



OPTIMUM VENTURES LTD.

Management Discussion & Analysis ("MD&A")

For the six months ended December 31, 2022

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A includes certain forward-looking statements or information. All statements other than statements of historical fact included in this MD&A including statements relating to the potential mineralization or geological merits of the Company's mineral properties and the future plans, objectives or expectations of the Company are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include among other things, statements regarding future commodity pricing, estimation of mineral reserves and resources, timing and amounts of estimated exploration expenditures and capital expenditures, costs and timing of the exploration and development of new deposits, success of exploration activities, permitting time lines, future currency exchange rates, requirements for additional capital, government regulation of mining operations, environmental risks, anticipated reclamation expenses, timing and possible outcome of pending litigation, timing and expected completion of property acquisitions or dispositions, and title disputes. They may also include statements with respect to the Company's mineral discoveries, plans, out-look and business strategy.

Forward-looking statements are predictions based upon current expectations and involve known and unknown risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

Important factors that could cause actual results to differ materially from the Company's plans or expectations include risks relating to the actual results of exploration programs, fluctuating commodity prices, the possibility of equipment breakdowns and delays, the availability of necessary exploration equipment including drill rigs, exploration cost overruns, general economic or business conditions, regulatory changes, and the timeliness of government or regulatory approvals to conduct planned exploration work. Additional factors that could cause actual results to differ materially from the Company's plans or expectations include political events, the effects of pandemics, fluctuations in mineralization grade, geological, technical, mining or processing problems, future profitability on production, the ability to raise sufficient capital to fund exploration or production, litigation, legislative, environmental and other judicial, regulatory, political and competitive developments, inability to obtain permits, general volatility in the equity and debt markets, accidents and labor disputes and the availability of qualified personnel.

Although the Company has attempted to identify all of the factors that may affect our forward-looking statements or information, this list of the factors is not exhaustive. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks and uncertainties detailed throughout this MD&A. The Company disclaims any intention or obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise, except where required by applicable securities laws.

DATE AND INTRODUCTION

Optimum Ventures Ltd. (the “Company”) was incorporated on November 23, 2017 under the laws of the Province of British Columbia, Canada. The Company’s principal business activity is the acquisition, exploration and evaluation of mineral properties located in Province of British Columbia, Canada and in the State of Alaska, USA.

The Company has two subsidiaries. Details of the Company’s subsidiaries are as follows:

Name of subsidiary	Country of Incorporation	Percentage ownership
Hyder Ventures Ltd.	USA (Alaska)	100%
1309762 BC Ltd.	Canada (BC)	100%

The Company’s head office is located at Suite 1507 – 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3.

The Company’s common shares trade on the TSX Venture Exchange under the symbol “OPV”.

This discussion and analysis of financial position, results of operations and cash flows of Optimum Ventures Ltd. for the six months ended December 31, 2022 includes information up to and including February 17, 2023 and should be read in conjunction with the Company’s unaudited condensed interim consolidated financial statements for the six months ended December 31, 2022 and the Company’s audited consolidated financial statements for the years ended June 30, 2022 and 2021. All dollar figures are in Canadian dollars unless otherwise stated.

The reader is encouraged to review the Company’s statutory filings on www.sedar.com and to review other information about the Company on its website at www.optimumventures.ca.

Optimum Ventures Ltd.
Management Discussion & Analysis
For the six months ended December 31, 2022

MINERAL PROPERTIES

Property acquisition costs and deferred exploration costs incurred on the Company's mineral properties for the year ended June 30, 2022 and for the six months ended December 31, 2022 were as follows:

	Premier South	Salmon	Harry	Total
Balance, June 30, 2021	\$ 601,533	\$ -	\$ -	\$ 601,533
Property acquisition costs - cash	90,475	-	77,000	167,475
Property acquisition costs - shares - Note 8	-	-	536,766	536,766
Deferred exploration costs - assays	11,974	-	38,718	50,692
Deferred exploration costs - claim maintenance fees	4,892	-	-	4,892
Deferred exploration costs - equipment rental	106,795	-	59,941	166,736
Deferred exploration costs - geological	11,955	-	46,475	58,430
Deferred exploration costs - labour	106,873	-	-	106,873
Deferred exploration costs - road construction	12,500	-	12,500	25,000
Deferred exploration costs - travel and field	92,737	-	88,568	181,305
Deferred exploration costs - BCMETC	-	-	(26,678)	(26,678)
	438,201	-	833,290	1,271,491
Write-off of exploration and evaluation assets	(1,039,734)	-	-	(1,039,734)
Balance, June 30, 2022	\$ -	\$ -	\$ 833,290	\$ 833,290
Property acquisition costs - cash	-	-	75,000	75,000
Property acquisition costs - shares - Note 8	-	569,962	100,500	670,462
Property acquisition costs - legal and filing	-	33,081	-	33,081
Deferred exploration costs - assays	-	-	1,752	1,752
Deferred exploration costs - claim maintenance fees	-	8,949	-	8,949
Deferred exploration costs - drilling	-	-	690,732	690,732
Deferred exploration costs - equipment rental	-	-	114,982	114,982
Deferred exploration costs - geological	-	-	669,231	669,231
Deferred exploration costs - helicopters	-	-	381,296	381,296
Deferred exploration costs - labour	-	-	17,270	17,270
Deferred exploration costs - supervision	-	-	132,000	132,000
Deferred exploration costs - surveying	-	-	164,112	164,112
Deferred exploration costs - travel and field	-	-	164,288	164,288
Deferred exploration costs - BCMETC	-	-	(3,132)	(3,132)
	-	611,992	2,508,031	3,120,023
Balance, December 31, 2022	\$ -	\$ 611,992	\$ 3,341,321	\$ 3,953,313

MINERAL PROPERTIES – (cont'd)

Premier South Property

The Premier South Property was comprised of eight patented mineral claims known as the Riverside claims and four federally located mineral claims known as the Mineral Basin claims, all situated in Hyder Mining District in the State of Alaska, USA.

At June 30, 2022, the Company determined that no further exploration work was warranted on the Premier South Property. On August 24, 2022, the Company provided the vendors of the Riverside and Mineral Basin claims with notice that it would not be proceeding with the option agreements. Accumulated property acquisition costs and deferred exploration costs of \$1,039,734 were written-off.

