

## **IRVING RESOURCES INC.**

Management's Discussion and Analysis  
For the nine months ended November 30, 2020

---

The following Management Discussion and Analysis ("MD&A") is an overview of the activities of Irving Resources Inc. ("Irving" or the "Company"), for the nine months ended November 30, 2020. The MD&A is prepared as of January 26, 2021 and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the nine months ended November 30, 2020. The reader should also refer to the Company's audited consolidated financial statements for the year ended February 29, 2020. Unless otherwise cited, references to dollar amounts are Canadian Dollars and financial data has been prepared in accordance with International Financial Reporting Standards ("IFRS").

The Company recommends that readers consult the "**Cautionary Statement and Forward Looking Statement Disclaimer**" on the last page of this report.

Additional information related to the Company is available on its website at [www.IRVresources.com](http://www.IRVresources.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Description of Business**

Irving is a junior exploration company with a focus on gold in Japan. Irving also holds, through a subsidiary, a Joint Exploration Agreement with Japan Oil, Gas and Metals National Corporation.

The Company was incorporated under the Business Corporation Act (British Columbia) on August 28, 2015 under the name 1047431 B.C. Ltd. and was a privately held company and wholly-owned subsidiary of Gold Canyon Resources Inc. ("Gold Canyon"). On September 23, 2015, 1047431 B.C. Ltd. changed its name to Irving Resources Inc. On November 13, 2015, Irving, Gold Canyon and First Mining Finance Corp. ("First Mining) completed a Plan of Arrangement (the "Arrangement") under the Business Corporation Act (British Columbia) that resulted in Irving holding title to various exploration properties located in Africa.

As of the date of this report, the Company has six wholly-owned subsidiaries: Irving Resources GK ("Irving GK") in Japan; NIRV Resources GK ("NIRV") in Japan; Spring Stone Mining Corporation, ("SSM") and Spring Stone Exploration Inc., ("SSE") in the Province of British Columbia; Spring Take Limited, ("STL") in Tanzania; and New River Stone Ltd. ("NRS") in the Republic of Madagascar.

### **Technical Disclosure in the Management Discussion and Analysis**

Dr. Quinton Hennigh, Ph.D., P.Geo., a Qualified Person pursuant to NI 43-101 who is acting as a technical adviser to, and a director of, Irving, is responsible for reviewing and approving the technical information in this MD&A.

### **Overall Performance**

During the nine months ended November 30, 2020, the Company recorded a comprehensive loss of \$3,597,651. As at November 30, 2020, the Company has total assets of \$32,590,171 and working capital of \$9,901,066. During the period, there were 1,134,999 stock options exercised for proceeds of \$1,155,997 and 942,641 warrants exercised for proceeds of \$1,649,622. In addition, the Company completed a private placement raising gross proceeds of \$3,517,506 by issuance of 1,279,093 units at a price of \$2.75 per unit. The Company also issued 87,500 common shares as part of a binding option agreement, which requires the Company to issue a total of 350,000 common shares over four years in

## **IRVING RESOURCES INC.**

Management's Discussion and Analysis  
For the nine months ended November 30, 2020

---

order to exercise the option to acquire the 5.2 sq km Yamagano mining license.

### **Projects Update**

#### **Japan Properties**

##### *Omuro Gold-Silver Project*

The Company, through its wholly-owned Japan subsidiary, Irving GK, entered into an agreement to purchase a 100% interest in a mining right for the Omui Property located in Hokkaido, Japan. The total purchase price for the mining right is JPY40,000,000 cash (CAD \$477,000) and JPY10,000,000 (CAD \$118,100) worth of the Company's common shares. During 2016, the Company paid JPY20,000,000 cash (CAD \$245,000) towards the acquisition of this agreement. In August, 2017, the Company paid the balance of JPY20,000,000 cash (CAD \$232,000) as the definitive registration procedure of the transfer of the mining right was completed. In February, 2018, the Company completed the acquisition when it issued 135,747 common shares upon completion of the registration of the transfer of the mining right. The mining right encompasses an area of roughly 2.98 sq km covering a young, Miocene-aged hot spring center hosted by Tertiary-aged intermediate and felsic volcanic rocks.

