ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

All currency amounts are stated in U.S. dollars unless noted otherwise.

Current Business Activities

General

Livengood Gold Project Developments

During February 2022, the Company completed the Technical Report Summary (the "TRS") and subsequently announced on March 9, 2022, that the Board had approved a 2022 budget of $3.2 million. The 2022 work program advanced the baseline environmental data collection in critical areas of hydrology and waste rock geochemical characterization needed to support future permitting, as well as advanced community engagement.

Livengood Gold Project Technical Report Summary

The TRS detailed a project that would process 65,000 tons per day and produce 6.4 million ounces of gold over 21 years from a gold resource estimated at 13.6 million ounces at 0.60 g/tonne. The TRS utilized a third-party review by Whittle Consulting and BBA Inc. to integrate new interpretations based on an expanded geological database, improved geological modelling, new resource estimation methodology, an optimized mine plan and production schedule, additional detailed metallurgical work at various gold grades and grind sizes, changes in the target grind for the mill, new engineering estimates, and updated cost inputs, all of which significantly de-risk the Project. The TRS has estimated the capital costs of the Project at $1.93 billion, the total cost per ton milled at $13.12, the all-in sustaining costs at $1,171 per ounce, and the net present value (5%) at $1,800/oz of $400 million.

The Project configuration evaluated in the TRS is a conventional, owner-operated surface mine that will utilize large-scale mining equipment in a blast/load/haul operation. Mill feed would be processed in a 65,000 tons per day comminution circuit consisting of primary and secondary crushing, wet grinding in a single semi-autogenous ("SAG") mill and single ball mill followed by a gravity gold circuit and a conventional carbon in leach ("CIL") circuit.

Whittle Enterprise Optimization

Prior to beginning the Pre-Feasibility Study (the "PFS"), the Company retained Whittle Engineering and BBA Inc. to collaborate on an enterprise optimization study (the "Whittle and BBA Study") to review various technologies and project configurations and to recommend the optimum configuration for the PFS. The Whittle and BBA Study reviewed secondary crushing with SAG and ball mill, tertiary crushing with ball mill, gravity/CIL at p80 of 90 micron to 250 micron, stand-alone and auxiliary heap leach configurations, gravity only gold recovery, gravity/flotation with pressure oxidation and CIL of flotation concentrate. These configurations were evaluated at various combinations of project ramp up strategy, annual throughput, primary, secondary, and tertiary grind size, as well as mining fleet size and stockpile management strategies. Tailings technologies reviewed included conventional tailings and pressure filtered tailings.

The Whittle and BBA Study determined that the gravity/CIL plant at p80 250 micron with conventional tailings provided the highest net present value, which is the configuration detailed in the PFS.

The PFS was prepared by independent third-party consultants.

The Company cautions that the PFS is preliminary in nature, and is based on technical and economic assumptions which will be further refined and evaluated in a full feasibility study. The PFS is based on an updated Project mineral resource estimate effective as of August 20, 2021 using a different mineral resource model than used in the April 2017 Report.

Outlook

On March 7, 2023, the Company announced that the Board had approved a 2023 budget of $3.3 million to advance the Livengood Gold Project. The 2023 work program will advance the baseline environmental data collection in critical areas of hydrology and waste rock geochemical characterization needed to support future permitting, as well as advance community engagement.

The Company remains open to a strategic alliance to help support the future development of the Project while considering all other appropriate financing options. The size of the gold resource, the Project's favorable location, and the Company's proven team are some of the reasons the Company would potentially attract a strategic partner with a long-term development horizon who understands the Project is highly leveraged to gold prices.

Results of Operations
Summary of Quarterly Results

Description	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
Net loss	$ (832,181)	$ (295,260)	$ (1,200,279)	$ (713,973)
Basic and diluted net loss per common share	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.00)

Description	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Net loss	$ (1,015,489)	$ (1,648,913)	$ (2,178,014)	$ (1,137,872)
Basic and diluted net loss per common share	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)

Significant fluctuations in the Company's quarterly net losses have mainly been the result of operating cost changes.

Year ended December 31, 2022 compared to Year ended December 31, 2021

The Company had cash and cash equivalents of $4,847,429 at December 31, 2022 compared to $7,780,671 at December 31, 2021. The Company incurred a net loss of $3,041,693 for the year ended December 31, 2022 compared to a net loss of $5,980,288 for the year ended December 31, 2021. The following discussion highlights certain selected financial information and changes in operations between the year ended December 31, 2022 and the year ended December 31, 2021.

