ESKAY MINING CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED FEBRUARY 28, 2023
(EXPRESSED IN CANADIAN DOLLARS)

Prepared by:

ESKAY MINING CORP.

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Discussion dated June 26, 2023

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Eskay Mining Corp. ("Eskay" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended February 28, 2023. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of the Company for the years ended February 28, 2023 and February 28, 2022, together with the notes thereto. The Company's financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). Information contained herein is presented as of June 26, 2023, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Eskay common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on Eskay's website at **www.eskaymining.com** or on SEDAR at **www.sedar.com**.

Cautionary Note Regarding Forward-Looking Information

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
Potential of the Company's properties to contain economic deposits of precious and base metals. For fiscal 2024, the company's exploration expenses are estimated to be approximately $409,000 per month. Refer to Mineral Property Interests section.	Financing will be available for future exploration and evaluation of the Company's properties; the actual results of the Company's exploration and evaluation activities will be favourable; operating, exploration and evaluation costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Company; the price of precious and base metals and applicable interest and exchange rates will be favourable to the Company; no title disputes exist with respect to the Company's properties.	Precious and base metals price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; availability of financing for and actual results of the Company's exploration and evaluation activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff; availability of permits.
For fiscal 2024, the Company's operating expenses are estimated to be $132,000 per month.	The Company has anticipated all material costs; the operating activities of the Company for fiscal 2024 and the costs associated therewith, will be consistent with Eskay's current expectations.	Unforeseen costs to the Company will arise; any particular operating costs increase or decrease from the date of the estimation; changes in economic conditions.
Based on the Company's working capital surplus of $445,048 at February 28, 2023 (February 28, 2022 – working capital deficit of $742,026), the Company anticipates it will not have sufficient funds for its operating and exploration work requirements along with repayment of debt for the year ended February 28, 2024. However, the Company anticipates that it will have sufficient funds once future financings are completed.	Financing will be available for the Company's exploration and evaluation activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to the Company; the price of gold and/or other applicable metals will be favourable to the Company; no title disputes exist with respect to the Company's properties.	Gold and other metals price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff; availability of permits; market competition.

Inherent in forward-looking statements are risks, uncertainties, and other factors beyond the Company's ability to predict or control. Please also refer to those risk factors referenced in the "Risks and Uncertainties" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance, or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether because of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward- looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

The Company was incorporated under the British Columbia Business Corporations Act and continued November 2, 2010, under the Business Corporations Act of Ontario. Its common shares are listed on the TSX Venture Exchange ("TSXV") (symbol "ESK") and the Frankfurt Stock Exchange (symbol "WKN 878985"). On July 9, 2020, the Company's common shares were approved for and started trading on the OTCQB Venture Market in the United States under the symbol (OTCQB: ESKYF). The Company is a natural resource company engaged in the acquisition and exploration of mineral properties in British Columbia, Canada. To date, the Company has not generated significant revenues from operations.

The Company has no revenues, so its ability to ensure continuing operations is dependent on the discovery of economically recoverable reserves, confirmation of its interest in the underlying mineral claims, and its ability to obtain necessary financing to complete the exploration activities, development, if they are proven successful, and future profitable production.

Eskay's goal is to deliver superior returns to shareholders by concentrating on the exploration of its existing properties. The Company currently plans to focus on its material properties, as set out below under "Mineral Property Interests".

The Company will continue to attempt to raise capital to meet its ongoing operating activities.

Outlook and Economic Conditions

The Company is a Canadian base and precious metal exploration company, focused on exploring its current property interests, and on acquisitions of other mineral exploration properties, should such acquisitions be consistent with its objectives and acquisition criteria. The Company currently has operations in the Province of British Columbia, Canada. The Company's financial success will be dependent upon the extent to which it can make discoveries and on the economic viability of any such discoveries. The development of such assets may take years to complete and the resulting income, if any, is difficult to determine with any certainty. To date, the Company has not produced any revenues. The sales value of any minerals discovered by the Company is largely dependent upon factors beyond its control, such as the market value of the commodities produced.

There are significant uncertainties regarding the prices of base and precious metal and the availability of equity financing for the purposes of exploration and evaluation. The future performance of the Company is largely tied to the successful exploration, discovery and eventual development of its property interests, if they are proven successful, and other prospective business opportunities and the overall financial markets. Financial markets are likely to be volatile, reflecting ongoing concerns about the stability of the global economy. However, recently, equity markets in Canada have showed signs of improvement, with equities increasing significantly during this period. Strong equity markets are favourable conditions for completing a financing, public merger or acquisition transaction.

Management regularly monitors economic conditions, estimates their impact on the Company's operations, and incorporates these estimates in both short-term operating and longer-term strategic decisions.

The Canadian government has not introduced measures which impede the activities of Eskay. Management believes the business will continue and accordingly, the current situation bears no impact on management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of Eskay in future periods. Accordingly, to execute the Company's plans for the near term as outlined under the heading "Mineral Property Interests" and meet the Company's administrative overhead, the Company is required to complete a financing. See "Risks and Uncertainties".

Highlights

On March 15, 2022, the Company announced all remaining assay results from its summer 2021 diamond drill campaign at its 100% controlled Consolidated Eskay precious metal rich volcanogenic massive sulfide ("VMS") project. A total of ninety-eight holes were drilled as part of this program. In addition to new strong results from the TV and Jeff deposits, the Company has confirmed discovery of similar previous metal rich VMS mineralization at the C-10 prospect located approximately 8km south-southeast from TV.

On March 21, 2022, the Company announced it has defined numerous new drill targets in three focus areas at its 100% controlled Consolidated Eskay precious metal rich VMS project, BC from recently received soil and rock chip analysis.

On April 6th, and 22nd, 2022, the Company closed the first and second tranches of its non-brokered private placement and raised aggregate proceeds of $7,000,002 pursuant to the offering and issued 2,222,223 flow-through units to be sold to charitable purchasers (the "Charity FT Units") at a price of C$3.15 per Charity FT Units. Each Charity FT Unit consists of one common share of the Company to be issued as a flow-through share" (each, a "FT Share") within the meaning of the Income Tax Act (Canada) and one common share purchase warrant (a "Warrant"). Each Warrant shall entitle the holder to purchase one common share (a "Warrant Share") at a price of $3.40 at any time on or before that date which is 24 months after the closing date.

On May 31, 2022, the Company announced the commencement of its 2022 exploration campaign at the 100% controlled consolidated Eskay precious metal rich VMS project, in British Columbia. Cornerstone to the 2022 exploration campaign is an aggressive 30,000m diamond drill program.

On July 4, 2022, the Company announced that an aggregate of 2,200,000 options to purchase common shares of Eskay at $1.81 per share for five years have been granted to officers, directors and consultants of Eskay.

On July 7, 2022, the company announced the discovery of multiple new VMS deposits across its 100% controlled Consolidated Eskay project, British Columbia. To date, the Company has completed 5,370m of diamond core drilling in 13 holes, approximately 18% of the 30,000m planned meters to be drilled in 2022. Drill production is currently on target to reach this aggressive goal.

On July 27, 2022, the Company announced the discovery of multiple new VMS targets across the Scarlet Ridge region, part of its 100% controlled Consolidated Eskay project, British Columbia. To date, the Company has completed 12,093m of diamond core drilling in 13 holes, approximately 40% of the 30,000m planned meters to be drilled in 2022. Drill production is currently on target to reach this aggressive goal with four drills fully operational.

On August 9, 2022, the Company announced the discovery of a new multiple new VMS center at Jeff North as well as recent drill intercepts of polymetallic mineralization in two areas along the TV-Jeff corridor, part of its 100% controlled Consolidated Eskay project, British Columbia. To date, the Company has completed 15,600m of diamond core drilling in 13 holes, approximately 52% of the 30,000m planned meters to be drilled in 2022. Drill production is currently on target to reach this aggressive goal.

On September 1, 2022, the Company announced maiden drilling at Scarlett Valley, a newly identified VMS center near Scarlet Ridge, part of its 100% controlled Consolidated Eskay project, British Columbia. To date, the Company has completed 22,272m of diamond core drilling in 13 holes, approximately 74% of the 30,000m planned meters to be drilled in 2022. Drill production is currently on target to reach this aggressive goal with four drills fully operational.

On September 20, 2022, the Company held the Annual General and Special Meeting of the Shareholders. All matters proposed in the proxy were approved by the shareholders.

On September 22, 2022, 500,000 stock options were exercised by a director of the Company for gross proceeds of $117,500.

On October 7, 2022, the Company announced that it has completed 29,500m of diamond core drilling substantially fulfilling its planned meterage for the 2022 property wide exploration campaign.

On December 15, 2022, the Company announced that it has expanded the TV-Jeff precious metal-rich VMS mineralized corridor with new discoveries north of the Jeff deposit and in proximity to the TV deposit.

On January 18, 2023, the Company announced that it had confirmed the presence of a precious metal-rich VMS mineralized system at Tarn Lake-Scarlet Knob in the northern part of its 100% controlled Consolidated Eskay Property in the Golden Triangle, British Columbia.

On February 23, 2023, the Company announced further encouraging diamond drill results from its 2022 exploration program at its 100% controlled Consolidated Eskay Property in the Golden Triangle, British Columbia.

Events subsequent to February 28, 2023

On March 13, 2023, the Company announced the addition of Mr. Riaz Mirza, M. Sc as Geophysical Advisor to its exploration team. Mr. Mirza brings a wealth of experience in the application of geophysics for precious and base-metal exploration in the Golden Triangle where he has been actively engaged in numerous projects over the past decade.

On March 20, 2023, the Company announced that an aggregate of 1,250,000 options to purchase common shares of Eskay at $0.66 per share for five years have been granted to directors and a consultant of Eskay.

On May 18, 2023, the Company announced its exploration plans for 2023 at its Consolidated Eskay project, Golden Triangle, BC. Multiple new compelling targets have been identified through proprietary processing of detailed magnetic data by Riaz Mirza and his team at Simcoe Geosciences. These targets provide Eskay Mining with a long list of high-quality drill targets to pursue this season.

On June 7, 2023, the Company announced that it, Seabridge Gold inc. ("Seabridge") and Seabridge's wholly-owned subsidiary KSM Mining ULC ("KSM"), had signed an agreement to terminate the amended agreement, whereby Seabridge and Eskay were to fund the cost of construction of the first nine kilometres of the Coulter Creek Access Road (“CCAR”), estimated to cost $12.5 million, with a limit on Eskay's contribution to a maximum of $6,250,000. Seabridge provided Eskay with a $3 million revolving loan facility at an interest rate of 3% per year to give Eskay flexibility with funding its share of the costs of construction. The parties released each other from all obligations under the amended agreement including any obligations relating to the completion of the First Segment of the CCAR, any obligation of Eskay to contribute to construction costs relating to the First Segment of the CCAR or any obligation of Seabridge to provide further loans or of Eskay to repay loans provided by Seabridge, or interest thereon. In addition, the 500,000 Bonus Warrants issued to Seabridge were cancelled. , Eskay will have the right after completion of the First Segment of the CCAR, as long as KSM or its assignee operates the relevant CCAR segment, to request a road use agreement for the use of the First Segment of the CCAR. Pursuant to the terms of the road use agreement, Eskay will be required to pay an industry standard portion of maintenance costs and $100,000 per year for up to eight years (which may be non-consecutive years) for use of the First Segment of the CCAR.

Overall Objective

The primary business objective of Eskay is the acquisition, exploration and evaluation of mineral properties based upon Eskay's current holdings in British Columbia, Canada. In furtherance of this objective, the Company established the following business strategy:

- Develop and implement a discretionary exploration budget on its property interests with a view to establishing a viable mineral deposit; and
- Capitalize on management's technical expertise and ability to identify, evaluate, and acquire exploration properties.

See "Risks and Uncertainties" below.

Trends

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Strong equity markets are favorable conditions for completing a public merger, financing, or acquisition transaction. Apart from these and the risk factors noted under the heading "Risks and Uncertainties", and "Outlook and Economic Conditions", management is not aware of any other trends, commitments, events, or uncertainties that would have a material effect on the Company's business, financial condition, or results of operations.