During the six months ended December 31, 2022, the Company incurred and wrote-off costs which totalled \$7,299 related to the Premier South Property.

Riverside Option

By an option assignment agreement dated December 8, 2017, the Company had the right to acquire a 100% interest in the Riverside claims which consisted of eight patented mineral claims located in the Hyder Mining District, in the State of Alaska, USA. Consideration to acquire the 100% interest was as follows:

Cash Payments:

- i) US\$10,000 on execution of the agreement (paid);
- ii) a further US\$20,000 on or before September 22, 2018 (paid);
- iii) a further US\$30,000 on or before September 22, 2019 (paid);
- iv) a further US\$40,000 on or before September 22, 2020 (paid); and
- v) a further US\$50,000 on or before September 22, 2021 (paid).

Cumulative Exploration Expenditures:

- i) US\$10,000 on or before September 22, 2018 (incurred);
- ii) a further US\$30,000 on or before September 22, 2019 (incurred);
- iii) a further US\$40,000 on or before September 22, 2020 (incurred); and
- iv) a further US\$50,000 on or before September 22, 2021 (incurred).

At any time after September 22, 2018 but before September 22, 2022, the Company could purchase the Riverside claims outright for US\$500,000 provided that all the cash payments and exploration expenditures set out above have been made to the latest anniversary date.

The Riverside claims were subject to a 2% net smelter returns royalty. The Company had the right, at any time, to purchase one-half of the royalty for US\$500,000.

MINERAL PROPERTIES – (cont'd)

Premier South Property – (cont'd)

Mineral Basin Option

By an option assignment agreement dated December 8, 2017, the Company had the right to acquire up to a 100% interest in the Mineral Basin claims which consisted of four federally located mineral claims located in the Hyder Mining District, in the State of Alaska, USA. Consideration to acquire an initial 51% the interest was as follows:

Cash Payments:

- i) US\$10,000 on execution of the agreement (paid);
- ii) a further US\$20,000 on or before September 25, 2018 (paid);
- iii) a further US\$20,000 on or before September 25, 2019 (paid);
- iv) a further US\$20,000 on or before September 25, 2020 (paid);
- v) a further US\$20,000 on or before September 25, 2021 (paid); and
- vi) a further US\$200,000 on or before September 25, 2022.

Cumulative Exploration Expenditures:

- i) US\$30,000 on or before September 25, 2018 (incurred);
- ii) a further US\$50,000 on or before September 25, 2019 (incurred);
- iii) a further US\$70,000 on or before September 25, 2020 (incurred);
- iv) a further US\$100,000 on or before September 25, 2021 (incurred); and
- v) a further US\$200,000 on or before September 25, 2022

Upon earning a 51% interest in the Mineral Basin claims, the Company had the right to purchase the remaining 49% interest for US\$500,000 at any time on or before September 25, 2023.

The Mineral Basin claims were subject to a 2% net smelter returns royalty. The Company had the right, at any time, to purchase one-half of the royalty for US\$500,000.

MINERAL PROPERTIES – (cont'd)

Harry Property

On September 13, 2021, the Company entered into an option agreement with Teuton Resources Corp. (“Teuton”) to acquire an 80% interest in the Harry and Outland Silver Bar Properties (the “Harry Property”). The Harry Property is located north of Stewart, British Columbia in the Skeena Mining Division. It consists of three contiguous mineral claims that cover a gross area of approximately 1,333 hectares.

The Harry Property lies in a prospective corridor running north-northwest from the Premier, Silver Coin, Big Missouri and Dilworth gold deposits presently being developed by Ascot Resources Ltd. Lying to the west and north of the Harry Property are the extensive holdings of Scottie Resources Corp. which include the formerly producing Scottie Gold mine. The Harry Property is also immediately adjacent to the extensive holdings of Pretium Resources Inc. on the northeast boundary.

Consideration to acquire the 80% interest in the Harry Property is as follows:

Cumulative Exploration Expenditures:

- \$500,000 on or before September 13, 2022 (“the Year 1 expenditures”) (incurred);
- a further \$1,000,000 on or before September 13, 2023 (“the Year 2 expenditures”);
- a further \$1,500,000 on or before September 13, 2024 (“the Year 3 expenditures”);
- a further \$2,000,000 on or before September 13, 2025 (“the Year 4 expenditures”);
- a further \$4,000,000 on or before September 13, 2026 (“the Year 5 expenditures”).

All exploration expenditures are on a “make or pay” basis, meaning the Company shall either make the required expenditures, or pay the Optionor in cash for any shortfall within 30 days of the period during which the expenditures were required.

Cash Payments:

- \$50,000 on TSX Venture Exchange approval of the agreement (paid);
- a further \$75,000 on or before the earlier of September 13, 2022 and the date that is 30 days after the date that the Year 1 expenditures are incurred (paid);
- a further \$100,000 on or before the earlier of September 13, 2023 and the date that is 30 days after the date that the Year 2 expenditures are incurred;
- a further \$150,000 on or before the earlier of September 13, 2024 and the date that is 30 days after the date that the Year 3 expenditures are incurred;
- a further \$400,000 on or before the earlier of September 13, 2025 and the date that is 30 days after the date that the Year 4 expenditures are incurred;
- a further \$725,000 on or before the earlier of September 13, 2026 and the date that is 30 days after the date that the Year 5 expenditures are incurred.

MINERAL PROPERTIES – (cont'd)

Harry Property – (cont'd)

Share Issuances:

- 200,000 common shares on TSX Venture Exchange approval of the agreement (issued at a fair value of \$91,000);
- a further 300,000 common shares on or before the earlier of September 13, 2022 and the date that is 30 days after the date that the Year 1 expenditures are incurred (issued at a fair value of \$100,500);
- a further 300,000 common shares on or before the earlier of September 13, 2023 and the date that is 30 days after the date that the Year 2 expenditures are incurred;
- a further 700,000 common shares on or before the earlier of September 13, 2024 and the date that is 30 days after the date that the Year 3 expenditures are incurred;
- a further 1,000,000 common shares on or before the earlier of September 13, 2025 and the date that is 30 days after the date that the Year 4 expenditures are incurred;
- a further 1,500,000 common shares on or before the earlier of September 13, 2026 and the date that is 30 days after the date that the Year 5 expenditures are incurred.