To augment this land position, Irving GK has filed a total of 56 prospecting licenses (including alluvial claims) covering an additional 171.38 sq km of prospective ground in the vicinity of the Omui Mine and including another past producing Au-Ag mine, Hokuryu, situated about seven km west of Omui. Acceptance of all prospecting and alluvial applications was granted by the Ministry of Economy, Trade and Industry ("METI") and a multi-step review started for final approval. Mitsui Mineral Development Engineering Co, Ltd ("MINDECO") is assisting the Company throughout the process. In May, 2018, the Company announced it received approval of nine of these 55 prospecting licenses. These nine licenses had been submitted for expedited approval and cover critical areas around the Omui Mining Right and Omuro Sinter. In addition, the Company has received approval on a further 13 of the 56 prospecting licenses. In March, 2020, the Company submitted applications for the license renewals for the original nine licenses that were expiring in June, 2020 and received approval notices in April, 2020.

In November, 2018, the Company voluntarily filed a technical report prepared pursuant to NI 43-101 for the Omuro gold-silver project. The independent technical report, entitled "Independent Technical Report on the Omuro Property, Hokkaido, Japan" (the "**Omuro Technical Report**"), with an effective date of November 6, 2018, was prepared for the Company by Christopher Mark Barrett, (MSc., CGeo) of SRK Exploration Services Ltd, in London, UK, and others. Mr. Barrett is a "qualified person" as defined under NI 43-101.

In October, 2018, the Company received approval from METI of its Omui Mine Plan covering mining and exploration related activities at its Omui Mining Licence. With this approval, the Omui Mine Safety Regulation has been submitted and accepted.

In January, 2019, the Company announced it received approval from METI of its Otoineppu Prospecting Plan covering drilling activities at the Omuro Sinter. With the approval, the Otoineppu Mine Safety Regulation has been submitted and accepted.

## **IRVING RESOURCES INC.**

Management's Discussion and Analysis  
For the nine months ended November 30, 2020

---

In March, 2019, the Company began drilling and by early August had completed drilling of the first eight holes. These eight holes, collectively totaling approximately 3,388.5 m, test approximately one kilometer of strike from north to south along the very large zone of alteration and mineralization underlying the Omu Sinter terrace. All eight drill holes intersected long intervals of highly altered volcanic and sedimentary rocks. Notable vein intervals have been intersected in all holes.

At Omu Sinter, the most significant drill intercept to date is a high-grade vein interval in hole 19OMS-002 between 184.93-185.72 m grading 48.96 gpt Au and 945.4 gpt Ag and discussed in the Company's news release dated May 6, 2019. Sixteen additional veins and vein breccia zones were encountered in hole 19OMS-002, but of low Au grades and variable Ag grades. Assays from the remaining six holes were reported in a press release dated November 5, 2019. All eight widely spaced diamond drill holes at Omu Sinter encountered significant gold-silver mineralization including notable vein intercepts in seven of eight holes. Further drilling at Omu Sinter was conducted from January to April, 2020.

The Company has undertaken two geophysical surveys to help evaluate subsurface structure to better design its drill program. MINDECO completed a loop electromagnetic ("EM") survey at the Omu Sinter which revealed further evidence that basement rocks may underlie the target area as well as providing a very clear picture of the underlying structural architecture that hosts the Omu hydrothermal "plumbing" system.

In addition, with technical assistance from Newmont Corporation and help from MINDECO, Irving undertook a controlled-source audio-frequency magnetotellurics ("CSAMT") survey at each of its three main target areas, Omu Sinter, Omui Mine and Hokuryu Mine and these results have provided more refined phase two drilling targets. A detailed gravity survey was also completed to complement the CSAMT survey.

