Talisker
RESOURCES

Management's Discussion & Analysis

For the years ended December 31, 2022 and 2021

Dated March 31, 2023

This management's discussion and analysis (this "MD&A") reflects the assessment by management of the results and financial condition of Talisker Resources Ltd. ("Talisker" or the "Company") and should be read in conjunction with the audited consolidated financial statements of the Company for the years ended December 31, 2022 and 2021 and the notes thereto (the "Financial Statements"). Management is responsible for the preparation of the Financial Statements and this MD&A. The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (the "IASB"). This MD&A and the Financial Statements are available on SEDAR (www.sedar.com) under Talisker's issuer profile and on Talisker's website (www.taliskerresources.com).

This MD&A has been prepared as of March 31, 2023. All dollar figures in this MD&A are expressed in Canadian dollars unless stated otherwise.

Qualified Person

The scientific and technical information contained in this MD&A has been approved by Leonardo de Souza (BSc, AusIMM (CP) Membership 224827), Talisker's Vice President, Exploration and Resource Development, who is a "qualified person" within the meaning of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101").

Recent Developments, Exploration Properties, Outlook and Strategy

RECENT DEVELOPMENTS

Talisker is a publicly listed company incorporated in British Columbia and continued in the Province of Ontario. The Company is engaged in exploration and evaluation of mineral properties in British Columbia.

On February 6, 2023, the Company announced the appointment of Christy Smith and Robert Power as directors and the resignation of founding director, Brent Gilchrist. Mr. Gilchrist will be continuing as an advisor to the Company's board of directors (the "Board" or "Board of Directors").

On January 24, 2023, Talisker provided the Company's first Mineral Resource Estimate ("MRE") at its 100% owned Bralorne Gold Project in southern British Columbia ("Bralorne Gold Project" or the "Project"). The MRE is reported in accordance with the Canadian Institute of Mining (CIM), Metallurgy and Petroleum Definition Standards (2014) incorporated by reference in NI 43-101, and the 2019 CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines. The MRE provides for 117,000 tonnes with an average grade of 8.9 g/t Au for 33,000 ounces gold in the indicated category and 8.0 million tonnes at 6.3 g/t Au for 1.63 million ounces of gold in inferred category. The MRE is defined approximately along a strike length of 4.5 km, to a depth of 700 m and remains open along strike and at depth. Details on the MRE are included in the Exploration Update below.

On October 27, 2022, Talisker announced high-grade results from the North Vein located within the historic King mining block indicating that these results are the final assays received from the 2022 pre-resource drill program that were re-assayed following initial laboratory failure of QA/QC. Talisker's drilling to date at the Bralorne Gold Project has produced 401 vein intersections with a combined weighted average diluted grade of 9.45 g/t over an average intersection length of 1.73 metres.

On August 30, 2022, Talisker's wholly-owned subsidiary, New Carolin Gold Corp., made an application to cease being a reporting issuer, which was granted September 29, 2022.

On August 11, 2022, the Company closed a "best efforts" private placement raising total gross proceeds of approximately $9.15 million. In connection with the offering, the Company issued an aggregate of 28,398,000 units (the "**Units**") at a price of $0.16 per Unit and 25,576,000 flow-through common shares (the "FT Shares", and together with the Units, the "Offered Securities") of the Company at a price of $0.18 per FT Share. Each Unit consisted of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share at an exercise price of $0.24 for a period of 2.5 years (30 months) from the date of issuance. The FT Shares qualify as "flow-through shares" within the meaning of the *Income Tax Act* (Canada) (the "Tax Act").

On March 2, 2022, the Company closed a bought deal private placement raising total gross proceeds of approximately $12.5 million. In connection with the private placement, the Company issued an aggregate of 28,000,000 common shares at a price of $0.25 per share and 15,593,000 charity flow-through common shares ("Charity FT Shares") of the Company at a price of $0.355 per Charity FT Share. The Charity FT Shares qualify as "flow-through shares" within the meaning of the Tax Act.

On February 17, 2022, the Company announced that it had initiated work to update the underground mine plan for the Bralorne Gold Project to support an increase in production to a proposed 1,500 tonnes per day. It was noted that expanded production would come from within the existing permitted mine boundary to take advantage of both underground and surface infrastructure already in place at the site. Material extracted from this expanded production rate is proposed to initially be hauled offsite for processing at one of the nearby permitted custom milling facilities in British Columbia. Talisker also announced that discussions had been initiated with the BC Ministry of Energy, Mines and Low Carbon Innovation (EMLI) on steps to complete a permit amendment process for the existing Mine Permit to support the proposed expanded mine production.

Indigenous Relationships and Engagement

Talisker prides itself on the meaningful and constructive relationships that have been built with Indigenous communities throughout the southern parts of British Columbia. This includes members of the St'át'imc nations whose lands the Bralorne Gold Project is a part of, the St'át'imc are the original inhabitants of the territory which extends north to Churn Creek and to South French Bar; northwest to the headwaters of Bridge River; north and east toward Hat Creek Valley; east to the Big Slide; south to the island on Harrison Lake and west of the Fraser River to the headwaters of Lillooet River, Ryan River and Black Tusk.

Talisker has an Exploration Agreement with one of the St'át'imc communities, the Bridge River Indian Band ("Xwisten") and close working relationships with the other seven St'át'imc communities. This includes a working Environmental Monitoring Board (EMB) that meets quarterly and includes representatives from all of the St'át'imc communities.

In the context of the future expansion and development of the Bralorne Gold Project and consistent with commitments under the existing Exploration Agreement, Talisker has initiated with the leadership of Xwisten the development of an Impact Benefit Agreement between Xwisten and Talisker.

All activities being proposed by Talisker in its expansion and permit amendment process will continually be shared with and discussed with the management, technical advisors and leadership of Xwisten and the other St'át'imc communities, to ensure all necessary measures are in place to protect the natural environment, culture and heritage of the Bridge River area.

Community Engagement

Talisker also prides itself on having strong relationships with the communities of southern British Columbia in which the Company operates. This includes Bralorne, the Bridge River Valley and the other communities of the Squamish Lillooet Regional District. The approach of the Company throughout considering the future of the Bralorne Gold Project will be to engage openly and transparently, seek input through the conceptualization, design and permitting process, listen and act on concerns when they are brought forward from the community.

(in Canadian dollars unless otherwise noted)

COVID-19

During the year ended December 31, 2022, the Company continued to monitor and test for COVID-19 at the Bralorne camp. The camp provides a safer environment to protect workers and their families along with local and First Nation communities. Talisker has also provided teleworking for office workers since the beginning of the pandemic.

EXPLORATION PROPERTIES

The exploration and evaluation expenses for the Company are summarized as follows:

	Three months ended December 31, 2022	Three months ended December 31, 2021	Year ended December 31, 2022	Year ended December 31, 2021
Bralorne Gold Project	**$ 1,795,652**	$ 7,941,092	**$ 17,777,487**	$ 29,811,933
Spences Bridge Gold Project	**103,983**	248,469	**652,583**	2,478,553
Ladner Gold Project	**86,221**	83,520	**282,641**	83,520
Exploration and evaluation expenditures	**$ 1,985,856**	$ 8,273,081	**$ 18,712,711**	$ 32,374,006

The exploration and evaluation expenses for the Company by expenditure classification are summarized as follows:

	Three months ended December 31, 2022	Three months ended December 31, 2021	Year ended December 31, 2022	Year ended December 31, 2021
Consulting	**$ 245,108**	$ 164,030	**$ 882,825**	$ 1,239,831
Salaries and wages	**426,524**	1,254,669	**3,396,976**	4,631,091
Drilling	**724,696**	4,107,528	**8,815,736**	16,140,776
Assays	**41,446**	375,813	**964,250**	3,212,179
Field supplies and administrative	**395,653**	1,567,990	**3,661,761**	5,777,391
Travel and other	**9,662**	58,341	**101,049**	118,447
Equipment rentals	**119,137**	220,643	**801,278**	667,427
Share based payments	**2,511**	475,601	**8,256**	494,456
Equipment repairs and maintenance	**21,119**	48,466	**80,580**	92,408
Exploration and evaluation expenditures	**$ 1,985,856**	$ 8,273,081	**$ 18,712,711**	$ 32,374,006

The mine care and maintenance costs for the Company by expenditure classification are summarized as follows:

	Three months ended December 31, 2022	Three months ended December 31, 2021	Year ended December 31, 2022	Year ended December 31, 2021
Consulting	**$ 178,483**	$ 150,368	**$ 843,766**	$ 669,196
Salaries and wages	**75,634**	122,585	**434,346**	415,898
Field supplies and administrative	**44,048**	40,191	**297,709**	159,970
Assays	**10,005**	11,349	**54,446**	38,641
Share based payments	**1,205**	50,688	**3,962**	59,738
Equipment repairs and maintenance	**7,253**	5,635	**28,634**	86,029
Mine care and maintenance costs	**$ 316,628**	$ 380,816	**$ 1,662,863**	$ 1,429,472

Talisker's exploration projects include the Bralorne Gold Project and the Ladner Gold Project, both advanced stage projects with significant exploration potential from historical high grade producing gold mines, as well as its Spences Bridge Gold Project where the Company holds ~85% of the emerging Spences Bridge Gold Belt and several other early stage Greenfields projects listed below. The Company's properties comprise 291,392 hectares over 487 claims, three leases and 197 Crown Grant claims.

