



**HANSTONE GOLD**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022**

**(Expressed in Canadian Dollars)**



## **INTRODUCTION**

The information in this Management's Discussion and Analysis ("MD&A") is intended to assist the reader in the understanding and assessment of the trends and significant changes in the results of operations and financial conditions of Hanstone Gold Corp. (the "Company"). This MD&A should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2022, the unaudited condensed interim financial statements for the nine months ended September 30, 2023, and other information relating to the Company on file with the Canadian provincial securities regulatory authorities on SEDAR at [www.sedar.com](http://www.sedar.com). The Company's annual and interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

This MD&A contains forward-looking statements. Please refer to the cautionary language at the end of this document.

This MD&A has considered information available up to and including November 20, 2023.

The Company was incorporated under the Business Corporations Act (British Columbia) on October 11, 2018. Effective on August 19, 2020, the Company changed its name to Hanstone Gold Corp. and is listed on the TSX Venture Exchange under the symbol "HANS" and on the Frankfurt Stock Exchange under the symbol "HGO". The Company is a reporting issuer in British Columbia and Alberta.

The principal business of the Company is the acquisition and exploration of mineral properties. The registered office of the Company is Suite 600-1090 West Georgia Street, Vancouver, BC V6E 3V7, while the head office and principal business address of the Company is 970-777 Hornby Street Vancouver, BC V6Z 1S4.

## **GOING CONCERN**

These 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. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due. As at September 30, 2023, the Company has not generated any revenues from operations and has an accumulated deficit of \$8,905,123.

The Company expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments to the carrying values of assets and liabilities, the reported expenses, and the balance sheet classifications used that may be necessary if the Company is unable to continue as a going concern.

## **HIGHLIGHTS AND OUTLOOK**

The Company was formed as a Capital Pool Company ("CPC") in October 2018 and completed a \$150,000 private placement. On April 29, 2019, the Company completed a \$300,000 initial public offering and was listed for trading on the TSX Venture Exchange on May 1, 2019. Since that time, the Company found and completed a qualifying transaction ("Qualifying Transaction", "QT") and a non-brokered financing for \$3,000,000.

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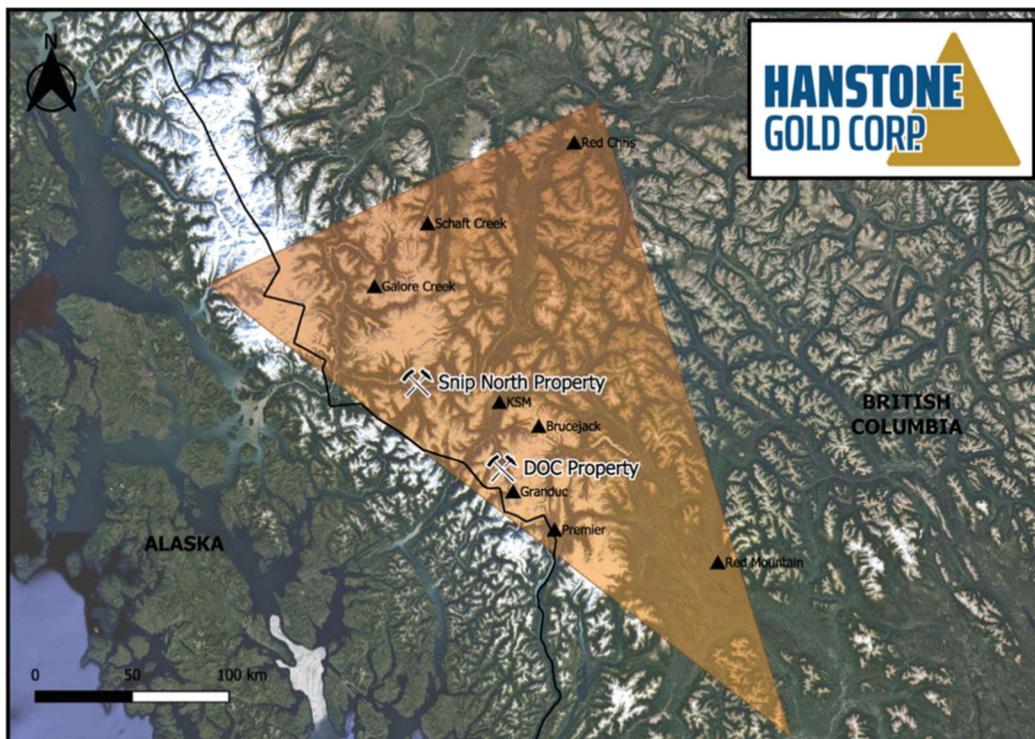
The Company is an exploration stage company and, to date, has no revenues. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary approvals and financing to complete the development, and future profitable production from the properties or proceeds from disposition. The Company fully anticipates undertaking further private placements or public offerings in order to finance business opportunities as they may arise.

Ownership in mineral interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral interests. The Company has investigated ownership of its mineral interests and, to the best of its knowledge, such ownership interests are in good standing.

## ASSETS OF THE CORPORATION

The Company's major asset is its investment in mineral properties. As at September 30, 2023, the Company's investment in mineral properties totaled \$1,459,000.

The Company continues to focus on exploration of its Doc and Snip North properties.



## DOC PROPERTY

On August 18, 2020, pursuant to an asset purchase agreement (the "Milestone Agreement") between the Company and Milestone Infrastructure Inc. ("Milestone"), the Company acquired all of Milestone's right, title and interest in and to the Doc Property (the "Doc Property"), located in the Skeena Mining Division in northwest British Columbia, approximately 55 kilometers northwest of the community of Stewart BC. The Doc Property lies within a mineral-rich belt that extends over 200 km north from the town of Stewart, along the western part of the Stikine terrane, and is about 10 kilometers north of the past producing Granduc Cu-Au-Ag mine.

