The following management discussion and analysis ("MD&A") of the operations, results, and financial position of International Zeolite Corp. (formerly Canadian Zeolite Corp.) (the "Company" or "International Zeolite") for the three and nine months ended March 31, 2020 and 2019, should be read in conjunction with the Interim Unaudited Consolidated Financial Statements for the three and nine months ended March 31, 2020 and 2019 and the Annual Audited Consolidated Financial Statements and related notes for the years ended June 30, 2019 and 2018 which have been prepared under International Financial Reporting Standards ("IFRS"). This MD&A has been prepared as at May 26, 2020 unless otherwise indicated. All monetary amounts, unless otherwise indicated, are expressed in Canadian dollars. Additional regulatory filings for the Company can be found on the SEDAR website at www.sedar.com.The Company's new website is at www.internationalzeolite.com.

Forward-Looking Statements

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", "forecast", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments.

Structure and Business Description

The Company was originally incorporated in Alberta under the name "Adamas Resources Inc." by Certificate of Incorporation dated June 5, 1987. Since incorporation, the Company has undergone a number of name changes - to "Zeacan Products Ltd." on March 1, 1989, to "Canadian Zeolite Ltd." on June 15, 1993, to "The Canadian Mining Company Ltd." on November 19, 1996, to "Zeo-Tech Enviro Corp." on April 10, 2000, and to "Canadian Mining Company Inc." on January 31, 2007. On February 6, 2016, the Company changed its name to "Canadian Zeolite Corp." and the Company was continued out of the jurisdiction of Alberta and into the jurisdiction of British Columbia. At the same time, the Company's wholly owned British Columbia subsidiary, formerly Canadian Zeolite Corp., changed its name to Canadian Mining Company Inc. On March 6, 2018 the Company swapped corporate names with its B.C. subsidiary, International Zeolite Corp., changing its name to International Zeolite Corp. while the subsidiary became Canadian Zeolite Corp.

The head office of the Company is located at Suite 2300 – 1066 West Georgia Street, Vancouver, BC V6E 3X2. The Company is a reporting issuer in the Provinces of British Columbia and Alberta. The common shares of the Company are listed on the TSX Venture Exchange (the "Exchange") under the trading symbol "IZ", the Frankfurt Exchange under the trading symbol "ZEON" and on the OTC Pink platform in the United States under the symbol "IZCFF".

The common shares of the Company have not been registered under the United States Securities Act of 1933, as amended (the "1933 Act"), and the Company does not file periodic reports with the United States Securities and Exchange Commission (the "SEC") pursuant to the requirements of Sections 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the "1934 Act").

On December 11, 2017 ("Closing Date"), the Company acquired 100% of the issued share capital of Earth Innovations Inc. ("EII") for an aggregate amount of $832,724 was settled as follows:

1. a cash payment of $50,000 on the Closing Date (paid);
2. payment of certain EII payables totaling $63,278 on the Closing Date (paid);
3. issuance of 3,000,000 common shares held in escrow and released in 1,000,000 tranches on April 11, 2018, December 11, 2018 and June 11, 2019.
4. a cash payment of $50,000 six months from the Closing Date (paid).

Mineral Properties

Bromley Creek Zeolite Project

The Company has a Zeolite project in the Bromley Creek area located near Princeton, British Columbia (the "Bromley Creek Zeolite Project"). The Company holds 1,492.02 hectares (2019 – 1,555.05) of mineral claims leased from the British Columbia government, which currently have expiration dates through to December 31, 2021. Within those claims, the Company has a thirty-year mining lease on 30.8 hectares granted in 2000. The Company's Zeo Tech Quarry Mine # 1500625 permit was issued in 2001 The latest quarry permit was issued in 2015. Permits are renewed every five years.

The zeolite claims are subject to a $1.50 per tonne royalty payable to an unrelated third party and a royalty payable to the government of British Columbia. On September 26, 2018 the Company filed a NI 43-101 compliant Technical Report dated August 17, 2018 on its Bromley Creek Property. The report is available under the Company's profile on SEDAR.