Bralorne Gold Project

Located in southern British Columbia, the Bralorne Gold Project comprises the tenure owned by Bralorne Gold Mines Ltd., a wholly-owned subsidiary of Talisker, that comprises several historic mine workings (Pioneer, Bralorne, King and BRX mines) as well as additional tenure acquired by Talisker in 2020 (the Royalle property, the NaiKun Wind Crown Grant claims, the Congress property and the Bralorne Crown Grant Extensions) and claims acquired by Talisker in 2021 (the Pioneer Extension claims), all further described below. With these acquisitions, the Bralorne Gold Project comprises over 12,749.17 hectares over 62 claims, three leases and 197 Crown Grant claims. The Bralorne Gold mine complex produced approximately 4.2 million ounces of gold at a grade of 17.7 g/t Au from 30 veins in three adjacent mines; Bralorne, Pioneer and King, until eventual closure in 1971 due to depressed gold prices.

A total of 144,495.7 metres (287 holes) has been drilled since Talisker initiated drilling at the Bralorne Gold Project in February 2020 with all samples received.

In 2022, the Company engaged InnovExplo Inc. to prepare a technical report on the Bralorne Gold Project. The MRE was announced on January 24, 2023 with the following key points:

- 117,000 tonnes with an average grade of 8.9 g/t Au for 33,000 ounces gold in the **indicated category;**
- 8.0 million tonnes at 6.3 g/t Au for 1.63 million ounces of gold in the **inferred category**;
- The mineral resource is defined approximately along a strike length of 4.5 km, to a depth of 700 m and remains open along strike and at depth;
- A total of 86 veins have been identified with 63 veins open along strike and at depth, 18 remain open at depth, and 2 remain open along strike;
- Talisker believes that exploration potential exists as proximal extensions of currently defined mineralized zones, laterally and at depth, and may yield somewhere between 2.0 and 2.5 million tonnes at grades between 6.0 and 9.0 g/t Au for 400,000 – 700,000 ounces gold. This exploration potential is supported by the drill hole and channel sample data used for the 2023 MRE at drill hole spacings greater than the inferred category resources. These targets are not mineral resource estimates, potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a mineral resource, and it is uncertain if further exploration will result in the exploration targets being delineated as a mineral resource.
- Regionally, mineralization has been identified to 2 km below surface, and along a strike length of 33 km.

(in Canadian dollars unless otherwise noted)

Table 1: Bralorne Gold Project 2023 Mineral Resource Estimate

Bralorne Gold Project	Category	Cut-off Grade (g/t Au)	Tonnes (t)	Grade (g/t Au)	Ounces (oz Au)
King	Indicated	Long Hole > 2.65	111,300	8.61	30,800
		Cut and Fill > 3.10	5,900	13.45	2,600
	Inferred	Long Hole > 2.65	1,598,400	5.76	296,200
		Cut and Fill > 3.10	76,000	7.89	19,300
Bralorne	Inferred	Long Hole > 2.65	3,958,100	7.02	893,200
		Cut and Fill > 3.10	82,500	7.95	21,100
Pioneer	Inferred	Long Hole > 2.65	1,436,500	5.72	264,400
		Cut and Fill > 3.10	16,700	14.93	8,000
Charlotte	Inferred	Long Hole > 2.65	859,600	4.70	129,900
		Cut and Fill > 3.10	5,600	4.54	800
Total Indicated			117,300	8.85	33,400
Total Inferred			8,033,600	6.32	1,632,900

MRE Notes:

- The independent and qualified persons, as defined by NI 43-101, are Carl Pelletier, P.Geo., Vincent Nadeau-Benoit, P.Geo., and Eric Lecomte, P.Eng. (InnovExplo). The effective date of the 2023 MRE is January 20, 2023;
- The mineral resources are not mineral reserves as they do not have demonstrated economic viability;
- The MRE follows the 2014 CIM Definition Standards on Mineral Resources and Reserves and the 2019 CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines;
- A total of 86 veins were modelled for the Bralorne, King, Charlotte, and Pioneer deposits. Quartz vein core wireframes were modelled with a minimum thickness of 0.50 m. A brecciated alteration halo wireframe was modelled around each quartz vein core to produce two nested wireframes with a combined minimum total true thickness of 1.2 m;
- High grade capping, supported by statistical analysis, was applied to composited data inside the high-grade quartz veins for Pioneer (1.4 m) at 100 g/t Au, Bralorne (1.4 m) at 100 g/t Au, Charlotte (1.0 m) at 31 g/t Au and King (1.2 m) at 110 g/t Au for the drill hole samples and at 400 g/t Au for the underground samples and was applied to composited data inside the brecciated alteration halo for Pioneer (1.4 m) at 6.4 g/t Au, Bralorne (1.2 m) at 9.5 g/t Au, Charlotte (1.2 m) at 5.2 g/t Au and King (1.0 m) at 7.5 g/t Au. Compositing was completed using the grade of the adjacent material when assayed, or a value of zero when not assayed;
- The mineral resources for the Bralorne Gold Project deposit were estimated using Datamine Studio™ RM 1.9.36.0 software using hard boundaries on composited assays. The ID^2 method was used to interpolate a sub-blocked model (parent block size = 5 m x 5 m x 5 m);
- Indicated mineral resources were defined for blocks inside geological resource solids within 20 m of an underground chip sample (King only). Inferred mineral resources were defined for blocks inside geological resource solids within 50 m of a composite for the King and Charlotte Domains and within 60 m of a composite for the Bralorne and Pioneer Domains;
- Supported by measurements, a density ranging from 2.65 to 2.69 g/cm^3 was established for the high-grade quartz vein and from 2.69 to 2.75 g/cm^3 for the brecciated alteration halo. Historical underground infrastructures, underground mined volumes and a 5 m buffer around them were given a density value of 0 g/cm^3.
- The reasonable prospect for an eventual economic extraction is met by having used reasonable cut-off grades for underground scenarios, a minimum mining width, and constraining volumes (Deswik shapes). The estimate is reported for a potential underground scenario at cut-off grades, depending on the mining method, of 2.65 g/t Au (Long hole stoping mining method) or 3.10 g/t (Cut and Fill mining method) and were calculated using a gold price of US$1,650 per ounce, a US$:CA$ exchange rate of 1.30, a mining cost of C$98.49/t using the long hole stoping mining method or a mining cost of C$127.49/t using the Cut and Fill mining method, transport cost of C$8.00/t, environment and G&A cost of C$24.00/t, rehabilitation cost of C$4.00/t and processing cost of C$32.00/t. The cut-off grades should be re-evaluated considering future prevailing market conditions (metal prices, exchange rate, mining cost, etc.).
- Ounce troy is metric tons multiplied by grade (g/t) and divided by the constant of 31.10348. The number of tonnes and ounces has been rounded to the nearest thousand. Any discrepancy in the totals is due to rounding effects. The rounding followed the recommendations of NI 43-101.
- The qualified persons are not aware of any problem related to the environment, permits, mining titles or related to legal, fiscal, socio-political, commercial issues or any other relevant factor not mentioned in this MD&A, that could have a significant impact on the 2023 MRE.

(in Canadian dollars unless otherwise noted)

The MRE incorporates the Bralorne, King, Charlotte, and Pioneer Deposits. The mineral resource is defined approximately over a strike length of 4.5 kilometres within the Bralorne Gold Project's 33-kilometre-long land package with a maximum width of approximately 750 metres, down to a maximum depth of 700 metres, with an average depth of 300 metres below surface.

The MRE for the Bralorne Gold Project is comprised of modern data collected by Talisker and validated historic data collected by previous operators. A total of 660 diamond drill holes (modern and historic), 13 modern reverse circulation drill holes, 9 modern surface channel samples and 1724 validated historic underground channel samples were used to constrain, model, and calculate the mineral resource bodies. A strong understanding of the controls of mineralization enabled the Company's technical team to construct a MRE constrained by lithology, alteration, structure, and mineralization. The MRE is supported by a robust 3D litho-structural model of the gold-bearing orogenic vein system.

See the technical report on the Bralorne Gold Project available on the Company's profile on SEDAR at www.sedar.com for more information.

Exploration Drill Program

Throughout 2022, the Company announced multiple high grade results from its drill program that commenced in 2020. Talisker's drilling to date has produced 409 vein intersections with a combined weighted average diluted grade of 9.48 g/t Au over an average intersection of 1.72 metres. Major vein structures intersected are considered classic Bralorne crack-seal quartz-carbonate veins with densely banded sulphide septae. Crack-seal septae host fine-grained arsenopyrite and pyrite mineralization. Alteration halos consist of strong silica-sericite±mariposite alteration halos.

All reported drill assay results are available on the Company's website and details on the drill program including assay results are included in the Company's press releases.

The Company believes that exploration potential exists as proximal extensions of currently defined mineralized zones, laterally and at depth, and may yield somewhere between 2.0 and 2.5 million tonnes at grades between 6.0 and 9.0 g/t gold for 400,000 – 700,000 ounces gold. This exploration potential is supported by the drill hole and channel sample data used for the 2023 MRE at drill hole spacings greater than the inferred category of mineral resources. These targets are not mineral resource estimates, potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a mineral resource, and it is uncertain if further exploration will result in the exploration targets being delineated as a mineral resource.