Three north-south oriented trenches totaling approximately 200 m length were dug across the Honpi target area at Omui Mine site. The weathering profile proved to be thicker than anticipated being over three meters deep in places and this has made gaining exposure of bedrock challenging in certain areas. Where vein material was encountered, it was stockpiled on site and will comprise part of the upcoming bulk sample being collected at Omui.

In October 2019, the Company announced that drilling resumed at the Omu Gold-Silver Project with a phase one drill campaign at the Omui Mine site. Further to press releases dated December 17, 2019 and January 17, 2020, ten drill holes were completed with six of them encountering significant vein mineralization.

In February, 2020 the Company announced that diamond drill hole 19OMI-010, at the Omui Mine site, encountered 21 significant Au-Ag veins. Hole 19OMI-010 was the first hole testing the interpreted boiling level of the paleo-hot spring system at this important target.

Vein intercepts in hole 19OMI-010 include 3.00 m grading 27.0 gpt Au and 40.5 gpt Ag, 1.10 m grading 29.6 gpt Au and 36.5 gpt Ag, 3.77 m grading 12.3 gpt Au and 84.5 gpt Ag, and 1.20 m grading 7.8 gpt Au and 887.5 gpt Ag. Hole 19OMI-009, situated appropriately 100 m east of hole 19OMI-010 and oriented south at an inclination of -60 degrees, was also intended to be a deep drill test but was lost at 292.4 m in bad ground. Nonetheless, this hole encountered five significant veins including one of 0.80 m grading 46.3 gpt Au and 22.1 gpt Ag.

## **IRVING RESOURCES INC.**

Management's Discussion and Analysis  
For the nine months ended November 30, 2020

---

Given the success of hole 19OMI-010, Irving believes the large, deep-rooted resistive feature defined by CSAMT surveys at Omui is indeed the silicified core of the system and has potential to host a significant number of undiscovered mineralized veins.

Between mid-January and early April 2020, the Company completed four diamond drill holes at Omu Sinter to follow up on encouraging vein mineralization encountered in its 2019 phase one drill campaign as well as newly defined CSAMT anomalies as discussed in a press release dated April 21, 2020.

Following review of the COVID-19 situation in the Omu region, an area where very few COVID-19 cases have been reported, and after developing strict operational guidelines, the Company continued exploration at the Omu project.

During 2020, the Company completed nine holes at the Omui Mine Site. In June 2020, the Company announced that its drilling at Omui Mine Site has encountered multiple epithermal vein intercepts in holes 20OMI-002 and 20OMI-003. And in August 2020, the Company announced that assay results confirm the presence of multiple gold-silver veins. Results include 12.59 gpt Au and 91.36 gpt Ag (13.81 gpt Au eq) over 2.01 m within 2.90 gpt Au and 29.5 gpt Ag (3.29 gpt Au eq) over 14.50 m in hole 20OMI-002. Hole 20OMI-003 yield one vein intercept of 8.15 gpt Au and 147.29 gpt Ag (10.11 gpt Au eq) over 1.76 m within 3.55 gpt Au and 69.24 gpt Ag (4.47 gpt Au eq) over 14.24 m and a second of 21.65 gpt Au and 538.75 gpt Ag (28.83 gpt Au eq) over 1.72 m including 56.10 gpt Au and 1,435.00 gpt Ag (75.23 gpt Au eq) over 0.60 m.

