

# International Zeolite Corp. Management Discussion and Analysis

For the three months ended September 30, 2023 and 2022

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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 months ended September 30, 2023 and 2022, should be read in conjunction with Consolidated Financial Statements for the three months ended September 30, 2023 and 2022 the Annual Audited Consolidated Financial Statements for the years ended June 30, 2023 and 2022 which have been prepared under International Financial Reporting Standards (“IFRS”). This MD&A has been prepared as at November 28, 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](http://www.sedar.com). The Company’s new website is at [www.internationalzeolite.com](http://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 2023. 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:

<b>Tenure No.</b>	<b>Claim Name</b>	<b>Owner</b>	<b>Map No</b>	<b>Expiry Date</b>	<b>Area (Hectares)</b>
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
<b>TOTAL:</b>					<b>1,134.75</b>

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 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 consists of 3 claims with a total claim area of 527.1674 hectares (2022 - 948.935 hectares).

	<b>Claim Name</b>	<b>Owner</b>	<b>Map No:</b>	<b>Expiry Date:</b>	<b>Area (hectares)</b>
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
<b>TOTAL:</b>					<b>527.1674</b>

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 ("the Original 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. The parties have also entered into an Agency Agreement pursuant to which APL would pay to the Company a commission on all applicable sales of mineral mined or zeolite processed from the Sun Group Zeolite Project.

The Original Agreement was amended on July 27, 2022 ("Amended Agreement") by Progressive Planet Products Inc. ("PPP") formerly ("Absorbent Products Ltd."). As per the Amended Agreement and in order to maintain the Sun Group Option in good standing, PPP has agreed that commencing on July 26, 2022 and for each subsequent twelve month period until the expiry of the Sun Group Option Period, will contribute additional amounts of up to \$50,000 per twelve month period towards the exploration costs of the Sun Group claims or such other amount that the parties may agree upon.

For PPP to earn 50% of the Sun Group property, the total Option price of \$725,000 should be paid to the Company no later than July 26, 2027. For any amount so contributed, PPP will be credited 50% of such contribution amount towards its payment of the Sun Claim Option price, such that the Sun Claim Option Price will be reduced by the same amount.

During the three months ended September 30, 2023, royalties and property option payment received from PPP under the Agreement amounted to \$Nil (2022 - \$36,250).

**Results of Operations**

**Three months ended September 30, 2023 and 2022**

The Company incurred a net loss after financing costs of \$229,729 during the three months ended September 30, 2023, compared to a net loss of \$228,329 during the comparative period. The increase in net loss of \$1,400 is attributed to increases in administrative expenses and research costs as the Company is preparing to launch a whole set of new products especially in the agricultural sector.

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Sales of finished products during the three months ended September 30, 2023, were \$165,013 (2022 - \$218,365). The decrease of sales of \$53,352 is due to warmer than normal weather experienced in the previous two years which has left some distributors with a large inventory that that can use this year. The Company did not receive any commissions on sales of mine products commissions at the Bromley Creek Zeolite Mine during the three months ended September 30, 2023 (2022 - \$516). There were no government grants during this current period (2022 - \$nil). Gross margin during the three months ended September 30, 2023, was \$93,372 or 57% compared to \$132,955 or 60% during the comparable period.

Operational expenses during the three months ended September 30, 2023, excluding share-based compensation and Goodwill and inventory impairment, amounted to \$298,162 compared to \$329,278 in 2022 indicating an decrease of \$31,116 or 9%. Administrative expenses increased by \$21,143 or 30%, management fees were \$27,000 compared to \$27,000 in 2022, consulting fees were \$27,000 compared to \$45,000 during the comparative period. Professional fees decreased by \$11,890 or 40% sales and marketing expenses increased by \$3,231 on smaller sales revenues. Selling expenses decreased by \$38,417 or 50%. The decrease reflects logistics and shipping costs going down following the large increase during the COVID-19 logistical crises. Share based compensation was \$nil compared to \$64,165 in the comparative quarter. There was no Goodwill impairment during either of the current and comparative quarters.

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**)

**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® 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

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infection by fungus, viruses and microorganisms. Nerea® substrates are environmentally friendly and do not produce wastes that damage the environment.

**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

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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.

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 <sup>(1)</sup>: 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](mailto: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 fiscal year 2022/2023, 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 and later moved to Moorefield , ON. The latter location is conveniently located near large farms that are willing to participate in NEREA® testing. IZ is currently outfitting the facility with the necessary equipment and personnel to begin production in the second quarter of 2024. The location offers quick access to the major highways, rail, and major trucking routes for getting our products to market.

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As we move from pre-commercialization to full commercialization and revenue generation, the year 2024 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.