Exploration Targets

Million Tonnes	Grade (g/t Au)	Au (oz)
2 – 2.5	6.0 – 9.0	400,000 – 700,000

In addition, there are 23 veins with one or more conceptual targets that have been identified based on non-compliant historic data. Non-compliant data does not meet the CIM requirements for the NI 43-101 standards of disclosure and may include assays from a lab that is not ISO certified, or drill holes without downhole survey data. These conceptual targets have not yet been drill tested by Talisker.

Based on the Company's plans, in conjunction with recommendations provided by the QP's for the 2023 MRE, future work to advance the project is separated into two phases. Phase 1 includes:

- Approximately 22,000 m of infill drilling to potentially convert inferred mineral resources to the indicated category in the currently defined high-grade quartz vein bodies;

(in Canadian dollars unless otherwise noted)

- Approximately 20,000 m of exploration drilling within the current footprint of the 2023 MRE focusing on discovering new veins and expanding known veins at depth and laterally using 50 m step-outs to potentially increase the bulk of the inferred mineral resources down to a depth of around 700 m.
- Approximately 5,000 m of regional exploration drilling outside of the 2023 MRE footprint, following up on isolated intersections, surface geochemical anomalies, geophysical anomalies and geological and structural trends.
- Initiate engineering studies: mineral processing and mine plan design (for BK Test Mining).
- Update the 2023 MRE using drill results completed in Phase 1 and preliminary results from the engineering studies to refine the optimization and cut-off grade parameters.
- In support to the MRE update, complete an updated NI 43-101 Technical Report.

Phase 1 commenced on September 30, 2022. To date, 3,199 m of the proposed 20,000 m of exploration drilling has been completed in five diamond drill holes, resulting in $1,795,652 all-in-cost expenditures. Engineering design for the preliminary mine plan is also in progress and has incurred $100,872 in expenditures. The Company anticipates Phase 1 is anticipated to be completed in October 2024, subject to financing.

Subject to financing, and dependent on the results of Phase 1, Phase 2 includes:

- Approximately 20,000 m of exploration drilling to define new veins and potentially increase the inferred mineral resource of the Bralorne deposit.
- Complete small scale test mining at the BK Mine (King).
- Update the Bralorne MRE and use the results of this updated MRE and engineering studies as a basis for a Preliminary Economic Assessment ("PEA").
- In support to the PEA study, complete an updated NI 43-101 Technical Report.

Phase 2 is anticipated to commence in the fall of 2024 and be completed in the fall of 2026.

The table below contains the cost estimate for the two-phase work program. Expenditures for Phase 1 are estimated at C$22,091,500 (including 15% for contingencies). Dependent on the results of Phase 1, expenditures for Phase 2 are estimated at C$24,150,00 (including 15% for contingencies).

Estimated costs for the recommended work program

Work Program	Description	Budget Cost $
Phase 1		
Infill drilling existing MRE	22,000 m	8,800,000
Exploration drilling to define new inferred mineral resources to 700 m	20,000 m	8,000,000
Regional exploration drilling	5,000 m	2,000,000
Update MRE		200,000
Mine Plan Design - BK Test Mining (King)		150,000
Mineral Processing Study		60,000
Subtotal		19,210,000
Contingency	15%	2,881,500
Phase 1 subtotal		22,091,500

(in Canadian dollars unless otherwise noted)

Work Program	Description	Budget Cost $
Phase 2		
Small Scale Test Mining - BK Mine (King) – Contingent on positive results of Phase 1	2,000 m	12,000,000
Exploration drilling to define new inferred mineral resources – Contingent on positive results of Phase 1	20,000 m	8,000,000
Preliminary Economic Assessment – Contingent on positive results of Phase 1		1,000,000
Subtotal		21,000,000
Contingency	15%	3,150,000
Phase 2 subtotal		24,150,000
TOTAL (Phase 1 and Phase 2)		**46,241,500**

Ladner Gold Project

Located in southern British Columbia, the Ladner Gold Project is comprised of mineral claims over an area of approximately 28 by 5 kilometres (14,580 hectares) covering the northern part of the Coquihalla Gold Belt. The property is accessible by the Coquihalla Highway, with the former Carolin Gold Mine located approximately 6 kilometres from the Coquihalla Highway. The Ladner Gold Project has excellent infrastructure and an existing mine permit (1,300 tonnes per day), tailings storage facility, mine site and mill site. The most recent technical report titled "Technical Report on the Ladner Gold Project, British Columbia" with an effective date of May 29, 2015 (the "Ladner Gold Technical Report") provides for a combined total of 691,540 inferred ounces of gold (including 12,132,000 tonnes grading 1.53 g/t gold for 607,000 oz at the Carolin Mine, 3,575,000 tons grading 0.69 g/t gold for 79,540 oz at the McMaster Zone, and 93,000 tons grading 0.053 oz/ton for 5,000 oz at the Tailings deposit). Key assumptions, parameters, and methods used to prepare the mineral resource estimate are disclosed in the Ladner Gold Technical Report, which is available under New Carolin Gold Corp.'s issuer profile at www.sedar.com. More recent exploration results include a 2018 drill hole (18NC10) that intersected 93m averaging 1.39 g/t Au, including 7m of 5.75 g/t gold. Historic exploration drill results at the Ladner Gold Project were highlighted by 17.05 g/t Au over 10m (hole 716-6), 10.85 g/t Au over 21.4m (hole 600-3) and 4.97 g/t Au over 62.3m (hole IU-37).

In 2022, the Company has compiled, reviewed, and interpreted historic geological, geochemical, and geophysical data from historic exploration programs to aid in targeting and exploration across the Ladner Gold Project.

Spences Bridge Gold Project

The Spences Bridge Gold Project consists of a 203,029 hectares (136 claims) land package covering ~85% of the Spences Bridge Gold Belt in southern British Columbia and comprises the Company's Spences Bridge and Blustry Mountain claims. The Spences Bridge Gold Project, among other properties, was acquired from Sable Resources Ltd. ("Sable") and since the acquisition in April 2019, the Company has been actively involved in negotiations with small third party claim holders with a view to fully consolidate the belt. In connection with the acquisition, the Company assumed a strategic alliance that Sable had entered into with Westhaven Gold Corp. (formerly Westhaven Ventures Inc.) ("Westhaven") which owns the Shovelnose Project, Prospect Valley, Skoonka and Skoonka North properties that are contiguous to the Company's claims. The strategic alliance provides for an agreement whereby any ground staked within 5 kilometres of Westhaven's existing projects will be subject to a 2.5% net smelter royalty ("NSR"). Additionally, Westhaven has a 30 day right of first refusal for any properties within the same 5 kilometre radius.

(in Canadian dollars unless otherwise noted)

OUTLOOK AND STRATEGY

In the first half of 2023, Talisker's focus subject to funding will be on drilling planning to convert inferred mineral resources and the initiation of economic analysis for the Bralorne Gold Project. The MRE is a major milestone which lays the foundation for resource expansion and economic studies. In addition, Talisker will undertake exploration activities on its greenfield projects to maintain mineral claims in good standing and advance drill permit applications.

Summarized Financial Results

RESULTS OF OPERATIONS

For the year ended December 31, 2022, net loss amounted to $19,033,361, compared to a net loss of $37,693,898 in 2021. For the three-month period ended December 31, 2022, net loss amounted to $4,800,066, compared to a net loss of $12,743,510 in 2021. The loss for the three-month period and year ended December 31, 2022 included $nil and $749,073 respectively (2021 - $874,592 and $242,592 respectively), in losses related to the Company's ownership equity accounted for interest in TDG Gold Corp. The decreased net loss is primarily due to a decrease in exploration and evaluation expenditures as the Company reduced operations in an effort to conserve cash, as well as by an income tax recovery of $8,623,000 (2021 - $5,480,000) upon renunciation of flow-through expenditures with the Canada Revenue Agency. Remaining expenditures remained relatively consistent with the prior year.

Use of Proceeds - Reconciliation of Use of Proceeds from Private Placements during fiscal 2022

The Company has completed the following private placements:

On March 2, 2022, the Company closed a bought deal private placement for gross proceeds of $12,535,515. In connection with the offering, the Company issued an aggregate of 28,000,000 common shares at a price of $0.25 for gross proceeds of $7,000,000 and 15,593,000 charity flow-through shares at a price of $0.355 for gross proceeds of $5,535,515.

On August 11, 2022, the Company closed a private placement for gross proceeds of $9,147,360. In connection with the offering, the Company issued an aggregate of 28,398,000 units at a price of $0.16 per unit and 25,576,000 flow-through common shares of the Company at a price of $0.18 per FT Share.

The following table sets out a comparison of how the Company used the proceeds following the closing date, an explanation of the variances and the impact of the variance on the ability of the Company to achieve its business objectives and milestones.