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The Doc Property consists of 8 contiguous mineral claims totalling 1,704.23 ha. The owner of the Doc Property, John C. Bot (“Bot”), entered into an option agreement (“the Option Agreement”) with Milestone in July 2019 for Milestone to purchase Bot’s interest in the Doc Property (the “Option”). On August 18, 2020, pursuant to the Milestone Agreement, the Company acquired all of Milestone’s right, title and interest in and to the Option Agreement. The Option Agreement has a term of six years commencing July 3, 2019. Under the terms of the Option Agreement the Company shall be deemed to have exercised the Option and acquired 100% legal title to the Property upon paying to Bot an aggregate of \$1,825,000 in cash.

Additionally, Bot shall retain a 1.5% Net Smelter Returns Royalty (“NSR”) on the Doc Property. The Company may repurchase the NSR from Bot by paying \$500,000 at any time. Until the Company has successfully exercised the Option, Bot would receive a bulk sample royalty of 5%.

As consideration for the acquisition of the Doc Property, the Company issued an aggregate of 4,500,000 common shares and paid an aggregate of \$150,000 in cash for pre-closing expenditures related to the Doc Property incurred or accrued by Milestone. For the nine months ended September 30, 2023, the Company has spent \$380,327 in exploration expenditures (nine months ended September 30, 2022 - \$695,518) for a cumulative total of \$5,802,317 on the Doc Property.

### **Doc Property Description**

The Doc Property is an Au-Ag exploration project located within an area informally known as the “Golden Triangle”, one of the most important mineral districts in northwest British Columbia, Canada. The “Golden Triangle” encompasses the northwest Stikine terrane which follows an arc-like trend known as the Stikine Arch, and is an area which hosts prolific porphyry, volcanogenic massive sulphide, and high-grade vein deposits and mines, including the presently producing Red Chris and Brucejack mines, and the past-producing Eskay Creek, Snip, Granduc, Silbak-Premier and Scottie Gold mines. It also hosts large undeveloped deposits such as the Galore Creek, Schaft Creek, Kerr, Sulphurets, Mitchell, Snowfield and Iron Cap porphyry deposits, and exciting recent discoveries such as the Saddle North porphyry Cu-Au and Saddle South Au-Ag vein zones.

### **Doc Property 2019 Exploration Program**

In 2019, a two-phase exploration program was conducted by C.J. Greig & Associates Ltd. on behalf of Milestone in early August and early September. Phase 1 was comprised of a geological reconnaissance and rock geochemical sampling program over the Doc, BGS, Galena Ridge, Q19, Quinn Eskay and Glacier zones, together with ground-based magnetometer surveys over the Doc, BGS, Galena Ridge and Quinn Eskay zones. A total of 154 rock samples were collected and 30.5-line kilometres of magnetometer surveys were completed during the exploration campaign. Phase 2 consisted of channel sampling (37 samples) at the BGS, Galena Ridge, Q19 and Quinn Eskay zones, as well as limited prospecting at the Florence zone. The Doc Property has been shown to host numerous high-grade gold veins and to have the potential to host replacement style skarn and volcanogenic-massive sulphide mineralization. Areas of known quartz veining with associated galena is the primary focus of exploration on the Doc Property.

### **Doc Property 2020 Drilling Exploration Program**

Due to the shortened 2020 drilling season resulting from persistent winter conditions, the 2020 drill program consisted of relatively shallow drill holes where only 2 of 21 drill holes exceeded 200 meters in depth. All significant intervals of mineralization from the 2020 drill program are shown in Table 1 below. The drill program results included numerous other intersections ranging from 0.50 to 0.99 g/t Au which are not shown in Table 1. Assays of mineralized sections are posted on the [Company's website](#).

**Table 1: Doc Property 2020 Drilling Intersections - Average Assay Grades**

Hole Number	Azimuth	Dip	Avg Grade Au (g/t)	From Depth (m)	To Depth (m)	Interval (m)
<b>DC-20-01</b>	020°	-50°	1.58	175.00	181.00	6.00
<i>including</i>			2.92	176.00	178.90	2.90
<i>including</i>			7.41	176.94	177.44	0.50
<b>DC-20-02</b>	186°	-45°	1.39	28.00	30.40	2.40
			4.36	59.20	59.40	0.20
<b>DC-20-03</b>	191°	-45°	2.27	82.18	89.20	7.02
<b>DC-20-04</b>	215°	-60°	6.35	69.48	77.60	8.12
<i>including</i>			10.58	71.00	74.50	3.50
and			53.10	72.90	73.50	0.60
and			17.68	76.30	77.00	0.70
<b>DC-20-05</b>	215°	-75°	11.51	129.83	137.00	7.17
<i>including</i>			50.12	133.23	134.40	1.17
<b>DC-20-06</b>	225°	-70°	2.78	61.10	61.55	0.45
			12.01	119.00	132.28	13.28
<i>including</i>			8.47	119.00	119.50	0.50
<i>and</i>			113.70	131.00	132.28	1.28
<b>GR-20-04</b>	217°	-45°	1.33	15.67	16.09	0.42
<b>Q19-20-03</b>	225°	-45°	1.21	8.17	9.24	1.07
<b>Q19-20-04</b>	175°	-45°	6.18	6.80	9.05	2.25
<b>Q26-20-01</b>	178°	-45°	5.10	42.83	44.80	1.97
<b>Q26-20-03</b>	178°	-80°	2.20	72.00	78.00	6.00
<i>including</i>			10.80	74.00	74.80	0.80
<b>Q28-20-01</b>	200°	-45°	1.73	15.00	16.00	1.00

Note: \*Average gold grade intervals under 1 g/t not included in the above table

### **Doc Property 2021 Drilling Exploration Program**

On January 27, 2022, the Company provided an update on the results from its 2021 Doc Property bulk sampling program, conducted in 2021 on its DOC Property,

Two 1-ton bulk samples were taken from the Doc Property's Q19 vein, and from the newly discovered TRJC vein. Samples from each vein were crushed and milled to -150 mesh size fraction, with 5 samples retrieved from each bulk sample for analysis. Each sample was analyzed using the metallic screen fire assay at TSL Laboratories and ICPI Total 4 acid digestion method at SRC Geoanalytical Laboratories in Saskatoon, SK. Highlighted results from the analysis are as follows:

- Q19 vein system bulks sample averaged 19.35 g/t Au, 127.00 g/t Ag, and 465.40 ppm Cu.
- TRJC vein system bulk sample averaged 5.73 g/t Au, 89.18 g/t Ag, and 43,580 ppm Pb.

