

International Zeolite Corp.

Management Discussion and Analysis For the three and six months ended December 31, 2021 and 2020

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 six months ended December 31, 2021 and 2020, should be read in conjunction with the Interim Unaudited Consolidated Financial Statements for the three and six months ended December 31, 2021 and 2020 and the Annual Audited Consolidated Financial Statements for the years ended June 30, 2021 and 2020 which have been prepared under International Financial Reporting Standards (“IFRS”). This MD&A has been prepared as at February 25, 2022, 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 0C3. 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”).

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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, 2020.
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 1,113.73 hectares (2020 – 1,492.02) of mineral claims leased from the British Columbia government, which currently have expiration dates through to April 24, 2022. 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 three mineral claims as follows:

Tenure No.	Claim Name	Owner	Map No	Expiry Date	Area (Hectares)
380929	Mineral Lease	142965 (100%)	092H048	2022/ Dec /15	30.80
1059113	Bromley Zeolite 1	142965 (100%)	092H	2022/ Apr /24	483.32
1059114	Bromley Zeolite 2	142965 (100%)	092H	2022/ Apr /24	378.20
1059115	Bromley Zeolite 3	142965 (100%)	092H	2022/ Apr /24	252.21
TOTAL:					1,113.73

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.

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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	2022/ Sep /30	232.017
1072611	SUNDAY CREEK 2	142965 (100%)	092H	2022/ Sep /30	358.454
1072610	SUNDAY CREEK 3	142965 (100%)	092H	2022/ Sep /30	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 March 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 December 31, 2021 and 2020

The Company incurred a net loss before financing costs of \$164,230 during the three months ended December 31, 2021, compared to a loss of \$81,932 during the prior period. The increase in net loss of \$82,298 is mainly attributed to increase in administrative and consulting fees in the current period as the Company is preparing to launch a whole set of new products especially in the agricultural sector.

Sales of finished products during the three months ended December 31, 2021, were \$215,676 (2020 - \$210,846). The Company received \$624 in commissions on sales of bulk zeolite processed from the Bromley Creek Zeolite Project during the three months ended December 31, 2021 (2020 - \$509).

During the years 2020 and 2021, 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.

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Operational expenses during the three months ended December 31, 2021, amounted to \$318,145 compared to \$202,350 in 2020 indicating an increase of \$115,795 or 57%. Administrative expenses increased by \$31,684 or 38%, management fees were \$27,000 compared to \$27,000 in 2020, consulting fees were \$33,530 compared to \$nil during the comparative period and professional fees increased by \$335 or 1%. Sales and marketing expenses increased by \$15,183. The increase was mainly attributed to increased marketing operations. Accordingly, selling expenses decreased by \$1,051 or 2%. The overall increase in operational expenses is mainly attributed to increase in consulting and administrative fees in the current period as the Company is mulling its strategic options for improvement.

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 2022 and 2023 including the agricultural and filtration sectors. (See note below: **Expanding into new markets and new products**)

Six months ended December 31, 2021 and 2020

During the six months ended December 31, 2021, the Company incurred a net loss before financing costs of \$314,947 during the six months ended December 31, 2021, compared to a loss of \$160,536 during the prior period. The increase in net loss of \$154,591 is mainly attributed to increase in administrative and consulting fees in the current period as the Company is preparing to launch a whole set of new products especially in the agricultural sector.

Sales of finished products during the six months ended December 31, 2021, were \$332,914 (2020 - \$356,612). The Company received \$1,302 in commissions on sales of bulk zeolite processed from the Bromley Creek Zeolite Project during the six months ended December 31, 2021 (2020 - \$5,657).

During the years 2020 and 2021, 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.