Date	Intended Use of proceeds	Actual use of proceeds	Explanation of Variances
March 2, 2022	The gross proceeds from the sale of the FT Shares will be used for Qualifying Expenditures, and the net proceeds from the sale of the Common Shares will be used for general corporate and working capital purposes.	As of December 31, 2022, the Company had spent the entire amount raised in qualifying exploration expenditures and working capital.	None. The funds raised have been used to fund the Company's continuing exploration of the Bralorne Gold Project and general working capital.
August 11, 2022	The gross proceeds received from the sale of the FT Shares will be used for exploration and the proceeds received from the sale of the Units and the exercise of Warrants may be used for exploration and development activities and will be used for general corporate purposes.	As of December 31, 2022, the Company had spent $1,558,500 in qualifying CEE expenditures.	As of December 31, 2022, the Company was committed to spending approximately $3,045,000 to be spent by December 31, 2023, in connection with its flow-through offering.

Expenses

For the years ended December 31, 2022 and 2021:

Expenses of $27,418,273 for the year ended December 31, 2022 decreased in comparison with expenses of $42,159,847 for the year ended December 31, 2021. The decrease for the period is primarily due to the following variances:

- Exploration and evaluation expenses decreased to $18,712,711 for the year ended December 31, 2022 from $32,374,006 for the same period in 2021. The decrease is due to the decreased exploration at the Bralorne Gold Project driven primarily by drilling costs of $8,815,736 (2021 - $16,140,776). Costs have decreased as the Company reduced the number of drills and overall exploration program starting in the second quarter of the year.

- Mine care and maintenance costs increased to $1,662,863 for the year ended December 31, 2022, from $1,429,472 for the same period in 2021. The increase is due to an increase in water treatment cost of $555,826 (2021 - $367,649) as well as environmental costs at $1,107,037 (2021 - $1,061,823).

- Consulting and management expenses decreased to $3,087,163 for the year ended December 31, 2022, from $3,521,894 for the year ended December 31, 2021. The amount decreased as the Company reduced staffing in the year.

- Administration costs decreased from $1,945,204 for the year ended December 31, 2021 to $1,262,815 for the year ended December 31, 2022. Administration costs vary based on the level of activity and overhead costs incurred during each period with the expense decreasing during the current year as the Company initiated cost cutting efforts.

- Share-based payments decreased to $177,567 for the year ended December 31, 2022 from $699,633 for the same period in 2021. Share-based payments vary based on the number of options and restricted share units ("RSUs") issued in the period and their related valuation. See note 17 of the audited consolidated financial statements for the years ended December 31, 2022 and 2021 for details on options and RSUs issued.

- Public company costs decreased from $1,148,345 for the year ended December 31, 2021 to $975,205 for the year ended December 31, 2022. The amount varies based on the timing of various shareholder communications and decreased slightly between the two periods.

- Travel and other costs were consistent, decreasing slightly from $319,669 for the year ended December 31, 2021 to $291,265 for the year ended December 31, 2022. The amount was consistent between the two periods.

- Depreciation of property, plant and equipment increased from $721,624 for the year ended December 31, 2021 to $1,248,684 for the year ended December 31, 2022. The increase is due to acquisition of property, plant and equipment and a resulting larger capital asset pool being depreciated.

For the three-month periods ended December 31, 2022 and 2021:

Expenses of $3,820,251 for the three-month period ended December 31, 2022 decreased in comparison with expenses of $11,344,993 for the three-month period ended December 31, 2021. The decrease for the period is primarily due to the following variances:

- Exploration and evaluation expenses decreased to $1,985,856 for the three-month period ended December 31, 2022 from $8,273,081 for the same period in 2021. The decrease is due to decreased exploration at the Bralorne Gold Project driven primarily by drilling costs of $724,696 (2021 - $4,107,528). Costs have decreased as the Company reduced the number of drills and overall exploration program.

- Mine care and maintenance costs decreased to $316,628 for the three-month period ended December 31, 2022, from $380,816 for the same period in 2021. The decrease is due to an increase in water treatment cost of $75,328 (2021 - $57,582) offset by a decrease in environmental costs at $241,300 (2021 - $323,234).

- Consulting and management expenses decreased to $635,828 for the three-month period ended December 31, 2022, from $849,630 for the three-month period ended December 31, 2021. The amount decreased as the Company reduced staffing in the year.

- Administration costs decreased from $771,526 for the three-month period ended December 31, 2021 to $299,662 for the three-month period ended December 31, 2022. Administration costs vary based on the level of activity and overhead costs incurred during each period with the expense decreasing during the current quarter in line with decreased exploration activities.

- Share-based payments increased, amounting to $39,005 for the three-month period ended December 31, 2022 from $609,886 for the same period in 2021. Share-based payments vary based on the number of options and RSUs issued in the period and their related valuation. See note 17 of the audited consolidated financial statements for the years ended December 31, 2022 and 2021 for details on options and RSUs issued.

- Public company costs increased from $117,964 for the three-month period ended December 31, 2021 to $120,399 for the three-month period ended December 31, 2022. The amount varies based on the timing of various shareholder communications, and increased due to overall decreases in activity.

- Travel and other costs decreased from $152,376 for the three-month period ended December 31, 2021 to $108,798 for the three-month period ended December 31, 2022. The amount decreased in line with overall decrease in activity.

- Depreciation of property, plant and equipment increased from $189,714 for the three-month period ended December 31, 2021 to $314,075 for the three-month period ended December 31, 2022. The increase is due to acquisition of property, plant and equipment and a resulting larger capital asset pool being depreciated.

Other Income/Expenses

During the year ended December 31, 2022, the Company realized a gain of $1,555,876 (2021 - $nil) from the sale of shares of TDG Gold Corp.

The Company recorded interest accretion expense of $583,325 (2021 - $266,539) during the year ended December 31, 2022 and $147,031 (2021 - $67,182) during the three-month period ended December 31, 2022, representing interest accretion on the asset retirement obligations in connection with the Bralorne Gold Project and Ladner Gold Project.

The Company recorded an income tax recovery of $8,623,000 (2021 - $5,480,000) during the year ended December 31, 2022, upon the filing of renunciation documents with the Canada Revenue Agency which occurred during the year ended December 31, 2022.

SELECTED ANNUAL FINANCIAL INFORMATION[1]

The information below should be read in conjunction with the Company's audited annual consolidated financial statements and related notes.

	Year Ended December 31, 2022	Year Ended December 31, 2021	Year Ended December 31, 2020
	$	$	$
Loss			
- net loss	(19,033,361)	(37,693,898)	(15,734,051)
Loss per share			
- net loss (basic and diluted)	(0.06)	(0.15)	(0.09)
Total assets at end of period/year	44,639,036	60,739,750	60,428,300

SUMMARY OF QUARTERLY RESULTS[1]

The following tables set forth selected financial information for each of the Company's eight most recently completed quarters:

	Q4 2022 $	Q3 2022 $	Q2 2022 $	Q1 2022 $
Expenses	(3,820,251)	(3,354,918)	(8,852,961)	(11,390,143)
Other income (expense)	(977,982)	(973,417)	2,607,117	(879,628)
Foreign exchange gain (loss)	(1,833)	(8,086)	(2,372)	(1,887)
Income tax recovery	-	1,637,000	-	6,986,000
Net loss	(4,800,066)	(2,699,421)	(6,248,216)	(5,285,658)
Basic and fully diluted loss per share	(0.02)	(0.01)	(0.02)	(0.02)
Total assets at end of period	44,639,036	54,635,051	53,019,793	60,465,208

	Q4 2021 $	Q3 2021 $	Q2 2021 $	Q1 2021 $
Expenses	(11,344,993)	(11,946,429)	(10,266,516)	(8,601,909)
Other expense (income)	(1,391,349)	876,972	(407,687)	(74,508)
Foreign exchange loss (gain)	(7,168)	(8,596)	782	(2,497)
Income tax recovery	-	-	-	5,480,000
Net loss	(12,743,510)	(11,078,053)	(10,673,421)	(3,198,914)
Basic and fully diluted loss per share	(0.05)	(0.04)	(0.04)	(0.01)
Total assets at end of period	60,739,750	63,097,876	63,641,412	55,116,888

Expenses have fluctuated somewhat quarter over quarter ranging from a low of $3,354,918 in the third quarter of 2022 to a high of $11,946,429 in the third quarter of 2021. Expenses have increased throughout 2021 and continued increasing into the first quarter of 2022. Expenses fluctuate based on budget and exploration plans and have decreased in the later stages of 2022 as the Company conserves cash in the current market environment.

[1] All financial information has been prepared in accordance with IFRS as issued by the IASB, and presented in Canadian dollars.

(in Canadian dollars unless otherwise noted)

Disclosure of Outstanding Share Data as of March 31, 2023

	Authorized	Outstanding
Voting or equity securities issued and outstanding	Unlimited	384,706,151 common shares
Securities convertible or exercisable into voting or equity shares		a) Options to acquire up to 17,395,000 common shares b) 693,334 RSUs (cash settled) c) 28,398,000 warrants exercisable to acquire the same number of common shares of the Company

Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements as of December 31, 2022.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and cash equivalents, marketable securities, reclamation deposits, accounts payable and accrued liabilities and equipment loan and leases payable. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair values of these financial instruments approximate their carrying values.

Dividends

The Company has neither declared nor paid any dividends on its common shares. The Company intends to retain its earnings, if any, to finance growth and expand its operation and does not anticipate paying any dividends on its common shares in the foreseeable future.