Upon exercise of the option by the Company, the parties will enter into an agreement for the operation of the Harry Property with the Company being the operator. The Company will grant the Optionor a 2% net smelter return royalty.

Concurrent with the entry into the option agreement with Teuton for the Harry Property, the Company entered into a quitclaim agreement with Jayden Resources Inc. ("Jayden"), pursuant to which Jayden agreed to terminate its option agreement with Teuton in consideration for \$27,000 (paid) and the issuance of 750,000 common shares of the Company (issued at a fair value of \$341,250).

In connection with both of the above agreements, the Company entered into a finders' fee agreement under which the Company paid a finder's fee of 229,706 common shares at a fair value of \$104,516.

As per the December 1, 2020 National Instrument 43-101 Technical Report on the Harry Property filed by Jayden (available on Jayden's profile on SEDAR at www.sedar.com), the majority of the Harry Property including the Outlander claim lies along the NW portion of a geological corridor prospective for gold-silver mineralization that is up to 3 kilometres wide. It is at least 15 kilometres long extending from south of the Premier mine, possibly in the US, north to the Scottie Gold mine and beyond. The Harry Property is situated near infrastructure including a year-round road, a powerline and an ice-free port in Stewart. In addition, a mill is currently being constructed by Ascot Resources Ltd. at the site of the historical Premier mine.

In 2020, a new zone of mineralization called the Milestone was discovered on the Harry Property averaging 7.86 ounces per ton gold (269.5 g/t) across a two-metre width. The full width of this new zone has not been defined due to overburden cover (see Jayden's news release dated February 10, 2021 available on their profile on SEDAR at www.sedar.com).

MINERAL PROPERTIES – (cont'd)

Harry Property – (cont'd)

Technical Report on the Harry Property

The Company filed a technical report on the Harry Property in compliance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") prepared by the Company's independent geologist and qualified person under NI 43-101, Alojzy Walus, M. Sc., P. Geo with an effective date of October 15, 2021 (the "Technical Report"). A copy of the Technical Report is available on the Company's profile on SEDAR at www.sedar.com.

The 43-101 Technical Report states:

"The bulk of the Harry property lies within a 3 km wide and at least 15 km long prospective corridor which hosts a number of gold-silver deposits as well as numerous prospects. Deposits within this corridor include Premier, Big Missouri, Silver Coin, Martha Ellen and Mt Dilworth.

The property is located within Jurassic volcanic rocks bounded by the Summit Lake stock to the north and Texas Creek batholith to the south which are part of the Texas Creek Plutonic suite in the Stewart Area. This suite of intrusive rocks is associated with mineralization at the historic Premier mine located 15 km south of the property and the KSM copper-gold porphyries and Brucejack Lake gold deposits. The Premier mine produced 2,000,000 ounces (oz) of gold and 49,000,000 ounces of silver. The KSM and Brucejack Lake deposits contain 6.4 million ounces of gold in the proven and probable categories.

One of the showings called Milestone is a 2.0 m wide quartz breccia vein which contains pyrite, minor galena and locally dendrites of native gold. A grab sample from the vein ran 1,553 g/t gold. A chip sample taken across the vein returned 269.5 g/t gold over 2.0 metres (Teuton Resources press release, December 9, 2020). The second showing called S-1 represents a 10 metres wide vein swarm comprised of numerous parallel quartz veins which contain up to 10% of combined pyrite, galena and sphalerite. Four grab samples collected from this showing returned up to 1.34 g/t gold and 32 g/t silver. In addition to these two mineral occurrences, the area also contains numerous quartz+/-carbonate veins with some of them mineralized with pyrite, galena, sphalerite, chalcopyrite and tetrahedrite. Only a few of these veins were sampled as smooth rock surfaces made it impossible to sample them.

During the 2020 exploration program the author identified a large intrusive body of Premier Porphyry in the area of the Milestone and S-1 showings which is in contact with a large prominent quartz-sericite-pyrite alteration zone at least 400 metres in size. The presence of Premier Porphyry is very encouraging since this rock was the source of mineralization in the historic Premier Mine.

The Harry property has excellent potential for the discovery of high-grade gold-silver mineralization as well as large-scale low-grade gold-silver zones similar to those located within the mineralized corridor described above."

MINERAL PROPERTIES – (cont'd)

Harry Property – (cont'd)

2021 Exploration Program

The Harry Property hosts several 500-metre-wide zones of intense alteration that trend northwest along the claim length. Within this intense alteration, sericite along with abundant pyrite is prevalent. Quartz veins, quartz breccias and semi-massive sulphides occur within these alteration zones.

On January 20, 2022, Optimum released partial assay results, including multiple high-grade gold and silver assays, from a limited surface exploration program conducted on the Harry Property during the fall of 2021.

The 2021 exploration program identified:

- Six separate quartz-sulphide structures in a small northeast area of the Harry Property;
- The Swann zone several hundred metres east of the Milestone showing;
- Fine visible gold in semi-massive to massive sulphide in the Swann zone;
- Premier porphyry intrusive in contact with mineralized zones (similar to the host rock of the nearby Premier gold deposit).

The 2021 exploration program consisted of surface sampling newly located structures in the area of the Milestone showing. A total of 50 samples were collected, with assay results received for the first 38 samples. Values ranged from 0.01 to 23.30 g/t gold and 0.02 to 3,379 g/t silver. This sampling work was successful in identifying several new structures.

Highlights included:

- 23.30 g/t gold and 2,995 g/t silver in grab sample A21-2A;
- 11 g/t gold and 3,379 g/t silver in grab sample A21-3;
- 3 g/t gold and 328 g/t silver in float sample A21-22;
- 5.5 g/t gold and 270 g/t silver in a 0.4-metre chip sample (A21-5A).

