia containing abundant silica veining suggests mineralization extends outward into the overlying and/or intruding mafic lava. The silicified breccia has been cut by steeply dipping NE-trending cross-faults which has offset the breccia body in places. The silicified breccia may extend northward on the claim block from what has been mapped to date, as mapping to date indicates the main trend of the breccia turns westward from an otherwise north-northwesterly trend, and may continue under thin post-mineral volcanic cover beyond the limits of current mapping and sampling.

Sampling throughout the silicified breccia to date demonstrates values up to 31 grams per tonne (gpt) Au, or 0.903 ounces per ton (opt) Au, and 458 gpt (13.34 opt) Ag from within the silicified breccia. The average of all 31 rock chip samples taken from the silicified breccia body and the surrounding silicified granite is 1.77 gpt (0.052 opt) Au and 89.5 gpt (2.61 opt) Ag. The silicified breccia is covered by alluvium at the southeastern end of the extent of outcrop where the last samples collected contained between 1.34-3.02 gpt Au and 59.7 -208.4 gpt Ag. It is likely the silicified breccia body continues beneath shallow unconsolidated alluvial cover to the southeast. These results are historical but are backed by certified assay certificates from reputable laboratories that regularly service the exploration and mining industry. Some of these samples are grab samples and some are short channel samples, and some are taken outside of the breccia zone, and as a result they may not be representative of the entire width of the silicified breccia or the surrounding silicified granite. Despite these attractive historic assay values, the silicified breccia has yet to be tested with a drill hole. In May 2018 the Company collected 144 rock chip samples and 10 surface core samples from the mineralized breccia and surrounding silicified granite. A total of 16 rock chip samples from the mineralized breccia averaged 1.68 gpt Au and 177 gpt Ag, substantiating the historical assay numbers from the silicified and mineralized breccia target. The width of the anomalous gold and silver values from the breccia into surrounding silicified granite is over 100 metres in places.

In May 2018 an initial Plan of Operations was submitted to the US Forest Service to drill three holes across the breccia zone where the current access road crosses the target. The Plan of Operations has been amended twice to address questions posed by the US Forest Service (USFS). On November 10, 2018 the Plan of Operations was deemed complete by the USFS and now the Plan is going through the NEPA (National Environmental Policy Act) process. In October 2019 the Plan was submitted to the public and certain State agencies for comments. The comment period closed on November 5, 2019. In 2018 the Company has obtained a commercial right of way across State of Arizona lands in order to access the claims for drilling purposes. In December 2021 the Company obtained a Record of Decision (“ROD”), with stipulations, from the USFS to allow drilling to proceed as proposed in the Plan with three initial holes to be drilled from one drill pad. The Company engaged TetraTech to revise the Plan of Operations per the ROD and has amended its Plan to accommodate the stipulations and has submitted the revised Plan of Operations to the USFS for issuance of a Final Decision, which has not yet been received.

The Company completed staking of an additional 27 unpatented lode mining claims surrounding the core group of leased claims to protect possible extensions of the silicified breccia both to the northwest and to the southeast, and to cover the possibility of additional silicified breccia bodies in the area, as well as potential future development sites. One such additional silicified breccia outcrop was discovered during claim staking that could be either a separate breccia body or an offset continuation of the main breccia located to the southwest of the last mapped and sampled outcrop of the silicified breccia. Additional mineralized breccias were identified during claim work that needs to be mapped and sampled and properly quantified.

VLF-EM Surveying

The Company announced April 16, 2018 that it has completed eleven kilometres of VLF-EM survey lines across the prime gold-silver bearing breccia and silicified zone in the heart of the property. The survey grid covers an area 600 meters long by 500 meters wide, with geophysical lines on 25-metre spacing and stations every 10 metres. Notably, the survey detected the main target zone from one end of the grid to the other, and clearly shows the target extends beyond the limits of the initial grid. The main target is between 50-100 metres wide where exposed intermittently in outcrop and appears to split into two sub-parallel anomalies 100 metres wide in aggregate at the southern end of the grid where the target is covered by shallow alluvium. In addition to defining the geometry of the prime target area and the open extensions of this target to both the north and south of the initial grid area, the survey identifies several parallel but weaker structures that could represent additional targets within the grid area. A map of the initial geophysical results was posted to the web site at www.arizonagoldsilver.com.

