

International Zeolite Corp. Management Discussion and Analysis

For the three and nine months ended March 31, 2023 and 2021

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, 2023 and 2022, should be read in conjunction with the Consolidated Financial Statements for the three and nine months ended March 31, 2023 and 2022 and the Annual Audited Consolidated Financial Statements for the years ended June 30, 2022 and 2021 which have been prepared under International Financial Reporting Standards (“IFRS”). This MD&A has been prepared as at May 16, 2023, 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 1,134.75 hectares (2022 – 1,492.02) of mineral claims leased from the British Columbia government, which currently have expiration dates through to March 11, 2024. 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	2023/ Dec /15	30.80
1059113	Bromley Zeolite 1	142965 (100%)	092H	2024/ Mar /11	483.32
1059114	Bromley Zeolite 2	142965 (100%)	092H	2024/ Mar /11	378.20
1059115	Bromley Zeolite 3	142965 (100%)	092H	2024/ Mar /11	252.21
1092799	Bromley Zeolite 4	142965 (100%)	092H	2024/ Mar /11	21.02
TOTAL:					1,134.75

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.

On July 26, 2022, the Company entered into an amending agreement with Progressive Planet Products Inc. (“PPP”) formerly (“Absorbent Products Ltd.”) whereas the Company acknowledged receipt of \$101,933.76 towards 50% of the purchase price of Bromley Creek. The remaining \$623,006.24 of the Purchase Price shall be paid in twenty equal installments of \$31,150.31, payable every three months commencing on June 30, 2022. In addition, International Zeolite will receive a net royalty payment of \$4.50 per metric tonne of product mined and removed from the mine.

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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 527.1674 hectares (2022 - 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	2026/ May /28	189.7700
1072611	SUNDAY CREEK 2	142965 (100%)	092H	2026/ May /28	231.9427
1072610	SUNDAY CREEK 3	142965 (100%)	092H	2026/ May /28	105.4547
TOTAL:					527.1674

During the year 2012, the Company filed a Notice of Work Application to conduct a drill program on the property. As at June 30, 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.

On July 26, 2022, the Company entered into an amending agreement with Progressive Planet Products Inc. ("PPP") formerly ("Absorbent Products Ltd.") whereas the Company grants to PPP the sole and exclusive right (the "Sun Group Option") to acquire an undivided 50% legal and beneficial interest in and to the Sun Group Assets, free and clear of all Liens. The amended agreement also formalizes the option granted by International Zeolite to PPP to acquire up to a 50% interest in a separate group of mineral claims known as the "Sun Group" also located in British Columbia, for a purchase price of \$725,000, exercisable until July 26, 2027. To date, PPP has acquired a 2.5% interest, and to maintain the Sun Group option in good standing will contribute up to \$50,000 per annum towards exploration costs. 50% of this contribution amount will be credited to the Sun Group option price.

Results of Operations

Three months ended March 31, 2023 and 2022

The Company incurred a net loss after financing costs of \$376,023 during the three months ended March 31, 2023, compared to a net loss of \$292,527 during the comparative period. The increase in net loss of \$83,496 is mainly attributed to an increase in general expenditures including consulting and administrative expenses 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 March 31, 2023, were \$119,663 (2022 - \$201,239). The Company received \$768 in commissions on sales of bulk zeolite processed from the Bromley Creek Zeolite Mine during the three months ended March 31, 2023 (2022 - \$444). Gross margin during the three months ended March 31, 2023, was \$49,794 (42%) compared to \$93,616 (47%) during the comparable period.

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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.

Operational expenses during the three months ended March 31, 2023, amounted to \$387,825 compared to \$360,090 in 2022 indicating an increase of \$27,735 or 8%. Administrative expenses increased by \$64,173 or 73%, management fees were \$27,000 compared to \$27,000 in 2022, consulting fees were \$42,369 compared to \$18,362 during the comparative period. Professional fees decreased by \$1,878 or 12%, sales and marketing expenses decreased by \$6,982 on larger revenues. Selling expenses decreased by \$20,031 or 54%. The decrease reflects better handling of shipping costs. Share based compensation decreased by \$5,064 or 4%. The overall increase in operational expenses of 8% is mainly attributed to an increase in administrative and in consulting costs with a decrease of selling and sales and marketing expenses on larger revenues

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.