Results from all samples analyzed from each bulk samples are listed in Table 1 below.

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Table 1: Bulk sampling results (2021)

Bulk Sample Vein ID	Sample #	Average Grade Au (g/t)	Au Total (g/t)	Average Grade Ag (g/t)	Ag total (g/t)	Average Grade Cu (ppm)	Cu total (ppm)	Average Grade Pb (ppm)	Pb total (ppm)
TRJC	872928		5.7		76.4		93		32600
TRJC	872929		5.9		90		93		36800
TRJC	872930		5.48		83		111		35200
TRJC	872932		4.87		100		90		57900
TRJC	872938		6.7		96.5		99		55400
Q19	872933		17.74		114		431		2010
Q19	872934		19.27		128		468		2240
Q19	872935		19.71		131		489		2260
Q19	872937		21.66		130		471		2230
Q19	872939		18.4		132		468		2070
TRJC average		<b>5.73</b>		<b>89.18</b>		<b>97.20</b>		<b>43,580</b>	
Q19 average		<b>19.35</b>		<b>127.00</b>		<b>465.40</b>		<b>2,162</b>	

On February 10, 2022, the Company announced the drill core assay results from its 2021 Doc Property drilling exploration program. The program consisted of 23 diamond core drill holes totaling 2,852.04 meters. The drill program focused on investigating and verifying historic drill-indicated gold mineralization, while expanding the known mineralization zones along strike.

Drilling result highlights from the 2021 drilling program include:

- Hole DC-21-025 intersected 5.83 m grading 2.86 g/t Au, 23.25 g/t Ag and 1,721.20 ppm Cu including 3.32 m grading 4.89 g/t Au, and 38.77 g/t Ag, and 1920.73 ppm Cu
- Hole DC-21-026 intersected 6.47 m grading 1.13 g/t Au, and 4.15 g/t Ag and 17.59 m grading 0.46 g/t Au and 2.54 g/t Ag including 6.14 m grading 1.07 g/t Au and 5.47 g/t Ag
- Hole DC-21-027 intersected 1.18 m grading 24.67 g/t Au, and 65.20 g/t Ag, and 35.92 m grading 1.03 g/t Au, and 4.44 g/t Ag including 1.41 m grading 12.14 g/t Au, and 49.10 g/t Ag

**DOC zone intersection Highlights (2021):**

Drillhole	Avg. Grade Au (g/t)	Avg. Grade Ag (g/t)	Cu (ppm)	Width (m)
DC-21-025	<b>2.86</b>	<b>23.25</b>	<b>1721.20</b>	5.83
<i>including</i>	<b>4.89</b>	<b>38.77</b>	<b>1920.73</b>	3.32
DC-21-026	<b>1.13</b>	<b>4.15</b>	-	6.47
	<b>0.46</b>	<b>2.54</b>	-	17.59
<i>including</i>	<b>1.07</b>	<b>5.47</b>	-	6.14
DC-21-027	<b>24.67</b>	<b>65.20</b>	-	1.18
	<b>1.03</b>	<b>4.44</b>	-	35.92
<i>including</i>	<b>12.14</b>	<b>49.10</b>	-	1.41

DC-21-027 intersected low-grade mineralization over a 35.92 m within a fault zone with moderate to strong hematite and sericite alteration, and 1-5 cm quartz veining. The mineralization style indicates a potential continuation of the DOC epithermal vein system, heavily influenced by structure. The hole confirms mineralization from a historic hole and expands the mineralization footprint.