Mineral property exploration expenditures were $1,138,134 for the year ended December 31, 2022 compared to $3,517,540 for the year ended December 31, 2021. The decrease of $2,379,406 is primarily due to work completed in the year ended December 31, 2021 toward the updated Pre-Feasibility Study for the Livengood Gold Project of $2,072,121, reduced baseline environmental costs $239,826, reduced land maintenance costs of $62,510 and timing variances of legal costs of $4,949.

Share-based payment charges were $448,474 during the year ended December 31, 2022 compared to $535,117 during the year ended December 31, 2021. The $86,643 decrease in share-based payment charges during the period was mainly the result of equity compensation issued or granted to certain officers and employees of the Company at a lower issue price during the year ended December 31, 2022 as compared to the year ended December 31, 2021. The Company granted 451,085 deferred share units ("DSUs") of C$0.92 per DSU and 240,000 incentive stock options at an issue price of C$0.92 per option during the year ended December 31, 2022 compared to 316,795 DSUs of C$1.31 per DSU and 240,000 incentive stock options at an issue price of C$1.31 per option during the year ended December 31, 2021. All DSUs granted in each of these periods were fully vested upon issuance and all options vest one-third on the grant date, one-third on the first anniversary, and one-third on the second anniversary. At December 31, 2022, there was $67,694 of unrecognized compensation expense related to non-vested options outstanding.

Share-based payment charges were allocated as follows:

Expense category:	Year ended December 31, 2022	Year ended December 31, 2021
Consulting	$ 322,052	$ 380,878
Investor relations	8,428	10,282
Wages and benefits	117,994	143,957
	$ 448,474	$ 535,117

Excluding share-based payment charges of $322,052 and $380,878, respectively, consulting fees decreased to $229,111 for the year ended December 31, 2022 from $231,509 for the year ended December 31, 2021. The decrease of $2,398 is primarily due to a timing variance for general IT services.

Regulatory expenses were $137,947 for the year ended December 31, 2022 compared to $178,264 for the year ended December 31, 2021. The decrease of $40,317 is primarily due to reduced SEDAR filings fees of $20,789, reduced TSX listing fees of $20,054, and reduced NYSE listing fees of $3,407, partially offset by increased EDGAR filings fees of $2,050 and increased transfer agent fees of $1,883.

Excluding share-based payment charges of $117,994 and $143,957, respectively, wages and benefits increased to $796,084 for the year ended December 31, 2022 from $791,116 for the year ended December 31, 2021. The increase of $4,968 is primarily due to payroll-related benefit accruals as at December 31, 2022.

Professional fees were $226,439 for the year ended December 31, 2022 compared to $210,594 for the year ended December 31, 2021. The increase of $15,845 is primarily due to the timing of audit services of $36,350 and increased XBRL costs of $1,211 partially offset by reduced legal fees of $17,777 and reduced tax services of $3,939.

Insurance costs were $202,893 for the year ended December 31, 2022 compared to $179,659 for the year ended December 31, 2021. The increase of $23,234 is primarily due to premium increases to maintain coverage.

Travel costs were $29,935 for the year ended December 31, 2022 compared to $18,464 for the year ended December 31, 2021. The increase of $11,471 is primarily due to travel related to investor relations conferences.

Excluding share-based payments, all other operating expense categories reflected only moderate changes period over period.

Other items amounted to other income of $404,346 during the year ended December 31, 2022 compared to an expense of $64,839 during the year ended December 31, 2021. The Company had a foreign exchange gain of $348,207 during the year ended December 31, 2022 compared to a foreign exchange loss of $101,818 during the year ended December 31, 2021 as a result of the impact of exchange rates on certain of the Company's U.S. dollar cash balances. The average exchange rate during the year ended December 31, 2022 was C$1 to $0.7692 compared to C$1 to $0.7994 for the year ended December 31, 2021.

Liquidity and Capital Resources

The Company has no revenue generating operations from which it can internally generate funds. To date, the Company's ongoing operations have been predominantly financed through sale of its equity securities by way of public offerings, private placements and the subsequent exercise of share purchase and broker warrants issued in connection with such private placements. There are currently no warrants outstanding.

As at December 31, 2022, the Company reported cash and cash equivalents of $4,847,429 compared to $7,780,671 at December 31, 2021. The decrease of approximately $2.9 million resulted mainly from operating expenditures on the Livengood Gold Project of approximately $2.9 million and a negative foreign currency transaction impact of $0.3 million, partially offset by financing activities of $0.3 million.