In September 2023 the Company dropped the 27 additional unpatented mining claims to hold the original 10 unpatented lode mining claims under lease.

Mohave County, Arizona (“Philadelphia Group Property”)

Lease and Option Agreement

On February 7, 2019, the Company has entered into a lease with option to purchase on 11 unpatented lode mining claims that cover a majority of the old workings and potential strike extension of the former operating Arabian-Philadelphia Mine. In addition, the Company has staked three additional lode mining claims to cover the southern strike extension of the vein and host structure that was not covered by the leased claim group. The initial lease payment has been made. Together with the newly acquired lease on the patented claims the Company has +3.5 kilometers of strike length along the mineralized fault.

The Company had the exclusive right an option to terminate the lease and instead acquire a 100% interest in and to the Philadelphia Group Property after making any of the above lease/option payments and prior to the commencement of mine construction by paying the lessor USD\$500,000 cash. The underlying Lessor retained a 2% NSR royalty, half of which the Company could buy-back for USD\$500,000 any time before commencement of commercial production.

On January 29, 2020, the Company entered into a purchase and sale agreement completely replacing and superseding the lease and option agreement entered into in February 2019. Under the terms of the purchase and sale agreement, the Company must make a cash payment of USD\$20,000 and issue 250,000 common shares of the Company to own the property 100% outright with no further annual lease payments or buyout expenditures. The Seller will retain a 1% NSR royalty. The purchase and sale closed on February 15, 2020.

On November 5, 2020, the Company bought out the existing 1% NSR on the Philadelphia Group Property for USD\$50,000.

On February 12, 2021, the Company entered into a lease agreement with the owner of the Perry Patented Claim adjacent to Philadelphia gold silver property, located in Mohave County, Arizona. Pursuant to the lease agreement, the Company pays an annual fixed lease payment of US\$25,000 and the lessor will retain a 3% NSR royalty. On August 8, 2021 the lease was amended to include the Rising Fawn and Resaca patented claims, with annual lease payments of \$25,000 for each claim retained under lease and the lessor retains a 3% NSR royalty. A balloon payment of \$100 per ounce contained in reserves on the leased patented property as defined in a bankable feasibility study is due prior to commencement of mining.

Property Description

Philadelphia Group Property is a high-grade gold and silver vein target located in Mohave County, northwestern Arizona. The property had reported historic production of around 75,000 tons at an estimated average grade of around 0.5 ounces per ton over primarily a 5-year period in the 1920s and 1930s. The mine was shuttered during World War II and allowed to flood. The mine was never re-opened after World War II.

Mohave County in northwestern Arizona is the home to the Oatman Mining District, which produced over 2 million ounces of gold from high-grade veins through underground mining in the early 1900's. Currently active gold mining operations by Northern Vertex at the Moss Mine open pit heap leach operation, and by Aura Minerals Inc. at the Gold Road underground mine and agitation leach operation are located nominally 6 miles and 10 miles respectively south of the Company's Philadelphia Group Property.

Highlights of Philadelphia Group Property

- Past production indicates gold grades ranged from 0.3-0.79 opt (10-27 gpt) Au
- Historic silver grades in production shaft reportedly average 12.25 opt (420 gpt) Ag
- Historic gold grades in production shaft reportedly average 0.341 opt (15.5 gpt) Au, for a combined gold equivalent grade of 0.485 opt (16.63 gpt) Au(eq).

Exploration Plan

The Company completed six reverse circulation ("RC") drill holes in mid-2019. All six holes intersected gold-silver mineralization at shallow depths along the Philadelphia vein as reported in press releases on 05-08-19, 05-15-19, and 05-28-19. The best intercept along the vein was in hole PRC19-2 which intersected 10 feet grading 0.46 ounces per ton gold and 2.62 ounces per ton silver from 25 feet to 35 feet depth (3.1metres grading 15.8 grams per tonne gold and 90 grams per tonne silver) from 7.6 metres to 10.7 metres depth).