The work completed in late 2021, while only on a small area of the full package, indicates that sulphide zones occur within quartz-bearing structures trending both east-west (south dip). Where these structures are crosscut by northwest-trending structures (dipping east), semi-massive to massive sulphides occur. Within these sulphides, sphalerite, galena, tetrahedrite, chalcopyrite and pyrite are present. Fine visible gold is occasionally present within the massive mineralization.

MINERAL PROPERTIES – (cont'd)

Harry Property – (cont'd)

2021 Exploration Program – (cont'd)

On March 2, 2022, Optimum released additional encouraging assay results from its fall 2021 exploration program conducted on the Harry Property. The sampling program was conducted on and in the region of the newly discovered Swann zone, which is exposed over a small area and consists of quartz and semi-massive to massive mineralization with visible gold within an intensely altered zone. Determination of its true width and strike length will be part of the focus in the 2022 exploration program.

SWANN ZONE SURFACE SAMPLING					
Sample No.	Gold g/t	Silver g/t	Copper %	Lead %	Zinc %
S21-1	0.762	352	2.61	0.13	0.11
S21-2	285.4	1,872	1.91	0.74	0.90
S21-3	23.397	75.29	0.20	0.87	1.01
S21-4	122.4	1,949	2.07	0.81	0.36
S21-5	3.42	40.68	0.11	1.68	2.05

Grab samples are solely designed to show the presence or absence of any mineralization and to characterize the metal tenor in the mineralization. Grab samples are by definition selective and not intended to provide nor should be construed as a representative indication of grade or mineralization.

On April 20, 2022, Optimum released assay results from four short drill holes which tested an area of high-grade gold-silver base-metal-bearing boulders in the area of the Swann zone.

Highlights included:

- Hole DDH21-3 intersected 15.64 metres grading 1,437 g/t silver equivalent (433.4 g/t silver, 3.10 g/t gold, plus significant base metal credits).
- Hole DDH21-4 intersected 9.26 metres grading 1,833 g/t silver equivalent (690.15 g/t silver, 1.64 g/t gold plus significant base metal credits).

The first two holes of the program appear to have penetrated the footwall region of the Swann zone with narrow stringers of base metal in quartz containing low precious metal values. DDH21-2 had 0.91 metres of 11.77 g/t silver and 2.17% zinc as well as 3.05 metres of 21.66 g/t silver and 2.24% zinc.

Sampling from a float boulder train produced high-grade results: the average value of 22 samples taken from the vicinity of the Swann zone is 74.22 g/t gold, 842.9 g/t silver, 37.6% lead, 1.18% copper and 28.9% zinc.

MINERAL PROPERTIES – (cont'd)

Harry Property – (cont'd)

2022 Exploration Program

On August 3, 2022, Optimum began surface exploration work on the Harry Property. A Shaw portable core drill commenced shallow drilling to test known mineralized zones to delineate potential new drill targets. The Shaw portable core drill is capable of 1 to 1.5 metre long core samples that are 41 millimetres in diameter.

On August 18, 2022, Optimum announced that several new zones of mineralization were discovered on the Harry Property. New mapping indicated a sequence of volcanic rocks in the northeast portion of the claim block with thick sections of mudstone in the southwest, both of which are intensely altered with zones of mineralization with an abundance of sericite and pyrite. Quartz veins, quartz breccias and semi-massive sulphides also occur within these alteration zones. These wide zones of intense alteration trend north and northwest along the claim length. This type of alteration and mineralization is similar to nearby gold deposits. The new zones were as follows:

Golden Summit

Located in the northwest corner of the claim group, a quartz breccia zone one to two metres wide, part of a 50-metre-wide alteration corridor, carries pockets and stringers of tetrahedrite, green sphalerite (similar to that of the Swann zone one kilometre southeast) and galena with minor pyrite. In the footwall region of the zone, several parallel zones of quartz breccia with sulphides occur. Drill pads were constructed for drilling in early September which consisted of short holes to test the width and tenor of gold-silver-lead-zinc mineralization.

BR

Located near the Swann zone, BR is approximately 100 metres higher in elevation. The zone consists of massive galena with minor sphalerite veinlets in a stockwork zone. The zone is poorly exposed in an overburden-covered area. Further work is required to determine if it is part of the Swann zone. Several drill holes are planned in this highly accessible zone.

Ursula

This zone consists of massive pyrite with minor galena and sphalerite exposed and is over 10 metres wide. Galena-rich boulders up to one metre in diameter located down ice from an overburden-covered area in the zone indicate the possibility of strike extension. Chip sampling and Shaw drill testing are planned for this zone.

MINERAL PROPERTIES – (cont'd)

Harry Property – (cont'd)

2022 Exploration Program – (cont'd)

Saw Cut

A zone of pyrite and sphalerite in mudstones was located along the edge of the Salmon glacier with the presence of hydrozincite and zinc carbonate over an extensive area. Coarse pyrite and fine sphalerite occur along layers of fine beds in this zone. This mineralization type appears to be similar to the Eskay Creek deposit. Further sampling and drilling are planned at Saw Cut.

Induced Polarization and Magnetic Geophysical Survey completed by Simcoe Geoscience

The IP survey at the Harry Property yielded new and important information that will help guide drilling and surface exploration work. This survey was carried out to outline known structures and uncover unknown structures due to overburden in the area. This has outlined areas of sulphide concentrations as well as areas of quartz-sulphide stock works. The final survey report has demonstrated the program's success by outlining numerous anomalies.

Highlights of the IP survey included:

- Identified 27 chargeability anomalies (first to third order);
- Drilling targets can now be selected from the first priority on the 2-D sections for future exploration follow-up;
- The east side of the grid (L7E, L8E and L9E) depicts the strongest chargeability at both extents of the profiles;
- The western profiles (L5E, L6E and L11E) depict the strongest chargeability in the central parts of the sections;
- Discovery of new zone Ursula South. This zone consists of mineralization of a stockwork of galena-sphalerite veins up to 0.8 metres wide over a width of five metres and is in an overburden area approximately 75 metres south of the Ursula zone;
- The first- and second-priority zones are relatively shallow compared with the third-priority zone, which extends to a depth of more than 300 metres. Aside from anomalous zones, overall chargeability is in the high range, which reflects major amounts of pyrite and high sulphide percentage in the survey area. The chargeability zones are generally controlled by the subvertical faults.