**Table 2: Significant Doc property intersections (2021)**

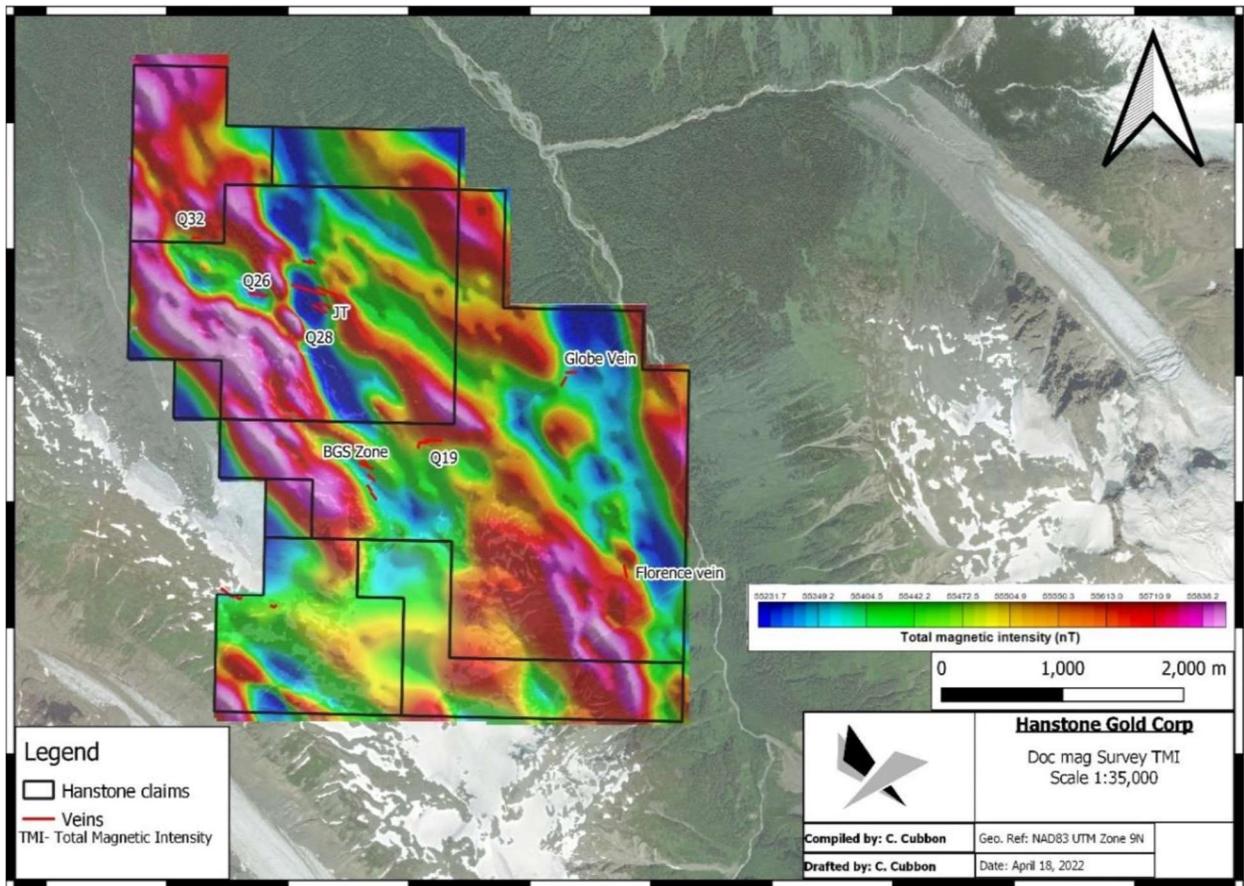
Drillhole	Azimuth °	Dip °	Avg. Grade Au (g/t)	Avg. grade Ag (g/t)	Cu (ppm)	Width (m)	From (m)	To (m)
DC-21-007	185	45	<b>0.89</b>	<b>2.52</b>	<b>227.40</b>	4.52	57.97	61.68
<i>including</i>			<b>1.87</b>	-	-	1.94	57.97	59.91
DC-21-008	185	-60	<b>0.28</b>	<b>1.22</b>	-	9.29	79.32	88.61
<i>including</i>			<b>0.59</b>	-	-	2.00	84.75	86.75
DC-21-009	185	-70	<b>2.22</b>	<b>11.03</b>	-	4.10	80.00	84.10
DC-21-011	190	-55	<b>1.23</b>	<b>6.60</b>	-	4.36	161.04	165.40
DC-21-012	190	-62	<b>0.85</b>	<b>2.94</b>	-	6.00	150.00	156.00
DC-21-015	190	-66	<b>1.90</b>	<b>6.51</b>	-	6.11	53.08	58.32
DC-21-016	190	-75	<b>2.10</b>	<b>7.20</b>	-	5.55	77.65	83.20
DC-21-017	190	-50	<b>0.20</b>	<b>1.20</b>	-	12.10	27.90	40.00
<i>including</i>			<b>0.53</b>	<b>2.17</b>	-	3.20	27.90	31.10
			<b>0.21</b>	<b>2.86</b>	-	6.00	127.00	132.00
<i>including</i>			<b>0.55</b>	<b>4.22</b>	-	2.00	127.00	129.00
DC-21-018	190	-54	<b>0.58</b>	<b>3.29</b>	<b>233.56</b>	9.80	47.00	56.80
<i>including</i>			<b>1.26</b>	<b>6.48</b>	-	4.05	50.00	54.05
DC-21-019	190	-63	<b>0.41</b>	<b>2.51</b>	-	8.00	53.00	60.00
DC-21-020	190	-75	<b>0.38</b>	<b>1.49</b>	-	6.70	98.00	103.50
<i>including</i>			<b>0.88</b>	<b>3.20</b>	-	2.80	98.00	100.80
DC-21-021	10	-55	<b>0.94</b>	<b>3.49</b>	<b>193.06</b>	9.00	38.00	47.00
<i>including</i>			<b>1.37</b>	<b>5.00</b>	<b>234.31</b>	6.15	38.85	45.00
DC-21-022	1.5	-70	<b>0.88</b>	<b>3.42</b>	-	1.25	68.25	69.50
DC-21-024	5	-75	<b>0.59</b>	<b>2.22</b>	-	4.00	87	91
			<b>0.22</b>	<b>0.90</b>	-	4.60	95.4	99
<i>including</i>			<b>1.44</b>	<b>5.90</b>	-	0.60	95.4	96
DC-21-025	22.5	-45	<b>2.86</b>	<b>23.25</b>	<b>1721.20</b>	5.83	103.35	109.18
<i>including</i>			<b>4.89</b>	<b>38.77</b>	<b>1920.73</b>	3.32	104.12	107.44
DC-21-026	22.5	-57	<b>1.13</b>	<b>4.15</b>	-	6.47	150.33	156.8
			<b>0.46</b>	<b>2.54</b>	-	17.59	167.18	183.9
<i>including</i>			<b>1.07</b>	<b>5.47</b>	-	6.14	172.52	178.66
DC-21-027	22.5	-64	<b>24.67</b>	<b>65.20</b>	-	1.18	62.43	63.61
			<b>1.03</b>	<b>4.44</b>	-	35.92	125.71	158.88
<i>including</i>			<b>12.14</b>	<b>49.10</b>	-	1.41	137.11	138.52

Notes:

*Au analysis is by 2 AT (58.32 grams) fire assay with gravimetric finish (TSL Labs Method A/Gravimetric 2 AT) Ag and Cu analysis is by aqua regia digestion or multi acid ICP multielement analysis (TSL Labs Method ICP-MS Aqua Regia or MA) or Ag and Cu analysis also by ICP multielement analysis total 4 acid digestion (SRC geoanalytical laboratories method ICPI Total 4 Acid Digestion)*

Results from a UAV Magnetic Survey compiled later in 2020 were interpreted in early 2021. The magnetic relationships between highs and lows are similar for both the Q26 and Doc zones and may also be analogous to a much larger and potentially more significant magnetic low to the south of both targets. This magnetic low may be tested in one to three key areas to understand if and how it relates to the similar magnetic signatures to the north.