Off-Balance-Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity, capital expenditures and capital resources that would be material to investors.

Mineral Property Interests

Technical information

Dr. Quinton Hennigh, P. Geo., a Director of the Company, and its technical advisor, is a Qualified Person under the definition of National Instrument 43-101. Dr. Hennigh has approved the disclosure contained under the heading "Mineral Property Interests" and has verified the scientific and technical data contained herein.

The following table summarizes the Company's current exploration programs at the ESKAY-Corey Mineral Claims, and total estimated cost to complete each exploration program, and total expenditures incurred during the period presented rounded to the nearest thousandth.

Activities for the year ended February 28, 2023	Spent (approx.)	Planned Fiscal Expenditures February 28, 2024 (approx.)
TV/Jeff – Drilling/Camp/Geological costs	$ 8,930,635	$ 8,300,000
Coulter Creek Road	625,300	3,800,000
Scarlett Ridge	2,841,000	3,200,000
Scarlett Ridge / Tarn Lake	1,000,000	3,000,000
	$ 13,396,935	**$ 18,300,000**

Based on the Company's working capital surplus of $445,048 on February 28, 2023 (February 28, 2022 – working capital deficit of $742,026), the Company anticipates it will not have sufficient funds for its exploration work requirements. However, the Company anticipates that it will have sufficient funds once future financings are completed.

Targets for 2023

Eskay has conducted extensive geophysical work across the Consolidated Eskay Property (Figure 1). Airborne SkyTEM and magnetic data gathered in 2021 covered the Consolidated Eskay project and peripheral areas, including the Eskay Creek VMS deposit. Analysis of these data show that there is a distinct magnetic signature associated with the Eskay Creek deposit that is clearly evident when a tilt derivative or first vertical derivative is applied to the magnetic data. This process re-scales the data range allowing for low amplitude magnetic features to be resolved graphically. Mineralized bodies appear sharply resolved as magnetic highs surrounded by distinct magnetic lows giving a bullseye-like appearance to the deposit (Figure 2 top). Eskay's geologic team interprets this distinct signature to result from deformation and metamorphism of hydrothermally altered rocks during post-mineralization tectonic events. A three-dimensional model of magnetic susceptibility shows a strong correlation between domains of high magnetic susceptibility with VMS mineralization situated along a surface defined by a magnetic susceptibility of 0.001 SI (Figure 2 bottom). Weaker magnetic susceptibility anomalies are associated with the 21A Zone and the 22 Zone.

Comparable magnetic anomalies are observed in several areas across Eskay Mining’s Consolidated Eskay property. A strong correlation is clearly evident between these anomalies and areas of known VMS mineralization. In every case, VMS mineralization encountered by drilling occurs along the margins of the modeled 3D magnetic susceptibility volume in a similar fashion as at Eskay Creek. Two new targets have been identified using the magnetic data: Maroon Cliffs, and a southwards extension of Hexagon-Mercury (Figure 1). Both these targets will be primary components of the 2023 exploration program, in addition to follow-up drilling of the mineralized horizon identified at Tarn Lake during 2022. Limited targeted drilling at Cumberland and TV Southwest based on geological and geophysical data will seek to identify extensions of both these well-mineralized showings. Brief descriptions of each of these targets are provided below.

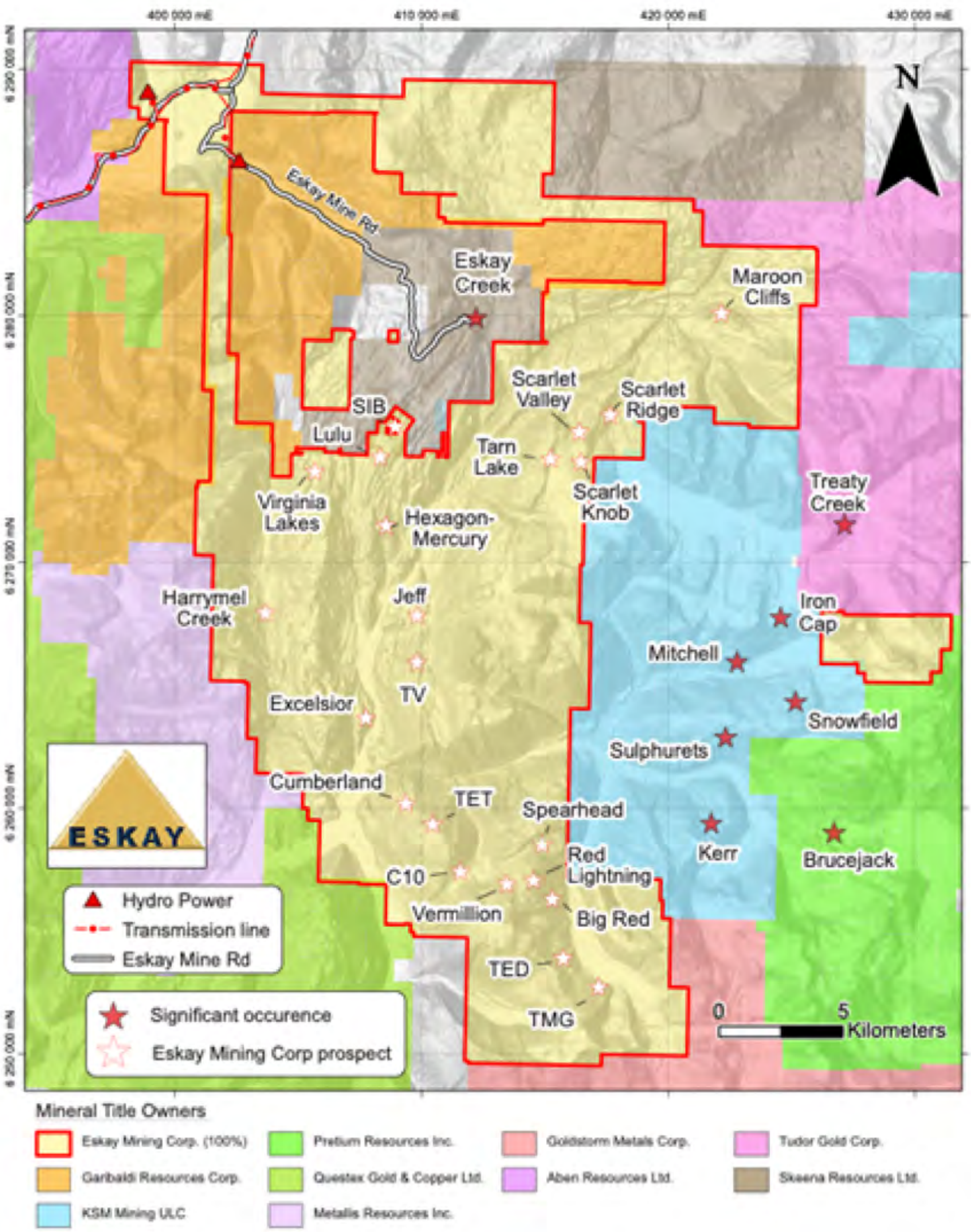

Figure 1: Simplified map of the Eskay Creek region that displays the major mineral title owners along with major occurrences and Eskay Mining Corp. prospects.

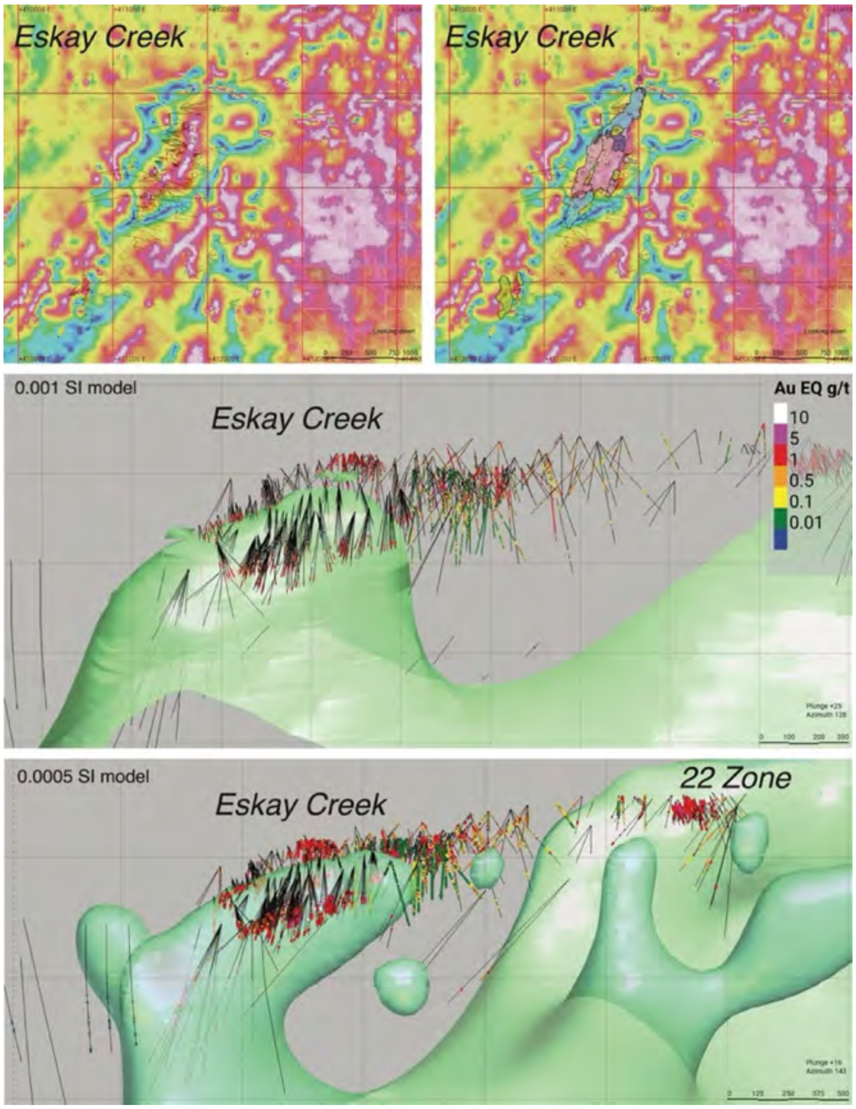

Figure 2: Results from Simcoe Geoscience's geophysical analysis of the Eskay Creek deposit. Zones of VMS mineralization at Eskay Creek are clearly defined when applying a magnetic tilt derivative to magnetic data (top images). These data show a distinct bulls-eye pattern associated with the deposit interpreted to result from hydrothermal alteration of host rocks and overprinting during subsequent deformation and metamorphism. The middle image shows a 3D model of a deep-seated magnetic susceptibility anomaly (0.001 SI volume shown in green) associated with the VMS deposit. The lowest image shows a 3D model of the 0.0005 SI magnetic susceptibility volume, showing the anomaly extending to the southwest towards 22 Zone. Gold and silver mineralization is focused along the pronounced deep-seated protrusions in the magnetic susceptibility surface. Eskay Mining can show that this same type of magnetic anomaly occurs with VMS deposits across the Consolidated Eskay property. Drill hole and assay data for Eskay Creek were obtained from publicly available Assessment and NI 43-101 reports, and news releases

Maroon Cliffs

The Maroon Cliffs target is located on the northern nose of the McTagg anticlinorium, and is defined by an Eskay Creek-like magnetic anomaly comprised of magnetic highs surrounded by a ring of magnetic lows (Figure 3). In addition to the Eskay Creek-like magnetic bullseye pattern, the Maroon Cliffs target is associated with deep-seated 3D magnetic susceptibility protuberances like those seen at Eskay Creek (Figure 4). Legacy soil sampling data for the western portion of Maroon Cliffs shows Ag and Hg anomalies. These pathfinder elements are associated with Au mineralization at Eskay Creek and the numerous VMS showings on Eskay's Property. A refined BLEG (Figure 5) survey conducted in 2022 shows a strong Au anomaly immediately downstream from the Maroon Cliffs target. All of this data combines to make Maroon Cliffs a compelling target for exploration in 2023.