EII will continue expanding its efforts to introduce its product lines to larger commercial and governmental customers in 2023 and 2024 including the agricultural and filtration sectors. (See note below: **Expanding into new markets and new products**)

Nine months ended March 31, 2023 and 2022

The Company incurred a net loss after financing costs of \$775,252 during the nine months ended March 31, 2023, compared to a net loss of \$659,581 during the comparative period. The increase in net loss of \$115,671 is mainly attributed to an increase in general expenditures including consulting, administrative expenses, professional fees and selling expenses as the Company is preparing to launch a whole set of new products especially in the agricultural sector.

Sales of finished products during the nine months ended March 31, 2023, were \$566,463 (2022 - \$534,153). The Company received \$1,954 in commissions on sales of bulk zeolite processed from the Bromley Creek Zeolite Mine during the nine months ended March 31, 2023 (2022 - \$1,746). Gross margin during the nine months ended March 31, 2023 was \$246,000 compared to \$245,926 during the comparable period.

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.

Operational expenses during the nine months ended March 31, 2023, amounted to \$1,023,743 compared to \$871,394 in 2022 indicating an increase of \$152,349 or 17%. Administrative expenses increased by \$60,754 or 23%, management fees were \$81,000 compared to \$81,000 in 2022, consulting fees were \$117,744 compared to \$72,017 during the comparative period and professional fees increased by \$19,769 or 37%. sales and marketing expenses decreased by \$22,773 (57%) on larger revenues. Selling expenses increased by \$46,365 or 41%. The large increase reflects the current economic environment of increased shipping costs. Share based compensation increased by \$33,464 or 18%. The overall increase in operational expenses is mainly attributed to increase in consulting,

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professional and selling expenses 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 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 has assembled a high-level team to move the project forward. 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 and International Zeolite Corp (IZ) for exclusive development and commercialization of NEREA® - a revolutionary breakthrough in agricultural technology and crop science NEREA® zeoionic 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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Macro Tailwinds Ideally Suited for NEREA® Commercialization and Launch of NEREA®

Fertilizer prices are at record highs and farmers and growers are searching for alternatives. Prices for raw materials that constitute the fertilizer market are up 30% since the turn of the year. Supply shortages along with a host of other factors, have driven fertilizer prices higher. Among farmers and growers, very few topics are being discussed as much as the skyrocketing cost of fertilizer and increasing concerns regarding availability.

NEREA® is a holistic solution that provides both financial and environmental benefits. It improves commercial agriculture financial performance and efficiencies, while also proving to be environmentally safe. By holding and slowly releasing nutrients and water to plant roots, NEREA® reduces fertilizer and water costs while decreasing agricultural runoff and promoting soil sustainability. These are material benefits that extend from the farmers and growers to the consumers and the environment in which they all live.

“Finding alternative and complementary nutrient delivery systems that improve crop yields and reduce input costs is the primary concern facing farmers today,” stated President Mark Pearlman, COO. “There is an incredible opportunity for us to help farmers and growers across North America to create an environmentally friendly, financially beneficial and cost-effective solution to support an industry facing continued economic pressure. NEREA® has proven to be a transformational agricultural growth system, that delivers all the essential nutrients required in a plants life cycle. Research validates that utilizing NEREA® shortens crop cycle time, increases quality and yields while reducing major cost inputs.”

Completion of NEREA® Milestone Technology Transfer Agreement

The Agreement signed with the University of Havana Foundation for the exclusive development and commercialization of NEREA® for North America is critical to the Company’s strategic decision to increase its focus on crop science and agricultural applications for its natural zeolite resources.

The Technology Transfer Agreement completes IZ’s vertical integration strategy and will allow the Company to distribute NEREA® through its value chain. IZ is now focused on the commercialization and operationalization of bringing NEREA® to market.

Research Results Validate NEREA’s Revolutionary Potential

The Company engaged Niagara College’s Agriculture & Environmental Technologies Innovation Centre (“AETIC”) and Vineland Research & Innovation Centre to conduct research projects validating NEREA’s technical performance, with impressive results.

NEREA®, used as a drop-in substrate or soil amendment in field or controlled-environment agriculture (“CEA”), demonstrates numerous environmentally friendly and significant advantages and benefits to farmers and commercial growers including:

- o Faster germination – more economical - 30-50% more crops per year
- o Reduces fertilizer waste and runoff by up to 90%
- o Increases crop yields by 20 – 30%
- o Reduces water usage by up to 30% or more
- o Grows healthier plants with higher Chlorophyll content index

The research projects were conducted independent of one another and validated the original UH research results indicating that NEREA® enables crops to mature more quickly, shortening crop cycle and increasing yield while providing all the essential nutrients required throughout the growth period, without any additional nutrient applications.