The Bromley Creek Zeolite Project consists of a total of one mineral lease and four mineral claims as follows:

Tenure No.	Claim Name	Owner	Map No	Expiry Date	Area (Hectares)
380929	Mineral Lease	142965 (100%)	092H048	2020/ Dec /15	30.80
1059113	Bromley Zeolite 1	142965 (100%)	092H	2021/ Dec /31	483.32
1059114	Bromley Zeolite 2	142965 (100%)	092H	2021/ Dec /31	378.20
1059115	Bromley Zeolite 3	142965 (100%)	092H	2021/ Dec /31	252.21
1048113	Zeo-Tech	142965 (100%)	092H	2021/ Dec /31	378.29
			TOTAL:		**1,492.02**

On November 30, 2015, the Company entered into a Mining Operations with Purchase Option Agreement with Absorbent Products Limited ("APL"). The purchase option terms grant APL the right to acquire a 50% interest in the Company's Bromley Creek Zeolite Project for a total purchase price of $725,000. The purchase price may be paid by APL through cash or earn-in by payment of royalties to the Company of $9.00 per metric ton mined and removed from the site. The parties have also entered into an Agency Agreement pursuant to which APL will pay to the Company a commission on all applicable sales of mineral mined or zeolite processed from the Bromley Creek Zeolite Project.

Sun Group, British Columbia, Canada

The Company acquired the contiguous Sun Group claims group located in the Similkameen Mining District of British Columbia in March 2004. The Sun Group property originally consisted of 11 claims with a total claim area of 948.935 hectares.

In January 2020, the 11 claims were regrouped into 3 claims with the same total claim area.

	Claim Name	Owner	Map No:	Expiry Date:	Area (hectares)
1072612	SUNDAY CREEK 1	142965 (100%)	092H	2021/ Dec /31	232.017
1072611	SUNDAY CREEK 2	142965 (100%)	092H	2021/ Dec /31	358.454
1072610	SUNDAY CREEK 3	142965 (100%)	092H	2021/ Dec /31	358.463
			TOTAL:		**948.935**

During the year 2012, the Company filed a Notice of Work Application to conduct a drill program on the property. As at December 31, 2013 the Company completed its two-phase drill program. Data obtained from the drill program will be used to calculate a preliminary mineral resource for the Sun Group at a future date. On July 6, 2018 the Company filed a NI 43-101 compliant Technical Report dated June 30, 2018 on the Sun Group Property. The report is available under the Company's profile on SEDAR.

On November 30, 2015, the Company entered into a mining operations agreement, with a purchase option, with Absorbent Products Limited ("APL"). The purchase option terms grant APL the right to acquire a 50% interest in the Company's Sun Group Zeolite Project for a total purchase price of $725,000. The purchase price may be paid by APL through cash or earn-in by payment of royalties to the Company of $9.00 per metric ton mined and removed from the site. The parties have also entered into an Agency Agreement pursuant to which APL will pay to the Company a commission on all applicable sales of mineral mined or zeolite processed from the Sun Group Zeolite Project.

Results of Operations

Three months ended March 31, 2020

The Company incurred a net loss of $127,916 during the three months ended March 31, 2020 compared to a net loss of $257,555 during the comparative period of the prior year. The decrease in net loss of 50% is mainly attributed to the non-cash cost of $119,295 for issuing stock options in 2019.

During the three months ended March 31, 2020, the outbreak of the novel strain of coronavirus, specifically identified as 'COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposing quarantine period and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness.

The COVID-19 economic slowdown affected the sales of zeolite products to a large extent in the last quarter. Sales of finished products decreased by 67% to $59,311 (2019 - $178,027). Additionally, the Company received commissions on sales of bulk zeolite processed from the Bromley Creek Zeolite Project totalling $822 (2019 - $1,138). Total sales of zeolite products and mined zeolite have yielded a contribution margin of $22,631 (2019 - $75,103) marking a decrease of $52,472 or 69% compared to the comparative period in 2019.

Operational expenses during the three months ended March 31, 2020, amounted to $150,547 compared to $332,658 in 2019 indicating a reduction of $182,111 or 55%. Administrative expenses decreased by $33,327 or 31% while consulting fees decreased by $6,605 or 94% and professional fees decreased by $4,968 or 23%, reflecting efforts by the Company to control overheads and reduce operational costs. Sales and marketing fees increased by $2,858 or 27% while selling expenses decreased by $26,035 or 74%. Share-based costs for this period were $nil compared to $119,295 during the comparative period in 2019.