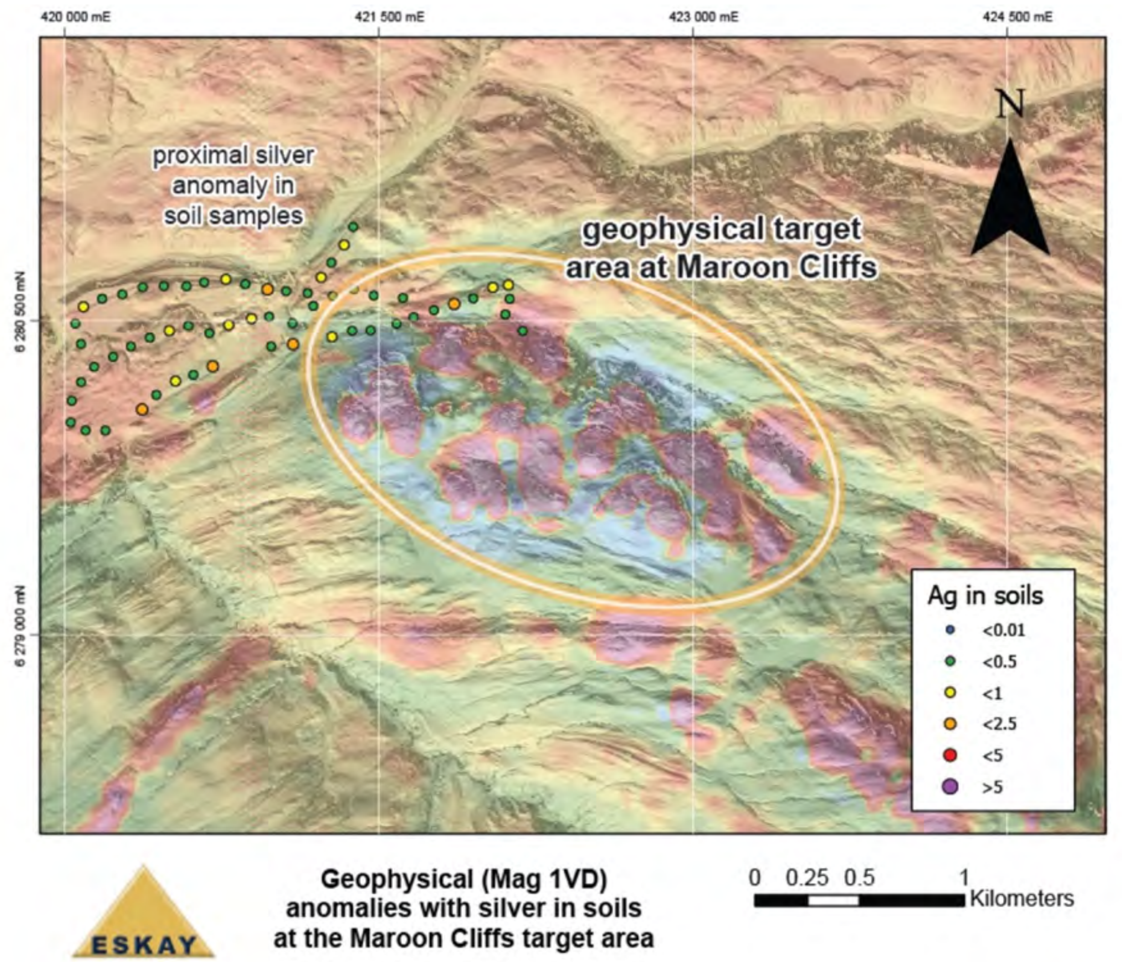

Figure 3: Soil sample Ag assay results covering the western end of the Maroon Cliffs magnetic anomaly. Elevated concentrations of the Au-pathfinder element Ag coincide with the western portion of the magnetic anomaly. Exploration of this target in 2023 will include extensive geological investigations of this magnetic anomaly, followed by drilling.

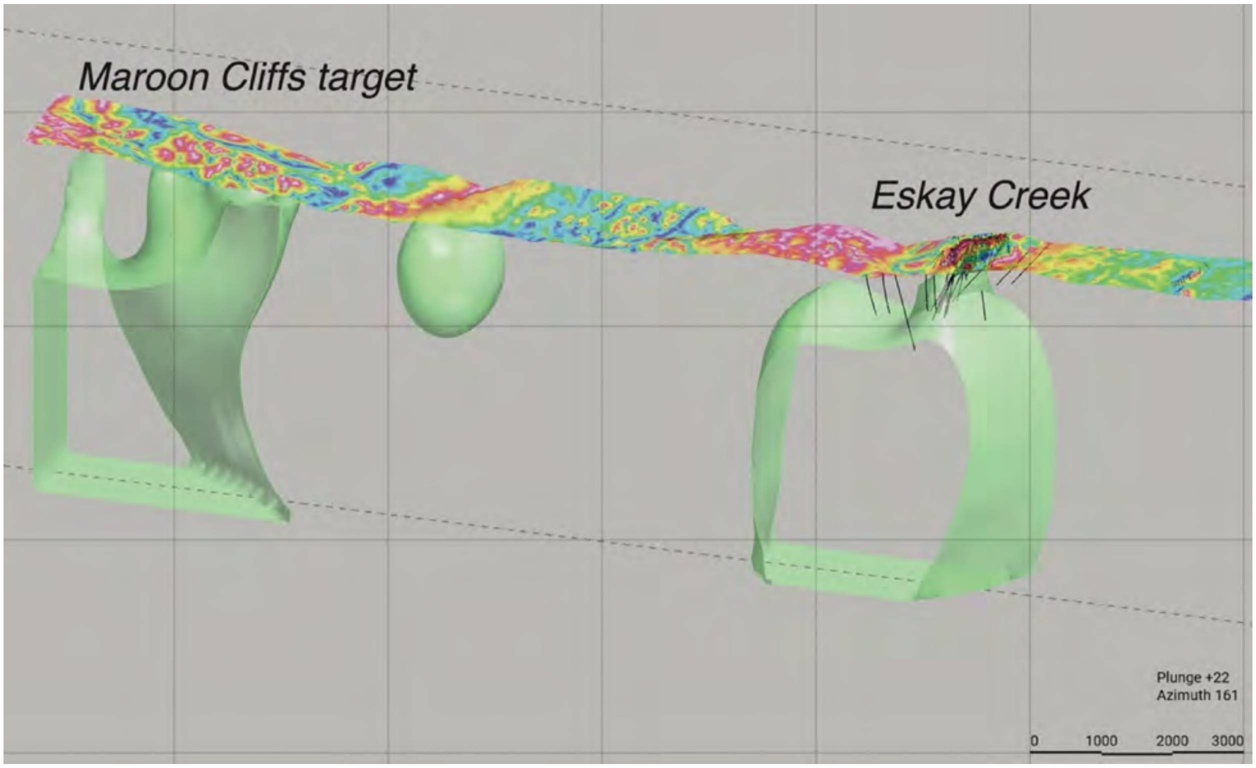

Figure 4: Oblique view of a 2 km thick vertical slice centered on line 6279625 N, showing the magnetic tilt derivative map and the 3D magnetic susceptibility model showing the 0.001 SI volume in light green. The Eskay Creek VMS deposit is associated with a deep-seated zone of elevated magnetic susceptibility that is coincident with a bulls-eye style magnetic anomaly shown by the magnetic tilt derivative data shown in Figure 18. The Maroon Cliffs target is defined by a similar, but larger magnetic anomaly. Soil sampling and BLEG data in the western part of the Maroon Cliffs area support the Au and Ag prospectivity of this geophysical target.

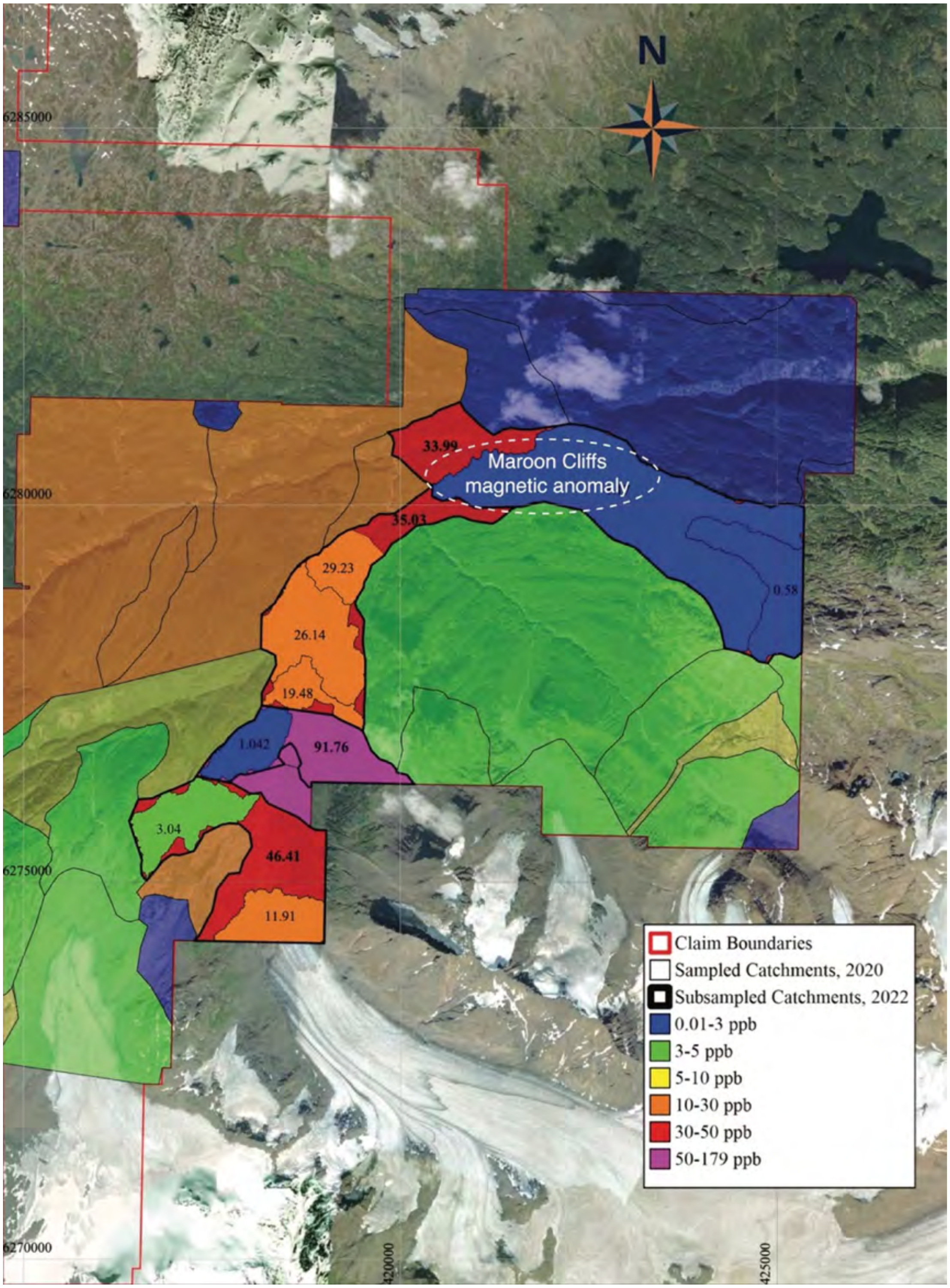

Figure 5: A map showing the Au results for the 2022 BLEG program that utilized the LiDAR data collected in 2021 to draw refined catchment basins. Two very strong BLEG anomalies are located immediately downstream from the Maroon Cliffs magnetic anomaly. This combined with the promising soil results reported above make this a highly prospective target for the 2023 exploration program.

Hexagon-Mercury

The Hexagon-Mercury Zone lies ~750 m to the southeast of the Lulu Zone, and extends towards Jeff North ~3 km southeast of the Lulu Zone (Figure 6). This zone is defined by an Eskay Creek-like magnetic anomaly (Figure 6), as well as a trend of stratiform conductors extending from Jeff North towards Hexagon-Mercury. Results from soil sampling in 2021 and 2022 show Ag, Zn, and Hg anomalies extending northwards along the east limb of the Eskay anticline. Legacy rock chip sample assays indicate the presence of Au along the trend of magnetic and conductive anomalies (Figure 6). Historic drilling at Hexagon-Mercury intercepted Betty Creek Formation-hosted sulfide mineralization with grades up to 8.08 g/t Au over 2 m in drill hole 03-127, as well as Hg values up to 100 ppm. Preparations were made in 2022 to access this rugged area for exploration during 2023.