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Operational expenses during the six months ended December 31, 2021, amounted to \$511,304 compared to \$375,081 in 2020 indicating an increase of \$136,223 or 36%. Administrative expenses increased by \$34,108 or 23%, management fees were \$54,000 compared to \$54,000 in 2020, consulting fees were \$53,655 compared to \$nil during the comparative period and professional fees increased by \$9,682 or 21%, Sales and marketing expenses increased by \$18,758. The increase was mainly attributed to increased marketing operations. Accordingly, selling expenses decreased by \$15,087 or 17%. The overall increase in operational expenses is mainly attributed to increase in consulting and administrative fees in the current period as the Company is mulling its strategic options for improvement.

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 2022 and 2023 including the agricultural and filtration sectors. (See note below: **Expanding into new markets and new products**)

Expanding into new markets and new products

As part of the Company's plan to expand into new markets, the Company announced on January 26, 2021 that landmark negotiations were held in Havana, Cuba, between the University of Havana Foundation (UH), GEOMINERA S.A.(GMSA) and the Company. Mark Pearlman, in his capacity as Director represented the Company. This negotiation was the culmination of months of planning. The purpose of the meetings was to conclude on three major agreements, formalize working teams and to garner a better understanding of the NEREA® products that Cuba has developed over the last 20 years.

The parties held conversations focused on developing joint projects aimed at creating an International Economic Association (AEI), for production, technology transfer, marketing and distribution of NEREA® products in the Canadian market, subject to the rules that regulate foreign investments of the Republic of Cuba.

UH and Geominera have assigned senior leaders to form a team to conduct work associated with the contracts and agreements. IZC is currently assembling a high-level team to move the project forward. The IZC team and timelines will be announced over the coming weeks. On January 17, 2022, the Company announced the appointment of Mr. Mark Pearlman as President and Chief Operating Officer and on February 8, 2022, , the Company further announced the signing of a Technology Transfer Agreement between the University of Havana Foundation (UH) and International Zeolite Corp (IZ) for exclusive development and commercialization of NEREA® - a revolutionary breakthrough in agricultural technology and crop science. NEREA® zeoponic technology has proven to produce higher yields of crops by 20-30%, a higher quality of product, uses less water by 30% and has lower plant infection by fungus, viruses and microorganisms. Nerea® substrates are environmentally friendly and do not produce wastes that damage the environment.

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Selected Quarterly Financial Data

Financial results:	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net loss for the period	367,054	176,770	115,742	320,991	212,463	104,477	-63,348	103,207
Basic/Diluted loss per share	-	-	-	-	-	-	-	-
Exploration and evaluation expenditures	22,998	1,232	2,763	1,232	500	3,085	1,012	1,261
Balance sheet data:	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Cash and cash equivalents	233,806	6,445	70,297	49,066	70,758	49,876	36,506	1,992
Mineral properties	295,418	284,162	283,518	282,286	279,580	279,023	282,872	281,860
Total assets	1,561,472	1,336,108	1,282,836	1,314,890	1,373,280	1,343,870	1,305,305	1,271,240
Shareholders' equity (deficiency)	(206,847)	(426,051)	(279,285)	(185,080)	(91,562)	11,252	90,719	18,871

Liquidity and Solvency

As at December 31, 2021, the Company's cash balance was \$233,806 (June 30, 2021 - \$70,297) and a working capital deficiency of \$150,247 (June 30, 2021 - \$240,837). The Company has a history of losses: in the three and six months ended December 31, 2021, the Company recorded losses of \$190,284 and \$367,054 respectively compared to \$107,986 and \$212,463 during the prior comparative period. As of December 31, 2021, the Company had accumulated deficit of \$18,019,162 (2020 - \$17,652,108).

During the six months ended December 31, 2021, the Company generated \$332,914 in sales of packaged zeolite products (2020 - \$356,612) and earned \$1,302 in commissions on bulk zeolite produced from the Company's mines (2020 - \$5,657). Royalties received this current period amounted to \$12,330 (2020 - \$6,934) 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.