In November 2020, the Company announced that its drilling at Omui Mine Site encountered a very long intercept of 81.73 m grading 1.44 gpt Au eq (1.02 gpt Au and 31.29 gpt Ag) beginning at a down hole depth of 27.45 m. Included within this are several higher grade vein intercepts including 8.42 gpt Au eq (7.05 gpt Au and 102.50 gpt Ag) over 1.60 m, 3.33 gpt Au eq (3.09 gpt Au and 17.89 gpt Ag) over 3.35 m, 7.30 gpt Au eq (5.05 gpt Au and 168.96 gpt Ag) over 1.41 m and 4.85 gpt Au eq (0.84 gpt Au and 300.72 gpt Ag) over 0.65 m. Hole 20OMI-004, with an inclination of -55 degrees, encountered 55.44 m grading 0.72 gpt Au eq (0.52 gpt Au and 15.24 gpt Ag) as well as several narrow higher grade vein intercepts.

Over the past three years, the Company has purchased a total of 1.12 sq km of surface rights covering an area over the Omu Property for the total purchase price of JPY35,527,974 (CAD\$426,089).

In addition, the Company entered into long-term leases of surface rights covering a total area of 1.21 sq km in an area over the Omui Property. The total costs for the initial five-year period is JPY10,617,140, (CAD\$129,369). The leases are for a five-year term and can be extended for up to three additional five-year periods.

Securing ownership and long-term lease agreements of these key properties puts the Company in a strong position to advance the Omu gold-silver project. These surface rights are considered critical for Irving to proceed with mining work.

## **IRVING RESOURCES INC.**

Management's Discussion and Analysis  
For the nine months ended November 30, 2020

---

### *Yamagano Property*

In September 2020, the Company announced that it signed a binding option agreement with Shimadzu Limited to acquire the 5.2 sq km Yamagano mining license, site of extensive historic high-grade gold vein mining, in southern Kyushu. The Yamagano mining district, situated approximately 11 km southwest of the large, high-grade Hishikari gold mine, is host to innumerable historic gold mine workings, some dating back to 1640 AD during the early Edo Period in Japan. Mining focused on a multitude high-grade epithermal gold veins hosted by volcanic rocks blanketing this region. Irving also holds four important new mineral prospecting licenses immediately east of the Yamagano mining tenement. As discussed in the Company's news release dated June 23, 2020, Irving controls five key property positions in Kyushu. This includes Yamagano, Satsuma A, Satsuma B, Satsuma C and Satsuma D projects. All of these projects encompass gravity highs that Irving considers highly prospective for blind epithermal vein mineralization.

### *Shimokawa Property*

During the year ended February 28, 2019, the Company filed 15 mineral prospecting licenses covering 48.50 sq km of the Shimokawa area. The mineral prospecting licenses have been accepted by the METI and a multi-step review has started for the final approval. At Shimokawa, multiple hot spring silica sinter terraces have been identified by Irving geologists. Follow up prospecting and mapping are being planned.

### *Engaru Property*

During the year ended February 28, 2019, the Company filed 25 mineral prospecting licenses totaling 84.42 sq km (8,442 hectares) covering an area a few km south of the historic Konomai gold field. All applications were accepted by METI and a multi-step review has started for final approval. Reconnaissance prospecting near Engaru by Irving geologists in November, 2018, led to discovery of several areas of epithermal quartz vein float within a sub-basin of Miocene intermediate and felsic volcanic rocks. Hot spring silica sinter deposits, some with fossilized wood, are also present at Engaru.

### *Eniwa Project*

In May, 2017, the Company announced that Irving GK filed applications for 20 mineral prospecting licenses totaling 56.15 sq km (5,615 hectares) covering a prospective area approximately 20 km south of Sapporo, Hokkaido, Japan. All applications have been accepted by the METI and a multi-step review has started for the final approval.

### *Utanobori Property*

In December, 2016, the Company filed 26 mineral prospecting licenses covering 88.14 sq km of the Utanobori mining centre and in February, 2017, a further 12 prospecting licenses covering 33.41 sq km were filed. A total of 38 mineral prospecting licenses totaling 121.55 sq km have been accepted by the METI and a multi-step review has started for the final approval.