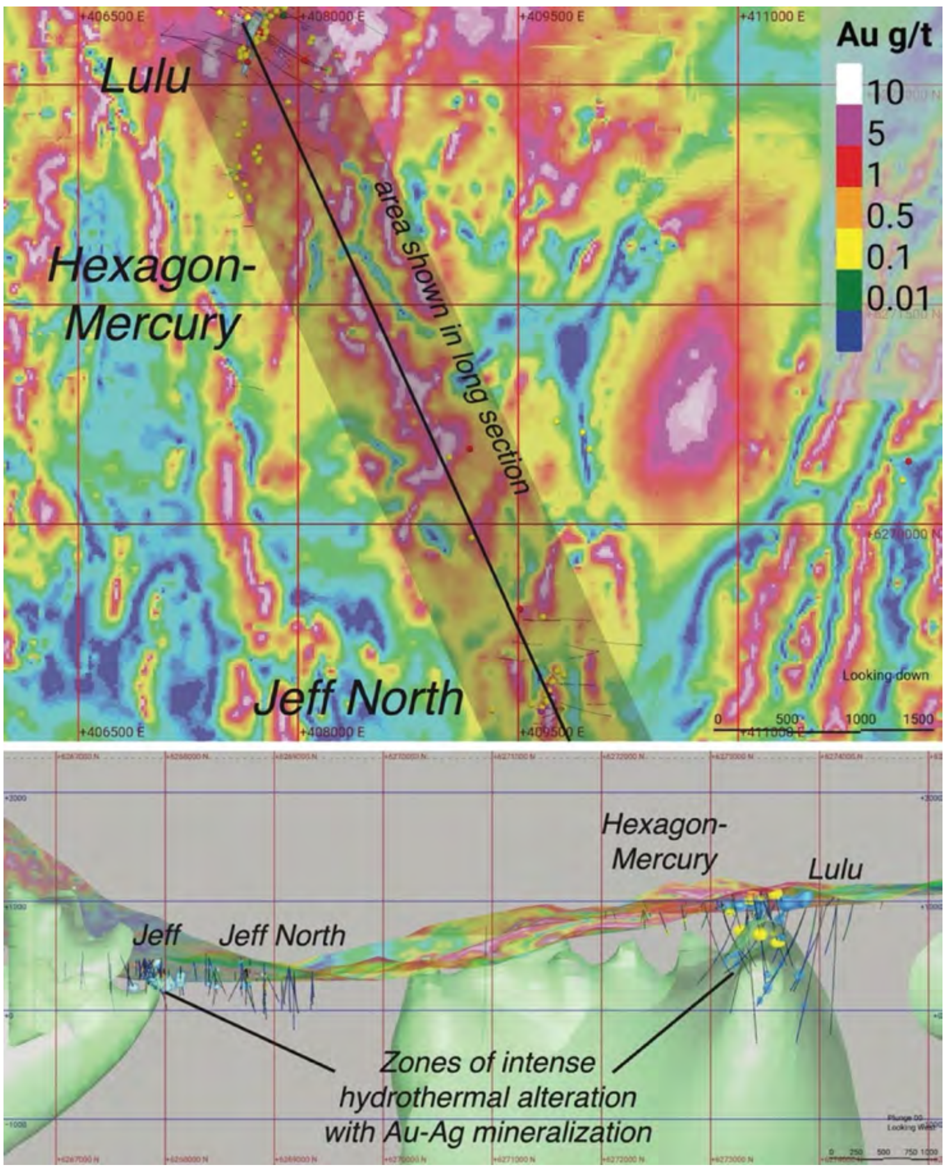

Figure 6: A 2 km thick vertical slice looking west at the Jeff North-Hexagon-Mercury target. The center line of the slice is oriented along an azimuth of 340 degrees, oblique to the UTM grid and rotated 20 degrees from the viewing plane. The light green volume shows the 0.001 SI magnetic susceptibility 3D model. Zones of intense hydrothermal alteration (an Ishikawa alteration index greater than 80) are modeled as light blue volumes. The area between Jeff North and Hexagon-Mercury hosts prospective magnetic anomalies that lie on trend with Au and Ag mineralization located by drilling and rock chip sampling.

Tarn Lake and Scarlet Knob

The Tarn Lake and Scarlet Knob targets are extensive zones of polymetallic sulfide mineralization hosted by intensely altered and gossanous Eskay rhyolite, the same host rock as the world-class Eskay Creek deposit ~7 km to the northwest. Mineralization is focused along east-west trending andesite dikes, and is polymetallic with pyrite, sphalerite, galena, and arsenopyrite occurring in Au and Ag enriched samples. Geologic mapping and rock chip sampling suggests that Tarn Lake and Scarlet Knob may be connected underneath Bruce Glacier (Figure 7), with high-grade rock chip samples extending up to the glacier margins.

Drilling at Tarn Lake intercepted long intervals of disseminated Au- and Ag-bearing replacement-style sulfide mineralization. The highest grades occur in zones exhibiting the most intense replacement-style mineralization. Hydrothermal alteration at Tarn Lake and Scarlet Knob is very intense (Figure 8), and coincides with an east-west trending magnetic low (Figure 9) identified during the 2021 property-wide geophysical survey. Our interpretation is that this magnetic low is caused by destruction of magnetic minerals during hydrothermal alteration, and that it may help define the extent of the feeder zone for the Tarn Lake and Scarlet Knob VMS system. Similar, but smaller magnetic lows are associated with the feeder zones at Scarlet Valley and Scarlet Ridge (Figure 9).

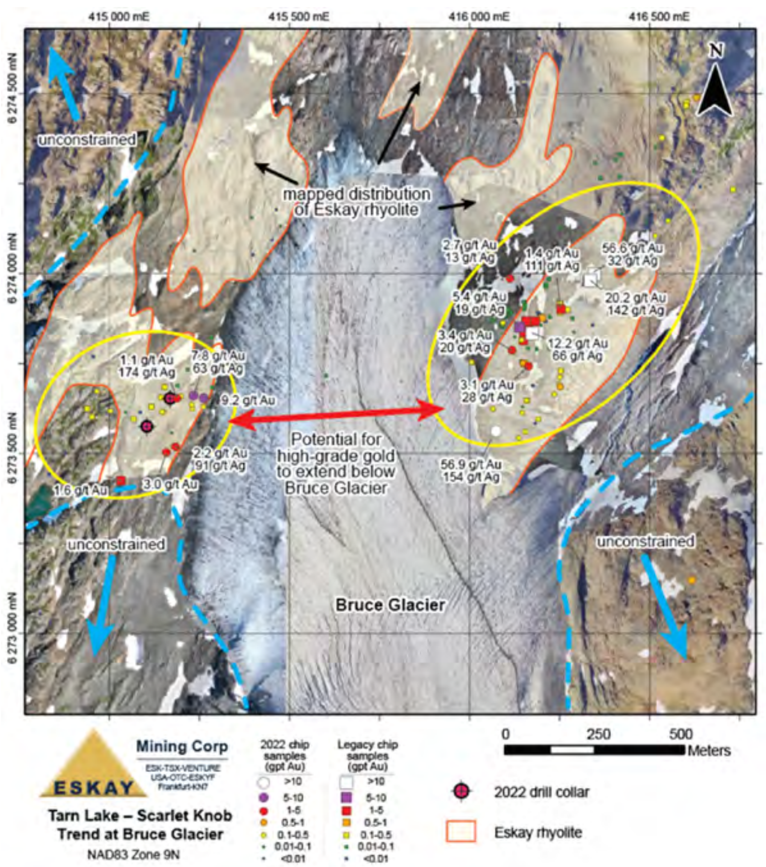

Figure 7: Plan map showing distribution of Eskay rhyolite around Bruce Glacier at Tarn Lake – Scarlet Knob. Results for Au and Ag from spot rock chip samples collected in 2022 are shown along with legacy data from previous programs. A large proportion of the 2022 rock chip samples were collected from areas that were covered by glacial ice during the early 1990's when much of the legacy rock chip sampling was conducted. Sulfide mineralization at Tarn Lake (west) and Scarlet Knob (east) show consistently elevated Au and Ag values. This includes a notable high-grade sample yielding 56.9 g/t Au and 154 g/t Ag along the eastern margin of Bruce Glacier, some 800m east of Tarn Lake. Given the east-west orientation of VMS feeder zones in the area, Eskay Mining thinks there is good potential that Au and Ag mineralization connects under Bruce forming a >1km corridor of precious metal-rich VMS mineralization.

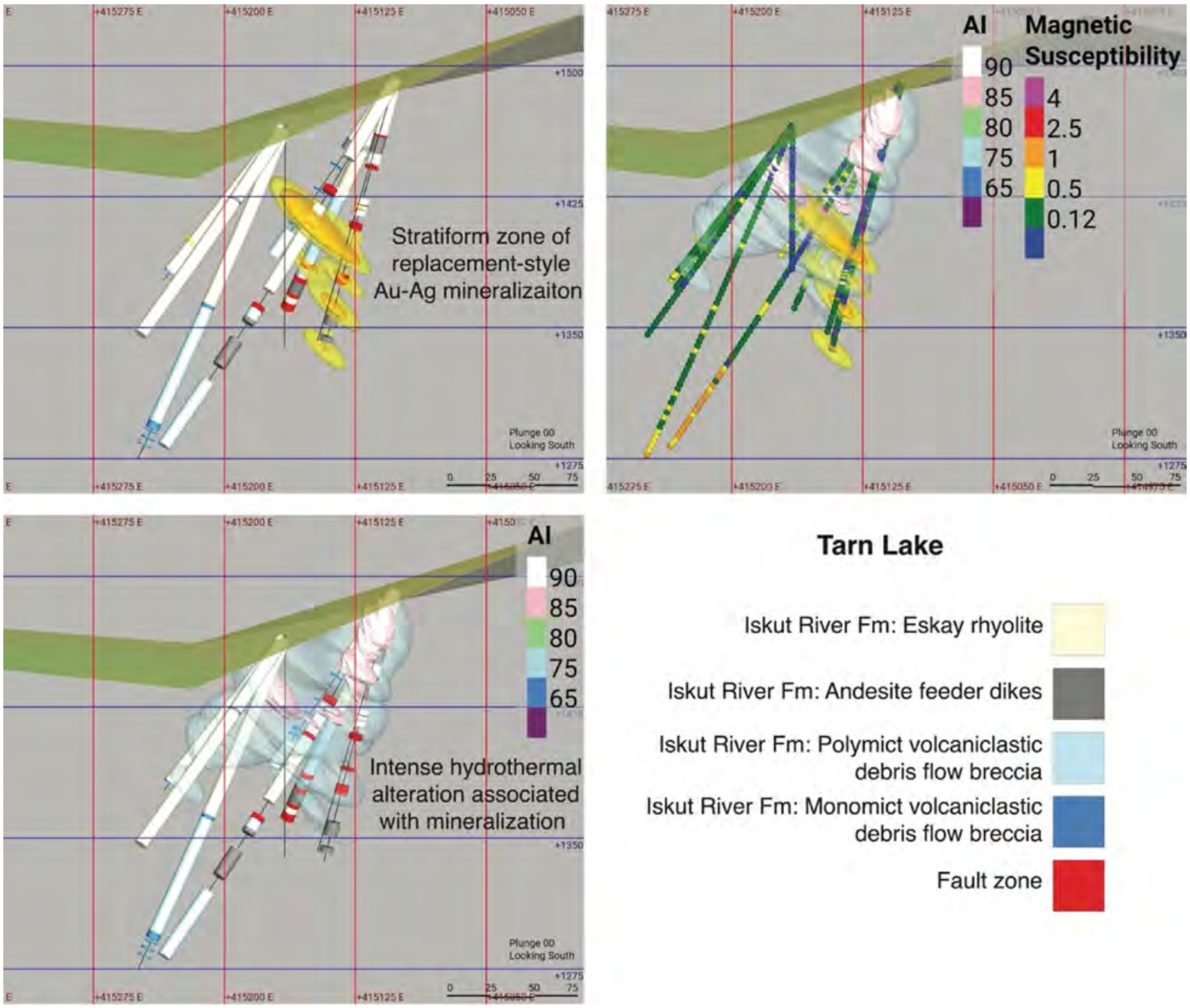

Figure 8: A set of 200 m thick cross-sections of Tarn Lake looking south, centered on line 6273600 N. Down-hole lithology is shown for the two left figures, and down-hole magnetic susceptibility on the figure on the right. Gold mineralized zones are shown as yellow and orange volumes, and hydrothermally altered zones as blue and pink volumes. Gold mineralization is closely associated with intensely altered Eskay rhyolite, with Ishikawa alteration indices greater than 85 indicating close proximity to a VMS feeder zone. These results support our interpretation that the east-west trending andesite dikes were emplaced along syn-volcanic VMS feeder structures. Magnetic susceptibility is relatively low, and is consistent with the airborne magnetic survey showing a pronounced east-west trending magnetic low extending from Scarlet Knob to Tarn Lake.