In the Company's new release dated May 5, 2022, the Company announced the results of the Triaxial Magnetic Survey on its Doc Property. The 2022 Doc Property Triaxial Magnetic Survey was able to verify anomalies previously discovered in the 2020 UAV magnetic survey (drone survey) and revealed additional areas of interest on the Quinn Eskay, the Globe area and the highly prospective Florence vein. The magnetic survey also outlined a much larger folding event, to the east of the Doc vein system, and it appears that the known veins on the property are associated with the fold limbs.



**Figure 1: Doc Property Total Magnetics**

Previous samples taken from the Quinn Eskay area have returned high copper values up to 4.8% (January 2020, NI 43-101 Technical Report). Management has long suspected this may be a sign of a porphyry located on the Doc property. The Triaxial Magnetic Survey results appear to support this theory. To delineate the suspected porphyry targets on the property, several areas are targeted for further evaluation through mapping, prospecting, and a proposed Induced Polarization (IP) survey leading to a targeted drill program.

### **Doc Property 2022 Exploration Program**

On October 31, 2022, the Company announced that it had completed a bulk sampling, surface sampling and mapping campaign at the DOC Property.

Details of the program are outlined below.

#### **Sample Pits & Bulk Samples**

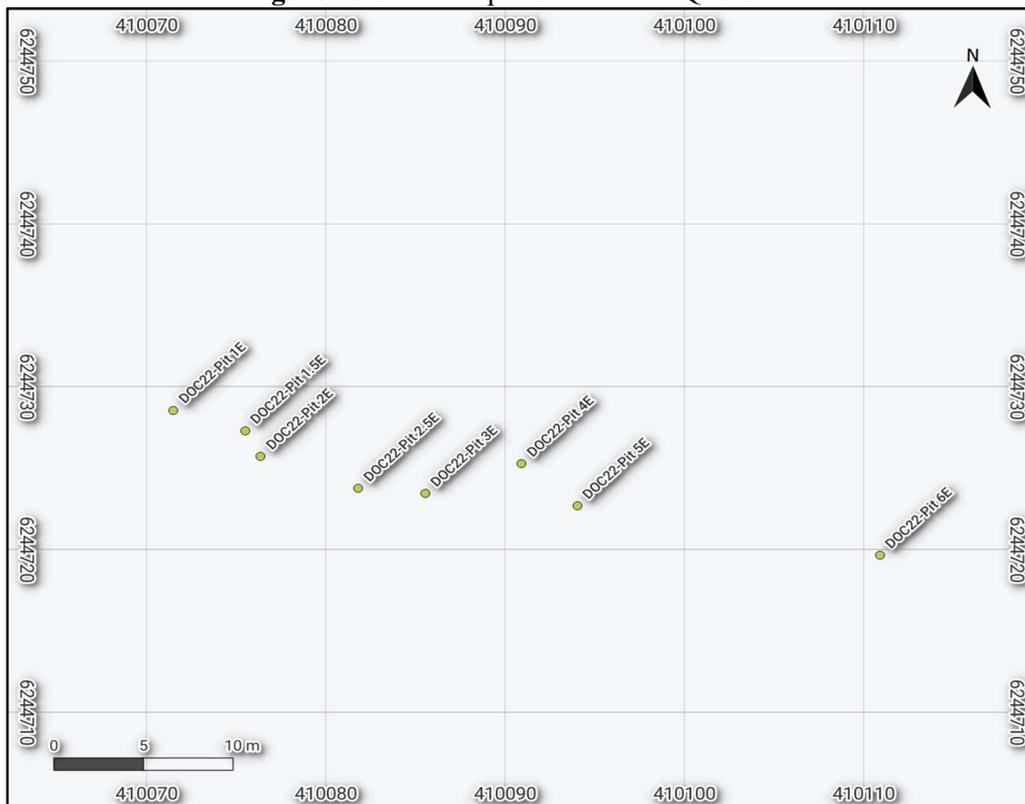
A total of 18 sample pits were opened on the Property, with 17 pits located along the DOC area (Q17/Q22 vein zone) and one pit at the Q19 zone. The bulk sampling component of the program consisted of a series of four (4) bulk samples taken across the Q17 and Q19 vein zones. The specifications of each sample are shown in the following table. Each sample at both the Q17 and Q19 veins consisted of abundant galena and minor pyrite mineralization within 0.5 to 1.0 metre quartz veins, hosted within a broader shear zone:

**Table 1.** Bulk Sample Specifications

<b>Sample ID / Location</b>	<b>Zone</b>	<b>Weight (kg)</b>
DOC22-Pit 2E	Q17	50.0
DOC22-Pit 2.5E	Q17	20.0
DOC22-Pit 3E	Q17	110.0
DOC22-Q19 Pit 3	Q19	130.0

The Q17 and Q22 veins clearly coincide with the underground workings, with pits generally exhibiting a similar style of mineralization to that observed within the underground workings. In conjunction with historical drill results, veining and sulphide mineralization appears to be mostly continuous throughout the zone, as well as further along strike to the east. Assays from the bulk sampling program are forthcoming.