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Related party transactions

During the six months ended December 31, 2021, 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 six months ended December 31, 2021 are as follows:

The Company recorded management fees to directors and officers of \$54,000 (2020 - \$54,000) as well as consulting fees paid to a director in the amount of \$18,000 (2020, \$nil).

The Company accrued interest of \$15,876 (2020 - \$15,876) on a promissory note of \$793,800 (2020 - \$735,000) payable to a director and officer of the Company. 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.

The initial carrying value of the liability was calculated by discounting the stream of future payments of principal and interest using a market interest rate of 11% and accreted using the effective interest method over the term of the Note such that the carrying amount of the financial liability will equal the principal balance at maturity.

On June 29, 2020, the Company issued a promissory note to LRP Consulting Group, a related Company, for a total amount of \$243,000 for consulting services rendered in the current and prior year. The note bears interest at 4% per annum for three years with a repayment date no later than September 30, 2023. The loan has been classified as a long-term liability.

The initial carrying value of the liability was calculated by discounting the stream of future payments of principal and interest using a market interest rate of 11% and accreted using the effective interest method over the term of the Note such that the carrying amount of the financial liability will equal the principal balance at maturity. During the six months ended December 31, 2021, the Company accrued interest of \$4,860 (2020 - \$4,860) on the promissory note.

Included in administrative expenses are \$21,000 ((2020 - \$21,000) in administrative and rent expenses charged by a company controlled by an officer and director.

Included in professional fees are \$24,000 towards corporate secretarial and accounting services charged by a company controlled by an officer and director (2020 - \$24,000).

At December 31, 2021, amounts totaling \$246,370 (June 30, 2021 - \$248,592) 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 six months ended December 31, 2021 and 2020 are as below. The Company defines key management personnel as its CEO, President, CFO, Corporate Secretary and Board of Directors.

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	Six months ended December 31, 2021	Three months ended December 31, 2020
Senior management compensation ⁽¹⁾	72,000	54,000
Interest on promissory notes	20,736	20,736

⁽¹⁾ A monthly fee of \$3,500 is paid to Grove Corporate Services Ltd., a services company controlled by a Director of the Company, towards corporate secretarial and CFO fees.

Management changes

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 and will stay as an advisor to the 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.

On November 9, 2020, the Company announced the appointment of Mr. Mark Pearlman to the Company's Board of Directors. Mark spent 14 years at Hewlett Packard where he last held the role of Worldwide Chief of Staff accountable for projects aimed at global sales force transformation as well as leading efforts directed at integrating acquired companies in the HP portfolio. Prior to HP for 13 years at Wal-Mart International, Mark was accountable for country wide logistics and supporting efforts to expand Wal-Mart's presence in Europe and Canada. Mark has held several public sector board roles including Vice Chair of the Ontario Food Terminal, North America's 2nd largest wholesale produce terminal, and Chair of the Board of Referees, for Canada's Employment Insurance Commission. He is currently serving as the Chief Operating Officer (COO) of CannAssist Group Inc, tasked with overseeing the development of plans that would see CannAssist as a global leader in the pharmaceutical production of cannabis related products. Additionally, Mark has participated as a board Member on several Non-Profits including Chair of FoodShare, Board Member of Mazon, President of Canada ORT, and Board member of JVS Toronto.

In addition to corporate and public sector leadership, Mark has consulted with government and private sector in the areas of Tele-Medicine, Electronics Waste Reduction Programs, and provided several private sector companies with facilitation of their strategic and tactical organization plans

On January 17, 2022, the Company announced the appointment of Mr. Mark Pearlman as President and Chief Operating Officer.

On February 3, 2021, the Company announced the appointment of Mr. Rohn Crabtree as an Advisor to the Company's Board of Directors. Rohn Crabtree is the founder and president of Newport Energy Holdings LLC, an energy advisory firm. Having spent more than 30 years in the energy industry, Rohn has extensive experience leading, advising, and financing companies of all sizes, including start up and early-stage companies. He has worked as a senior corporate executive, consultant, advisor, and as a board member for public, private and non-profit entities. He has successfully raised several billion dollars in debt and equity financing.