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NEREA® Research & Innovation Article Links:

- Jan 26, 2022: Boosting efficiency in plant growth through hydroponic media substitute
- Jan 24, 2022: Vineland Research - IZC NEREA® Validation Summary Report ⁽¹⁾: Greenhouse basil, lettuce, gerbera production and chrysanthemum rooting
- Dec 23, 2021: Evaluation of the performance of zeolite based NEREA® as a media amendment for commercial production of basil in Canada
- Nov 10, 2021: Preliminary evaluation of the performance of zeolite based NEREA® as a hydroponic media substitute for commercial production of leafy greens in Canada
- Jul 19, 2021: Go-to-market research for new agriculture product

To receive a copy of the Vineland Research: IZC NEREA® Validation Report (in PDF), please contact info@internationalzeolite.com

Additions to Leadership Strengthen Operational and Sales Initiatives

As part of its commitment to the growth of International Zeolite’s agricultural technology business, the Company added operational and strategic leadership expertise as well as consumer packaged goods (“CPG”) sales and marketing experience with several appointments. (Refer to “Management Changes” below).

Corporate Objectives Outline (Short, Medium and Long Term):

International Zeolite is strongly positioned for the significant market opportunity presented by the increased costs within the fertilizer market, and demand for alternative, environmentally friendly and complementary nutrient delivery systems to aid farmers and growers ever increasing input costs. The Company has set several milestones and goals that it plans to accomplish over the next few years:

Short Term Objectives (3-12 Months)

- Commercialize and Operationalize NEREA® – bringing the transformational product system to market
- Optimize existing business operations to deliver immediate value creation
- Expand team resources with a focus on sales and marketing
- Launch integrated awareness and education marketing plan
- Execute on a long-term funding strategy to enable and meet growth requirements

Medium Term Objectives (12-24 months)

- Expand NEREA® offering into organic and additional agricultural grow verticals
- Develop and operationalize water remediation and composting value-added products
- Increase, as well as rebrand existing home use and consumer offering
- Optimize mine and processing operations

Long Term Objectives (24 months and beyond)

- Become market share leader in the zeolite industry
- Establish top of mind, lead position in zeolite awareness and education
- Develop and operationalize concrete value-added products
- Operationalize the Sun Group zeolite mineral property
- Add international partnerships and expand into new global geographic jurisdictions

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Operational update

During the year 2022, International Zeolite Corp (IZ) achieved excellent progress. The Company completed a transformational mission from zeolite mining and exploration to a provider of agricultural technology with a focus on developing sustainable innovations around naturally occurring zeolite which addresses environmental concerns within the agricultural sectors. Our priority was on pre-commercialization of our NEREA® line of products as a basis to improve agriculture through increased crop size, yields and reductions in problematic waste from traditional fertilizer methods. With our line of NEREA® products, we plan to change the way crops grow and help farmers reduce their ecological footprints through lowered green-house gas emissions and a reduction in the need for traditional fertilizer.

In Cuba, IZ signed a formal agreement with the Foundation of the University of Havana to extend its exclusive licence to the NEREA® technology to 20 years for the North American, Asian, European, and Australian markets. IZ appointed Dr. Sc. Gerardo Rodríguez-Fuentes as IZ's Chief Science Officer. Dr. Fuentes is recognized as one of the world's foremost scientific leaders in natural zeolite commercial and industrial applications.

In Canada, IZ published independent studies that conclusively demonstrated that NEREA® reduced crop time in lettuce, and basil production by 50% and 30% respectively while reducing the need for fertilizer requirements by over 80%. Our studies also demonstrated a significant overall reduction in the production of greenhouse gases. "NEREA® can simplify and accelerate crop production for food and ornamental plant producers and would also be great for long term crops such as nursery and perennial stock." – Derek Schulze, M.Sc. Professor, Niagara College

During the past year, IZ signed a long-term partnership agreement with Niagara College Research and Innovation, providing IZ with an extended research and development arm. Niagara College is ranked first place in Ontario – and second in Canada – among the most recent Top 50 Research Colleges ranked by Research InfoSource Inc. "This work has implications for food production in Canada and across the globe," says Dr. Nantel, Vice-President - Research, Innovation & Strategic Enterprises at Niagara College. It could allow us to grow crops more efficiently and economically, including in areas with limited access to soil and water."