Utanobori is approximately 30 km northwest of the Omui project. Geologically, Utanobori is similar to Omui, a classic volcanic rock-hosted epithermal vein system. Irving is particularly interested in a remote area near the town of Utanobori where historic surface samples taken from veins reportedly contain very

## **IRVING RESOURCES INC.**

Management's Discussion and Analysis  
For the nine months ended November 30, 2020

---

high-grade silver and lesser gold. Irving geologists also collected one vein sample from this area that carries 231 gpt Ag and 0.4 gpt Au. Irving conducted reconnaissance work including sampling in 2017 and BLEG work in summer, 2020.

### **Tanzania Project**

The Company, through its wholly-owned Tanzanian subsidiary, and with its joint venture participant, JOGMEC, had exploration prospecting licenses in Tanzania, Africa. During the year ended February 28, 2019, the Company elected to surrender the final license. The Company is in the process of winding up the subsidiary in Tanzania.

### **Malawi Property**

The Company had a Rare Earth Element ("REE") exploration project in Malawi, Africa through its wholly-owned Malawian subsidiary, and with its joint venture participant, JOGMEC. During the year ended February 28, 2019, the Company elected to write-down the deferred exploration costs and commenced the process of surrendering the EPL. During the period ended November 30, 2020, the Company received notice that SSL was dissolved.

### **Results of Operations**

#### **For the nine months ended November 30, 2020**

During the nine months ended November 30, 2020, the Company's general and administration expenses were \$3,649,280 before other items of interest income of \$46,783 and management fee income of \$4,846, for a total comprehensive loss of \$3,597,651.

Key items included \$85,765 in depreciation, \$105,881 in consulting fees, \$14,800 in insurance expense, \$5,694 in interest expense on lease liabilities, \$82,655 in investor relations, \$54,000 in management fees, \$68,714 in office expenses, \$278,005 in professional fees, \$57,008 in property investigation, \$97,163 in salaries and benefits, \$2,263,855 in share-based compensation expense, \$14,715 in telephone expense, \$46,170 in travel and promotion and a foreign exchange loss of \$406,404.

The Company's general and administrative costs are increasing in relation to the level of activity in Japan except for consulting fees and travel and promotion expenses that were substantially decreased due to the Covid-19 pandemic. The prior periods costs include: consulting fees of \$196,408, investor relations of \$48,915, management fees of \$54,000, office and miscellaneous of \$72,201, professional fees of \$111,326, property investigation of \$29,124, salaries and benefits of \$95,719, share-based compensation of \$1,296,252, travel and promotion of \$171,452, offset by a gain in foreign exchange of \$101,157, interest income of \$120,521 and management income of \$15,283 resulting in a total comprehensive loss of \$1,958,706.

Additional costs have been incurred for professional fees, share-based compensation, depreciation and property investigation and most of these costs have been incurred as a result of the growth in Japan and a general increase in the overall affairs of the business. Removing the significant variances of the share-based compensation and gain (loss) in foreign exchange, the variance for the comparative period is an

## **IRVING RESOURCES INC.**

Management's Discussion and Analysis  
For the nine months ended November 30, 2020

---

increase to general and administrative costs of \$79,606. Otherwise, with these costs included, the comparative period is an increase in comprehensive costs of \$1,554,770.

### **For the three months ended November 30, 2020**

During the three months ended November 30, 2020, the Company's general and administration expenses were \$1,643,659 before other items of interest income of \$6,361, for a total comprehensive loss of \$1,637,361.

Key items included \$28,850 in depreciation, \$28,542 in consulting fees, \$4,639 in insurance expense, \$1,452 in interest expense on lease liabilities, \$37,888 in investor relations, \$18,000 in management fees, \$44,894 in office expenses, \$160,744 in professional fees, \$23,059 in property investigation, \$30,318 in salaries and benefits, \$1,226,018 in share-based compensation expense, \$17,053 in travel and promotion and a foreign exchange loss of \$2,628.