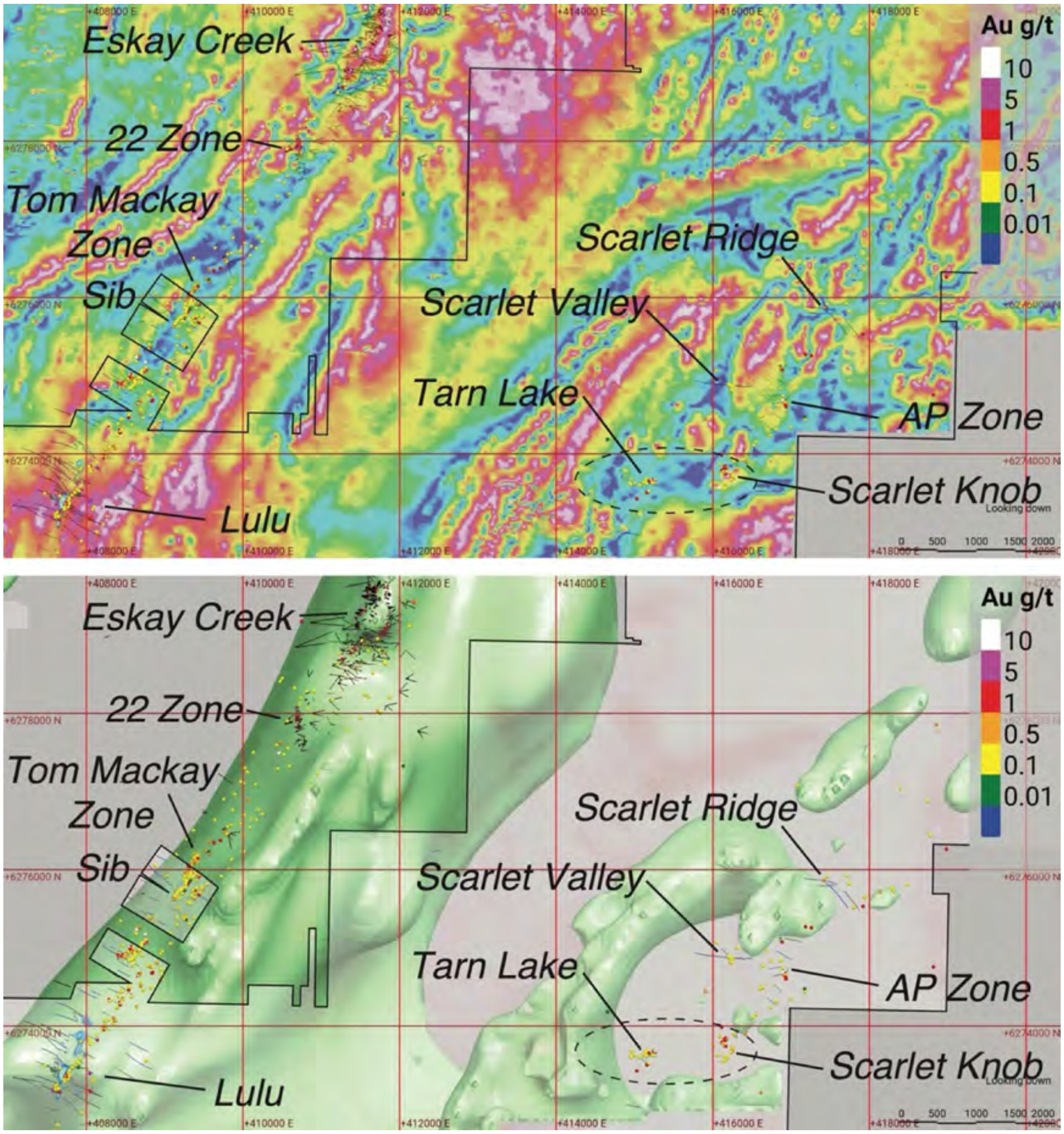

Figure 9: Magnetic tilt derivative map (top), and 3D model of the 0.001 SI magnetic susceptibility volume (bottom) for the Scarlet-Tarn and Eskay Creek-Lulu trends. Rock chip assay results from Eskay Creek were obtained from assessment reports in the public domain. As with the other VMS systems described in this release, those on the Scarlet-Tarn trend are associated with low-amplitude magnetic anomalies evident when a tilt derivative is applied to the data and occur along the margins of protrusions in the 0.001 SI magnetic susceptibility volume. Tarn Lake and Scarlet Knob are associated with a zone of low magnetism (black dashed ellipse) interpreted to be caused by destruction of magnetic minerals during intense hydrothermal alteration. This east-west trending corridor of low magnetism coincides with the inferred trend of mineralization that may link Tarn Lake and Scarlet Knob. Exploration of all the anomalies on the Scarlet-Tarn trend will continue in 2023 with an extensive soil, rock chip, and channel sampling program. The trend of magnetic susceptibility anomalies immediately west of Tarn Lake lie up stratigraphic section and may lie near the inferred Contact Mudstone Horizon. Testing for extensions of the Tarn Lake-Scarlet Knob system will be a major focus of drilling in 2023.

TV Southwest

Geophysical investigations at TV and Jeff show the presence of magnetic anomalies associated with VMS mineralization (Figures 10 and 11). The largest amplitude magnetic anomalies are associated with mineralization at TV, with lower amplitude anomalies associated with Jeff and weak mineralization between TV and Jeff. Additional large amplitude magnetic anomalies extend to the southwest of TV, suggesting that mineralization may extend to the south and west at TV. Jeff North is not associated with magnetic anomalies, despite the presence of VMS-related base metal sulfide mineralization. Sulfide mineralization and hydrothermal alteration are less intense at Jeff North than at Jeff, and TV, indicating that the local intensity of the VMS systems may be correlated with the intensity of the magnetic anomalies.

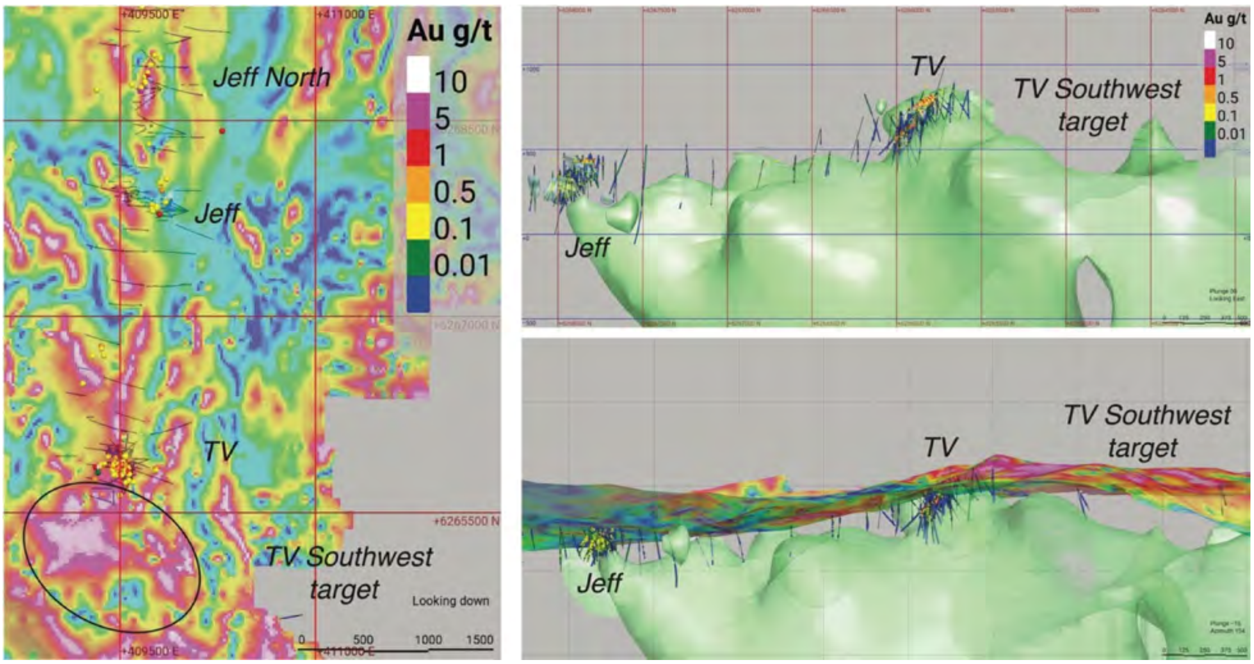

Figure 10: Magnetic tilt derivative map (left) and 1000 m thick long sections of the magnetic susceptibility model (right) for the TV-Jeff VMS trend. Long sections are centered around line 409500 E, with the upper one viewed looking due west, and the lower one viewed obliquely and from below the surface. Gold assay results for drill holes, and rock chip samples (circles) are shown. Zones of intense hydrothermal alteration (an Ishikawa alteration index greater than 80) are modeled as light blue volumes in the upper long section. As with Eskay Creek and Lulu, mineralization and hydrothermal alteration are closely associated with protrusions in the modeled magnetic susceptibility volume, with more pronounced protrusions correlating with stronger mineralization at TV and Jeff. The smaller protrusions in magnetic susceptibility between TV and Jeff correspond with zones of anomalous Au and Ag mineralization found with rock chip sampling and drilling. Prospective magnetic anomalism continues to the south and west of TV, supporting the interpretation of our geological team that sulfide mineralization at TV may extend in this direction based on encouraging results from drill holes TV22-108.