The IP survey report states: "The IP resistivity models display a subsurface resistivity variation range from 200 ohm-metres to 20,000-plus ohm-metres. The survey area generally has low to moderate resistivity, and the range of resistivity shows the area's sedimentary and volcanic rock units. The resistivity sections resolved the distinct changes in resistivity from south to north along the parallel lines. Sub-horizontal contacts are mapped in this region and several subvertical faults are resolved, which extends from surface to a depth of more than 400 metres."

MINERAL PROPERTIES – (cont'd)

Harry Property – (cont'd)

2022 Exploration Program – (cont'd)

On September 27, 2022, Optimum released gold and silver assays for select samples from the BR, Ursula and Golden Summit zones on the Harry Property.

Highlights of the sampling include:

- 1.8 to 26.6 g/t gold and 282.9 to 1,003.2 g/t silver from five samples on the BR zone;
- 0.8 to 6.5 g/t gold and 131.3 to 208.1 g/t silver on the Ursula zone;
- 0.1 to 2.3 g/t gold and 470.3 to 5,477.4 g/t silver on the Golden Summit zone.

In October 2022, Sunbeam Drilling Ltd. commenced a drilling program on the Harry Property utilizing a B-15 drill running NQ core and a JK Smit helicopter portable drill using BTW core.

The program was designed to test multiple new zones of gold-silver bearing poly-metallic sulphide mineralization discovered earlier in 2022 by prospecting, and in some instances, by shallow surface drilling. Priority is being given to the Golden Summit, Saw Cut, Swann and BR zones, where to date, over 1,000 surface talus fines, chip samples, grab samples, saw cut samples and Shaw drill core samples have been sent to the lab for analysis.

A total of 2,128 metres of drilling were completed on 13 holes before the onset of winter.

Golden Summit Zone

At the Golden Summit zone the Company drilled one hole to test a strong IP anomaly under a quartz-sulphide breccia. The hole was terminated at 218 metres intersecting quartz breccia with galena near surface and a wide zone of alteration with strong disseminated pyrite.

Saw Cut Zone

At the Saw Cut zone the Company drilled four holes covering 810 metres using a JK Smit helicopter portable drill obtaining BTW core. The Saw Cut zone outcrops were exposed over a strike length of 40 metres. Sampling along its exposed length in shallow Shaw drill core returned sulphide mineralization consisting of pyrrhotite, galena, sphalerite, chalcopyrite, and pyrite in semi-massive to massive veins, stringers, and interstitials within brecciated zones and/or disseminated throughout the core. The Saw Cut zone is hosted in mudstone, dacite tuff and mudstone supported dacite lapilli-tuff which contain from 1 to 30% pyrite, locally trace to 8% sphalerite and trace to minor galena. Three grab samples collected from the Saw Cut zone were submitted for rush gold and silver assaying at Seacan Labs in Stewart, BC. The samples returned up to 5.40 g/t gold and 156.4 g/t silver. Geological data gathered to date indicates that the Saw Cut zone belongs to a gold-silver enriched volcanogenic massive sulphide type of mineralization like that of the famous Eskay Creek deposit located just 30 kms north.

MINERAL PROPERTIES – (cont'd)

Harry Property – (cont'd)

2022 Exploration Program – (cont'd)

Swann Zone

At the Swann zone the Company drilled four holes using the JK Smit drill. The drilling intersected the Swann zone in all holes completed with mineralization from 2-3 metres wide. Mineralization in the zone shows similarities to Eskay Creek-type mineralized structures where footwall and veins had disseminations of dominantly sphalerite-galena-tetrahedrite-pyrite with minor amounts of chalcopyrite.

BR Zone

Several holes were drilled from one location to test the BR zone and the Swann zone at depth. Two holes intersected the BR zone with the first hole intersecting 3 metres of mineralization consisting of 2 metres of quartz-galena-sphalerite and 1 metre of massive green sphalerite with fine visible gold. The first hole intersected another zone of quartz-sulphide before hitting the Swann zone at approximately 250 metres. The second hole was terminated due to winter conditions but intersected the BR zone at approximately 65 metres. The BR zone contains massive galena with minor sphalerite veinlets in a stockwork. Discovered while prospecting the Swann zone, it appears to run parallel to and is approximately 100 metres east and uphill from the Swann zone. Prior sampling on the BR zone returned values from 1.8 to 26.6 g/t gold and 282.9 to 1,003.2 g/t silver in five samples.

The Company is awaiting assay results from the 2,128 metres of drilling completed in 2022 to be released over the coming weeks.

Ed Kruchkowski, P.Geo and director of the Company in charge of exploration stated: "The 2022 exploration was highly successful in generating numerous gold-silver-base metal targets. Work indicated a project that is underlain by 3 different mineralizing events; namely silver rich base metal, silicified zones with gold values associated with pyrite and gold-silver enriched volcanogenic massive sulphide (VMS) type of mineralization like that of the famous Eskay Creek deposit. Once all assays are received and tabulated the Company will plan the 2023 exploration program."

MINERAL PROPERTIES – (cont’d)

Harry Property – (cont’d)

2022 Exploration Program – (cont’d)

On February 16, 2023, the Company announced positive precious and base metal assay results from the Shaw drilling program completed on the Harry Property in the summer of 2022.

A Shaw backpack drill was used in the sampling program. Capable of providing core to 1 metre depth, this type of drill is typically used in glacially polished areas where obtaining a representative sample from conventional surface sampling can prove difficult. The results from 97 Shaw drill holes were received and show evidence of multiple mineralizing events, including quartz and quartz breccias with zinc sulphide, lead sulphide, copper-iron sulphide, copper-antimony sulphosalts, iron sulphide, and occasional fine visible gold, as well as gold-silver enriched volcanogenic massive sulphide (“VMS”) type mineralization similar to the Eskay Creek deposit, and enhanced gold associated with iron-arsenic sulphide in sericite altered rocks.