The Company completed three core holes in October 2019 as planned: two hole located 100 feet north and along strike of the high grade intercept in hole PRC19-2, and one twin hole of PRC19-2, located 3 feet down dip. All three holes intersected the vein bearing gold and silver, and core hole PC19-2T, the twin of PRC19-2, intersected 7.5 feet grading 0.685 opt Au and 2.83 opt Ag from 28 feet to 35.5 feet depth (2.3 metres grading 23.47 grams per tonne gold and 97 grams per tonne silver from 8.5 metres to 10.8 metres depth).

Reverse circulation drilling along the strike and dip of the vein continued in Q1 2020. A total of 20 holes were drilled along a strike length of 150 meters and a dip length of 200 meters locally. The first five holes failed to hit the vein, but the remaining 15 holes all intersected the vein. Most of those intercepts contained visible gold in many sample intervals. Geologic evidence from the drill cuttings is the vein is getting stronger both to the north and down dip. Assay results indicate low to medium grade gold in the 0.5-3.0 gram per tonne range associated with quartz vein material, suggesting the intercepts are on the margins or perimeter of potentially higher grade mineralization. Additional core and reverse circulation drilling commenced in late October 2020 and through early 2021. Results were mixed with roughly half of the holes intersecting the vein structure and the other half failing to intersect the vein due to fault offsets. All results from the above drilling programs have been released. Core and reverse circulation drilling were completed on the Perry patented claim in Q2 2021 with encouraging results. Additional core drilling is planned for 2022.

In February 2021 the Company signed a lease agreement on the Perry Patented Claim, which is one of three patented claims along the strike of the main vein. The Perry claim is located about 1300 meters south of the southern end of our 2019-2020 drilling program. The claim contains exposures of the vein that have never been drilled. The Company commenced drilling on the Perry claim in May 2021 and complete results are expected in by the end of the summer 2021.

In August 2021 the Company has secured a long-term lease on the Resaca and Rising Fawn patented claims at the Philadelphia Project. These two claims cover a significant portion of the vein mineralization localized along approximately 850 metres of strike length of the Arabian fault within the two claims. The Arabian Fault is the host to the high-grade vein(s) localized along or adjacent to it. Acquisition of this lease agreement consolidates the Company's property position over +3 kilometers of strike length along the fault and associated vein exposures.

Subsequent exploration drilling of reverse circulation drill holes on the patented claims identified a high-grade vein and thick adjacent stockwork mineralized zone up to 115 metres thick in two fences of holes located approximately 300 metres apart on the patented claims. Follow-up core drilling was completed in the first half of 2022 which demonstrated the mineral system continues to a depth of at least +200 metres and a strike length of at least +750 metres. Twelve reverse circulation ("RC") drill holes were completed in Q1 2023 in two previously undrilled areas

inside the patented claims. All twelve holes intersected stockwork quartz at the target locations across wide intervals, with visible gold occasionally present. Assays are pending.

The Company also completed a test CSAMT (controlled source audio-magneto telluric) geophysical survey line over the heart of the property which identified a large low resistivity response beneath the Red Hills altered flow dome, which lies adjacent to the patented claims where our drilling has been successful to date.

In May 2022 the Company submitted to the BLM a Plan of Operations and a Draft Environmental Assessment ("EA") to drill 40 core holes from two drill pads to test the continuity of strong mineralization intercepted at the edge of the Perry patented claim. The EA was accepted in draft form in March 2024 and release for a 30-day public comment period, which ended April 4, 2024. The BLM is currently reviewing the public comments received and is preparing a Final EA for consideration of issuing a Record of Decision approving the exploration program.

In May 2023 the Company secured a core drill rig to test the CSAMT anomaly and the interpreted feeder zone beneath it. Drill hole PC23-111 intersected the feeder zone and results were reported in June 2023. Drill hole PC23-112 was targeted to test the CSAMT, but the hole deviated to the left and failed to hit the target. The target will be tested from holes being permitted with the BLM in 2024.