**Figure 1. Bulk Sample Locations at Q17 Zone**



### Surface Sampling & Mapping

The second component of the exploration program consisted of grab sampling and mapping across the majority of the Q17/Q22 (DOC) area, as well as in and around the Q19 zone. Additional samples were collected along strike from the primary mineralization at the Q17/Q22 (DOC) zone. In conjunction with grab sampling, key lithological and structural observations were recorded at each pit location.

On November 22, 2022, the Company announced that it received assay results from its recently completed bulk sampling program at its Doc Property.

### Sample Pits & Bulk Samples

Assay results from the DOC Zone yielded a high value of 43.91 g/t Au and 244 g/t Ag from a 110.0kg sample from Pit 3E at the Q17 vein, out of a total of three bulk samples taken along an approximately 10-metre long zone on the Q17 vein (see Figure 1 below). The single bulk sample taken at the Q19 zone yielded 7.04 g/t Au and 85 g/t Ag from a 130.0kg sample.

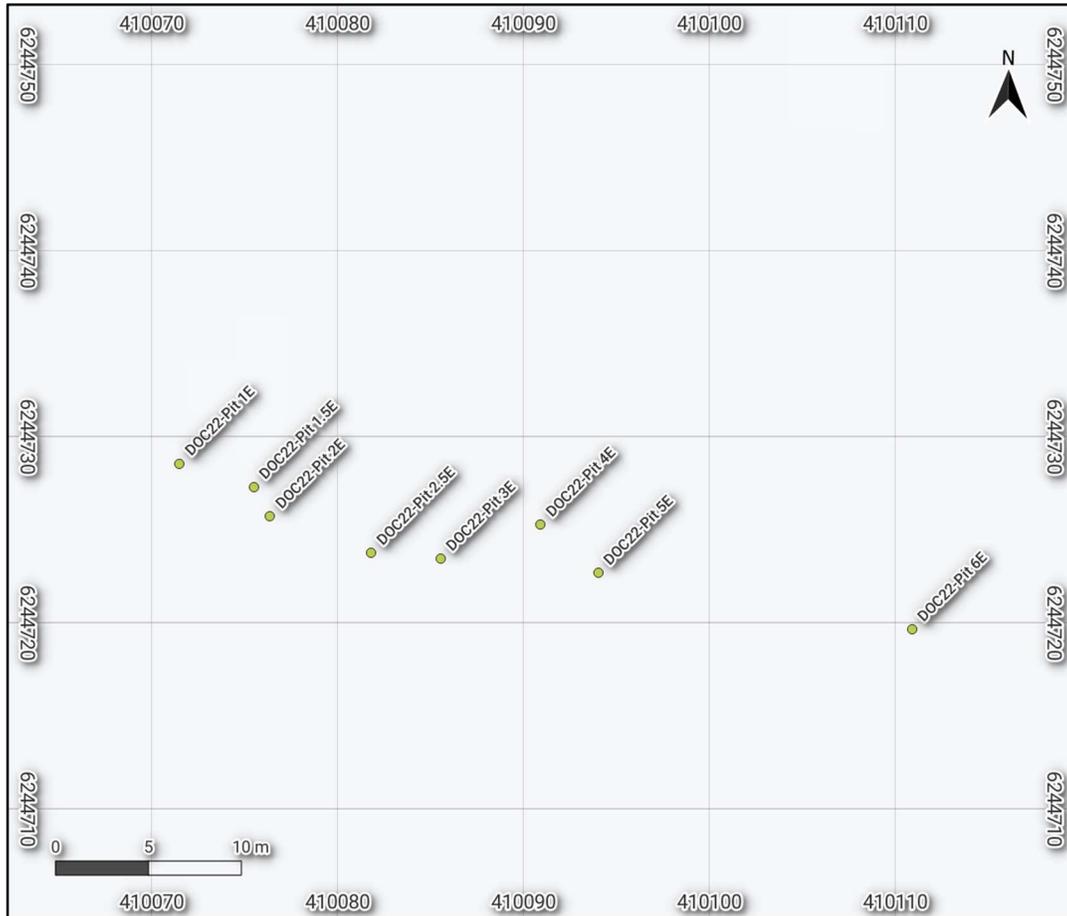
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**Table 1.** Bulk Sample Gold Assays

Sample ID / Location	Zone	Weight (kg)	Au (g/t)	Ag (g/t)
DOC22-Pit 2E	Q17	50.0	10.38	113
DOC22-Pit 2.5E	Q17	20.0	11.34	149
DOC22-Pit 3E	Q17	110.0	43.91	244
DOC22-Q19 Pit 3	Q19	130.0	7.04	85

The Q17 and Q22 veins clearly coincide with the underground workings, with pits generally exhibiting a similar style of mineralization to that observed within the underground workings. In conjunction with historical drill results, veining and sulphide mineralization appears to be mostly continuous throughout the zone, as well as further along strike to the east.

**Figure 1.** Bulk Sample Locations at Q17 Zone



**Assay Method**

Analytical results of sampling reported by Hanstone represent rock samples submitted by Hanstone directly to Seacan Labs, an ISO 17025 accredited lab based in Stewart, British Columbia. Bulk samples were coarse crushed and divided into 5 kg samples, dried at 100 °C, crushed to 80% < 10 mesh, split, with 250g pulverised to 85% < 140 mesh. For Au and Ag, 30g pulp was fire assayed with gravimetric finish. For all other elements, pulp samples were digested by aqua regia and run by ICP-OES.

On December 6, 2022, The Company announced the results from grab sampling and surface mapping carried out at its Summer 2022 exploration program.

### Highlights

- Hanstone receives assay results up to 277.9g/t Au and 1,405g/t Ag from grab samples at sample pits at Q17/Q22 Zones.
- High-grade gold identified at Q17/Q22 Zones along a 350-metre strike length.

### Field Program Overview

Field reconnaissance was carried out during the Summer 2022 program, alongside the bulk sampling program.