Sheeted Vein Zone – Highlights from Shaw Drilling

Drill Hole #	From (m)	To (m)	Interval (m)	Cu (%)	Pb (%)	Zn (%)	Au (g/t)	Ag (g/t)
22-SVS-3	0	1.0	1.0	0.23	2.64	8.65	0.099	208
22-SVS-4	0	1.0	1.0	0.37	39.74	22.95	0.477	970
22-SVS-6	0	1.0	1.0	0.37	4.33	4.41	0.092	308
22-SVS-9	0	1.0	1.0	1.70	5.78	2.72	0.401	1,511
22-SVS-10	0	1.0	1.0	0.64	7.29	3.09	0.201	522
22-SVS-11	0	1.0	1.0	0.62	8.34	11.36	0.230	442

The Sheeted Vein Zone consists of parallel northwest-striking quartz-sulfide veins that dip to the east, across widths of at least 7 metres and hosting semi-massive to massive galena, green sphalerite, and tetrahedrite masses along a quartz stockwork. The zone is exposed over 15 m of strike length but then dips into the hillside. Drilling was conducted to test the various parallel veins, with the bottom-most vein exhibiting massive galena and sphalerite over a width of 1 metre.

Assay values for the entire Sheeted Vein Zone range from <0.005 to 0.477 grams per tonne (“g/t”) gold (“Au”), 1.2 to 1,511 g/t silver (“Ag”), 51 parts per million (“ppm”) to 1.7% copper (“Cu”), 122 ppm to 39.74% and 335 ppm to 22.95% zinc (“Zn”).

MINERAL PROPERTIES – (cont'd)

Harry Property – (cont'd)

2022 Exploration Program – (cont'd)

Saw Cut Zone – Highlights from Shaw Drilling

Drill Hole #	From (m)	To (m)	Interval (m)	Zn (%)	Au (g/t)	Ag (g/t)
22-SCS-31	0	1.0	1.0	1.15	0.242	4.9
22-SCS-34	0	1.0	1.0	5.02	0.696	6.8
22-SCS-35	0	1.0	1.0	1.73	0.161	9.0
22-SCS-40	0	1.0	1.0	1.96	2.117	20
22-SCS-42	0	1.0	1.0	4.49	2.886	132
22-SCS-53	0	1.0	1.0	4.01	1.446	9.5
22-SCS-54	0	1.0	1.0	5.73	1.307	11.6
22-SCS-55	0	1.0	1.0	1.75	0.367	7.8
22-SCS-58	0	1.0	1.0	3.08	0.324	9.1
22-SCS-60	0	1.0	1.0	2.67	1.155	12.8
22-SCS-61	0	1.0	1.0	3.13	0.418	7.2
22-SCS-62	0	1.0	1.0	1.11	0.222	7.3

The Saw Cut Zone outcrops and has been exposed over a 40-metre strike length, with shallow Shaw drill core samples showing sulphide mineralization consisting of pyrrhotite, galena, sphalerite, chalcopyrite, and pyrite in semi-massive to massive veins, stringers, and interstitials within brecciated zones and/or disseminated throughout the core. The zone is hosted in mudstone, dacite tuff, and mudstone-supported dacite lapilli-tuff containing 1 to 30% pyrite, trace to 8% sphalerite, and trace to minor galena. The Saw Cut Zone is believed to belong to a gold-silver enriched VMS type mineralization like that of the Eskay Creek deposit. Assay values for the entire Saw Cut Zone range from 0.006 to 2.886 g/t gold, <0.05 to 132 g/t silver, 33 ppm to 112 ppm copper, 316 ppm to 0.715% and 44 ppm to 5.02% zinc.

Edward Kruchkowski, P.Geo., a Qualified Person as defined by NI-43-01 regulations and a director of the Company, has reviewed this MD&A and approved the technical disclosures concerning the Harry Property.

MINERAL PROPERTIES – (cont'd)

Salmon Property

On November 24, 2022, the Company entered into a share exchange agreement with all of the shareholders of 1309762 BC Ltd. Under the terms of the share exchange agreement, the Company agreed to acquire all of the issued and outstanding common shares of 1309762 BC Ltd. from the shareholders in exchange for 3,000,000 common shares of the Company.

1309762 BC Ltd. owns 19 contiguous mining claims covering approximately 208 hectares which form the Salmon Property. The Salmon Property is located the Hyder Mining District in southeastern Alaska, along the panhandle, immediately east of the Salmon River. The Salmon Property is well located near infrastructure such as an all-weather road, a power line and docks at tidewater.

In connection with the acquisition of the Salmon Property, the Company received a technical report entitled "NI 43-101 Technical Report on the Salmon Property, Hyder Mining District, Alaska," dated October 14, 2022, which was prepared for the Company by Alojzy Walus, M. Sc, PGeo, who is a qualified person as such term is defined in National Instrument 43-101 -- Standards of Disclosure for Mineral Projects. The technical report is available on SEDAR under Optimum's profile.

According to the technical report: The Salmon Property has excellent potential for the discovery of high-grade gold-bearing zones along northwest-trending structures. Data from past exploration operations indicate that the full extent of the gold-silver potential has not been explored but may be achieved using modern exploration methods. The report also states that identified intrusive rocks on the property are similar to those associated with mineralization at the historic Premier Mine located four kilometres north of the property, and the KSM copper-gold porphyries and Brucejack Lake gold deposits. The Premier Mine produced 2 million ounces of gold and 49 million ounces of silver. The KSM and Brucejack Lake deposits contain 6.4 million ounces of gold in the proven and probable categories outlined in public disclosures. Soil sampling has indicated values up to 36.1 grams per tonne gold on the Salmon Property.

Edward Kruchkowski, P.Geo., a Qualified Person as defined by NI-43-01 regulations and a director of the Company, has reviewed this MD&A and approved the technical disclosures concerning the Salmon Property.

SELECTED ANNUAL INFORMATION

The following table sets out selected financial information of the Company for the years ended June 30, 2022, 2021 and 2020:

	June 30, 2022 \$	June 30, 2021 \$	June 30, 2020 \$
Revenues	Nil	Nil	Nil
Net and comprehensive loss	(2,409,283)	(107,518)	(484,000)
Basic and diluted loss per share	(0.065)	(0.005)	(0.024)
Total assets	5,346,499	3,787,380	854,799
Non-current financial liabilities	51,331	Nil	Nil
Dividends	Nil	Nil	Nil

DISCUSSION OF OPERATIONS

The Company recorded a net loss and comprehensive loss of \$187,880 for the six months ended December 31, 2022 compared to \$216,023 for the six months ended December 31, 2021.