Nye County, Nevada ("Silverton Property")

The Company entered into a property assignment agreement with Greg Hahn Consulting LLC ("Assignor") on August 15, 2020 for certain mining claims located in Nye County, Nevada.

The Assignor is a party to an agreement dated on August 7, 2019 with Precious Metal LLC (the "Silverton Agreement") related to seventy-seven unpatented mining claims. In consideration of USD\$36,344 (paid), the Assignor assigned, transferred and conveyed to the Company the entire right, title and interest in and to the Silverton Agreement. In addition, the Company assumed all of the Assignor's obligations and liabilities under the Silverton Agreement.

Terms call for lease payments over a four-year period totalling USD\$70,000 and USD\$25,000 for each anniversary year perpetually thereafter. The lease provides an option to buy the property outright for USD\$1.25 million with a retained 2% NSR to the underlying owner of the claims and a retained 1% NSR to the assignor of the lease. The Company further has the right to buy out the royalty interest completely for USD\$1.25 million and USD\$0.5 million, respectively.

In September 2020 the Company submitted a Notice of Intent to the United States Bureau of Land Management ("BLM") for access road construction and initial drilling of historic gold anomalies in the southwest corner of the property. The Notice was approved by the BLM and a reclamation bond was posted in October 2020. In June 2021 the Company amended the notice to include four additional holes from one additional drill pad. The Company has since identified a large deep Carlin-type target on the east side of the property and is planning a CSAMT survey to assess the potential for a large Carlin-type gold system at depth. In May 2023 the Company requested a 2-year extension to the Notice of Intent which was granted on May 17, 2023.

In May 2023 the Company completed a helicopter-borne MT geophysical survey across the property. Several significant anomalies were detected along the east side of the property that warrant drill testing in the future. Sixteen additional mining claims were staked along the eastern side of the property to cover portions of the MT anomalies that were not covered by the existing claim group.

Greg Hahn, CPG#7122 and currently Vice President Exploration of the Company, is the Qualified Person responsible for the technical disclosure contained in this document.

RESULTS OF OPERATIONS

Three months ended February 29, 2024

For the three months ended February 29, 2024, the Company recorded a net loss of \$133,400 (2022 - \$433,256).

This change is mainly attributable to a decrease in consulting fees to \$19,500 (2023 - \$69,050) and decrease in share-based compensation to \$Nil (2023 - \$302,158) due to the Company granting 1,375,000 stock options at an

exercise price of \$0.29 per share for a period of five years valued at \$301,559 during the comparative period. The decrease in operating expenses was partially offset by an increase in management fees to \$26,000 (2023 - \$18,000) and increase in professional fees to \$42,433 (2023 - \$6,000) during the period mainly related to audit fees of the Company's annual consolidated financial statements.

Six months ended February 29, 2024

For the six months ended February 29, 2024, the Company recorded a net loss of \$2,826,683 (2023 - \$539,099). This change is mainly attributable to the Company recognizing a write-down of exploration and evaluation assets of \$2,584,054 (2023 - \$Nil) relating to terminated leases for the Ramsey Property during the period. The decrease in operating expenses was mainly due to a decrease in consulting fees to \$65,151 (2023 - \$88,550) and decrease in share-based compensation to \$Nil (2023 - \$303,225) due to the Company granting 1,375,000 stock options at an exercise price of \$0.29 per share for a period of five years valued at \$301,559 during the comparative period, which were partially offset by an increase in interest expense to \$9,385 (2023 - \$Nil) due to related party loans received with interest rate of 7.7% per annum, unsecured and due on demand, and increase in professional fees to \$49,049 (2023 - \$40,241) during the period.