Assay results from grab sampling at the Q17 and Q22 Zones yielded a high value of 277.9g/t Au and 935g/t Ag from sample 872104, which was taken from DOC22-Pit 7E (see Table 1 & Figure 2). This pit, opened on the Q17 vein, exhibits a vuggy gossan with galena-derived boxwork on the margin of the same vein exposed at the bulk sampled zone at the top of the slope at DOC22-Pit 2E through 3E. Sample 872135, taken from an unweathered portion of the Q17 vein at DOC22-Pit 3E, yielded 231.4g/t Au and 1,405g/t Ag\*.

Mineralization observed at the Q17, Q22, and Q19 Zones is hosted within broad, approximately ~1 metre thick vitreous quartz veins with 5-10% coarse (up to ~2cm) galena crystals disseminated within the vein margin. See Figure 1 and Table 1 below for sample locations.

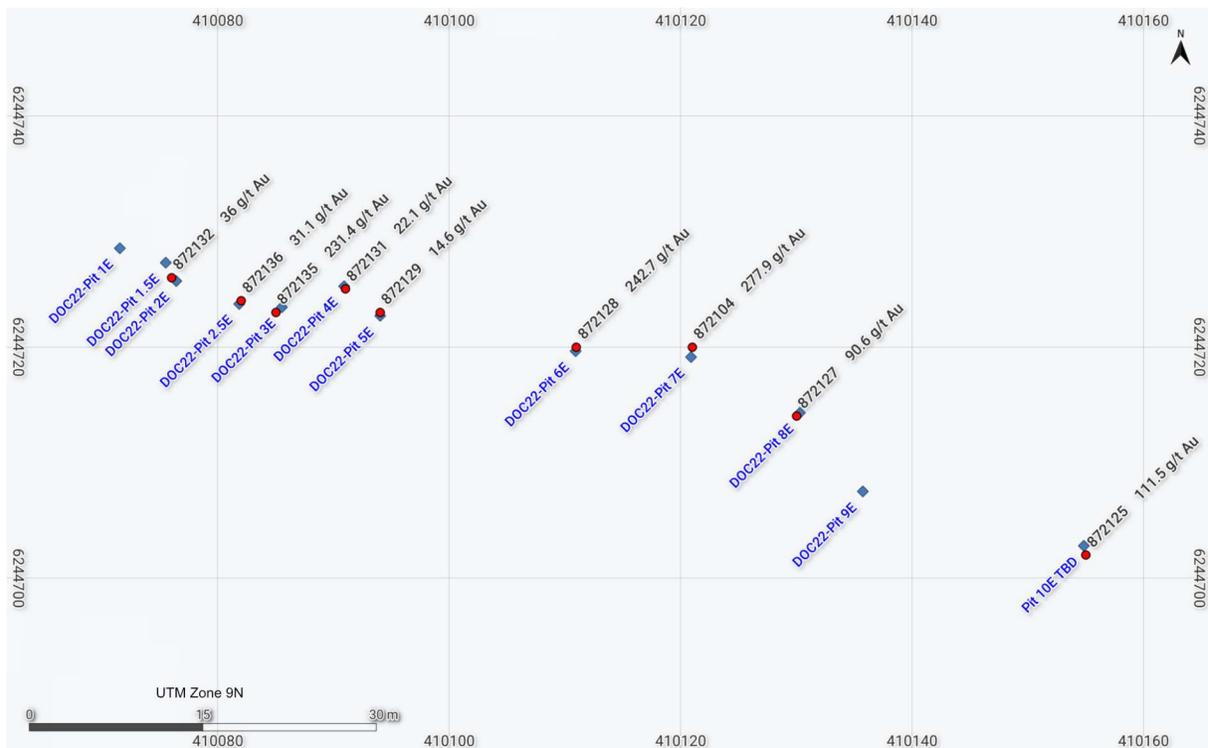
### Sampling at Q17 / Q22 Zones

Grab sample 872125, taken directly above the end of the adit and roughly at the centre-point of the segment of the Q17 vein mined by the underground workings, returned 111.5g/t Au and 155g/t Ag. Sample 872122, taken directly above the eastern end of the underground workings, yielded 47.7g/t Au and 248g/t Ag. More significantly, sample 872123, taken 130 metres further ESE along strike beyond the end of the surface projection of the underground workings, in the vicinity of the eastern-most historical 1988 drilling, yielded 58.3g/t Au and 256g/t Ag. \*

**Table 1.** Grab Sample Assay Highlights

Sample ID	Location	Zone	Au (g/t)	Ag (g/t)
872104	DOC22-Pit 7E	Q17	277.9	935
872125	DOC22 Pit 10E (outcrop grab)	Q17	111.5	155
872127	DOC22-Pit 8E	Q17	90.6	353
872128	DOC22-Pit 6E	Q17	242.7	1200
872129	DOC22-Pit 5E	Q17	14.6	237
872131	DOC22-Pit 4E	Q17	22.1	19
872132	DOC22-Pit 2E	Q17	36.0	307
872135	DOC22-Pit 3E	Q17	231.4	1405
872136	DOC22-Pit 2.5E	Q17	31.1	769
872122	Above eastern end of workings, 130 metres east of DOC22-Pit 10E	Q17/Q22	47.7	248
872123	130 metres east along strike from 872122	Q22	58.3	256

**Figure 1. Grab Sample Highlights Map**



### Discussion of Sampling Results

Grab samples taken from pits opened during the program yielded numerous high-grade gold showings with apparent continuity of a mineralized zone extending along surface from DOC22-Pit 1E (top of slope) down to DOC22-Pit 16E, a strike length of approximately 150 metres. Additional pits located 70 and 200 metres further southeast along strike of the same zone also yielded high-grade gold results (47.7g/t Au and 58.3g/t Au, respectively), with the zone remaining open along strike in both directions. This mineralized trend almost exactly parallels the underground workings and represents the surface projection of the same Q17 and Q22 veins that were the target of underground mining. Based on these observations, in conjunction with historical drilling intercepts across the vein, the mineralized zone appears to measure at least 350 metres along strike and 100 metres depth, while remaining open along strike and at depth.

