International Zeolite Corp.

Management Discussion and Analysis
For the years ended June 30, 2020 and 2019

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 years ended June 30, 2020 and 2019, should be read in conjunction with and the Annual Audited Consolidated Financial Statements and related notes for the years ended June 30, 2020 and 2019 which have been prepared under International Financial Reporting Standards ("IFRS"). This MD&A has been prepared as at September 30, 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 900-1021 West Hastings Street, Vancouver, BC V6E OC3. 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

Year ended June 30, 2020

The Company incurred a net loss of $262,904 during the year ended June 30, 2020 compared to a net loss of $915,613 during the prior year. The decrease in net loss of 71% is mainly attributed to gain recognised on the promissory notes measured at amortized cost, decrease in administrative, selling, marketing expenses and professional fees as well as the non-cash cost of issuing stock options in 2019 for $259,376 versus $53,027 in the current year.

During the year ended June 30, 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 (see COVID-19 note below). 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 in the last quarter decreased by 67% to $59,311 (2019 - $178,027) which has adversely affected the annual sales target of $800,000. Overall, sales of finished products in the last year decreased by only 3% to $626,737 (2019 - $648,791). Additionally, the Company received commissions on sales of bulk zeolite processed from the Bromley Creek Zeolite Project totalling $8,019 (2019 - $10,668). Total sales of zeolite products and mined zeolite have yielded a gross margin of 42% (2019 – 49%).

Operational expenses during the year ended June 30, 2020, amounted to $663,605 compared to $1,217,558 in 2019 indicating a reduction of $553,953 or 46%. Administrative expenses decreased by $172,288 or 40% while consulting fees decreased by $29,578 or 57% and professional fees decreased by $54,427 or 36%, reflecting efforts by the Company to control overheads and reduce operational costs. Sales and marketing fees decreased by $23,123 or 53% while selling expenses decreased by $68,188 or 45%. Share-based costs for the current year were $53,027 compared to $259,376 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.

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™ but these efforts were hampered by the COVID-19 pandemic as the Company was unable to attend 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 including the agricultural and filtration sectors.

Selected Quarterly Financial Data

Financial results:	**Jun 30, 2020 $**	**Mar 31, 2020 $**	**Dec 31, 2019 $**	**Sep 30, 2019 $**	**Jun 30, 2019 $**	**Mar 31, 2019 $**	**Dec 31, 2018 $**	**Sep 30, 2018 $**
Net income (loss) for the period	88,059	(127,918)	(120,499)	(102,546)	(300,068)	(257,455)	(108,007)	(250,083)
Basic/Diluted loss per share	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.01
Exploration and evaluation expenditures	1,012	1,261	2,326	1,594	6,241	12,671	11,427	2,195

Balance sheet data:	**Jun 30, 2020 $**	**Mar 31, 2020 $**	**Dec 31, 2019 $**	**Sep 30, 2019 $**	**Jun 30, 2019 $**	**Mar 31, 2019 $**	**Dec 31, 2018 $**	**Sep 30, 2018 $**
Cash and cash equivalents	36.506	1,992	36,246	12,300	41,201	138,608	186,497	411,043
Mineral properties	282,872	281,860	280,599	278,273	287,009	280,768	278,978	269,746
Total assets	1,305,305	1,271,240	1,404,135	1,466,738	1,385,930	1,495,890	1,628,432	1,742,829
Shareholders' equity (deficiency)	90,719	18,871	146,788	198,050	300,596	471,574	609,734	717,741

Liquidity and Solvency

As at June 30, 2020, the Company's cash balance was $36,506 (2019 - $41,201) and a working capital efficiency of $49,712 (2019 – Deficiency $731,341). The Company has a history of losses: in the year ended June 30, 2020, the Company recorded losses of $262,904 compared to $915,613 during the prior comparative period. As of June 30, 2020, the Company had accumulated deficit of $16,898,435 (2019 - $16,635,531).

During the year ended June 30, 2020, the Company generated $626,737 in sales of packaged zeolite products (2019 - $648,791) and earned $8,019 in commissions on bulk zeolite produced from the Company's mines (2019 - $10,668). 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 years ended June 30, 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 years ended June 30, 2020 are as follows:

(i) The Company recorded management fees to a director and officer of $108,000 (2019 - $108,000). The director and officer was issued a promissory note on June 29, 2020 for his accrued fees over the last three years of $243,000. The note bears interest at 4% per annum for two years. Repayment of the note will commence on the third year after July 1, 2022. The note has been classified as a long-term liability.