In April 2020, the Company applied for the Canada Emergency Wage Subsidy (CEWS). The subsidy would allow the Company to stay operational and keep most of its workforce under employment. The Company hopes that, as governments are planning to gradually return to normal economic activities in June this year, the Company would be able to recoup a large part of its sales revenue that was lost during the first part of the year 2020.

Nine months ended March 31, 2020

The Company incurred a net loss of $350,961 during the nine months ended March 31, 2020 compared to a net loss of $615,545 during the same period of the prior year. The decrease in net loss of 49% is mainly attributed to the non-cash cost of $130,286 for issuing stock options in 2019.

Sales during the nine months ended March 31, 2020, was almost similar to the comparative period in the prior year. Total sales of zeolite products and mined zeolite have yielded a contribution margin of $307,697 (2019 - $348,191) marking a decrease of $40,224 or 11% compared to the comparative period in 2019. Most sales in the current year were achieved prior to the worldwide spread of the COVID-19 virus. In the month of March 2020, the Company did not make any sales.

Operational expenses during the nine months ended March 31, 2020, amounted to $658,928 compared to $963,736 in 2019 indicating a reduction of $304,808 or 46%. Administrative expenses decreased by $127,379 or 53% while consulting fees decreased by $7,493 or 29% and professional fees decreased by $33,435 or 54%, reflecting efforts by the Company to control overheads and reduce operational costs. Sales and marketing fees decreased by $20,200 or 44% while selling expenses decreased by $65,469 or 88%. Share-based costs for this period were $69,237 compared to $130,286 during the comparative period in 2019.

EII established several new retail and industrial distribution partners during the previous periods beginning with product trials and is optimistic about the potential for these new relationships to develop over the coming years. In addition, the EII team began proactive marketing of ecoTraction™, ecoTractionPRO™ and Smell Grabber™ by attending retailer product launches and relevant industry trade shows. The Company is committed to the required investment in product and merchandising support over the coming quarters to further introduce its products to the retail, commercial and industrial marketplaces.

With the initiation of a supply agreement with a Cuban zeolite producer announced in May 2018, EII will continue expanding its efforts to introduce its product lines to larger commercial and governmental customers in 2020 and 2021.

While the Company was not effective in ramping up the product and sales support needed for the Smell Grabber™ products during the previous year, management will be increasing these efforts through the 2020 fiscal year.

Selected Quarterly Financial Data

Financial results:	**Mar 31, 2020 $**	**Dec 31, 2019 $**	**Sep 30, 2019 $**	**Jun 30, 2019 $**	**Mar 31, 2019 $**	**Dec 31, 2018 $**	**Sep 30, 2018 $**	**Jun 30, 2018 $**
Net loss for the period	127,918	120,499	102,546	300,068	257,455	108,007	250,083	408,011
Basic/Diluted loss per share	0.00	0.00	0.00	0.01	0.00	0.00	0.01	0.01
Exploration and evaluation expenditures	5,181	2,326	1,594	6,241	12,671	11,427	2,195	10,585

Balance sheet data:	**Mar 31, 2020 $**	**Dec 31, 2019 $**	**Sep 30, 2019 $**	**Jun 30, 2019 $**	**Mar 31, 2019 $**	**Dec 31, 2018 $**	**Sep 30, 2018 $**	**Jun 30, 2018 $**
Cash and cash equivalents	1,992		12,300	41,201	138,608	186,497	411,043	650,506
Mineral properties	281,860	280,599	278,273	287,009	280,768	278,978	269,746	267,551
Total assets	1,271,240	1,404,135	1,466,738	1,385,930	1,495,890	1,628,432	1,742,829	1,879,984
Shareholders' equity (deficiency)	18,871	146,788	198,050	300,596	471,574	609,734	717,741	956,833

Liquidity and Solvency

As at March 31, 2020, the Company's cash balance was $1,992 (June 30, 2019 - $41,201) and a working capital deficiency of $1,007,917 (June 30, 2019 – $731,341). The Company has a history of losses: in the nine months ended March 31, 2020, the Company recorded losses of $350,961 compared to $615,545 during the prior comparative period. As at March 31, 2020, the Company had accumulated deficit of $16,986,493 (June 30, 2019 - $16,635,531).