LIQUIDITY AND CASH FLOWS

The Company is dependent upon raising funds in order to fund future exploration programs. See "Capital Resources", "Financial Instruments and Other Instruments – Liquidity Risk" and "Risk Factors".

The Company ended the fourth quarter of fiscal 2022 with cash of $5,726,452, compared to $12,571,890 as at December 31, 2021. The Company had working capital (current assets – current liabilities) of $2,856,033 as at December 31, 2022 compared to working capital of $6,558,458 as at December 31, 2021.

Working capital is a non-IFRS measurement with no standardized meaning under IFRS. Working capital as of December 31, 2022 was calculated as the total of cash and cash equivalents of $5,726,452, amounts receivable of $184,076, inventory of $38,203, prepaid expenses of $480,558, less accounts payable and accrued liabilities of $3,190,754, RSU liability of $114,368 and current portion of lease obligation of $268,134.

Cash used by operating activities was $28,386,218 for the year ended December 31, 2022 compared to cash used by operating activities of $38,144,856 for the year ended December 31, 2021. Cash flows used by operating activities decreased in line with decreases in exploration activities at the Company's properties.

Cash flows provided by investing activities was $1,993,829 for the year ended December 31, 2022, compared to cash used in investing activities of $4,176,291 for the year ended December 31, 2021. Investing activities mainly related to purchases of property, plant and equipment as well as investments in marketable securities and restricted cash requirements. The amount of cash provided by investing activities was higher in the prior period primarily due to cash inflows from proceeds from the sale of NSRs of $nil (2021 - $7,500,000), proceeds from sale of marketable securities of $2,139,069 (2021 - $2,301,830), offset by deposits of $nil (2021 - $58,300) related to reclamation bonding requirements in connection with site reclamation obligations, as well as additions to property, plant and equipment, mainly due to the current camp construction resulting in additions of $100,240 (2021 - $5,219,744).

Cash flows provided by financing activities were $19,546,951 for the year ended December 31, 2022, compared to $21,566,048 for the year ended December 31, 2021. The amount of cash provided by financing activities was higher in the prior period primarily due to the private placements completed during the year ended December 31, 2022 of 97,567,000 shares (2021 – 42,566,932 shares) for aggregate net proceeds of $19,848,313 (2021 - $20,344,021).

The consolidated financial statements have been prepared on a going concern basis. The going concern basis assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company had a net loss during the year ended December 31, 2022 of $19,033,361 and an accumulated deficit of $87,717,730.

The Company's ability to continue as a going concern is dependent upon attaining profitable operations, and, the ability to raise public equity or other financing to meet expenditure commitments in the next 12 months. There is no assurance that these activities will be successful. As at December 31, 2022, the Company had cash of $5,726,452 and for the year then ended, the Company recorded an accumulated deficit of $87,717,730 (December 31, 2021 – $69,119,729), net loss of $19,033,361 (2021 – $37,693,898), and net cash used in operating activities of $28,386,218 (2021 – $38,144,856). The combination of these circumstances represents a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern. However, the Company is confident that it will have adequate resources to continue in operational existence for the foreseeable future. For this reason, the Company continues to adopt the going concern basis in preparing its financial statements. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used that would be necessary if the going concern assumptions were not appropriate. These adjustments would be material to the financial statements.

TRANSACTIONS WITH RELATED PARTIES

The following is a summary of the Company's related party transactions during the years ended December 31, 2022 and 2021.

The Company charged rent and other costs in the amount of $131,556 for the year ended December 31, 2022 (2021 - $33,000) paid by Millennial Precious Metals Corp., a company with certain common directors and officers.

The Company incurred operational costs in the amount of $169,200 for the year ended December 31, 2022 (2021 - $104,200) paid to JDS Energy & Mining Inc., a company with certain common directors.

Compensation of Key Management Personnel of the Company

In accordance with IAS 24, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key executives is determined by the compensation committee of the Board.

(in Canadian dollars unless otherwise noted)

The remuneration of directors and other members of key management personnel during the years ended December 31, 2022 and 2021 were as follows:

	December 31, 2022	December 31, 2021
Short term employee benefits, director fees	**$ 1,763,432**	$ 1,984,200
Share based payments	**189,786**	737,000
	$ 1,953,218	$ 2,721,200

As at December 31, 2022, an amount of $491,376 (December 31, 2021 - $155,534) due to key management personnel, was included in accounts payable and accrued liabilities. This amount is unsecured, non-interest bearing and without fixed terms of repayment.

The Company's Board of Directors has overall responsibility for the oversight of the Company's risk management policies. In carrying on its business, the Company is exposed to a variety of risks, including the risks described elsewhere in this MD&A. The Company can neither predict nor identify all such risks nor can it accurately predict the impact, if any, of such risks on its business, operations or the extent to which one or more risks or events may materially change future results of financial position from those reported or projected in any forward-looking statements. Accordingly, the Company cautions the reader not to rely on reported financial information and forward-looking statements to predict actual future results. This MD&A and the accompanying financial information should be read in conjunction with this statement concerning risks and uncertainties. Some of the risks, uncertainties and events that may affect the Company, its business, operations, and results, are given in this section. However, the factors and uncertainties are not limited to those stated. The Company has policies and practices mandated by the Board of Directors to manage the Company's risks which include the risks described elsewhere in this MD&A and below.

CAPITAL RESOURCES

The Company has no history of revenues from its operating activities. The Company is not in commercial production on any of its mineral properties and accordingly does not generate cash from operations. During the year ended December 31, 2022, the Company had negative cash flow from operating activities, and the Company anticipates it will have negative cash flow from operating activities in future periods. The Company has not incurred any capital expenditures and has no commitments to incur any capital expenditures to date.

The Company has, in the past, financed its activities by raising capital through equity issuances. Until Talisker can generate a positive cash flow position, to finance its exploration programs, the Company will remain reliant on the equity markets for raising capital, in addition to adjusting spending, disposing of assets and obtaining other non-equity sources of financing.

The Company believes it has sufficient cash resources and the ability to raise funds to meet its exploration and administrative overhead expenses and maintain its planned exploration activities for the next 12 months. However, there is no guarantee that the Company will be able to maintain sufficient working capital in the future due to market, economic and commodity price fluctuations. See "Risk Factors".

RISK FACTORS

The Company's business, being the acquisition, exploration, and development of mineral properties in Canada, is speculative and involves a high degree of risk. The risk factors could materially affect the Company's financial condition and/or future operating results, and could cause actual events to differ materially from those described in forward-looking statements made by or relating to the Company.

The reader should carefully consider these risks as well as the information disclosed in the Corporation's financial statements, the Corporation's annual information form dated March 31, 2023, for the year ended December 31, 2022 (the "AIF"), and other publicly filed disclosure regarding the Company, which are available electronically on SEDAR (www.sedar.com) under Talisker Resources' issuer profile.

For additional discussion on the Company's risks, refer to "Cautionary Note Regarding Forward-Looking Information" and elsewhere in this MD&A as well as in the Company's annual information form for the year ended December 31, 2022.

Geopolitical and Economic Risk

In recent years, the spread of COVID-19, invasion of Ukraine by Russia and collapse of financial institutions such as the Silicon Valley Bank, have severely impacted many local economies around the globe. Global stock markets also experienced great volatility, with governments and central banks having responded with monetary and fiscal interventions to stabilize economic conditions.

Since the outbreak of COVID-19, the Company has prioritized the health and well-being of its employees, consultants, and community members to ensure their safety during the global COVID-19 pandemic, and has followed guidance from local, national, and international health authorities. Specifically, during the year ended December 31, 2022, the Company continued to monitor and test for COVID-19 at the Bralorne camp. The Camp provided, and continues to provide, a safer environment to protect workers and their families along with local and First Nation communities. The Company has also provided teleworking for office workers since the beginning of the pandemic.

The continued impacts from the COVID-19 pandemic, the Russian invasion of Ukraine, the collapse of financial institutions such as the Silicon Valley Bank and the resulting inflation and interest rate measures experienced globally, as well as the effects of certain countermeasures taken by central banks have, and are expected to continue to, adversely affect the Company. Although it is difficult for the Company to accurately predict the extent to which it might be so affected, the Company will continue to monitor all developments regarding COVID-19 on an ongoing basis to ensure a safe working environment for its employees and stakeholders.

Nature of Mineral Exploration and Mining

The Company's future is dependent on its exploration and development programs. The exploration and development of mineral deposits involves significant financial risks over a prolonged period of time, which may not be eliminated even through a combination of careful evaluation, experience and knowledge. Few properties that are explored are ultimately developed into economically viable operating mines. Major expenditures on the Company's exploration properties may be required to construct mining and processing facilities at a site, and it is possible that even preliminary due diligence will show adverse results, leading to the abandonment of projects. It is impossible to ensure that preliminary or full feasibility studies on the Company's projects, or the current or proposed exploration programs on any of the properties in which the Company has exploration rights, will result in any profitable commercial mining operations. The Company cannot give any assurance that its current and future exploration activities will result in a discovery of mineral deposits containing mineral reserves.