Mr. Crabtree is currently the Acting Senior Vice President of Business Development for Bluescape Clean Fuels and he serves on the board of Magvation Medical. He previously held the position of Board Chairman for the publicly traded Commerce Energy, Inc. In addition to other corporate roles, Mr. Crabtree served as a lead power contracting advisor to the Ontario Power Authority, and before that as the Chief Executive Officer of the Calpine Power Income Fund and as the Senior Vice President of Finance for the Calpine Corporation. He helped grow the company to become the largest independent power producer in the United States. Prior to joining Calpine, Rohn worked for the Luz

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Development and Finance Corporation as the Director of Finance. At that time, LUZ was the largest solar power plant development company in the world.

Mr. Crabtree earned his MBA in finance and international management from the University of Pennsylvania Wharton School of Business and Bachelor of Science degrees in both finance and accounting from Weber State University.

On March 1, 2021, the Company appointed Mr. Mark Caplan as an Advisor to the Company's Board of Directors. Mark has over 30 years of experience in finance, with a breadth of experience in leading wholesale financial services businesses in Canada and internationally. He was most recently Chief Executive Officer of Bank of Montreal Europe located in Dublin. BME provides wholesale banking services to European clients. Previously, Mr. Caplan served as President of the Global Risk Institute in Financial Services, a non-profit, public and private partnership aimed at strengthening risk management practices throughout the financial services industry globally. From 2010-2016, Mark worked as Regional Head of Scotiabank's European business. He worked in a senior capacity for the Bank of Canada and is a former member of the Monetary Policy Review Committee and the Financial System Review Committee. He was also a longstanding executive at BMO Capital Markets in Toronto. Mark is a former Board member of BMO Europe plc (public limited company), Scotiabank Europe plc, and Chair of Scotia Capital Europe Limited. Mr. Caplan is a Distinguished Fellow of the Munk School of Public Policy and Global Affairs at the University of Toronto and a member of the Investment Committee of the Perimeter Institute for Theoretical Physics.

On January 27, 2022, Mr. Caplan was appointed as CEO of National Bank European operations and consequently resigned from his position.

On March 16, 2021, the Company announced the appointment of Mr. Cliff Hacking as an Advisor to the Company's Board of Directors. Cliff is the founding president and CEO of the Electronic Products Recycling Association (EPRA), an industry-led, not-for-profit organization that operates regulated recycling programs across Canada.

Since launching in 2011, the EPRA has grown into the most comprehensive end-of-life electronic stewardship program in North America. Under Cliff's leadership, the EPRA now directs and supports more than 7,000 stewards across Canada and has collected and responsibly recycled over one million metric tonnes of regulated, end-of-life electronics to date. Such efforts, at more than 2,300 locations across the country, mean that 17 million devices are safely diverted from landfill and illegal export each year.

Cliff is recognized as an innovative, solutions-oriented leader with expertise in developing national systems and processes that drive lower costs and increased economies of scale within the scope of provincial regulations. In leadership roles prior to the EPRA, Cliff increased revenue and profitability at such industry-leading companies as Hewlett-Packard, Compaq, Canadian Tire, and The Oshawa Group Limited. As Hewlett-Packard vice-president of the Americas, Cliff bolstered the sales force with more effective lead generation and a more efficient sales cycle process. When HP and Compaq merged, Cliff led the successful integration of Canadian activities.

Cliff holds an MBA from Western University's Richard Ivey School of Business. He is a member of the Conference Board of Canada and a past board member for the Supply Chain Logistics Council. He earned an ICD.D designation from the Institute of Corporate Directors via the Rotman School of Business, representing a lifelong commitment to excellence in the boardroom.