During the three and nine months ended March 31, 2020, the Company generated $59,311 and $647,127 respectively in sales of packaged zeolite products (2019 - $178,027 and $646,831) and earned royalties and commissions on bulk zeolite produced from the Company's mines of $822 and $3,557 in commissions respectively (2019 - $1,138 and $7,269). Royalties received this current year amounted to $10,330 (2019 - $13,076) and have been applied to reduce the capitalized costs of the Company's Bromley Creek zeolite property.

Historically, the Company's activities have been funded mainly through equity financing and the Company expects that it will continue to be able to utilize this source of financing until it identifies a feasible resource and develops cash flow from operations.

Related party transactions

During the three and nine months ended March 31, 2020, the Company entered into various transactions with related parties. The related parties consist of officers, directors and shareholders or companies controlled directly or indirectly by them. Details of the transactions and balances owing, or receivables for the three and nine months ended March 31, 2020 are as follows:

(i) The Company recorded management fees to a director and officer of $27,000 and $81,000 respectively (2019 - $27,000 and $81,000).

(ii) The Company accrued interest of $7,350 and 22,050 respectively (2019 - $7,350 and $22,050) on a promissory note of $735,000 (2019 - $735,000) payable to a director and officer of the Company. The note bears interest at 4% per annum (2019 - 4%) and payable on demand, therefore it has been classified as a current liability. In the prior year, the note holder has waived his right to repayment on June 30, 2019 and the note has therefore been classified as a current liability.

(iii) The Company paid fees to an officer of the Company for accounting services included in administrative expenses of $6,000 and $18,000 respectively (2019 - $6,000 and $18,000).

(iv) The Company paid fees to an officer of the Company for corporate secretarial services included in administrative expenses of $4,710 and $16,710 respectively (2019 - $8,000 and $32,000).

(v) Included in professional fees is $6,000 and $14,000 respectively in accounting services charged by a company controlled by an officer and director (2019 - $3,000 and $9,000).

(vi) Included in administrative expenses is $7,500 and $22,500 respectively (2019 - $7,500 and $22,500) in administrative and rent expenses charged by a company controlled by an officer and director.

(vii) At March 31, 2020, amounts totaling $234,836 (June 30, 2019 - $165,643) owing to related parties and companies controlled by related parties is included in accounts payable and accrued liabilities.

The above transactions were in the normal course of operations and were recorded at the exchange value which was the amount of consideration established and agreed to by the related parties.

Compensation paid to key management personnel and non-executive directors during the three and nine months ended March 31, 2020 and 2019 are as below. The Company defines key management personnel as its CEO, President, CFO and Board of Directors.

	Three months ended Mar 31, 2020	Three months ended Mar 31, 2019	**Nine months ended Mar 31, 2020**	Nine months ended Mar 31, 2019
Senior management compensation	**$ 48,000**	48,000	**144,000**	144,000
Share-based compensation		39,765	**-**	39,765
Interest on promissory note	**$ 7,350**	7,350	**22,050**	22,050

Management changes

In March 2020, the Company announced that it has retained Grove Corporate Services Ltd. of Toronto to provide administrative and corporate secretarial support. Grove's Ms. Catherine Beckett has been appointed Corporate Secretary of the Company following the resignation of Dianne Szigety. The Company would like to thank Ms. Szigety for her many years of service and wishes her all the best.

On May 21, 2020, the Company announced the appointment of Mr. Hatem Kawar as CFO of International Zeolite Corp. and Earth Innovations Inc. Mr. Mark Groenewald will be stepping aside from the role of CFO to join the Strategic Advisory Committee of the Company's Board of Directors. The Board thanks Mr. Groenewald for his several years of service and for agreeing to remain in association with the Company as an advisor to the Board.

Commitments

At March 31, 2020, the Company has a commitment in respect of an office lease amounting to $9,801 (June 30, 2019 - $6,778). Monthly payments are $1,089 (2019 - $1,130).

Significant Accounting Policies

The Company's significant accounting policies are provided in Note 3 to the consolidated financial statements.