Estimates of mineral resources and any potential determination as to whether a mineral deposit will be commercially viable can also be affected by such factors as: the particular attributes of the deposit, such as its size and grade; unusual or unexpected geological formations and metallurgy; proximity to infrastructure; financing costs; precious metal prices, which are highly volatile; and governmental regulations, including those relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of metal concentrates, exchange controls and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of any or all of these factors may result in the Company not receiving an adequate return on its invested capital or suffering material adverse effects to its business and financial condition. Exploration and development projects also face significant operational risks including but not limited to an inability to obtain access rights to properties, accidents, equipment breakdowns, labour disputes (including work stoppages and strikes), and other unanticipated interruptions.

Exploration, Development and Operations

The long term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors, including the Company's ability to extend the permitted term of exploration granted by the underlying concession contracts. Substantial expenditures are required to establish reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that any such deposit will be commercially viable or that the funds required for development can be obtained on a timely basis.

Early Stage Status and Nature of Exploration

The term "mineral reserve(s)" cannot be used to describe any of the Company's exploration properties due to the early stage of exploration at this time. Any reference to potential quantities and/or grade is conceptual in nature, as there has been insufficient exploration to define any mineral resource and it is uncertain if further exploration will result in the determination of any mineral resource. Any information, including quantities and/or grade, described in this MD&A should not be interpreted as assurances of a potential mineral reserve, or of potential future mine life or of the viability or profitability of future operations.

Liquidity and Additional Financing

The Company's ability to continue its business operations is dependent on management's ability to secure additional financing. The Company's only source of liquidity is its cash and cash equivalent balances. Liquidity requirements are managed based upon forecasted cash flows to ensure that there is sufficient working capital to meet the Company's obligations.

The advancement, exploration and development of the Company's properties, including continuing exploration and development projects, and, if warranted, construction of mining facilities and the commencement of mining operations, will require substantial additional financing. As a result, the Company may be required to seek additional sources of equity financing in the near future. While the Company has been successful in raising such financing in the past, its ability to raise additional equity financing may be affected by numerous factors beyond its control including, but not limited to, adverse market conditions, commodity price changes and economic downturns. There can be no assurance that the Company will be successful in obtaining any additional financing required to continue its business operations and/or to maintain its property interests, or that such financing will be sufficient to meet the Company's objectives or obtained on terms favourable to the Company. Failure to obtain sufficient financing as and when required may result in the delay or indefinite postponement of exploration and/or development on any or all of the Company's properties, or even a loss of property interest, which would have a material adverse effect on the Company's business, financial condition and results of operations.

No Earnings and History of Losses

The business of developing and exploring resource properties involves a high degree of risk and, therefore, there is no assurance that current exploration programs will result in profitable operations. The Company has not determined whether any of its properties contains economically recoverable reserves of mineralized material and currently has not earned any revenue from its projects; therefore, the Company does not generate cash flow from its operations. There can be no assurance that significant additional losses will not occur in the future. The

Company's operating expenses and capital expenditures may increase in future years with advancing exploration, development and/or production from the Company's properties. The Company does not expect to receive revenues from operations in the foreseeable future and expects to incur losses until such time as one or more of its properties enters into commercial production and generates sufficient revenue to fund continuing operations. There is no assurance that any of the Company's properties will eventually enter commercial operation. There is also no assurance that new capital will become available, and if it is not, the Company may be forced to substantially curtail or cease operations.

Market Price of the Common Shares

The Company's shares are listed on the TSX under the symbol "TSK" and the OTCQX Best Market under the symbol "TSKFF". The market price of securities of many companies, particularly exploration and development stage mining companies, experience wide fluctuations that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that an active market for the common shares will be sustained, or that fluctuations in the price of the common shares will not occur. The market price of the common shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation has often been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Volatility of Commodity Prices

The development of the Company's properties is dependent on the future prices of minerals and metals. As well, should any of the Company's properties eventually enter commercial production, the Company's profitability will be significantly affected by changes in the market prices of minerals and metals.

Precious metals prices are subject to volatile price movements, which can be material and occur over short periods of time and which are affected by numerous factors, all of which are beyond the Company's control. Such factors include, but are not limited to, interest and exchange rates, inflation or deflation, fluctuations in the value of the U.S. dollar and foreign currencies, global and regional supply and demand, speculative trading, the costs of and levels of precious metals production, and political and economic conditions. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems, the strength of and confidence in the U.S. dollar (the currency in which the prices of precious metals are generally quoted), and political developments.

The effect of these factors on the prices of precious metals, and therefore the economic viability of any of the Company's exploration projects, cannot be accurately determined. The prices of commodities have historically fluctuated widely, and future price declines could cause the development of (and any future commercial production from) the Company's properties to be impracticable or uneconomical. As such, the Company may determine that it is not economically feasible to commence commercial production at some or all of its properties, which could have a material adverse impact on the Company's financial performance and results of operations. In such a circumstance, the Company may also curtail or suspend some or all of its exploration activities.

Industry and Economic Factors Affecting the Company

The Company is a junior resource issuer focused primarily on the evaluation, exploration and development of mineral properties and potential acquisition of mineral properties in the future. The Company's future performance is largely tied to the financial markets related to junior resource companies, which is often cyclical. The Company will continuously monitor several economic factors including the uncertainty regarding the price of gold, silver and copper and the availability of equity financing for the purposes of mineral exploration and development. The Company's future performance is largely tied to its ability to raise additional financing needed to fund its ongoing exploration and operating activities and to pursue the exploration and the development of its mineral property interests and the overall financial markets. Financial markets in the mining sector are likely to continue to be volatile reflecting ongoing concerns about the global economy. Companies worldwide have been affected negatively by these trends. As a result, the Company may have difficulties raising equity financing needed for the purposes of mineral exploration and development, particularly without excessively diluting the interests of its current shareholders. Should market volatility affect the Company's ability to raise equity financing as expected, the Company's current strategy is to continue a modest exploration program on its properties using existing cash and funds generated through equity financings if and when available and to seek out other prospective business opportunities, including entering into option arrangements and/or joint ventures. The Company believes that this focused strategy will enable it to pursue its business strategy and plans in the near term. These trends may limit the Company's ability to develop and/or further explore its properties, and/or acquire other property interests that could be acquired in the future. Management will monitor economic conditions and estimate their impact on the Company's plans, strategies and activities and incorporate these estimates in short-term operating and longer-term strategic decisions.

Title Matters

The acquisition of title to mineral properties is a very detailed and time-consuming process. The Company may not be the registered holder of some or all of the claims and concessions comprising the Bralorne and Ladner Gold Projects or any of the mineral projects of the Company. These claims or concessions may currently be registered in the names of other individuals or entities, which may make it difficult for the Company to enforce its rights with respect to such claims or concessions. There can be no assurance that proposed or pending transfers will be effected as contemplated. Failure to acquire title to any of the claims or concessions at one or more of the Company's projects may have a material adverse impact on the financial condition and results of operation of the Company.

In addition, title to, and the area of, mineral properties may be disputed. There is no guarantee that title to one or more claims or concessions at the Company's projects will not be challenged or impugned. There may be challenges to any of the Company's titles which, if successful, could result in the loss or reduction of the Company's interest in such titles. The Company's properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties. The failure to comply with all applicable laws and regulations, including a failure to pay taxes or to carry out and file assessment work, can lead to the unilateral termination of concessions by mining authorities or other governmental entities.

Environmental Risks and Hazards

The mining and mineral processing industries are subject to extensive environmental regulation for the protection of the environment. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. These regulations may adversely affect the Company or require it to expend significant funds. There is also a risk that environmental and other laws and regulations may become more onerous, making it costlier for the Company to remain in compliance with such laws and regulations.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties or by current or previous surface rights owners.

The Company cannot give any assurances that breaches of environmental laws (whether inadvertent or not) or environmental pollution will not materially and adversely affect its business, plans and financial condition. There is no assurance that any future changes to environmental regulation, if any, will not adversely affect the Company.
Significant liabilities exist on the project lands in the form of historic mine construction and development

infrastructure, tailings dam(s), waste dump site, a mill site, a camp site, and other mining related infrastructure, disturbance, and equipment located on the property. The Company cannot guarantee that its estimation of the amount of these liabilities is accurate. The cost of addressing existing liabilities may be significantly higher than as currently estimated by the Company.

Key Person and Employee Retention Risk

Should key senior management positions become vacant, there could be a loss of knowledge and expertise, resulting in risk to executing our strategy. Additionally, suppose there is an increase in employee turnover or we receive fewer candidates for open positions. In that case, there may be a need for some departments to adjust initiatives or there may be an increase in operational incidents. The Company competes with exploration, mining and other companies to attract and retain key executives, employees, and third-party contractors with appropriate technical skills and managerial experience necessary to operate its business. As the Company operates in a remote area, attracting and retaining an appropriately skilled workforce can be particularly challenging.

There can be no assurance that the Company will be able to attract and retain skilled and experienced personnel. Although the Company believes it will be able to replace key employees within a reasonable time should the need arise, the loss of key personnel or failure to recruit and retain personnel for the Company's future operations and development could have a material adverse effect on its business and the results of operations.

Influence of Third-Party Stakeholders

Some of the lands in which the Company holds an interest, or the exploration equipment and roads or other means of access which the Company intends to utilize in carrying out its work programs or general business activities, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims or do not consent to the Company carrying on activities on lands subject to their interests or claims, the Company's work programs may be delayed or prevented, even if such claims are not meritorious. Such claims or delays may result in significant financial loss and loss of opportunity for the Company.