Industry and Government recognition provided IZ with the credibility centred around its NEREA® product line. IZ was awarded the Fertilizer Accelerating Solutions & Technology Challenge by BioEnterprise and Ontario Ministry of Food, Agriculture and Rural Affairs. The grant that accompanied this award is being applied by IZ towards commercialization activities.

The Canadian Federal Government, Agriculture Canada through its Agri-Innovation program formerly invited IZ to submit a proposal for evaluation that provides funding for pre-commercialization activities.

"Ultimately, it's all about bringing our products to the growers. We believe that once the early adopter growers start using NEREA® fertilizer products in existing commercial applications, the demand will go viral. It's a triple win for growers, they reduce their crop time, they significantly reduce their input costs and contribute to the national goal of reducing greenhouse gases," states Mark Pearlman President and Chief Operating Officer of International Zeolite Corp.

In December of 2022, IZ acquired its new production facility in Jordan Station, Ontario. IZ is currently outfitting the facility with the necessary equipment and personnel to begin production in the second quarter of 2023. The location offers quick access to the Welland Canal, rail, and major trucking routes for getting our products to market.

As we move from pre-commercialization to full commercialization and revenue generation, the year 2023 will see our NEREA® product lines being produced in Ontario and into the hands of growers. Next steps are on-boarding distributors and creating education and awareness around the benefits of IZ agricultural zeolite products.

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Selected quarterly financial data

Financial results:	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net loss for the period	444,725	102,198	228,329	170,588	292,527	190,284	176,770	115,742
Basic/Diluted loss per share	0.01	-	0.01	0.01	0.01	-	-	-
Exploration and evaluation expenditures	17,406	3,128	33,230	8,872	5,585	23,644	1,232	2,763
Balance sheet data:	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Cash and cash equivalents	200,191	413,423	84,549	283,533	184,024	233,806	6,445	67,344
Mineral properties	165,157	179,186	213,599	281,470	301,649	295,418	284,162	283,518
Total assets	1,447,142	1,702,292	1,421,986	1,484,403	1,434,294	1,561,472	1,336,108	1,282,836
Shareholders' equity (deficiency)	(922,252)	(718,562)	(656,018)	(491,855)	(379,649)	(206,847)	(426,051)	(279,285)

Liquidity and solvency

As at March 31, 2023, the Company's cash balance was \$200,191 (June 30, 2021 - \$283,533) and a working capital deficiency of \$1,206,316 (June 30, 2022 - \$857,193). The Company has a history of losses: in the three and nine months ended March 31, 2023, the Company recorded losses of \$376,023 and \$775,252 respectively compared to \$292,527 and \$659,581 during the prior comparative period. As of September 30, 2022, the Company had accumulated deficit of \$19,257,529 (2022 - \$18,482,277).

During the three and nine months ended March 31, 2023, the Company generated \$119,663 and \$566,463 respectively in sales of packaged zeolite products (2022 - \$201,239 and \$534,153) and earned \$768 and \$1,954 respectively in commissions on bulk zeolite produced from the Company's mines (2022 - \$444 and \$1,746). Royalties received this current period amounted to \$128,505 (2022 - \$12,330) and have been applied to reduce the capitalized costs of the Company's Bromley Creek and Sun Group zeolite properties.

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 nine months ended March 31, 2023, 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 nine months ended March 31, 2023 are as follows:

- (i) The Company recorded management fees to directors and officers of \$81,000 (2022 - \$81,000) as well as consulting fee paid to a director of the company in the amount of \$75,000 (2022 - \$18,000).
- (ii) On June 29, 2020, the Company issued a promissory note to the CEO, for \$793,800. During the nine months ended March 31, 2023, the Company accrued interest of \$41,673 (2022 - \$31,870) on the promissory note. The note bears interest at 4% per annum until June 30, 2022. Following the initial two-year period and as of June 30, 2022, 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 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.

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

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 nine months ended March 31, 2023, the Company accrued interest of \$7,290 (2022 - \$7,290) on the promissory note.