The Company's general and administrative costs are increasing in relation to the level of activity in Japan except for consulting fees and travel and promotion expenses that were decreased due to the Covid-19 pandemic. The prior periods costs include: consulting fees of \$123,004, investor relations of \$19,935, management fees of \$18,000, office and miscellaneous of \$42,015, professional fees of \$16,444, property investigation of \$2,894, salaries and benefits of \$29,900, share-based compensation of \$847,241, travel and promotion of \$31,763 and a foreign exchange loss of 202,417, offset by interest income of \$37,543 and management income of \$5,021 resulting in a total comprehensive loss of \$1,322,343.

Additional costs have been incurred for professional fees, share-based compensation, and depreciation and most of these costs have been incurred as a result of the growth in Japan and a general increase in the overall affairs of the business. Removing the significant variances of the share-based compensation and gain (loss) in foreign exchange, the variance for the comparative period is an increase to general and administrative costs of \$99,765. Otherwise, with these costs included, the comparative period is an increase in comprehensive costs of \$278,752.

### **Events and transactions during the nine months ended November 30, 2020**

- a) On November 25, 2020, the Company announced that its common shares began trading on the OTCQX Best Market under the ticker symbol of IRVRF.
- b) On September 26, 2020, the Company announced that it signed a binding option agreement to acquire the 5.2 sq km Yamagano mining license, site of extensive historic high-grade gold vein mining, in southern Kyushu, approximately 11km southwest of the large, high-grade Hishikari gold mine. As part of the option agreement, the Company issued 87,500 common shares of the Company at a deemed price of \$2.90.
- c) On June 29, 2020, the Company completed a private placement, issuing 1,279,093 common shares for gross proceeds of \$3,517,506 at a price of \$2.75 per common share.

## **IRVING RESOURCES INC.**

Management's Discussion and Analysis  
For the nine months ended November 30, 2020

---

- d) There were 1,134,999 stock options exercised for gross proceeds of \$1,155,997. The Company reallocated the fair value of these stock options previously recorded in the amount of \$709,963 from reserves to share capital.
- e) There were 942,641 warrants exercised for gross proceeds of \$1,649,622.
- f) In March 2020, the World Health Organization declared a global pandemic as a result of the COVID-19 outbreak. This contagious disease, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies and financial markets globally, potentially leading to an economic downturn. The pandemic has not significantly affected the Company; however, it is not possible to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

The Company continues to monitor and assess any potential impacts on its operations. The Company has implemented safety guidelines and has back-up plans should anyone become infected. However, to date there have been a limited number of cases in the vicinity of Omu region and the Company has not incurred any significant slow down to its operations as a result of the pandemic.

- g) The Company held an Annual General and Special Meeting of shareholders on August 26, 2020. All the incumbent directors of the Company standing for re-election, being Akiko Levinson, Quinton Hennigh, Kevin Box, Douglas Buchanan and Haruo Harada, were all re-elected as directors of Irving.

### **Summary of Quarterly Results**

The following financial information is for the eight most recently completed quarters of the Company.

	<b>November 30, 2020</b>	<b>August 31, 2020</b>	<b>May 31, 2020</b>	<b>February 29, 2020</b>
Total assets	\$32,590,171	\$31,487,161	\$27,449,031	\$27,480,603
Mineral property costs	21,159,506	18,461,745	15,990,604	13,770,891
Working capital	9,901,066	11,468,727	9,949,992	11,764,418
Equity in net assets	31,315,002	30,252,832	26,362,226	26,091,480
Total comprehensive loss	(1,637,361)	(1,501,696)	(458,594)	(1,359,546)
Loss per share	(0.03)	(0.03)	(0.01)	(0.03)
	<b>November 30, 2019</b>	<b>August 31, 2019</b>	<b>May 31, 2019</b>	<b>February 28, 2019</b>
Total assets	\$23,996,711	\$20,998,392	\$21,008,445	\$11,030,833
Mineral property costs	11,698,017	8,614,864	6,268,834	4,052,121
Working capital	9,006,260	10,005,492	12,753,202	6,405,336
Equity in net assets	21,280,751	19,324,665	19,248,287	10,782,355
Total comprehensive loss	(1,322,343)	(439,166)	(197,197)	(520,442)
Loss per share	(0.03)	(0.01)	(0.00)	(0.01)