Recently Adopted Accounting Standards

IFRS 9 Financial Instruments

IFRS 9 was issued by the IASB in July 2014 and replaces IAS 39 "Financial Instruments: Recognition and Measurement". In addition, IFRS 7 "Financial Instruments: Disclosures" was amended to include additional disclosure requirements on transition to IFRS 9. The mandatory effective date of applying these standards is for annual periods beginning on or after January 1, 2018. The standard uses a single approach to determine whether a financial asset is measured at amortized cost or fair value. The approach is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used. The standard requires that for financial liabilities measured at fair value, any changes in an entity's own credit risk are generally to be presented in other comprehensive income instead of net earnings. A new hedge accounting model is included in the standard, as well as increased disclosure requirements about risk management activities for entities that apply hedge accounting. The new amendments were adopted by the Company effective July 1, 2018 and have not had a significant impact on these Financial Statements.

IFRS 15 Revenue from Contracts with Customers

On July 1, 2018, the Company adopted, on a modified retrospective basis, the new rules under IFRS 15, Revenue from Contracts with Customers, which specify how and when an entity should recognize revenue, and which also require the entity to provide users of financial statements with more informative disclosures.

The standard provides a single, principles-based, five-step model to apply to each contract with a customer and requires the disclosure of revenue from contracts with customers disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The adoption of IFRS 15 had no material impacts on the consolidated financial statements. Therefore, the Company has not recorded a transition adjustment for the cumulative effect of applying IFRS at July 1, 2018.

In addition, under IFRS 15, certain costs to obtain a contract must be recognized as an asset and amortized as operating expenses over the period of time the customer is expected to maintain its service or over the contract term, if the entity expects to recover those costs. However, those incremental costs are limited to the costs that the entity would not have incurred if the contract had not been successfully obtained. Such costs were not incurred by the Company and therefore, there was no impact to the Company on this change.

Under IFRS 15, the total consideration from a contract with multiple deliverables is now allocated to all performance obligations in the contract, based on the stand-alone selling price of each obligation, without being limited to a non-contingent amount. The telecommunications segment provides services under contracts with multiple deliverables and for a fixed period of time. With the adoption of IFRS 15 the timing of the recognition of these revenues changes under IFRS 15. However, the total revenue recognized over a contract term relating to all performance obligations within the contract remains the same as under the previous rules. The adoption of IFRS 15 had no impact on cash flows from operating, investing and financing activities.

FRS 2 Share-based Payment

These amendments added guidance that introduces accounting requirements for cash-settled share-based payments that follow the same approach as used for equity-settled share-based payments. They introduced an exception into IFRS 2 so that a share-based payment where the entity settles the share-based payment arrangement net is classified as equity-settled in its entirety, provided the share-based payment would have been classified as equity-settled had it not included the net settlement feature. Finally, they clarify the accounting treatment in situations where a cash-settled share-based payment changes to an equity-settled share-based payment because of modifications of the terms and conditions. This standard is effective for reporting periods beginning on or after January 1, 2018. They have been adopted by the Company, effective July 1, 2018, and have not had a significant impact on these Financial Statements.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The Company is still assessing the impact of this new standard. This standard is effective for reporting periods beginning on or after January 1, 2019. The Company has adopted these standards effective July 1, 2019 and have not had a significant impact on these Financial Statements.

Additional Information

Other additional information relating to International Zeolite Corp. may be found on SEDAR at www.sedar.com and on the Company's website at www.internationalzeolite.com.

Critical Accounting Estimates

The preparation of consolidated financial statements requires the Company, in conformity with International Financial Reporting Standards, to select from possible alternative accounting principles, and to make estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and revenues and expenses for the periods reported. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in operations in the period in which they become known. The Company's accounting policies and estimates used in the preparation of the consolidated financial statements are considered appropriate in the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process.

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Earth Innovations Inc. All significant inter-Company transactions and balances have been eliminated upon consolidation.

In 2017, the Company entered into a Vend-In Agreement and Arrangement Agreement with Canadian Mining Corp., which resulted in Canadian Mining Company of Arizona and Canadian Mining Corp. no longer being subsidiaries of the Company as at June 30, 2017. On December 11, 2017, the Company acquired 100% of the issued share capital of Earth Innovations Inc. (see note 5 to the consolidated financial statements).

Mineral exploration and evaluation expenditures

Pre-exploration Costs
Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and Evaluation Expenditures
Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures ("E&E") are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs and share based payments to employees and consultants, are expensed in the period in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of operations and comprehensive loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mines under construction". Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

Any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Mineral exploration and evaluation expenditures are classified as intangible assets.