- (iv) Included in administrative expenses are \$31,500 (2022 - \$31,500) in administrative and rent expenses charged by a company controlled by an officer and director.
- (v) Included in professional fees are \$36,000 towards corporate secretarial and accounting services charged by a company controlled by an officer and director (2022 - \$36,000).
- (vi) At March 31, 2023, amounts totaling \$462,550 (June 30, 2022 - \$387,086) owing to related parties and companies controlled by related parties is included in accounts payable and accrued liabilities.

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8. Related party transactions and balances (continued)

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 nine months ended March 31, 2023 and 2022 are as below. The Company defines key management personnel as its CEO, President, CFO and the Board of Directors.

	Nine months ended March 31, 2023	Nine months ended March 31, 2022
Senior management compensation	256,000	99,000
Interest on promissory notes	48,963	42,256
Share-based compensation	218,480	94,230

Management changes

On August 23, 2022, the Company announced the appointment of Dr. Sc. Gerardo Rodríguez-Fuentes as Chief Science Officer (CSO) and member of the executive management team. In this role, Dr. Sc. Rodríguez-Fuentes will be responsible for envisioning and developing zeolite value added products and solutions for International Zeolite and its customers. Dr. Sc. Rodríguez-Fuentes is recognized as one of the world's foremost scientific leaders in the area of natural zeolite commercial and industrial applications. Dr. Sc. Rodríguez-Fuentes holds a Doctorate in Science and PhD in Physics. Dr. Sc. Rodríguez-Fuentes has over 42 years of experience in natural zeolite science. He has published 143 scientific articles, 3022 Citations, presented at 180 scientific conferences, published 9 books and monographs, holds 4 patents, 8 industrial secrets, 10 transferred technologies, 3 agriculture products registered, 1 drug registered, 1 sanitary registration, and 9 trademarks.

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 Americas 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.

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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 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 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

Management’s responsibility for the 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, 2023 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 May 16, 2023. A copy of this MD&A will be provided to anyone who requests it.

Subsequent events

On March 15, 2023, the Company announced that its production plant in Jordan, Ontario has reached the milestone of operational readiness and will begin producing IZ’s proprietary zeolite nutrient delivery products in late March. The production plant has the capability of producing nutrient infused zeolite through its licensed proprietary NEREA® technology. Future expansion of the plant will have the capability of producing up to 25,000 kilograms of agricultural nutrient grow system products daily. The production plant is located within the rich agricultural region of Niagara, Ontario and is located within 15 minutes of IZ’s research and development partners at Niagara College Horticultural & Environmental Research Innovation Centre (HEISC) providing for seamless integration with ongoing research and development.

The plant’s initial primary focus is on the NEREA® line of products. Each unique iteration uses NEREA® as a basis to improve agriculture through increased crop size, yield and reductions in problematic waste from traditional fertilizer methods. NEREA® SUBSTRATE is developed for the germination of seeds. It contains all the micro and macro nutrients needed for plant germination. NEREA® Fertilizer contains all the nutrients required for the plants after seeds have germinated plus contains higher levels of nitrogen, phosphorous and potassium than the Substrate. NEREA® Plus is a micronized zeolite containing a full suite of micro and macro nutrients required by growing plants, which is applied by suspension in water.

Independent trial results of NEREA® in lettuce and basil have shown that crop time is reduced by up to 2 weeks and fertilizer use reduced by up to 80%. Derek Schulze, Head of Production of International Zeolite reports that, “over 30 years of research exists supporting the use of zeolites in agriculture, and with more recent advancements we aim to bring what has been demonstrated in literature and field work to the growers in Canada.”

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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 May 16, 2023, the Company had 42,406,962 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
450,000	450,000	\$ 0.140	June 21, 2023
150,000	150,000	\$ 0.170	October 5, 2023
200,000	200,000	\$ 0.140	December 2, 2023
300,000	300,000	\$ 0.185	January 24, 2024
200,000	200,000	\$ 0.205	February 1, 2024
200,000	200,000	\$ 0.150	March 28, 2024
75,000	75,000	\$ 0.125	July 4, 2024
150,000	150,000	\$ 0.160	August 26, 2024
350,000	350,000	\$ 0.155	October 4, 2024
700,000	700,000	\$ 0.120	January 5, 2025
850,000	850,000	\$ 0.135	February 7, 2025
3,625,000	3,625,000	\$ 0.146	

The Company has the following share purchase warrants outstanding:

Number	Exercise Price	Expiry Date
1,068,750	0.24	22-Oct-24
75,000	0.24	13-Dec-24
1,143,750	0.24	