At February 29, 2024, the Company had no continuing source of operating revenues and related expenditures. The Company has not paid any dividends on its common shares and has no present intention of paying dividends, as it anticipates that all available funds for the foreseeable future will be used to finance its business activities.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The following is a summary of selected financial information compiled from the condensed consolidated interim financial statements (unaudited) for the eight quarters ending February 29, 2024:

	Three months ended			
	<i>February 29, 2024</i>	<i>November 30, 2023</i>	<i>August 31, 2023</i>	<i>May 31, 2023</i>
	<i>-\$-</i>	<i>-\$-</i>	<i>-\$-</i>	<i>-\$-</i>
Total assets	6,099,279	5,911,381	8,336,309	8,280,926
Working capital (deficiency)	(533,825)	(308,941)	(19,150)	105,466
Shareholders' equity	5,404,968	5,490,806	8,149,114	8,066,101
Net loss for the period	(133,400)	(2,693,283)	(227,719)	(843,970)
Loss per share	(0.00)	(0.04)	(0.00)	(0.01)
	Three months ended			
	<i>February 28, 2023</i>	<i>November 30, 2022</i>	<i>August 31, 2022</i>	<i>May 31, 2022</i>
	<i>-\$-</i>	<i>-\$-</i>	<i>-\$-</i>	<i>-\$-</i>
Total assets	8,073,330	7,106,541	7,063,585	7,307,796
Working capital	611,430	108,527	339,241	763,183
Shareholders' equity	7,936,279	7,042,630	7,016,763	7,115,063
Net loss for the period	(433,256)	(105,843)	(104,580)	(95,767)
Loss per share	(0.01)	(0.00)	(0.00)	(0.00)

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date through the issuance of common shares. The Company may continue to seek capital through various means including the issuance of equity and/or debt.

Net cash used in operating activities for the six months ended February 29, 2024 was \$126,044 (2023 - \$329,231) for cash expenditures for payments of consulting fees, management fees, transfer agent and filing fees, travel, professional fees, advertising and promotion, and general administrative costs. Net cash used in operating activities adjusts net loss for the non-cash expense for share-based compensation of \$Nil (2023 - \$303,225), foreign exchange of \$591 (2023 - \$1,224), accrued interest of \$9,385 (2023 - \$Nil) and write-down of exploration and evaluation assets of \$2,584,054 (2023 - \$Nil).

Cash used in investing activities for the six months ended February 29, 2024 was \$167,141 (2023 - \$646,103) mainly for expenditures on the Ramsey Mine, Philadelphia Group and Silverton properties.

Cash provided by financing activities for the six months ended February 29, 2024 was \$315,486 (2023 - \$1,155,390) mainly by issuing 45,000 common shares related to stock options exercised for total proceeds of \$8,475, issuing 81,040 common shares related to warrants exercised for total proceeds of \$26,562, and proceeds received from loans payable of \$232,949. The loans are unsecured, bears interest at 7.7% per annum and are due on demand. In the comparative 2023 period, the Company issued 4,588,460 common shares related to a non-brokered private placement for total proceeds of \$1,106,390 and issued 200,000 common shares related to stock options exercised for total proceeds of \$39,000.

Working capital deficiency at February 29, 2024 increased to \$533,825 (August 31, 2023 – \$19,150) mainly due to funding the Company's exploration activity and general administrative expenses. This increase was partially offset by the stock options and warrants exercised as mentioned above.

The Company's ability to meet its obligations and maintain its current operations is contingent upon successful completion of additional financing arrangements.

Stock Options

The Company has adopted a 10% rolling stock option plan which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX Venture Exchange ("TSX-V") requirements, grant options to directors, officers, employees, and consultants of the Company, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Options granted vest at the discretion of the Board of Directors.

The Company uses the Black-Scholes option pricing model to value the stock options granted during the period. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The model requires management to make estimates which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values.

On January 10, 2023, the Company granted incentive stock options to purchase 1,375,000 common shares at an exercise price of \$0.29 per share for a period of five years to directors, management, and consultants of the Company. Accordingly, the Company recorded the estimated grant date fair value of \$301,559 in connection to these options.

The grant date fair value of the options granted above was based on the following assumptions: share price at grant date of \$0.29; exercise price of \$0.29; expected life of 5 years; expected volatility of 100%; risk free interest rate of 3.11%; expected dividend yield of 0%; and forfeiture rate of 0%.

On March 24, 2023, the Company granted incentive stock options to purchase 120,000 common shares at an exercise price of \$0.40 per share for a period of five years to a consultant of the Company. Accordingly, the Company recorded the estimated grant date fair value of \$36,224 in connection to these options.