The Company signed a two-year lease for its head office premises on November 1, 2021. Rent expense was no longer recorded after November 1, 2021 and the office lease cost was thereafter expensed as amortization of right of use asset and lease interest.

The Company incurred consulting fees of \$66,000 for the six months ended December 31, 2022 compared to \$23,667 for the six months ended December 31, 2021. The increase was a result of the increased activity level of the Company in 2022.

The Company recorded interest expense of \$19,419 for the six months ended December 31, 2022 compared to \$Nil for the six months ended December 31, 2021. The interest expense was for Part XII.6 tax on the 2021 flow-through private placement renounced under the look back rule.

The Company recorded stock-based payments expense of \$204,233 for the six months ended December 31, 2022 compared to \$Nil for the six months ended December 31, 2021. The Company accrues share-based payments expense over the vesting period of options granted. On January 24, 2022, the Company granted 2,500,000 stock options which will vest over a one-year period.

The Company recorded shareholder communications expense of \$32,500 for the six months ended December 31, 2022 compared to \$Nil for the six months ended December 31, 2021. Optimum retained MKT Digital Inc. ("MKT") for public relations services. MKT will work to develop and implement a strategic corporate communications program to increase the visibility of the Company amongst investors and industry stakeholders.

The Company recorded rental income of \$71,571 for the six months ended December 31, 2022 compared to \$8,929 for the six months ended December 31, 2021. The rental income relates to the sublet of its head office premises.

The Company recorded other income of \$286,935 for the six months ended December 31, 2022 compared to \$Nil for the six months ended December 31, 2021. The other income relates to the recognition of the flow through premium paid by investors in the 2021 flow-through private placement. At December 31, 2022, the Company had incurred \$2,320,000 of eligible flow-through expenditures completing its flow-through expenditure commitment.

The Company incurred expenditures on exploration and evaluation assets of \$1,826,361 for the six months ended December 31, 2022 compared to \$635,226 for the six months ended December 31, 2021.

DISCUSSION OF OPERATIONS – (cont'd)

Acquisition of 1309762 BC Ltd.

On November 24, 2022, the Company entered into a share exchange agreement with all of the shareholders of 1309762 BC Ltd. Under the terms of the share exchange agreement, the Company agreed to acquire all of the issued and outstanding common shares of 1309762 BC Ltd. from the shareholders in exchange for 3,000,000 common shares of the Company.

On December 13, 2022, the Company issued 3,000,000 common shares with a fair value of \$720,000 to the shareholders of 1309762 BC Ltd.

The acquisition was accounted for as a business combination using the acquisition method whereby the net assets acquired were recorded at fair value.

The following table summarizes the acquisition date fair value of the consideration given, and the recognized amounts of the identifiable assets acquired and liabilities assumed:

Fair value of common shares issued	<u>\$ 720,000</u>
Fair value of assets acquired and liabilities assumed:	
Cash	\$ 177,509
Exploration and evaluation assets	8,949
Accounts payable	<u>(420)</u>
	<u>\$ 186,038</u>
Excess fair value consideration for exploration and evaluation assets – Salmon Property	<u>\$ 533,962</u>

SUMMARY OF QUARTERLY RESULTS

The figures for the quarters ended June 30, 2022 and 2021 are derived from the Company's audited consolidated financial statements. All other quarterly figures are derived from the Company's unaudited condensed interim consolidated financial statements.

	December 31, 2022 \$	September 30, 2022 \$	June 30, 2022 \$	March 31, 2022 \$
Net loss and comprehensive loss	(36,089)	(151,791)	(1,753,730)	(440,281)
Basic loss per share	(0.00)	(0.00)	(0.05)	(0.01)
Diluted loss per share	(0.00)	(0.00)	(0.05)	(0.01)

	December 31, 2021 \$	September 30, 2021 \$	June 30, 2021 \$	March 31, 2021 \$
Net loss and comprehensive loss	(130,998)	(85,025)	(36,931)	(19,695)
Basic loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

The Company had the following significant quarterly transactions:

At June 30, 2022, the Company had determined that no further exploration work was warranted on the Premier South Property. On August 24, 2022, the Company provided the vendors of the Riverside and Mineral Basin claims with notice that it would not be proceeding with the property option agreements. The accumulated property acquisition costs and deferred exploration costs which totaled \$1,039,734 were written-off effective June 30, 2022.

At June 30, 2022, the Company revalued share-based payments expense on 2,500,000 options granted on January 24, 2022. The revaluation resulted in an increase to share-based payments expense of \$556,181.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements to report.

PROPOSED TRANSACTIONS

The Company has no proposed transactions to report.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2022, the Company has not advanced its mineral properties to commercial production and has not generated revenue from operations. The Company does not expect to generate revenues in the foreseeable future and expects to continue to incur costs to further explore its mineral properties.

The Company's mineral property interests are acquired by way of option agreements which carry ongoing cash and exploration expenditure obligations as disclosed earlier in this MD&A.

At December 31, 2022, the Company had working capital of \$1,523,787. The Company has financed its administrative overheads, mineral property acquisitions and exploration programs to date through the issuance of common shares. However, there is no assurance it will be able to do so in the future.

Financing Activities

Year ended June 30, 2022:

On December 7, 2021, the Company issued 425,500 common shares at \$0.15 per share for proceeds of \$63,825 pursuant to the exercise of agent's options.

On December 13, 2021, the Company issued 4,640,000 common shares at \$0.50 per share for proceeds of \$2,320,000 pursuant to a flow-through private placement. Filing fees of \$11,600 were paid with respect to this private placement. The Company recorded a flow-through premium liability of \$301,600. At December 31, 2022, the Company had incurred \$2,320,000 of eligible flow-through expenditures completing its flow-through expenditure commitment.

During the year ended June 30, 2022, the Company issued 200,000 common shares pursuant to the exercise of 200,000 share purchase warrants for proceeds of \$70,000.