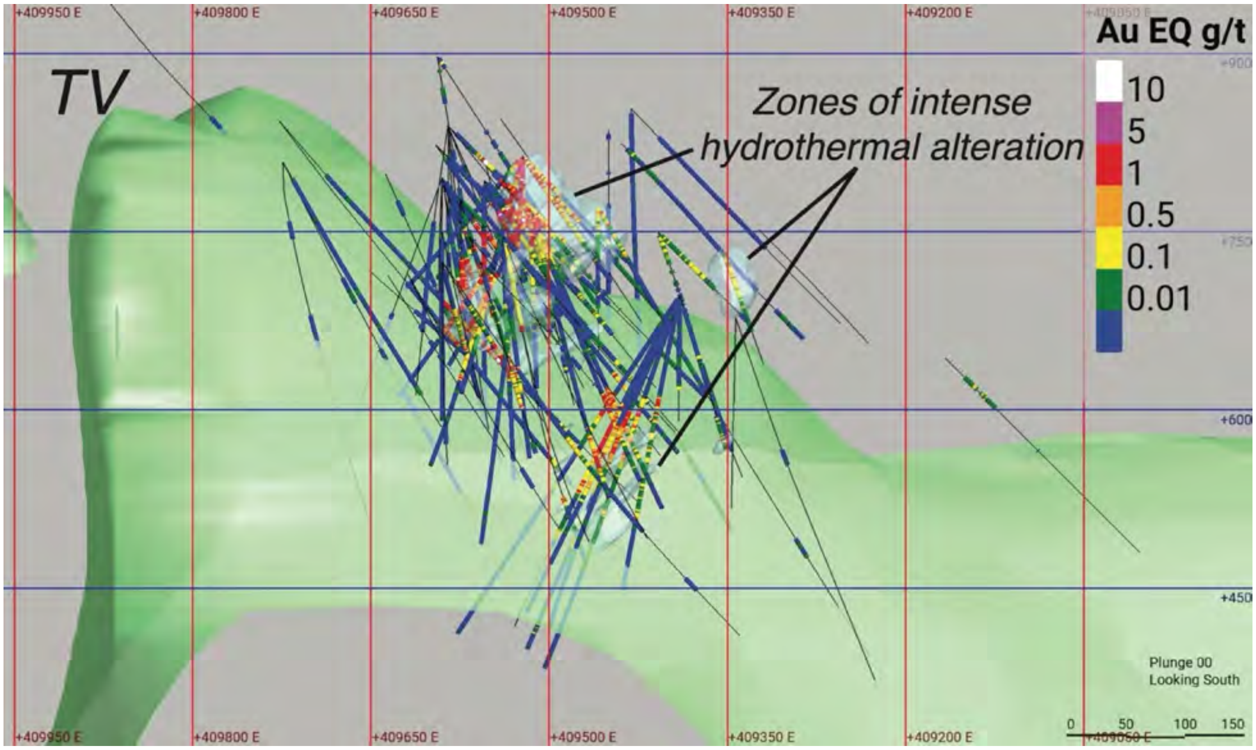

Figure 11: A 1000 m thick cross-section along line 6265700 N showing the magnetic susceptibility model for the TV VMS showing. Drill core assays in Au equivalent is shown. Zones of intense hydrothermal alteration (an Ishikawa alteration index greater than 80) are modeled in light blue. Mineralization and hydrothermal alteration lie right on the 0.001 SI magnetic susceptibility volume, as is the case with all other VMS systems on the Consolidated Eskay Property.

Cumberland

Cumberland hosts VMS Au mineralization (Figure 12) at an equivalent stratigraphic horizon to the Contact Mudstone at Eskay Creek. The Eskay rhyolite-Willow Ridge contact was intercepted by drill hole CBL05-06. The interval 28.66-33.53 m is a mudstone with sparse flattened black pebbles (<5 mm), and a well-developed S-C fabric (Figure 13A). Sulfide minerals and calcite are concentrated on the S plane of the S-C fabric. Historic assays from this mudstone interval range from 1.00-1.97 g/t Au. Dark grey-green basalt with sparse calcite amygdales was intercepted from 33.53-35.55 m (Figure 13B). Rhyolite breccia replaced with semi-massive replacement-style sulfide minerals occurs from 35.55-43.07 m (Figure 13C). Historic assays from the mineralized rhyolite breccia range from 0.20-7.83 g/t Au. The stratigraphic position of the mudstone and rhyolite breccia along the west limb of the Eskay anticline is consistent with a VMS hydrothermal system at the Contact Mudstone horizon.

Examination of historic grab samples of drill core from the non-mineralized Bench prospect along strike 1 km to the north of Cumberland intercepted a sequence of basalt underlain by mudstone and rhyolite. The sequence of lithologies at Bench and its location along strike from Cumberland indicates that the Contact Mudstone horizon is at or near the surface, having emerged from under the Bowser Lake Group hanging wall of the Coulter Creek Thrust Fault.

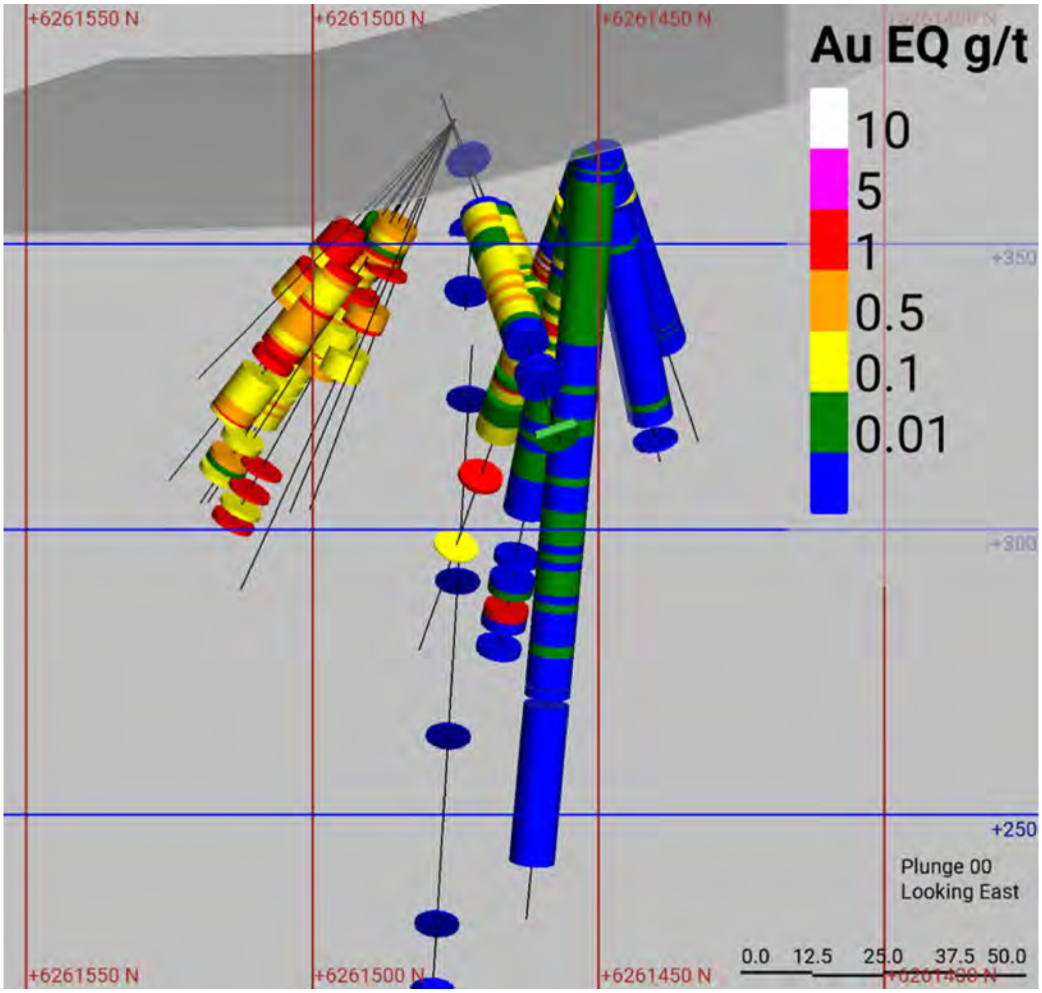

Figure 12: Cross-section view of Cumberland looking east showing assay results in Au equivalent (Au+Ag/78). Many of the mineralized drill holes terminate in Au mineralization. This, plus the possibility for stacked VMS mineralization not tested by the shallow drilling done at Cumberland so far, raises the possibility for additional discoveries at Cumberland.

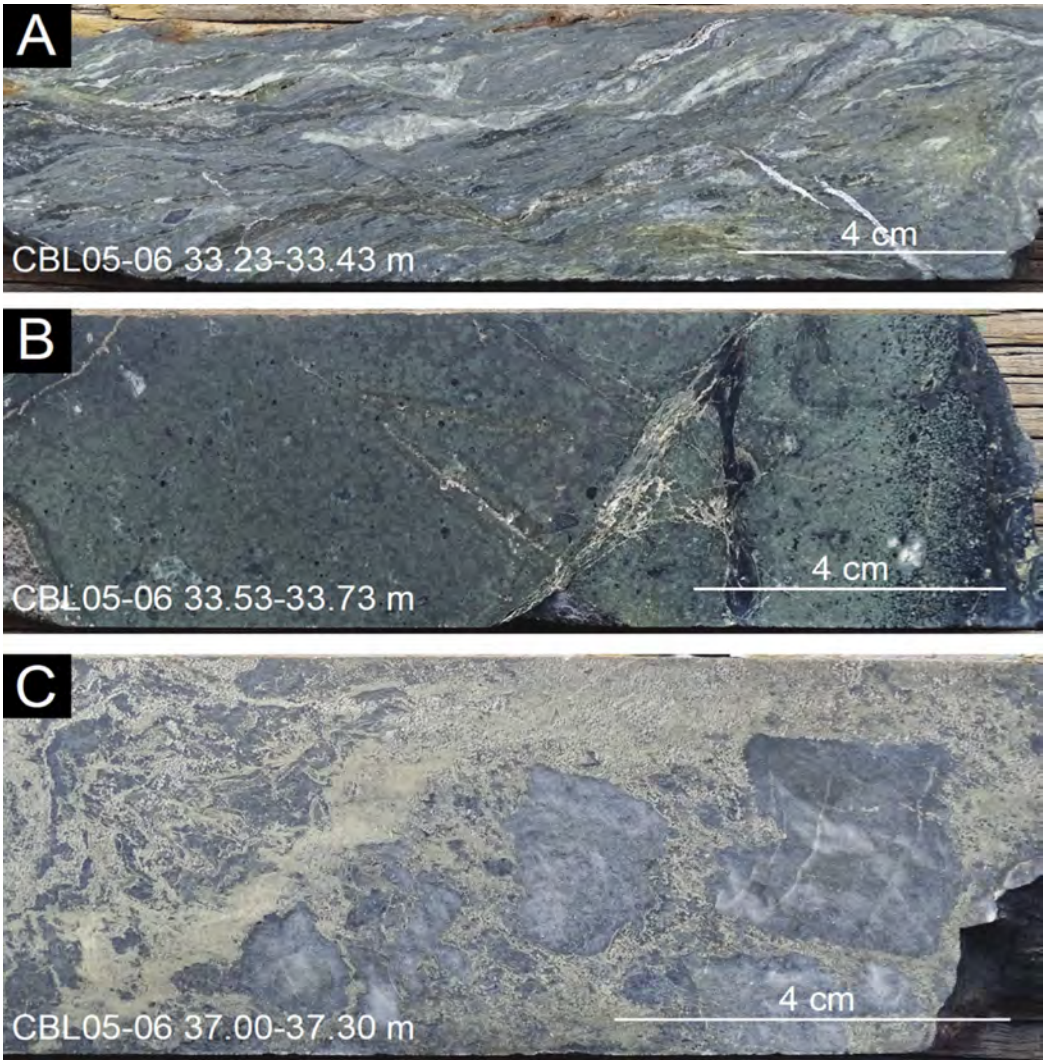

Figure 13: Mineralized drill core from drill hole CBL05-06 showing sulfide mineralization associated with the Willow Ridge basalt-Eskay rhyolite contact. Image A shows an intensely sheared carbonaceous mudstone with white bands of barite, a common alteration mineral associated with seafloor-hosted VMS mineralization. Image B shows hydrothermally altered Willow Ridge basalt less than 4 meters above the strongly replacement-style mineralization of Eskay rhyolite shown in image C.

Plans for the Project (Fiscal 2024):

The objectives for the 2024 program are contingent upon pending results from the 2023 program. The Company intends to map, sample, and drill several under-explored targets across the Property. These targets include:

1. Field investigation followed by drilling of the geophysical targets at Maroon Cliffs and Hexagon-Mercury.
2. Follow-up drilling at Tarn Lake to test the extent of the Au and Ag mineralized horizon identified by drilling at Tarn Lake in 2022. Field investigations and results from early 2023 drilling will guide exploration of geophysical targets to the west and up-stratigraphy from known mineralization at Tarn Lake. The goal is to locate the contact between the Eskay rhyolite and the Willow Ridge basalt that defines the Contact Mudstone horizon hosting the world-class Eskay Creek mine.
3. Limited and targeted drilling of TV Southwest and Cumberland to test for possible extensions of mineralization based on geophysical targeting.

Most of the Company's tenures are in good standing until June 2029 with 5 tenures in good standing until at least June 22, 2024.

Ministry Exploration Deposits

As at February 28, 2023, the Company had $94,303 (February 28, 2022 - $94,303) of deposits held by the provincial government of British Columbia. Such deposits were required by the B.C Ministry of Energy and Mines in order to permit the Company to conduct exploration and evaluation activities in that province.