The grant date fair value of the options granted above was based on the following assumptions: share price at grant date of \$0.40; exercise price of \$0.40; expected life of 5 years; expected volatility of 100%; risk free interest rate of 2.70%; expected dividend yield of 0%; and forfeiture rate of 0%.

On April 25, 2023, the Company granted incentive stock options to purchase 1,425,000 common shares at an exercise price of \$0.47 per share for a period of five years to directors, management, and consultants of the Company. Accordingly, the Company recorded the estimated grant date fair value of \$592,970 in connection to these options.

The grant date fair value of the options granted above was based on the following assumptions: share price at grant date of \$0.54; exercise price of \$0.47; expected life of 5 years; expected volatility of 99%; risk free interest rate of 2.98%; expected dividend yield of 0%; and forfeiture rate of 0%.

On May 8, 2023, the Company granted incentive stock options to purchase 270,000 common shares at an exercise price of \$0.56 per share for a period of five years to consultants of the Company. Accordingly, the Company recorded the estimated grant date fair value of \$118,572 in connection to these options.

The grant date fair value of the options granted above was based on the following assumptions: share price at grant date of \$0.58; exercise price of \$0.56; expected life of 5 years; expected volatility of 99%; risk free interest rate of 2.99%; expected dividend yield of 0%; and forfeiture rate of 0%.

The number of stock options outstanding and exercisable at February 29, 2024 and August 31, 2023 are as follows:

	February 29, 2024		August 31, 2023	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of period	6,882,250	\$ 0.31	5,737,250	\$ 0.23
Options granted	-	-	3,190,000	0.40
Options expired/cancelled	-	-	(150,000)	0.28
Options exercised	(45,000)	0.19	(1,895,000)	0.20
Options outstanding, end of the period	6,837,250	\$ 0.31	6,882,250	\$ 0.31
Options exercisable, end of the period	6,837,250	\$ 0.31	6,882,250	\$ 0.31

As at February 29, 2024, the weighted average remaining contractual life of the outstanding exercisable stock options is 2.67 years (August 31, 2023 – 3.16 years).

Warrants

The number of warrants outstanding at February 29, 2024 and August 31, 2023 are as follows:

	February 29, 2024		August 31, 2023	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Warrants outstanding, beginning of period	7,986,798	\$ 0.37	6,275,798	\$ 0.36
Warrants granted	-	-	2,245,630	0.40
Warrants exercised	(81,040)	0.33	(534,630)	0.40
Warrants outstanding, end of the period	7,905,758	\$ 0.37	7,986,798	\$ 0.37

As at February 29, 2024, the weighted average remaining contractual life of the outstanding exercisable warrants is 1.91 years (August 31, 2023 – 2.42 years).

RELATED PARTY TRANSACTIONS

Amounts due to related parties consist of charges accrued for office administration and management fees. These amounts are due to directors, officers, or companies controlled by directors or officers. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

The following amounts due to related parties are included in accounts payables and accrued liabilities:

	February 29, 2024	August 31, 2023
Directors and corporations controlled by directors of the Company	\$ 263,457	\$ 33,452
A corporation controlled by the Chief Financial Officer	5,250	2,100
	\$ 268,707	\$ 35,552

As at February 29, 2024, the Company has loans payable of \$207,542 (August 31, 2023 - \$101,356) to the Chief Executive Officer of the Company and \$135,653 (August 31, 2023 - \$Nil) to the VP Exploration of the Company. The loans are unsecured, bears interest at 7.7% per annum and due on demand.

The Company incurred the following transactions with directors/officers of the Company and corporations that are controlled by directors/officers of the Company. The Company has identified these directors/officers as its key management personnel.