On October 5, 2021, the Company announced the appointment of Mr. Andrew Corradini as an Advisor to the Company's Board of Directors. Mr. Corradini has over 30 years of experience in venture growth strategy, commercialization, and market development across a variety of technical industries, including AgTech/biotech, green energy and biofuels, and information technology. He has most recently served as an adviser to AgwaFarm, an advanced Israeli provider of AI-based CEA (controlled-environment agriculture) hydroponic technology, and Chief Operating Officer of a Silicon Valley biomaterials technology venture.

Previously, Mr. Corradini served as founder, CTO and CEO for a waste-to-biofuels venture for a process he developed and patented, and raised seed funding for, leading to the successful building of a pilot plant and Series A term sheets

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from top-tier Silicon Valley venture capital firms before a private equity acquisition. He holds a U.S. patent for a process to convert waste greenhouse gases into synthetic gasoline and another filed for a novel synthetic process involving ionic liquids and rare metal catalysts. He has worked on development of bioplastics produced by microbes from industrial waste, and also derived from chitin from waste crustacean shells. Mr. Corradini holds a Masters in Business Administration from the Wharton School of the University of Pennsylvania.

On December 2, 2021, the Company announced that it has appointed Ken Malone as Chief Revenue Officer and member of the executive management team. In this role, Ken is accountable for driving better integration and alignment between all revenue-related functions, including marketing, sales, customer support, pricing, and revenue management. As a seasoned professional, with over 30-years of retail and consumer packaged goods industry experience, Mr. Malone is known for optimizing business models, streamlining value chains, driving brand growth and delivering financial performance. Mr. Malone has held senior organizational leadership roles as a Chief Operating Officer and General Manager, as well as functional area senior executive positions in Category Management, Marketing, Merchandising, Operations and Supply Chain. He has served in senior executive roles with Loblaws Companies Ltd, Rexall and Shoppers Drug Mart. Mr. Malone has also worked as a strategic business advisor/consultant within the retail and consumer packaged goods industries for PwC Consulting and his own independent consulting business. Mr. Malone holds a Master of Business Administration degree from York University, Schulich School of Business, as well as Bachelor of Commerce with Honours degree from Queen's University, Smith School of Business.

Financing

During September 2020, the Company, through its subsidiary EII, received a loan of \$60,000 as part of the Canada Emergency Business Account ("CEBA") extended by the Government. The loan is interest free until December 31, 2022 and \$20,000 (or 25%) of the \$60,000 loan is eligible for complete forgiveness if the \$30,000 is fully repaid on or before December 31, 2022. If the loan is not repaid by December 31, 2022, it will be extended for an additional 3-year term bearing an interest rate of 5% per annum.

On April 20, 2021, the Company announced, that it has entered into an agreement for a financing facility with Alumina Partners (Ontario) Ltd. ("Alumina"). The Investment Agreement will provide the Company with up to C\$4.0 million over a 24-month period to finance its working capital needs as well as accelerate its product road map.

Under the financing facility with Alumina (the "Investment Agreement") International Zeolite, subject to certain customary conditions, may draw down through private placements up to CAD \$4,000,000 million in tranches of up to CAD \$250,000 each. Each tranche shall be a private placement of units, to be comprised on one common share ("Common Share") and one Common Share purchase warrant ("Warrant"). The Warrants may not be exercised prior to the date, which is four months and one day from their date of issuance.

The Investment Agreement provides the Company with a financing facility over a period of 24 months during which the Company can draw down equity private placement tranches of up to CDN\$250,000. Each tranche will be composed of units with each unit consisting of one common share of the Company and one common share purchase warrant, at discounts between 15% and 25% of the closing price of the common shares on the day prior to the Company's drawdown notice to Alumina. The exercise price of the warrants will be at a 25% premium over market at the time of the issuance. Each drawdown from the investment may be subject to approval of the TSX Venture Exchange. All securities issued pursuant to a financing under the Investment Agreement will be subject to a statutory hold period that expires four months and one day from issuance. No finder's fees will be paid in connection with a financing under the Investment Agreement.