Disclosure and Internal Controls

Disclosure controls and procedures have been established to provide reasonable assurance that material information relating to the Company is made known to management, particularly during the period in which annual filings are being prepared. Furthermore, internal controls have been established to ensure the Company's assets are safeguarded and to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IRFS.

Risks and Uncertainties

The Company is in the mineral exploration and development business and as such is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same type of business. Some of the possible risks include the following:

- The industry is capital intensive and subject to fluctuations in metal prices, market sentiment, foreign exchange and interest rates.
- The only source of future funds for further exploration programs, or if such exploration programs are successful for the development of economic ore bodies and commencement of commercial production thereon, which are presently available to the Company are the sale of equity capital or the offering by the Company of an interest in its properties to be earned by another party carrying out further exploration or development.
- Any future equity financings by the Company for the purpose of raising additional capital may result in substantial dilution to the holdings of existing shareholders.
- The Company must comply with environmental regulations governing air and water quality and land disturbance and provide for mine reclamation and closure costs.
- The operations of the Company will require various licenses and permits from various governmental authorities. There is no assurance that the Company will be successful in obtaining the necessary licenses and permits to continue its exploration and development activities in the future.
- There is no certainty that the properties which the Company has deferred as assets on its balance sheet will be realized at the amounts recorded. These amounts should not be taken to reflect realizable value.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on forward-looking statements. The Company has not completed a feasibility study on any of its deposits to determine if it hosts a mineral resource that can be economically developed and profitably mined.

COVID-19

Since December, 2019, the outbreak of the novel strain of coronavirus, specifically identified as 'COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposing quarantine period and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown currently, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future period.

In April 2020, the Company applied for the Canada Emergency Wage Subsidy (CEWS). The subsidy would allow the Company to stay operational and keep most of its workforce under employment. The Company hopes that, as governments are planning to gradually return to normal economic activities in June this year, the Company would be able to recoup a large part of its sales revenue that was lost during the first part of the year 2020.

Management's Responsibility for Financial Statements

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

Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information. The Company's CEO and CFO have confirmed to the Company that they are satisfied with the effectiveness of the Company's system of disclosure controls and procedures as at March 31, 2020 based upon their evaluation of the effectiveness of such disclosure controls and procedures.

Approval

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the consolidated financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders of the Company. The Board of Directors of the Company has approved the consolidated financial statements and the disclosure contained in this MD&A on February 26, 2020. A copy of this MD&A will be provided to anyone who requests it.

Off-Balance Sheet Arrangements

The Company did not enter into any off-balance sheet arrangements during the year.

Share Capital Information

The Company is authorized to issue an unlimited number of common shares without par value. As at May 26, 2020, the Company had 36,649,462 common shares issued and outstanding.

The Company has granted the following incentive stock options pursuant to its Stock Option Plan:

Number	Exercise Price ($)	Expiry date
150,000	0.130	August 8, 2020
1,650,000	0.105	January 2, 2021
900,000	0.100	January 10, 2021
2,700,000	0.105	

The Company has the following share purchase warrants outstanding:

Number	Exercise price	Expiry date
2,947,267	$ 0.50 (1) (2)	November 7, 2021
2,947,267	$ 0.50	

(1) In September 2018, the Company extended the expiry date of the warrants from November 7, 2018 to November 7, 2019 and reduced the exercise price from $0.75 to $0.50 per share, subject to an accelerated exercise provision that if the closing price of the Company's common shares is at or above $0.625 per share for a period of 10 consecutive trading days, the Warrants shall expire 30 days thereafter. This represented a modification of the instrument and accordingly an additional amount of $64,200 was recognized in contributed surplus and share based compensation expense. The fair value was calculated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate range of 2.14%; annual volatility factor of the expected market price of the Company's common shares of 119.4%; expected dividend yield of 0.00% and an expected life of one year.

(2) In October 2019, the Company extended the expiry date of the warrants from November 7, 2019 to November 7, 2021, subject to an accelerated exercise provision that if the closing price of the Company's common shares is at or above $0.625 per share for a period of 10 consecutive trading days, the Warrants shall expire 30 days thereafter. This represented a modification of the instrument and accordingly an additional amount of $69,237 was recognized in contributed surplus and share based compensation expense. The fair value was calculated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 4%; annual volatility factor of the expected market price of the Company's common shares of 139%; expected dividend yield of 0.00% and an expected life of two years.