## **IRVING RESOURCES INC.**

Management's Discussion and Analysis  
For the nine months ended November 30, 2020

---

The Company has experienced a substantial amount of growth since inception in August, 2015. During the previous fiscal year, the Company completed two private placements raising gross proceeds of USD\$10,000,000 and has also received \$3,166,890 from the exercise of warrants and options, increasing the total assets to over \$27.5 million. During the current year, the Company completed a private placement raising gross proceeds of USD\$2,500,000 and received \$2,805,619 from the exercise of warrants and options. These funds are primarily directed towards the Company's deferred exploration costs resulting in the continued increase in total assets, now at over \$32M. The Company's general and administration costs have been increasing with increased activity, primarily as a result of the growth in Japan also as well as the issuance of incentive stock options. Some of the key costs that have increased as a result of the growth in Japan include consulting fees, office and miscellaneous, professional fees, property investigations and travel. However, during the most recent quarter, travel and consulting fees have decreased substantially due to the COVID-19 pandemic. Foreign exchange has also fluctuated substantially over the last two years, at times contributing to a larger than normal comprehensive loss or gain. Share-based compensation also continues to increase with the issuance of stock options at the Company's current market value, which is greater than what it had been with past issuances. During the current quarter ended November 30, 2020, the foreign exchange loss and share-based compensation account for \$1,228,646 of the \$1,637,361 in total comprehensive loss.

### **Liquidity and Capital Resources**

As at November 30, 2020, the Company had working capital of \$9,901,066. This consists of \$11,039,879 in cash, \$7,673 in accounts receivable, \$118,800 in prepaid expenses less \$1,265,286 in accounts payable, due to related parties and current liabilities.

The consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has not generated revenues from operations. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing in the future. The Company will seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

### **Related Party Transactions**

The Company has recorded the following amounts in related party transactions:

	<b>Nine months ended November 30, 2020</b>	<b>Nine months ended November 30, 2019</b>
Management fees	\$ 145,420	\$ 143,840
Consulting fees	251,507	131,799
Property investigation	-	930
	<b>\$ 396,927</b>	<b>\$ 276,569</b>

## **IRVING RESOURCES INC.**

Management's Discussion and Analysis  
For the nine months ended November 30, 2020

---

- a) Included in the management fees were fees for services provided by the President and Chief Executive Officer and Chief Financial Officer.
- b) Included in consulting fees are amounts paid to independent directors for services other than their role as directors.
- c) During the period ended November 30, 2020, 950,000 (2019 – 750,000) stock options were granted to directors and officers. The total vested share-based compensation allocated to directors and officers is \$1,251,867 (2019 - \$610,227).
- d) Included in property investigations is \$Nil (2019 - \$930) paid to a consultant who is a director of a subsidiary of the Company.

As at November 30, 2020, \$22,063 (February 29, 2020 - \$Nil) is due to related parties. The amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayment.

### **Key Management Compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

Other than disclosed above, there was no other compensation paid to key management during the periods ended November 30, 2020 and 2019.

### **Financial Instruments**

The Company has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk. Management and the Board of Directors monitor risk management activities and review the adequacy of such activities.

#### *Credit risk*

Credit risk is the risk of potential loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying amount on the statement of financial position and arises from the Company's cash and receivables.

The Company's cash is held with high-credit quality financial institutions. Receivables mainly consist of goods and services tax due from the Federal Government of Canada and amounts due from joint venture partner.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows from operations, and anticipating investing and financing activities. As at November 30, 2020, the Company had cash of \$11,039,879 to settle current liabilities of \$1,265,286.