Selected Annual Financial Information

	Year Ended February 28, 2023	Year Ended February 28, 2022	Year Ended February 29, 2020,
Revenue	nil	nil	nil
Net Loss	(19,593,449)	(18,891,069)	(14,181,357)
Net loss per share - basic and diluted	(0.11)	(0.12)	(0.10)
	As at February 28, 2023	**As at February 28, 2022**	**As at February 29, 2020,**
Total assets	9,514,760	8,480,972	15,615,185
Total long-term liabilities	71,414	66,310	64,633

Summary of Quarterly Results

	Profit and Loss		
Three Months Ended	**Total ($)**	**Basic and Diluted Loss per Share(9)(10) ($)**	**Total Assets ($)**
2023-February 28	(2,830,945)(1)	(0.04)	9,514,760
2022-November 30	(4,626,763)(2)	(0.03)	10,641,726
2022-August 31	(10,483,072)(3)	(0.06)	18,233,957
2022-May 31	(1,652,669)(4)	(0.01)	15,985,407
2022-February 28	(2,916,954)(5)	(0.02)	8,480,972
2021-November 30	(6,636,905)(6)	(0.04)	7,900,435
2021-August 31	(7,551,213)(7)	(0.05)	16,663,714
2021-May 31	(1,785,997)(8)	(0.01)	24,320,486

1) Net loss of $2,830,945 consisted primarily of: exploration and evaluation expenditures of $570,136; professional fees of $31,085, office and general of $259,764; management and consulting fees of $64,110; reporting issuer costs of $10,123 offset by gain from investment in associate of $44,965. All the other expenses related to general working capital purposes.
2) Net loss of $4,626,763 consisted primarily of: exploration and evaluation expenditures of $3,827,601; professional fees of $30,140, office and general of $96,678; share-based payments of $6,386; management and consulting fees of $74,978; reporting issuer costs of $37,259 offset by loss from investment in associate of $506,749. All the other expenses related to general working capital purposes.

3) Net loss of $10,483,072 consisted primarily of: exploration and evaluation expenditures of $8,309,828; office and general of $391,517; share-based payments of $3,418,963; management and consulting fees of $83,073; reporting issuer costs of $48,522, loss from investment in associate of $70,575 and offset by flow-through share liability recovery of $1,805,844. All the other expenses related to general working capital purposes.
4) Net loss of $1,652,669 consisted primarily of: exploration and evaluation expenditures of $1,259,972; professional fees of $130,226; office and general of $89,119; and management; consulting fees of $90,610 and offset by flow-through share liability recovery of $96,379. All other expenses related to general working capital purposes.
5) Net loss of $2,916,954 consisted primarily of: exploration and evaluation expenditures of 3,210,145; professional fees of $71,608, office and general of $172,095; share-based payments of $32,753; management and consulting fees of $94,274; reporting issuer costs of $52,161 offset by flow-through share liability recovery of $159,864, fair value adjustment on investment of $711,111 and loss from investment in associate of $71,550. All the other expenses related to general working capital purposes.
6) Net loss of $6,636,905 consisted primarily of: exploration and evaluation expenditures of $4,425,553; professional fees of $67,320; office and general of $97,194; fair value adjustment on investment of $3,081,480 and management and consulting fees of $90,610 and offset by flow-through share liability recovery of $1,242,266. All other expenses related to general working capital purposes.
7) Net loss of $7,551,213 consisted primarily of: exploration and evaluation expenditures of $7,154,143; professional fees of $28,071; management and consulting fees of $134,684; fair value adjustment on investment of $2,088,388 and share based payments of $307,083 and offset by flow-through share liability recovery of $2,217,076. All other expenses related to general working capital purposes.
8) Net loss of $1,785,997 consisted primarily of: exploration and evaluation expenditures of $1,500,608; professional fees of $71,384; and management; consulting fees of $64,310 and share based payments of $277,893 and offset by flow-through share liability recovery of $398,641. All other expenses related to general working capital purposes.
9) Basic and diluted.
10) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

Financial Highlights

Financial Performance

Three Months Ended February 28, 2023, Compared with Three Months Ended February 28, 2022

Eskay's net loss totaled $2,830,945, for the three months ended February 28, 2023, with basic and diluted loss per share of $0.02. This compares with a net loss of $2,916,954 with basic and diluted loss per share of $0.02 for the three months ended February 28, 2022. The decrease of $86,009 was principally because:

- During the three months ended February 28, 2023, exploration and evaluation expenditures decreased by $2,640,009 compared to the three months ended February 28, 2022. See "Mineral Properties Interests" section above for a description of activities, and the construction of the access road with Seabridge.
- The flow-through share liability recovery decreased to $1,902,223 for the three months ended February 28, 2023, compared to $159,854 for the three months ended February 28, 2022, due to the derecognition of the flow-through premium. Flow-through share liability recovery will vary from period to period depending upon qualifying expenditures on exploration properties.
- The increase in the loss on fair value adjustments on investments of $nil for the three months ended February 28, 2023, compared to $711,111 for the three months ended February 28, 2022. As of January 5, 2022 the Company determined it had significant influence over GGI and accounts for the investment using the equity method.

Year Ended February 28, 2023, Compared with Year Ended February 28, 2022

Eskay's net loss totaled $19,593,449, for the year ended February 28, 2023, with basic and diluted loss per share of $0.11. This compares with a net loss of $18,891,069 with basic and diluted loss per share of $0.12 for the year ended February 28, 2022. The decrease of $702,380 was principally because:

- During the year ended February 28, 2023, exploration and evaluation expenditures decreased by $2,322,912 compared to the year ended February 28, 2022. See "Mineral Properties Interests" section above for a description of activities, and the construction of the access road with Seabridge.
- The decrease in flow-through share liability recovery to $nil for the year ended February 28, 2023, compared to $4,017,837 for the year ended February 28, 2022. Flow Though share liability recovery will vary depending on expenditures made in the period and the total liability resulting from a flow-through raise.
- The increase in share-based payments of $2,730,549 for the year ended February 28, 2023, compared to the year ended February 28, 2022. Share-based payments will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date.
- During the year ended February 28, 2023, office and general increased by $518,334 compared to the year ended February 28, 2022 due to increased salaries and fees paid related to marketing operations in the prior period.

All other expenses related to general working capital purposes.

Cash Flow

At February 28, 2023, the Company had cash of $3,024,574 compared to $876,222 at February 28, 2022. The increase in cash of $2,148,352 was as a result of cash outflow in operating activities of $14,768,941, cash outflow in investing activities of $94,550, and a cash inflow from financing activities of $17,011,843.

Cash inflow from financing activities of $17,011,843 was due to net proceeds from the issuance of charity flow-through shares (net of issuance costs) $6,885,878, proceeds from the exercise of stock options of $765,100 and proceeds from the exercise of warrants of $9,360,865.

Cash used in investing activities of $94,550 was due to the purchase of equipment of $94,550.

Operating activities were affected by net loss of $19,593,449, non-cash adjustments of $4,175,754, and non-cash working capital items of $648,754. Non-cash adjustments consisted of share-based payments of $3,425,349, amortization of $31,671, loss from investment in associate of $401,107 and accretion of $317,627. Non-cash working capital balances consisted of a decrease in amounts receivable of $641,404, a decrease in accounts payable and other liabilities of $127,583, and a decrease in prepaid expenses and other deposits of $134,933.

Liquidity and Financial Position

The activities of the Company, principally the acquisition, exploration, and evaluation of mineral properties, are financed through equity offerings and the exercise of warrants or options and convertible debenture notes. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The Company has no operating revenues and therefore must utilize its current cash reserves and other financing transactions to maintain its capacity to meet ongoing discretionary and committed exploration and operating activities.

At February 28, 2023, the Company had a working capital surplus of $445,048 (February 28, 2022 – working capital deficit of $742,026).

As at February 28, 2023, the Company had a loan to Seabridge of $2,783,325. Its credit and interest rate risk is minimal and amounts payable and other liabilities are short term and non-interest bearing.

The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. The Company has raised $7,000,002 through the issuance of flow-through shares, and is obligated to incur qualifying flow-through expenditures under the flow-through funding agreement by December 31, 2023. As at February 28, 2023, the Company has spent $7,000,002 as part of the flow-through funding agreement.

The Company's use of cash at present, and in the future will occur, principally in two areas, namely, funding of its general and administrative expenditures and funding of its exploration on its mineral properties. For fiscal 2024, the Company's expected administration and operating expenses are estimated to be $132,000 per month. The Company will continue to evaluate its exploration projects and is currently estimates its exploration budget to be $4,900,000.

Based on the Company's working capital surplus of $445,048 on February 28, 2023 (February 28, 2022 – working capital deficit of $742,026), the Company anticipates it will not have sufficient funds for its operating and exploration work requirements along with repayment of debt for the year ended February 28, 2024. However, the Company anticipates that it will have sufficient funds once future financings are completed. There may be circumstances, where for business reasons, a reallocation of funds may be necessary in order for the Company to maintain its operations. See "Risks and Uncertainties" below.

Related Party Transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Eskay was a party to the following transactions with related parties:

Management and Consulting Fees	Year Ended February 28, 2023 $	Year Ended February 28, 2022 $
Robert Myhill	145,000	107,700
Hugh M. Balkam (1)	33,500	-
Balkam Partners Ltd. (2)	219,868	176,667
Marrelli Support Services Inc. (3)	21,570	-
Total	**419,938**	**284,367**

Professional Fees	Year Ended February 28, 2023 $	Year Ended February 28, 2022 $
Marrelli Support Services Inc. (4)	41,108	52,529
Gardiner Roberts LLP (5)	178,249	145,338
Total	**219,357**	**197,867**

(1) Fees for performing the function of Chief Executive Officer.

(2) Management fees charged by Balkam Partners Ltd., a company controlled by Hugh M. Balkam, an officer of the Company. As at February 28, 2023, Balkam Partners Ltd. and Hugh M. Balkam were owed $nil (February 28, 2022 - $nil) and these amounts were included in amounts due to related parties, and (5) below.

(3) Fees for performing the function of Chief Financial Officer (“CFO”) charged by Marrelli Support Services Inc., a company controlled by Carmelo Marrelli, CFO of the Company. See point 4 below.

(4) Professional fees incurred to DSA Filing Services Limited, a company controlled by Carmelo Marrelli, CFO of the Company. As at February 28, 2023, the Company owed this Company $229 (February 28, 2022 - $nil), this amount is included in due to related party transactions and (5) below. In fiscal 2022, CFO fees were included in professional fees.

(5) Professional fees incurred to Marrelli Support Services Inc., a company controlled by Carmelo Marrelli, CFO of the Company. As at February 28, 2023, the Company owed this company $6,568 (February 28, 2022 - $6,965), this amount is included in due to related party transactions and (5) below. In fiscal 2022, CFO fees were included in professional fees.

(6) Professional fees and disbursements incurred to Gardiner Roberts LLP ("Gardiner"), a law firm of which William R. Johnstone, Corporate Secretary of the Company, is a partner. These services were for general corporate matters. As at February 28, 2023, Gardiner is owed $6,815 (February 28, 2022 - $3,408) and this amount is included in amounts due to related parties. These balances are unsecured, non-interest bearing, and due on demand.

During the year ended February 28, 2023, the Company granted 2,000,000 stock options to directors and consultants at $1.81 per share for five years expiring July 4, 2027. These options vested immediately and have a grant date fair value of $3,418,963.

During the year ended February 28, 2022, 350,000 stock options were exercised by directors for common shares of the Company for gross proceeds of $28,000.

During the year ended February 28, 2023, 1,600,000 stock options were exercised by one director and one officer for common shares of the Company for gross proceeds of $352,000.

As at February 28, 2023, Hugh Balkam, a director of the Company owns 16,883,345 common shares of the Company carrying approximately 9.19% of the voting rights attached to all common shares of the Company. As at February 28, 2023, directors and officers of the Company control an aggregate of 30,820,990 common shares of the Company or approximately 16.79% of the shares outstanding.

At February 28, 2023, the Company is not aware of any arrangements that may result in a change in control of the Company. To the knowledge of the Company, it is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

Environmental Contingency

The Company's mining and exploration activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and generally becoming more restrictive. As of February 28, 2023, the Company does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future.