TRANSACTIONS BETWEEN RELATED PARTIES

At February 17, 2023, the Board of Directors of the Company are Andrew Bowering, Edward Kruchkowski, Randolph Kasum and Tyler Ross. The officers of the Company are Tyler Ross, CEO and Edward Kruchkowski, CFO.

The Company incurred the following charges by directors of the Company, by companies with directors in common with the Company and by a company managed by a director of the Company during the six months ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Deferred exploration costs - drilling	\$ 690,732	\$ -
Deferred exploration costs – equipment rental	56,155	132,112
Deferred exploration costs – geological	580,928	16,000
Deferred exploration costs – road construction	-	25,000
Deferred exploration costs – supervision	132,000	-
Deferred exploration costs – travel and field	100,000	-
Management fees	67,500	67,500
Rent	-	4,000
Share-based payments	<u>120,768</u>	<u>-</u>
	<u>\$ 1,748,083</u>	<u>\$ 244,612</u>

Key management personnel consist of the directors and officers of the Company. During the six months ended December 31, 2022 and 2021, the Company incurred the following key management compensation charges:

	<u>2022</u>	<u>2021</u>
Deferred exploration costs - drilling	\$ 690,732	\$ -
Deferred exploration costs – equipment rental	56,155	132,112
Deferred exploration costs – geological	580,928	16,000
Deferred exploration costs – road construction	-	25,000
Deferred exploration costs – supervision	132,000	-
Deferred exploration costs – travel and field	100,000	-
Management fees	67,500	67,500
Share-based payments	<u>120,768</u>	<u>-</u>
	<u>\$ 1,748,083</u>	<u>\$ 240,612</u>

At December 31, 2022, exploration advances includes \$1,823 (June 30, 2022: \$590,000) paid to companies with directors in common with the Company.

At December 31, 2022, due to related parties includes \$34,125 (June 30, 2022: \$34,125) due to companies with directors in common with the Company for management fees and office rent.

CRITICAL ACCOUNTING ESTIMATES

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive loss in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both. Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements are discussed below:

Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of the expenditures is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

Rehabilitation Provisions

Rehabilitation provisions were determined to be \$Nil based on management estimates. Assumptions were made which management believes are a reasonable basis upon which to estimate the future liability. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period.

Share-Based Payments

The Company uses the Black Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Valuation of Deferred Tax Assets

The Company makes a determination of whether it is likely that future taxable profits will be available to utilize against any deferred tax assets.

Going Concern

The Company uses judgement in its assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The Company's significant accounting policies are disclosed in Note 3 to its unaudited condensed interim consolidated financial statements for the six months ended December 31, 2022.

New Accounting Standards and Interpretations

There were no new accounting standards adopted during the six months ended December 31, 2022 that had a material impact on the condensed interim consolidated financial statements.

Future Accounting Pronouncements

The Company has not identified any new accounting pronouncements that are likely to have a material impact on its consolidated financial statements in future years.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The fair values of the Company's financial assets and liabilities approximate their carrying amounts.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments consist of cash, accounts payable and due to related parties. Cash is classified as FVTPL and accounts payable and due to related parties are classified as financial liabilities at amortized cost.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash is exposed to interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's accounts payable and amounts due to related parties are all current and due within 90 days of the balance sheet date.

Currency Risk

The Company's functional currency is the Canadian dollar. The exploration of the Company's mineral properties is partially conducted in United States dollars, which may impact operating results and cash flows by changes in the Canadian dollar vis-à-vis the United States dollar. The Company does not engage in any hedging activities to reduce its foreign currency risk.

RISKS AND UNCERTAINTIES

In addition to the risks and uncertainties outlined earlier in this management discussion, the Company is also subject to other risks and uncertainties including the following:

COVID-19

In March 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and the related adverse public health developments have adversely affected workforces, economies and financial markets, leading to a global economic downturn. Management has implemented safeguards and protocols recommended by the relevant health authorities to protect its workers and continues to monitor the situation.

General Risk Associated with the Mining Industry

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main operating risks include: securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that claims and leases are in good standing and obtaining permits for drilling and other exploration activities. The market prices for gold and other metals can be volatile and there is no assurance that a profitable market will exist for a production decision to be made or for the ultimate sale of the metals even if commercial quantities of precious and other metals are discovered.

Exploration and development activities involve risks which careful evaluation and experience may not, in some cases eliminate. The commercial viability of a mineral deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure, government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations. Management may attempt to mitigate its exploration risk by employing a strategy of joint ventures with other companies which balances risk while at the same time allows properties to be advanced.

Dependence on Key Personnel

Loss of certain members of the executive team or key operational leaders of the company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and competition for professionals is intense. The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

RISKS AND UNCERTAINTIES – (cont'd)

Option Agreements

The Company is currently earning some of its interests in its mineral properties through option agreements and acquisition of title to the property is only completed when the option conditions have been met. These conditions generally include making property payments and incurring exploration expenditures on the properties and can include the completion of pre-feasibility studies. If the Company does not satisfactorily complete its option conditions in the time frame laid out in the option agreement, the Company's title to the mineral property will not vest and the Company will have to write-down the previously capitalized costs related to that property.

Permits and Licences

The operations of the Company will require licences and permits from various governmental authorities, which have been applied for and/or will be applied for at the proper time. There can, however, be no assurance that the Company will be able to obtain all necessary licences and permits required to carry out exploration, development and mining operations of its projects.

Environmental Regulation

The operations of the Company are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions or various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are becoming more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of future operations. The Company may become subject to liability for pollutions or hazards against which it cannot insure or again which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

OUTSTANDING SHARE DATA

Number of Issued and Outstanding Common Shares:

At February 17, 2023 43,338,397

Stock Options:

At February 17, 2023, there were 3,400,000 stock options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number of Options	Exercise Price	Expiry Date
2,300,000	\$0.50	January 24, 2027
1,100,000	\$0.15	December 20, 2029
<u>3,400,000</u>		

Share Purchase Warrants:

At February 17, 2023, there were 5,569,095 share purchase warrants outstanding entitling the holders thereof the right to purchase one common share for each warrant held at \$0.35 until June 25, 2023.