Our anticipated expenditures for year 2023 are approximately $3.3 million, including $535,578 for mineral property leases and $206,215 for mining claim government fees. Total commitments for years 2023 through 2028 for mineral property leases and mining claim government fees are $3,300,328 and $1,237,290, respectively.

As at March 7, 2023, management believes that the Company has sufficient financial resources to maintain its operations for the next twelve months.

Financing activities during the year ended December 31, 2022 included the exercise of stock options. Proceeds of $290,290 were received on the issuance of 405,000 common shares.

The Company had no cash flows from financing activities during the year ended December 31, 2021.

The Company had no cash flows from investing activities during the years ended December 31, 2022 and December 31, 2021.

As at December 31, 2022, the Company had working capital of $4,711,616 compared to working capital of $7,342,470 at December 31, 2021. The Company expects that it will operate at a loss for the foreseeable future, but believes its current cash and cash equivalents will be sufficient for it to complete its anticipated 2023 work plan at the Livengood Gold Project and satisfy its currently anticipated general and administrative costs through the 2024 fiscal year.

The Company will require significant additional financing to continue its operations (including general and administrative expenses) in connection with advancing activities at the Livengood Gold Project and the development of any mine that may be determined to be built at the Livengood Gold Project, and there is no assurance that the Company will be able to obtain the additional financing required on acceptable terms, if at all. In addition, any significant delays in the issuance of required permits for the ongoing work at the Livengood Gold Project, or unexpected results in connection with the ongoing work, could result in the Company being required to raise additional funds to advance permitting efforts. The Company's review of its financing options includes pursuing a future strategic alliance to assist in further development, permitting and future construction costs, although there can be no assurance that any such strategic alliance will, in fact, be realized.

Despite the Company's success to date in raising significant equity financing to fund its operations, there is significant uncertainty that the Company will be able to secure any additional financing in the current or future equity markets. See "Risk Factors – *We will require additional financing to fund exploration and, if warranted, development and production. Failure to obtain additional financing could have a material adverse effect on our financial condition and results of operation and could cast uncertainty on our ability to continue as a going concern.*" The quantity of funds to be raised and the terms of any proposed equity financing that may be undertaken will be negotiated by management as opportunities to raise funds arise. Specific plans related to the use of proceeds will be devised once financing has been completed and management knows what funds will be available for these purposes. Due to this uncertainty, if the Company is unable to secure additional financing, it may be required to reduce all discretionary activities at the Project to preserve its working capital to fund anticipated non-discretionary expenditures beyond the 2023 fiscal year.

Other than cash held by its subsidiaries for their immediate operating needs in the United States, all of the Company's cash reserves are on deposit with a major Canadian chartered bank. The Company does not believe that the credit, liquidity or market risks with respect thereto have increased as a result of the current market conditions.

Critical Accounting Estimates

Mineral properties and exploration and evaluation expenditures

The Company's mineral project is currently in the exploration and evaluation phase. Mineral property acquisition costs are capitalized when incurred. Mineral property exploration costs are expensed as incurred. At such time that the Company determines that a mineral property can be economically developed, subsequent mineral property expenses will be capitalized during the development of such property.

The Company assesses interests in exploration properties for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. Impairment analysis includes assessment of the following circumstances: a significant decrease in the market price of a long-lived asset or asset group; a significant adverse change in the extent or manner in which a long-lived asset or asset group is being used or in its physical condition; a significant adverse change in legal factors or in the business climate that could affect the value of a long-lived asset or asset group, including an adverse action or assessment by a regulator; an accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of a long-lived asset or asset group; a current-period operating or cash flow loss combined with a history of operating or cash flow losses or a projection or forecast that demonstrates continuing losses associated with the use of a long-lived asset or asset group; or a current expectation that, more likely than not, a long-lived asset or asset group will be sold or otherwise disposed of significantly before the end of its previously estimated useful life. The term more likely than not refers to a level of likelihood that is more than 50%.

Stock-based compensation

The Company follows the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification Section 718 "Compensation - Stock Compensation", which establishes accounting for equity-based compensation awards to be accounted for using the fair value method. The Company uses the Black-Scholes option pricing model to determine the grant date fair value of the awards. Compensation expense is measured at the grant date and recognized over the requisite service period, which is generally the vesting period.

Recently Adopted Accounting Policies

For a description of recently adopted accounting policies, please see Note 2 – *Summary of Significant Accounting Policies* within our Notes to Consolidated Financial Statements in Item 8 of this Annual Report on Form 10-K.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.