Financial Instruments

The Company's financial instruments consist of:

Description	February 28, 2023 $	February 28, 2022 $
Cash	2,925,071	730,289
Cash equivalents	99,503	145,933
Amounts receivable	200,659	842,063
Amounts payable and other liabilities	326,767	454,349
Seabridge Loan	2,783,325	2,470,802

The primary goals of the Company's financial risk management policies are to ensure that the outcome of activities involving elements of risk is consistent with the Company's objectives and risk tolerance, while maintaining an appropriate risk/reward balance and protecting the Company's statement of financial position from events that have the potential to materially impair its financial strength. Balancing risk and reward is achieved through: identifying risk appropriately, aligning risk with overall business strategy, diversifying risk, pricing appropriately for risk, mitigation through preventive controls, and transferring risk to third parties.

The long-term corporate objective and strategic plan remain unchanged. However, the short-term objective and plan continue to be modified to reflect global economic, financial, and general market conditions, which will inevitably have an impact on the overall risk assessment of the Company. Such modifications include streamlining operational costs and preserving cash to the extent possible.

The Company's risk exposures and the impact on its financial instruments are summarized below:

Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest risk rate, foreign currency risk and commodity and equity price risk). Risk management is carried out by the Company's management team with guidance from the Audit Committee and Board of Directors. There have been no changes in the risks, objectives, policies and procedures of the Company during the years ended February 28, 2023 and February 28, 2022.

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. Cash is held with select major Canadian chartered banks, from which management believes the risk of loss to be minimal. Amounts receivable consist of sales taxes receivable from government authorities in Canada and other receivables. Management believes that the credit risk concentration with respect to amounts receivable is minimal.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether because of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As of February 28, 2023, the Company had cash of $3,024,574 (February 28, 2022 - $876,222) to settle current liabilities of $3,110,092 (February 28, 2022 - $2,925,151). All the Company's current financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

The Company's ability to continually meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

a) Interest rate risk
The Company's overall exposure to the risk of changes in market interest rates relates primarily to its bank current account balances. At prevailing market interest rates, the impact on interest income is minimal.

b) Foreign currency risk
The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

Based on management's knowledge and experience of the financial markets, the Company does not believe it was exposed to any material movements in the underlying market risk variables during the year ended February 28, 2023.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve-month period:

I. Cash is subject to floating interest rates. The Company has no variable interest bearing debt and receives low interest rates on its cash balances. As such, the Company does not have significant interest rate risk.

II. The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

Capital Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and

- to maximize shareholder return.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook for the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company's ability to continue to carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

The Company considers its capital to be equity, which comprises share capital, reserves and accumulated equity, which at February 28, 2023, totaled $6,333,254 (February 28, 2022 - $5,489,511).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral exploration properties. Selected information is provided to the Board of Directors of the Company.

The Company's capital management objectives, policies and processes have remained unchanged during the year ended February 28, 2023. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of February 28, 2023, the Company is compliant with Policy 2.5.

Commitments

Management contract
The Company is party to management contracts that require additional payments of up to $340,000 to be made upon the occurrence of certain events such as termination for any reason, other than for just cause. The Company is also party to management contracts that require additional payments of up to $1,600,000 to be made upon the occurrence of certain events such as a change of control. As the triggering event has not occurred, the contingent payments have not been reflected in these financial statements.

Flow-through commitment
The Company is obligated to spend $7,000,002 by December 31, 2022. As at February 28, 2023, the Company has spent $7,000,002 as part of the flow-through funding agreement. The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. The Company has indemnified the subscribers for any related tax amounts that become payable by the subscribers as a result of the Company not meeting its expenditure commitments.

Contingencies

A 2% net smelter royalty was issued for certain claims. The Company is investigating the circumstances under which this royalty was issued and, assuming it was validly issued, who, if anyone, currently holds the royalty.

Environmental Contingency

The Company's mining and exploration activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and generally becoming more restrictive. As of February 28, 2023, the Company does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future.

Share Capital

As of the date of this MD&A, the Company had 183,617,123 issued and outstanding common shares, 2,222,223 warrants and 12,705,000 stock options outstanding. Therefore, the Company had 198,544,346 common shares on a fully diluted basis.

Proposed Transactions

There are no proposed transactions of a material nature being considered by the Company at the date of this MD&A. However, the Company continues to evaluate properties and corporate opportunities to advance its exploration, development and objectives.

Recent Accounting Pronouncements

Accounting policies adopted during the period

IFRS 3, Business Combinations ("IFRS 3")

IFRS 3 was amended. The amendments introduce new exceptions to the recognition and measurement principles in IFRS 3 to ensure that the update in references to the revised conceptual framework does not change which assets and liabilities qualify for recognition in a business combination. An acquirer should apply the definition of a liability in IAS 37 – rather than the definition in the Conceptual Framework – to determine whether a present obligation exists at the acquisition date as a result of past events. For a levy in the scope of IFRIC 21, the acquirer should apply the criteria in IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. In addition, the amendments clarify that the acquirer should not recognize a contingent asset at the acquisition date. The Company adopted the amendment on March 1, 2022, there was no significant impact due to the adoption of this accounting policy.

IAS 16 - Property, Plant and Equipment

IAS 16 Property, Plant and Equipment was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The Company adopted the amendment on March 1, 2022, there was no significant impact due to the adoption of this accounting policy.

Future accounting policies

IAS 1 Classification of Liabilities as Current or Non-Current (Amendment)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current.

The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2022 and is to be applied retrospectively. There is currently a proposal in place to extend effective date for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

Risks and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Only investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment should undertake such investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. The Company's financial condition, results of operations and businesses are subject to certain risks, certain of which are described below (and elsewhere in this MD&A):

Additional Funding Requirements

The Company is reliant upon additional equity financing in order to continue its business and operations, because it is in the business of mineral exploration and at present does not derive any income from its mineral assets. There is no guarantee that future sources of funding will be available to the Company. If the Company is not able to raise additional equity funding in the future, it will be unable to carry out its business.

Commodity Price Volatility

The price of various commodities that the Company is exploring for can fluctuate drastically, and is beyond the Company's control. The Company is specifically concerned with the prices of precious and base metals and other minerals. While the Company would benefit from an increase in the value of precious and base metals and other minerals, a decrease in the value of precious and base metals and other minerals could also adversely affect it.

Title to Mineral Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed or impugned. Although the Company has investigated its title to the mineral properties for which it holds an option or concessions or mineral leases or licences, there can be no assurance that the Company has valid title to such mineral properties or that its title thereto will not be challenged or impugned. For example, mineral properties sometimes contain claims or transfer histories that examiners cannot verify; and transfers under foreign law often are complex. The Company does not carry title insurance with respect to its mineral properties. A successful claim that the Company does not have title to a mineral property could cause the Company to lose its rights to mine that property, perhaps without compensation for its prior expenditures relating to the property.

Mineral Exploration

Mineral exploration involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities. The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of some properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining, or to upgrade existing infrastructure. There can be no assurance that the funds required to exploit any mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. The economics of exploiting mineral reserves and resources discovered by the Company are affected by many factors, many outside the control of the Company, including the cost of operations, variations in the grade of ore mined and metals recovered, price fluctuations in the metal markets, costs of processing equipment, and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. There can be no assurance that the Company's mineral exploration and exploitation activities will be successful.

Country Risk

The Company could be at risk regarding any political developments in the country in which it operates. At present, the Company is only active in Canada.

Uninsurable Risks

Mineral exploration activities involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences and political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could negatively affect the Company's profitability and financial position and the value of its common shares. The Company does not maintain insurance against environmental risks.

Environmental Regulation and Liability

The Company's activities are subject to laws and regulations controlling not only mineral exploration and exploitation activities themselves but also the possible effects of such activities upon the environment.

Environmental legislation may change and make the mining and processing of ore uneconomic or result in significant environmental or reclamation costs. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mineral exploitation activities, such as seepage from tailings disposal areas that could result in environmental pollution. A breach of environmental legislation may result in the imposition of fines and penalties or the suspension or closure of operations. In addition, certain types of operations require the submission of environmental impact statements and approval thereof by government authorities.

Environmental legislation is evolving in a manner that may mean stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors, officers and employees. Permits from a variety of regulatory authorities are required for many aspects of mineral exploitation activities, including closure and reclamation. Future environmental legislation could cause additional expense, capital expenditures, restrictions, liabilities and delays in the development of the Company's properties, the extent of which cannot be predicted. In the context of environmental permits, including the approval of closure and reclamation plans, the Company must comply with standards and laws and regulations that may entail costs and delays, depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. The Company does not maintain environmental liability insurance.

Regulations and Permits

The Company's activities are subject to a wide variety of laws and regulations governing health and worker safety, employment standards, waste disposal, protection of the environment, protection of historic and archaeological sites, mine development and protection of endangered and protected species and other matters. The Company is required to have a wide variety of permits from governmental and regulatory authorities to carry out its activities. These permits relate to virtually every aspect of the Company's exploration and exploitation activities. Changes in these laws and regulations or changes in their enforcement or interpretation could result in changes in legal requirements or in the terms of the Company's permits that could have a significant adverse impact on the Company's existing or future operations or projects. Obtaining permits can be a complex, time-consuming process. There can be no assurance that the Company will be able to obtain the necessary permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities.

Potential Dilution

The issue of common shares of the Company upon the exercise of the options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional options and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

Management

The success of the Company is currently largely dependent on the performance of its management. Shareholders will be relying on the good faith, experience and judgment of the Company's management and advisers in supervising and providing for the effective management of the business of the Company. The loss of the services of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its management or other qualified personnel required to operate its business. Failure to do so could have a materially adverse effect on the Company and its prospects.
Additionally, directors and officers of the Company may also serve as directors and/or officers of other public companies from time to time.

Consequently, such directors and officers will be dividing their time between their duties to the Company and their duties to their other reporting issuers.

The Company has not purchased management insurance, nor has it entered into non-competition and nondisclosure agreements with management and has no current plans to do so.

First Nations and Aboriginal Rights

Eskay is committed to working in partnership with our local communities and First Nations in a manner which fosters active participation and mutual respect. Eskay works towards minimizing negative project impacts, encouraging certain joint consultation processes, addressing certain decision making processes and towards maintaining meaningful ongoing dialogue not only for the Company but for all participants in the Golden Triangle region of British Columbia.

Many of Eskay's contractors and suppliers live and work in the local communities. The Company regularly consults with communities proximal to the Company's exploration activities to advise them of plans and answer any questions they may have about current and future activities. The objective is to operate to the benefit of the shareholders and the local communities using the resources and the environment today without compromising the long-term capacity to support post exploration and ultimately post mining land uses.

First Nations and indigenous groups in British Columbia are increasingly making lands and rights claims in respect of existing and prospective resource projects on lands asserted to be First Nation or indigenous traditional or treaty lands. Should a First Nation or indigenous group make such a claim in respect of the Properties and should such claim be resolved by government or the courts in favour of the First Nation or indigenous group, it could materially adversely affect the business of Eskay. In addition, consultation issues relating to First Nation interests and rights may impact the Company's ability to pursue exploration, development and mining at its projects and could results in costs and delays or materially restrict Eskay's activities. In addition, the government of British Columbia has passed Bill 41, which commits it to making the laws of British Columbia consistent with the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). The incorporation of the principles of UNDRIP into and the impact on the regulations and regulatory practices relating to exploration and development of mining properties in British Columbia remain uncertain, but they likely will create new risks and responsibilities for the Company in respect of the exploration and development of its Properties.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements, and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Additional Disclosure for Venture Issuers without Significant Revenue

A summary of general and administrative expenses for the periods set forth below is as follows:

	Year Ended February 28, 2023 $	Year Ended February 28, 2022 $
Professional fees	189,740	238,383
Reporting issuer costs	100,394	142,201
Office and general	838,789	320,455
Advertising and promotion	115,951	68,192
Management and consulting fees	312,771	383,878
Interest and bank charges	8,853	24,844
Share-based payments	3,425,349	694,800
Total	**4,991,847**	**1,872,753**