The Company may need to enter into negotiations with landowners and other groups in local communities in British Columbia in order to conduct further exploration and development work on its properties. There is no assurance that future discussions and negotiations will result in agreements with landowners and other local community groups in British Columbia or if such agreements will be on terms acceptable to the Company so that the Company may continue to conduct exploration and development activities on these properties.

Term and Extension of Concession Contracts

Non-compliance with concession contracts may lead to their early termination by the relevant mining authorities or other governmental entities. A company whose concession contracts were subject to termination could be prevented from being issued new concessions or from keeping the concessions that it already held. The Company is not aware of any cause for termination or any investigation or procedure aimed at the termination of any of its concession contracts.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operations and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth could have a material adverse impact on its business, plans, operations and prospects.

Governmental Regulation

The mineral exploration and development activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters in local areas of operation. Although the Company's exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, development or production. Amendments to current laws and regulations governing the Company's operations, or more stringent implementation thereof, could have an adverse impact on the Company's business and financial condition.

The Company's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of the Company's future operations.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities that could cause operations to cease or be curtailed. Other enforcement actions may include corrective measures requiring capital expenditures, the installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of such mining activities and may have civil or criminal fines or penalties imposed upon them for violations of applicable laws or regulations.

Permitting

The operations of the Company require licenses and permits from various governmental authorities. The Company will use its best efforts to obtain all necessary licenses and permits to carry on the activities which it intends to conduct, and it intends to comply in all material respects with the terms of such licenses and permits. However, there can be no guarantee that the Company will be able to obtain and maintain, at all times, all necessary licenses and permits required to undertake its proposed exploration and development, or to place its properties into commercial production and to operate mining facilities thereon. In the event of commercial production, the cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or preclude the economic development of the Company's properties.

With respect to environmental permitting, the development, construction, exploitation and operation of mines at the Company's projects may require the granting of environmental licenses and other environmental permits or concessions by the competent environmental authorities. Required environmental permits, licenses or concessions may take time and/or be difficult to obtain, and may not be issued on the terms required by the Company. Operating without the required environmental permits may result in the imposition of fines or penalties as well as criminal charges against the Company for violations of applicable laws or regulations.

Surface Rights

The Company does not own all of the surface rights at its properties and there is no assurance that surface rights owned by the government or third parties will be granted, nor that they will be on reasonable terms if granted.

Failure to acquire surface rights may impact the Company's ability to access its properties, as well as its ability to commence and/or complete construction or production, any of which would have a material adverse effect on the profitability of the Company's future operations.

Key Person and Employee Retention Risk

Should key senior management positions become vacant, there could be a loss of knowledge and expertise, resulting in risk to executing our strategy. Additionally, suppose there is an increase in employee turnover or we receive fewer candidates for open positions. In that case, there may be a need for some departments to adjust initiatives or there may be an increase in operational incidents. The Company competes with exploration, mining and other companies to attract and retain key executives, employees, and third-party contractors with appropriate technical skills and managerial experience necessary to operate its business. As the Company operates in a remote area, attracting and retaining an appropriately skilled workforce can be particularly challenging.

There can be no assurance that the Company will be able to attract and retain skilled and experienced personnel. Although the Company believes it will be able to replace key employees within a reasonable time should the need arise, the loss of key personnel or failure to recruit and retain personnel for the Company's future operations and development could have a material adverse effect on its business and the results of operations.

Risk of Litigation

The Company may become involved in disputes with other parties in the future which may result in litigation or other legal proceedings. The results of legal proceedings cannot be predicted with certainty. If the Company is unable to resolve these disputes favourably, it may have a material adverse impact on the ability of the Company to carry out its business plan.

Dependence on Key Personnel

The Company's future growth and its ability to develop depend, to a significant extent, on its ability to attract and retain highly qualified personnel. The Company relies on a limited number of key employees, consultants and members of senior management, and there is no assurance that the Company will be able to retain such personnel. The loss of one or more key employees, consultants or members of senior management, if such persons are not replaced, could have a material adverse effect on the Company's business, financial condition and prospects. The Company currently does not have key person insurance on these individuals.

To operate successfully and manage its potential future growth, the Company must attract and retain highly qualified engineering, managerial and financial personnel. The Company faces intense competition for qualified personnel in these areas, and there can be no certainty that the Company will be able to attract and retain qualified personnel. If the Company is unable to hire and retain additional qualified personnel in the future to develop its properties, its business, financial condition and operating results could be adversely affected.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including but not limited to unexpected or unusual geological operating conditions, seismic activity, rock bursts, cave-ins, fires, floods, landslides, earthquakes and other environmental occurrences, risks relating to the shipment of precious metal concentrates or ore bars, and political and social instability, any of which could result in damage to, or destruction of, the mine and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although the Company believes that appropriate precautions to mitigate these risks are being taken, operations are subject to hazards such as equipment failure or failure of structures, which may result in environmental pollution and consequent liability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate the Company's future profitability and result in increasing costs and a decline in the value of the common shares. The Company does not maintain insurance against title, political or environmental risks.

While the Company may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks is such that liabilities could exceed policy limits or be excluded from coverage. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage may cause substantial delays and require significant capital outlays, thereby adversely affecting the Company's business and financial condition.

Global Financial Conditions

Current global financial conditions have been subject to increased volatility, and access to public financing, particularly for junior resource companies, has generally been negatively impacted. These factors may impact the ability of the Company to obtain equity or debt financing in the future and, if obtained, such financing may not be on terms favourable to the Company. If increased levels of volatility and market turmoil continue, and if global capital markets continue to display increased volatility in response to global events (including the COVID-19 pandemic, the Russian invasion of Ukraine and the collapse of financial institutions such as the Silicon Valley Bank), the Company's operations could be adversely impacted and the value and price of the common shares could be adversely affected.

Information Systems Security Threats

The Company's operations depend upon information technology systems which may be subject to disruption, damage or failure from different sources, including, without limitation, installation of malicious software, computer viruses, security breaches, cyber-attacks and defects in design.

Although to date the Company has not experienced any losses relating to cyber attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Competition

The mineral exploration and mining business is competitive in all of its phases. In the search for and acquisition of attractive mineral properties, the Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources. The Company's ability to acquire properties in the future will depend on its ability to select and acquire suitable exploration properties or prospects for mineral exploration. There is no assurance that the Company will continue to be able to compete successfully with its competitors in acquiring such properties or prospects, nor that it will be able to develop any market for the raw materials that may be produced from its properties. Any such inability could have a material adverse effect on the Company's business and financial condition.

Option and Joint Venture Agreements

The Company has and may continue to enter into option agreements and/or joint ventures as a means of gaining property interests and raising funds. Any failure of any partner to meet its obligations to the Company or other third parties, or any disputes with respect to third parties' respective rights and obligations, could have a negative impact on the Company. Pursuant to the terms of certain of the Company's existing option agreements, the Company is required to comply with exploration and community relations obligations, among others, any of which may adversely affect the Company's business, financial results and condition.

Under the terms of such option agreements the Company may be required to comply with applicable laws, which may require the payment of maintenance fees and corresponding royalties in the event of exploitation/production. The costs of complying with option agreements are difficult to predict with any degree of certainty; however, were the Company forced to suspend operations on any of its concessions or pay any material fees, royalties or taxes, it could result in a material adverse effect to the Company's business, financial results and condition.

The Company may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements, and the result may be a materially adverse impact on the strategic value of the underlying concessions.

Acquisitions and Integration

From time to time, the Company may examine opportunities to acquire additional exploration and/or mining assets and businesses. Any acquisition that the Company may choose to complete may be of a significant size relative to the size of the Company, may change the nature or scale of the Company's business and activities, and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities, if any, depends upon its ability to obtain additional sources of financing, identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate any acquired operations successfully with those of the Company. Any acquisitions would be accompanied by risks. In the event that the Company chooses to raise debt capital to finance any such acquisitions, the Company's leverage will be increased. If the Company chooses to use equity as consideration for such acquisitions, existing shareholders may suffer significant dilution. There can be no assurance that the Company would be successful in obtaining additional sources of financing or in overcoming these risks or any other problems encountered in connection with such acquisitions.

Community Relationships

The Company's relationships with the communities in which it operates are critical to ensure the future success of its existing operations and the development of its projects.

There is no reason to believe at this time that there are, or will be, issues related to Indigenous land claims or objections locally. Indigenous engagement is a strong commitment of Talisker.

While the Company is committed to operating in a socially responsible manner and working towards entering into agreements in satisfaction of such requirements, there is no guarantee that its efforts will be successful, in which case interventions by third parties could have a material adverse effect on the Company's business, financial position and operations.

Conflicts of Interest

Certain directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration, development and mining operations. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company, and to disclose any interest they may have in any project or opportunity of the Company. In addition, each of the directors is required by law to declare his or her interest in and refrain from voting on any matter in which he or she may have a conflict of interest, in accordance with applicable laws.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supplies, as well as the location of population centres and pools of labour, are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could impact the Company's ability to explore its properties, thereby adversely affecting its business and financial condition.