(ii) The Company accrued interest of $29,400 (2019 - $29,400) 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 has expired on June 29, 2020. A new promissory note for the amount of $793,800 was issued for the same director and officer on June 29, 2020. The note bears interest at 4% per annum for the first two years. Following the initial two year period, interest is charged at prime plus 2% and repayment of the note will commence over a five year period. The Company has the option to pay back the loan in full at any time during the 7 year period in order to reduce the accumulation of interest expense. The note has been classified as a long term liability.

(iii) The Company paid fees to an officer of the Company for accounting services included in administrative expenses of $18,000 (2019 - $24,000). The officer has resigned from his position as of March 31, 2020 and was issued a promissory note for his accrued fees over the last three years of $66,000. The note bears interest at 4% per annum for two years. Repayment of the note will commence on the third year after July 1, 2022. The note has been classified as a long term liability.

(iv) The Company paid fees to an officer of the Company for corporate secretarial services included in administrative expenses of $15,800 (2019 - $38,000). The officer has resigned from her post on March 11, 2020.

(v) Included in professional fees is $20,000 towards accounting services charged by a company controlled by an officer and director (2019 - $12,000).

(vi) Included in administrative expenses is $30,000 (2019 - $30,000) in administrative and rent expenses charged by a company controlled by an officer and director.

(vii) Included in professional fees is $8,000 towards corporate secretarial and accounting services charged by a company controlled by an officer and director (2019 - $nil).

(viii) At June 30, 2020, amounts totaling $43,774 (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 years ended June 30, 2020 and 2019 are as below. The Company defines key management personnel as its CEO, President, CFO, Corporate Secretary and Board of Directors.

	Year ended Jun 30, 2020	Year ended Jun 30, 2019
Senior management compensation[1]	**195,300**	194,121
Share-based compensation	**8,400**	83,065
Interest on promissory note	**29,400**	29,400

[1] As of May 1, 2020, a monthly fee of $4,000 were paid to Grove Corporate Services Ltd., a services company controlled by a Director of the Company, towards corporate secretarial and CFO fees.

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 years of service and for agreeing to remain in association with the Company as an advisor to the Board.

Commitments

At June 30, 2020, the Company has a commitment in respect of an office lease amounting to $6,534 (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

(a) **IFRS 16 "Leases"** was issued by the IASB in January 2016 and will ultimately replace IAS 17, "Leases" and related interpretations. The new standard will be effective for fiscal years beginning on or after January 1, 2019, with early adoption permitted provided the Company has adopted IFRS 15, Revenue from Contracts with Customers. The new standard requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all leases contracts, and record it on the statement of financial position, except with respect to lease contracts that meet limited exception criteria. If the Company has significant contractual obligations in the form of operating leases under IAS 17, there will be a material increase to both assets and liabilities on adoption of IFRS 16, and material changes to the timing of recognition of expenses associated with the lease arrangements. The new amendments have been adopted by the Company and have not had a significant impact on these Financial Statements.

(b) **IFRS 23 "Uncertainty over Income Tax Treatments";** this is a new standard clarifying the accounting for uncertainties over income taxes. The interpretation provides guidance and clarifies the application of the recognition and measurement criteria in IAS 12 "Income Taxes" when there is uncertainty over income tax treatments. The interpretation is effective for annual periods beginning on January 1, 2019. The application of the new standard will have no significant impact on the Company's Financial Statements.

New standards not yet adopted and interpretations issued but not yet effective

(a) **IFRS 3;** In October 2018, the IASB issued amendments to IFRS 3 "Definition of a Business" The amendments clarify the definition of a business, with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendment provides an assessment framework to determine when a series of integrated activities is not a business. The amendments are effective for business combinations occurring on or after the beginning of the first annual reporting period beginning on or after January 1, 2020. The new amendments have been adopted by the Company and have not had a significant impact on these Financial Statements.

(b) **IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"** were amended in October 2018 to refine the definition of materiality and **clarify** its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. The new amendments have been adopted by the Company 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 June 30, 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
1,550,000	0.105	January 2, 2021
800,000	0.100	January 10, 2021
400,000	0.05	June 15, 2022[1]
2,900,000	0.09	

The Company has the following share purchase warrants outstanding:

Number	Exercise price	Expiry date
2,947,267	$ 0.50 [2]	November 7, 2021
2,947,267	$ 0.50	

[1] The fair value of the stock options recognized during the year ended June 30, 2020 was $8,400 (2019 – $195,176). The fair value of options was calculated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate range of 0.25%, average annual volatility factor of the expected market price of the Company's common shares of 148%, expected dividend yield of 0.00% and an expected life of the options of two years. The weighted average remaining life of the options outstanding is 2 years (June 30, 2019 – 1.17)

[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 $44,627 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 1.65%; annual volatility factor of the expected market price of the Company's common shares of 128%; expected dividend yield of 0.00% and an expected life of two years.