## **IRVING RESOURCES INC.**

Management's Discussion and Analysis  
For the nine months ended November 30, 2020

---

### *Market risk*

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

i) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term certificates of deposits issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit rating of its banks.

ii) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. The ability of the Company to explore its mineral properties and future profitability of the Company are directly related to the market price of rare earth elements and other non-gold minerals. The Company monitors commodity prices to determine appropriate actions to be undertaken.

iii) Foreign exchange rate risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds certain operations, exploration and administrative expenses by using US Dollars and Japanese Yen converted from its Canadian bank accounts. Management is aware of the possibility of foreign exchange risk derived from currency conversions. Based on the net US dollar and Japanese Yen asset and liability exposure as at November 30, 2020, a 10% fluctuation in the CAD/US and CAD/YEN exchange rates would impact the Company's earnings by approximately \$837,000. The Company has not entered into any agreements or purchased any instruments to hedge possible foreign exchange rate risk at this time.

### **Contingency**

Not applicable.

### **Off-Balance Sheet Arrangements**

The Company does not have any off-balance sheet arrangements as at November 30, 2020.

### **Outstanding Share Data**

The following table summarizes the Company's outstanding share data as of the date of this Management Discussion and Analysis:

## **IRVING RESOURCES INC.**

Management's Discussion and Analysis  
For the nine months ended November 30, 2020

---

	<b>Number of shares issued or reserved for issuance</b>
Common shares	58,238,971
Stock options	4,463,335

As at the date of this Management Discussion and Analysis, there are no common shares held in escrow.

### **Critical Accounting Policies**

The financial statements have been prepared in accordance with accounting principles generally accepted in Canada and form the basis for the following discussion and analysis of critical accounting policies and estimates. The Company makes estimates and assumptions that affect the reported amounts of assets, liabilities and expenses and related disclosure of contingent assets and liabilities during the course of preparing these financial statements. On a regular basis, the Company evaluates estimates and assumptions including those related to the recognition of share-based compensation.

Estimates are based on historical experience and on various other assumptions that the Company believes to be reasonable. These estimates form the basis of judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates.

### **New Accounting Standards**

None to note.

### **Outlook**

The Company is optimistic that exploration at the Omu Property in Japan, as well as the multiple prospecting licenses acquired at other properties around Japan, will merit positive results over the course of the year. The Company is maintaining a watchful eye on the markets, its budgets and managing to minimize cash outflows.

### **Business Risks**

The Company is engaged in the exploration and evaluation of mineral properties. These activities involve a high degree of risk which, even with a combination of experience, knowledge and careful evaluation, may not be overcome. Consequently, no assurance can be given that commercial quantities of minerals will be successfully found or produced.

The Company has no profitable operations and its present business is at an early stage. As such, the Company is subject to many common risks to new and developing enterprises, including under capitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a positive return on shareholders' investment.

## **IRVING RESOURCES INC.**

Management's Discussion and Analysis  
For the nine months ended November 30, 2020

---

The Company has no source of operating cash flow and there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and evaluation of its properties.

The Company's property interests are located in remote, undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, cannot be assured. These are integral requirements for exploration, development and production facilities on mineral properties.

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

The Company competes with other junior mineral exploration companies, some of which have greater financial resources and technical facilities. The business of mineral exploration and extraction involves a high degree of risks and few properties that are explored are ultimately developed into production. In addition to specific risks disclosed throughout this discussion, other risks facing the Company include reliance on third parties, environmental and insurance risks, statutory and regulatory requirements, metal prices and foreign currency fluctuations, share price volatility and title risks.

### **Cautionary Statement and Forward Looking Statement Disclaimer**

Certain information included in this discussion may constitute forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements are based on a number of assumptions which may prove to be incorrect.

Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the ability of obtaining sufficient financial support.

### **Approval**

The Company's Board of Directors have approved the disclosure contained in this MD&A.