**Selected quarterly financial data**

<b>Financial results:</b>	<b>Sep 30, 2023</b>	<b>June 30, 2023</b>	<b>Mar 31, 2023</b>	<b>Dec 31, 2022</b>	<b>Sep 30, 2022</b>	<b>Jun 30, 2022</b>	<b>Mar 31, 2022</b>	<b>Dec 31, 2021</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
Net loss for the period	229,729	983,764	444,725	102,198	228,329	170,588	292,527	190,284
Basic/Diluted loss per share	0.01	0.01	0.01	-	0.01	0.01	0.01	-
Exploration and evaluation expenditures	5,325	17,367	17,406	3,128	33,230	8,872	5,585	23,644
<b>Balance sheet data:</b>	<b>Sep 30, 2023</b>	<b>June 30, 2023</b>	<b>Mar 31, 2023</b>	<b>Dec 31, 2022</b>	<b>Sep 30, 2022</b>	<b>Jun 30, 2022</b>	<b>Mar 31, 2022</b>	<b>Dec 31, 2021</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
Cash and cash equivalents	95,005	112,472	200,191	413,423	84,549	283,533	184,024	233,806
Mineral properties	113,172	172,237	165,157	179,186	213,599	281,470	301,649	295,418
Total assets	645,776	939,222	1,447,142	1,702,292	1,421,986	1,484,403	1,434,294	1,561,472
Shareholders' equity (deficiency)	(1,963,678)	(1,733,949)	(922,252)	(718,562)	(656,018)	(491,855)	(379,649)	(206,847)

**Liquidity and solvency**

As at September 30, 2023, the Company's cash balance was \$95,005 (June 30, 2022 - \$112,472) and a working capital deficiency of \$1,255,646 (June 30, 2022 - \$1,381,213). The Company has a history of losses: in the three months ended September 30, 2023, the Company recorded losses of \$229,729 compared to \$228,329 during the prior comparative period. As of September 30, 2023, the Company had accumulated a deficit of \$20,471,294 (2022 - \$20,241,294).

During the three months ended September 30, 2023, the Company generated 165,013 in sales of packaged zeolite products (2022 - \$218,365) and earned \$nil in commissions on bulk zeolite produced from the Company's mines (2022 - \$516). Option payments and royalties received in this current period amounted to \$62,301 (2022 - \$67,400) and have been applied to reduce the capitalized costs of the Company's Bromley Creek and Sun Group zeolite properties.

On November 22, 2022, the Company and CoTec Holdings Corp signed a financing agreement to make an investment in the Company to support its go-to-market activities in the agricultural and green tech segments, which resulted in a \$300,000 bridge loan funding to the Company. The Bridge Loan bears interest at 7% per annum and is repayable on the earlier of November 21, 2024, closing of a Private Placement with CoTec or a change of control of the Company. The Bridge Loan is secured by a first ranking charge in favour of CoTec over all of the Company's assets. During the three months ended September 30, 2023, the Company accrued interest of \$5,250 (2022 - \$5,250) on the loan.

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 three months ended September 30, 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 three months ended September 30, 2023, are as follows:

- (i) The Company recorded management fees to a director and officer of \$27,000 (2022 - \$27,000) as well as consulting fee paid to another officer and director in the amount of \$27,000 (2022 - \$45,000).
  
- (ii) On June 29, 2020, the Company issued a promissory note to the CEO, for \$793,800. During the three months ended September 30, 2023, the Company accrued interest of \$13,891 (2022 - \$13,891) 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 with annual principal payments of \$158,760 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 terms of this promissory note has been extended by a further 12 months until June 30, 2024 and the interest rate increased to 5.50%. 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 three months ended September 30, 2023, the Company accrued interest of \$3,341 (2022 - \$2,430) on the promissory note.
  
- (iv) Included in administrative expenses are \$10,500 (2022 - \$10,500) in administrative and rent expenses charged by a company controlled by an officer and director.
  
- (v) Included in professional fees are \$12,000 towards corporate secretarial and accounting services charged by a company controlled by an officer and director (2022 - \$12,000).
  
- (vi) At September 30, 2023, amounts totaling \$631,534 (June 30, 2023 - \$645,384) owing to related parties and companies controlled by related parties is included in accounts payable and accrued liabilities.

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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 periods ended September 30, 2023 and 2022 are as below. The Company defines key management personnel as its CEO, President, CFO and the Board of Directors.

	<b>Three months ended September 30, 2023</b>	Three months ended September 30, 2022
Senior management compensation	<b>54,000</b>	72,330
Share-based compensation	-	57,251

**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 Kwar 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.

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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 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.

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**Risks and Uncertainties**

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

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

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

**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

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confirmed to the Company that they are satisfied with the effectiveness of the Company's system of disclosure controls and procedures as at September 30, 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 October 23, 2023. A copy of this MD&A will be provided to anyone who requests it.

**Subsequent events**

On November 27, 2023, the Company announced that a new 5-year permit has been received for the Bromley Creek zeolite quarry in partnership with Progressive Planet ("PLAN"). Progressive Planet has an existing option agreement to purchase a 50% interest in IZ's Bromley Creek claims, mine lease and quarry located in Princeton, BC. Progressive Planet remains the operator of Bromley Creek and currently holds a 20% share after completing the latest quarterly installment payment of \$31,150 in September 2023.

**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 November 28, 2023, the Company had 42,406,962 common shares issued and outstanding. The Company has the following share purchase warrants outstanding:

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

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

<b>Number outstanding</b>	<b>Number exercisable</b>	<b>Exercise price</b>	<b>Expiry date</b>
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
160,000	160,000	\$ 0.100	May 4, 2025
<b>3,335,000</b>	<b>3,335,000</b>	<b>\$ 0.145</b>	

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