There are no standby charges or other upfront fees associated with the Investment Agreement. Each tranche of Units issued under the Investment Agreement will be subject to the acceptance of the TSX Venture Exchange, and the securities issued will be subject to the customary 4-month hold period.

In February 2021, option holders exercised 270,000 options for proceeds of \$21,000.

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In May 2021, option holders exercised 600,000 options for proceeds of \$37,500.

On October 1, 2021 the Company announced a non-brokered private placement of up to 8,000,000 units at a price of \$0.16 per unit for gross proceeds of up to \$1,280,000. Each unit will consist of one (1) common share and one half (1/2) non-transferable purchase warrant. Each warrant will entitle the holder to purchase one additional common share at a price of \$0.24 for a period of 12 months from the date of issue.

The financing is subject to regulatory approval and all securities to be issued pursuant to the financing are subject to a four-month hold period under applicable Canadian securities laws. The Company may pay finders' fees consisting of 6% cash in connection with the financing, subject to compliance with the policy of the TSX Venture Exchange (the "TSXV"). Completion of the private placement and payment of any finders' fees remain subject to the receipt of all necessary regulatory approvals, including approval of the TSXV.

On December 17, 2021. The Company announced that it has closed the final tranche of its non-brokered private placement previously announced on October 1, 2021. The Company raised total proceeds of \$366,000 and an issuance of 2,287,500 shares and 1,143,750 warrants.

Significant Accounting Policies

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

Recently Adopted Accounting Standards

IFRS 16, "Leases"

This standard has been amended to provide lessees with an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. This amendment is effective for annual periods beginning on or after June 1, 2020. At this time, the Company has not received rent concessions related to COVID-19 and therefore, this amendment is not expected to have a significant impact on the unaudited interim condensed consolidated 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.

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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 December 31, 2017. On December 11, 2017, the Company acquired 100% of the issued share capital of Earth Innovations Inc.

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

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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 March 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 later 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.

Additionally, and during September 2020, the Company, through its subsidiary EII, received a loan of \$60,000 as part of the Canada Emergency Business Account (“CEBA”) extended by the Government. The loan is interest free until December 31, 2023 and \$20,000 (or 25%) of the \$60,000 loan is eligible for complete forgiveness if the \$40,000 is fully repaid on or before December 31, 2022. If the loan is not repaid by December 31, 2023, it will be extended for an additional 3-year term bearing an interest rate of 5% per annum.

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 December 31, 2021 based upon their evaluation of the effectiveness of such disclosure controls and procedures.

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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 25, 2022. 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 period.

Share Capital Information

The Company is authorized to issue an unlimited number of common shares without par value. As at February 25, 2022, the Company had 40,640,712 common shares issued and outstanding.

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

Number outstanding	Number exercisable	Exercise price	Expiry Date
150,000	150,000	\$ 0.050	September 8, 2022
1,350,000	1,350,000	\$ 0.075	January 5, 2023
160,000	145,000	\$ 0.135	February 1, 2023
160,000	132,800	\$ 0.135	March 1, 2023
150,000	118,500	\$ 0.135	March 16, 2023
75,000	75,000	\$ 0.165	May 7, 2023
186,250	186,250	\$ 0.175	May 12, 2023
450,000	450,000	\$ 0.140	June 21, 2023
75,000	75,000	\$ 0.200	August 23, 2023
150,000	150,000	\$ 0.170	October 5, 2023
200,000	200,000	\$ 0.140	December 2, 2023
3,106,250	3,033,150	\$ 0.112	

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The Company has the following share purchase warrants outstanding:

Number	Exercise Price	Expiry date
1,068,750	0.24	October 22, 2022
75,000	0.24	December 13, 2022
1,143,750	0.24	