The Outstanding Common Shares Could be Subject to Dilution

The exercise of stock options and warrants already issued by the Company and the issuance of additional equity securities in the future could result in dilution in the equity interests of holders of common shares.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company classifies its financial instruments carried at fair value according to a three-level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three levels of fair value hierarchy are as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets and liabilities, either directly or indirectly; and
- Level 3 – Inputs for assets or liabilities that are not based on observable market data

As at December 31, 2022 and 2021, there were no significant concentrations of credit risk for cash and cash equivalents and marketable securities. The carrying amount reflected above represents the Company's maximum exposure to credit risk for such cash and cash equivalents and marketable securities.

The carrying value of cash and cash equivalents, marketable securities, reclamation deposits, accounts payable and accrued liabilities and leases payable approximate fair value because of the limited terms of these instruments.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from the previous reporting period.

Credit Risk

The Company's credit risk is primarily attributable to cash and cash equivalents, marketable securities and receivables. Management believes that the credit risk concentration with respect to these financial instruments is minimal.

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 the Company's access to capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. As at December 31, 2022, the Company had a cash and cash equivalents balance of $5,726,452 (December 31, 2021 - $12,571,890) to settle current liabilities of $3,573,256 (December 31, 2021 - $7,461,125). Working capital for the Company as at December 31, 2022 was $2,856,033 (December 31, 2021 - $6,558,458).[2]

The maturity profiles of the Company's contractual obligations and commitments as at December 31, 2022, are summarized as follows:

	Total	Less than 1 Year	1 to 5 Years	More than 5 Years
Accounts payable and accrued liabilities	$ 3,190,754	$ 3,190,754	$ -	$ -
Leases obligations	300,175	279,879	20,296	-
Provision for site reclamation and closure	18,977,039	-	-	18,977,039
Total	$ 22,467,968	$ 3,470,633	$ 20,296	$ 18,977,039

Market Risk

(a) Foreign currency risk

The Company's reporting currency is the Canadian dollar. The functional currency of the Company is the Canadian dollar.

Based on the foreign currency balances at December 31, 2022, a 10% change in foreign exchange rates between the Canadian dollar and these foreign currencies over the next year would affect net income by approximately $5,000 (2021 - $3,000). This analysis only addresses the impact on financial instruments with respect to currency movement and excludes other economic or geo-political implications of such currency fluctuation. In practice, actual results will likely differ from this analysis and the difference may be material.

The exposure of the Company's financial assets, including marketable securities as at December 31, 2022 is as follows:

	CDN Dollar	US Dollar	Total (in CDN dollars)
Financial assets			
Cash and cash equivalents	$ 5,720,780	$ 5,672	$ 5,726,452
Amounts receivable	184,076	-	184,076
Reclamation deposits	1,468,300	-	1,468,300
Total	$ 7,373,156	$ 5,672	$ 7,378,828
Financial liabilities			
Accounts payable and accrued liabilities	$ 3,145,341	$ 45,413	$ 3,190,754
Leases payable	288,162	-	288,162
	$ 3,433,503	$ 45,413	$ 3,478,916

[2] Working capital is a non-IFRS measurement. See "Liquidity and Cash Flows" for more information.

(b) Commodities price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, particularly as they relate to gold and silver to determine the appropriate course of action to be taken by the Company.

CRITICAL ACCOUNTING ESTIMATES

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

- Exploration and Evaluation ***Assets' carrying values and impairment charges*** - The Company assesses its cash-generating units at each reporting date to determine whether any indication of impairment exists. Where an indicator of impairment exists, an estimate of the recoverable amount is made, which is the higher of the fair value less costs of disposal and value in use. The determination of the recoverable amount requires the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and future operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties.

- ***Share-based payments*** – The Company determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

- ***Provision for site reclamation and closure*** – Provisions for site reclamation and closure have been created based on management estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability as shown in Note 13 of the Financial Statements. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management and are based on current regulatory requirements. Significant changes in estimates of discount rate, contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual reclamation and closure costs will ultimately depend on future market prices for the costs which will reflect the market condition at the time the costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for.

- ***Determination of investments in associate*** – The Company follows the guidance of IAS 28, *Investments in Associates and Joint Ventures* to assess whether there is significant influence with respect to its net investment in an associate. This determination requires significant judgement in evaluating significant influence. In making this judgement, the Company's management evaluates, among other factors, the percent ownership in the associate as well as its board membership and involvement in decision making activities.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A may contain forward-looking statements and forward-looking information within the meaning of applicable Canadian securities legislation (collectively, "forward-looking information"), including, but not limited to, statements relating to the future financial or operating performance of the Company, the Company's exploration projects, the future price of metals, the estimation of mineral resources, the realization of mineral resource estimates, the timing and amount of estimated future production (if any), capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, use of proceeds from financings, requirements for additional capital, government regulation of mining operations and mineral exploration activities, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage, development of the explorations projects. Often, but not always, forward-looking information can be identified by the use of words and phrases such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking information reflects the Company's beliefs and assumptions based on information available at the time such statements were made. Actual results or events may differ from those predicted in forward-looking information. All of the Company's forward-looking information is qualified by (i) the assumptions that are stated or inherent in such forward-looking information, including the assumptions listed below, and (ii) the risks described in the section entitled "Risk Factors" in this MD&A, the financial statements of the Company, and the sections entitled "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Information" in the annual information form of the Company for the fiscal year ended December 31, 2022, which are available electronically on SEDAR (www.sedar.com) under Talisker's issuer profile.

Although the Company believes that the assumptions underlying the forward-looking information contained in this MD&A are reasonable, this list is not exhaustive of the factors that may affect any forward-looking information. The key assumptions that have been made in connection with forward-looking information include the following: the significance of drill results and ongoing exploration activities; the estimation of mineral resources and the geology, grade and continuity of mineral deposits including but not limited to models relating thereto; timing to obtain assay results from labs; ability of exploration activities (including drill results) to accurately predict mineralization; the predictability of geological modelling; the accuracy of the Company's records of its property interests; the global economic climate; metal prices; environmental risks; community and non- governmental actions; that permits required for the Company's operations will be obtained on a timely basis in order to permit the Company to proceed on schedule with its planned drilling programs; that skilled personnel and contractors will be available as the Company's operations continue to grow; that the price of gold will exceed levels that will render the projects of the Company economical; the relevance of the assumptions, estimates and projections in technical reports; and that the Company will be able to continue raising the necessary capital to finance its operations and realize on its mineral resource estimates.

Forward-looking information involves known and unknown risks, future events, conditions, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by forward-looking information. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; errors in geological modelling; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; possible variations of grade or recovery rates; failure of plant and equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability; and delays in obtaining governmental approvals or financing or in the completion of exploration or development activities.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein is given as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure controls and procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings, or other reports filed or submitted by it under securities legislation is recorded, processed, summarized, and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Internal controls over financial reporting

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. Management is also responsible for the design of the Company's internal control over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Company's internal controls over financial reporting include policies and procedures that: pertain to the maintenance of records that, in reasonable detail accurately and fairly reflect the transactions and disposition of assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with IFRS and that receipts and expenditures are being made only in accordance with the authorization of management and directors of the Company; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the financial statements.

As at December 31, 2022, there has not been any material change to internal controls over financial reporting for the period. Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's internal controls over financial reporting. As of December 31, 2022, the Chief Executive Officer and Chief Financial Officer have each concluded that the Company's internal controls over financial reporting, as defined in National Instrument 52-109 – *Certification of Disclosure in Issuer's Annual and Interim Filings*, are effective to achieve the purpose for which they have been designed. Because of their inherent limitations, internal controls over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. The control framework used to evaluate the effectiveness of the design and operation of the Company's internal controls over financial reporting is the 2013 Internal Control – *Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission.

Changes in Internal Control Over Financial Reporting

There has been no change in the Company's design of internal controls and procedures over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting during the period covered by this MD&A.

CORPORATE GOVERNANCE

Management and the Board recognizes the value of good corporate governance and the need to adopt best practices. The Company is committed to continuing to improve its corporate governance practices in light of its stage of development and evolving best practices and regulatory guidance.

The Board has adopted a board mandate outlining its responsibilities and defining its duties. The Board has four standing committees: the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee, and the Technical Committee. Each Committee has a committee charter, which outlines the committee's mandate, procedures for calling a meeting, and provides access to outside resources.

The Board has also adopted a code of ethics, which governs the ethical behavior of all employees, management and directors. Separate trading blackout and disclosure policies are also in place. For more details on the Company's corporate governance practices, please refer to Talisker's website (www.taliskerresources.com).

The Company's directors have expertise in exploration, metallurgy, mining, accounting, legal, banking, financing and the securities industry. The Board and each Committee meets at least four times per year.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for all information contained in this report. The consolidated financial statements have been prepared in accordance with IFRS and include amounts based on management's informed judgments and estimates. The financial and operating information included in this MD&A is consistent with that contained in the consolidated financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded. The Audit Committee has reviewed the consolidated financial statements with management. The Board of Directors has approved the consolidated financial statements on the recommendation of the Audit Committee.

ADDITIONAL INFORMATION

Additional information relating to the Company, including the Company's annual information form for the year ended December 31, 2022 can be found on the Company's profile on SEDAR at www.sedar.com.