	February 29, 2024	February 28, 2023
Professional fees to the CFO ³	\$ 14,000	\$ 12,000
Management fees to the CEO ¹	44,000	36,000
Capitalized fees on long-term assets to an officer ²	36,600	36,719
Share-based compensation to officers and directors ^{1,2,3,4}	-	164,487
	\$ 94,600	\$ 249,206

¹ Mike Stark, President & CEO & Director

² Greg Hahn, VP Exploration & Director

³ Dong Shim, CFO

⁴ Eugene Spiering, Director

⁵ Brady Stiles, Director

⁶ Jim Engdahl, Director

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's consolidated financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances; however, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for share-based payments, and the recoverability and measurement of deferred tax assets and liabilities.

Valuation of Exploration and Evaluation assets - Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Property under lease has attributes of an option agreement and accordingly the Company capitalizes annual lease payments and exploration and evaluation costs required under the lease agreement. Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indicators of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets.

Share-based compensation - The Company uses the Black-Scholes option pricing model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can significantly change the fair value estimate and the Company's earnings and equity reserves.

Deferred income taxes - Judgement is required in determining whether deferred tax assets are recognized in the consolidated statements of financial position. Deferred tax assets, including those arising from unutilized tax losses require management to assess the likelihood that the Company will generate taxable income in future periods, in order to utilize deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the consolidated statements of financial position could be impacted. The Company has not recorded any deferred tax assets.

ACCOUNTING POLICIES

New Accounting Standards

During the six months ended February 29, 2024, the Company did not adopt any new accounting standards.

FINANCIAL RISK MANAGEMENT

The Company is exposed to minimal financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The Company's cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by a bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high-quality financial institution as determined by rating agencies.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

As at February 29, 2024, the Company has \$351,116 (August 31, 2023 - \$85,839) in current liabilities, excluding loan payable, that are due within 90 days and loan payable of \$343,195 (August 31, 2023 - \$101,356) that is due on demand.

Currency risk

The Company operates in Canada and the United States. The Company has foreign exchange risk with respect to its USD cash, accounts payable and loans payable. As at February 29, 2024, the exposure to USD cash was USD\$3,231 (\$4,384) (August 31, 2023 - USD\$10,529 (\$14,353)), accounts payable was USD\$160,792 (\$218,195) (August 31, 2023 - USD\$27,475 (\$34,125)) and loans payable was USD\$99,965 (\$135,653) (August 31, 2023 - USD\$Nil). A 10% change in the foreign exchange results would result in an impact of \$30,000 (2023 - \$8,000).

Interest rate risk

The Company is not currently exposed to significant interest rate risk.

Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity and loans as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders. The Company is not exposed to externally imposed capital requirements and there were no changes in the Company's capital management during the course of the period.

ADDITIONAL INFORMATION

Off-Balance Sheet Arrangements

As at the current date, the Company has no off-balance sheet arrangements.

Legal Proceedings

As at the current date, management is not aware of any legal proceedings involving the Company.

Proposed Transactions

As at the current date, the Company had no proposed transactions.

Outstanding Share Data

As at April 29, 2024, the Company has 77,087,292 common shares outstanding.

Warrants

As at April 29, 2024, the Company had 7,905,756 warrants outstanding.

Stock Options

As at April 29, 2024, the Company had 6,710,000 stock options outstanding. The Company adopted a 10% rolling stock option plan at its Annual General Meeting on June 28, 2019.

Contingent Liabilities

As at the current date, management is not aware of any outstanding contingent liabilities relating to the Company's activities.

Any forward-looking information in this MDA is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the company, and other factors.

CAPITAL DISCLOSURE

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 of a new business. 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 acquire and sustain future development of a business. The Company has recently reactivated and acquired a business, which will require additional financial resources. 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 current period. The Company is not subject to externally imposed capital requirements.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's consolidated financial statements and the other financial information included in this management report are the responsibility of the Company's management and have been examined and approved by the Board of Directors. The consolidated financial statements were prepared by management in accordance with IFRS and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities. The Board of Directors supervises the consolidated financial statements and other financial information through its audit committee.

This committee's role is to examine the consolidated financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies. 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 which 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 directors in a conflict will disclose their interests and abstain from voting in such matters. 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.

As at the date of this MDA, the directors of the Company are Greg Hahn, Mike Stark, Eugene Spiering and Jim Engdahl.