The grades being returned from grab and bulk sampling at the Doc Project are consistent between samples of similar material and have yielded up to 277.9g/t Au (DOC22-Pit 7E), which was taken from a grab sample of vuggy gossan with galena-derived boxwork. Evidenced from the texture of the high-grade gossan, this material is the weathered form of the galena-bearing quartz vein appearing uphill at DOC22-Pit 2E through DOC22-Pit 6E and likely continues further beyond the most distal pits in both directions along strike. \*

**Figure 2.** Sample 872104 (277.9g/t Au, 935 g/t Ag)



**Figure 3.** Pit 8E looking west - representative section of mineralized zone  
(rock hammer for scale)



## Bulk Sampling Recap and Pit Descriptions

As announced in Hanstone's news release dated [November 22, 2022](#)<sup>(2)</sup>, assay results from bulk samples from the DOC Zone yielded a high value of 43.91 g/t Au and 244 g/t Ag from a 110.0kg sample from Pit 3E at the Q17 vein, out of a total of three bulk samples taken along an approximately 10-metre long zone on the Q17 vein. The single bulk sample taken at the Q19 zone yielded 7.04 g/t Au and 85 g/t Ag from a 130.0kg sample.

A total of 18 sample pits were opened on the Property, with 17 pits located along the DOC area (Q17/Q22 vein zone) and one pit at the Q19 zone. The bulk sampling component of the program consisted of a series of four (4) bulk samples taken across the Q17 and Q19 vein zones. Each sample at both the Q17 and Q19 veins consisted of abundant galena and minor pyrite mineralization within 0.5 to 1.0 metre quartz veins, hosted within a broader shear zone and yielded anomalously high gold and silver values. No significant copper or zinc values were encountered.

The surface exposure of the Q17 and Q22 veins evidently coincide with the underground workings, with pits generally exhibiting a similar style of mineralization to that observed within the underground workings. In conjunction with historical drill results, veining and sulphide mineralization appears to be mostly continuous throughout the zone, as well as further along strike to the east.

*\* **Cautionary Note:** The reader is cautioned that grab rock samples are selective by nature and may not represent the true grade or style of mineralization across the Property.*

## Assay Method

Analytical results of sampling reported by Hanstone represent rock samples submitted by Hanstone directly to Seacan Labs, an ISO 17025 accredited lab based in Stewart, British Columbia. Samples were coarse crushed, dried at 100 °C, crushed to 80% < 10 mesh, split, with 250g pulverised to 85% < 140 mesh. For Au and Ag, 30g pulp was fire assayed with gravimetric finish. For all other elements, pulp samples were digested by aqua regia and run by ICP-OES.

On February 8, 2023, the Company announced that it received preliminary metallurgical results from a 54.5-kilogram bulk sample of mineralized material from the Doc Property.

## Highlights

Metallurgical testing achieved excellent recovery from processing of mineralized material from the Doc Property.

- Combined gravity concentration and cyanide leaching (gravity-leach) achieved overall gold recovery of 95.3%.

Analysis was conducted on a 54.5-kilogram representative bulk sample collected from DOC22-Pit 2E, DOC22-Pit 2.5E, and DOC22-Pit 3E. The tests were conducted by Sepro Laboratories ("Sepro"), a full-service metallurgical testing facility located in Langley, BC.

## Head Assays

Calculated head grades ranged from 31.5 g/t to 34.8 g/t Au with a calculated average grade of 32.2 g/t Au and a direct head assay grade of 33.6 g/t Au (Table 1).

**Table 1: Head Grade Summary**

Test Work Description	Method	Head Grade Au (g/t)
Direct Head Assay	Assayed Grade	33.6
Fine Gravity (4 stage)	Calculated Grade	34.8
Gravity-Floatation	Calculated Grade	33.3
Gravity-Leach	Calculated Grade	31.5

The Direct Head Assay also returned values of 220 g/t Ag, 1.93% Fe, 7.05% Pb, and 0.6% S.

### Gravity Concentration

A 20 kg subsample was subjected to a 3-stage gravity concentration test with intermediate grinding. The Falcon L40 concentrates were panned to determine upgradability. The stage 3 Falcon tailings were split into multiple subsamples for the following test work:

- Additional gravity concentration at a finer grind size (P80 of 45 microns).
- Flotation using a standard gold-sulphide procedure.
- Cyanide leaching under standard leach conditions

Standard gravity recoverable gold (GRG) testwork determined that grinding to a P80 of 78 microns achieved a gold recovery of 24.8%. The concentrates were high grade and amenable to further upgrading by panning. Additional grinding down to a P80 of 45 microns increased overall gold recovery to 30.7%.

### Flotation Test

The scoping flotation test was conducted on the stage 3 Falcon tailings using a standard gold-sulphide procedure. Flotation testing achieved a gold recovery of 70.5% and a silver recovery of 63.7%. Flotation of the stage 3 gravity tailings (gravity-flotation) increased the overall gold recovery to 78.0%.

### Cyanide Leaching Test

Cyanide leaching on stage-3 gravity tailings (gravity-leach) increased overall gold recovery to 95.3%. The relatively high dissolution of the gold content, as compared with the flotation recovery results, indicates while the valuable constituents are likely locked with the silicate gangue, there is high surface area availability for cyanide leaching.

### Summary

Overall flowsheet test results are summarized in Table 2.

**Table 2: Test Result Summary**

Flowsheet Description	P80 (µm)	Au Recovery (%)
Standard Gravity (3 stage)	78	24.8
Fine Gravity (4 stage)	45	30.7
Gravity-Floatation	78	78.0
Gravity-Leach	78	95.3

**SNIP NORTH PROPERTY:**

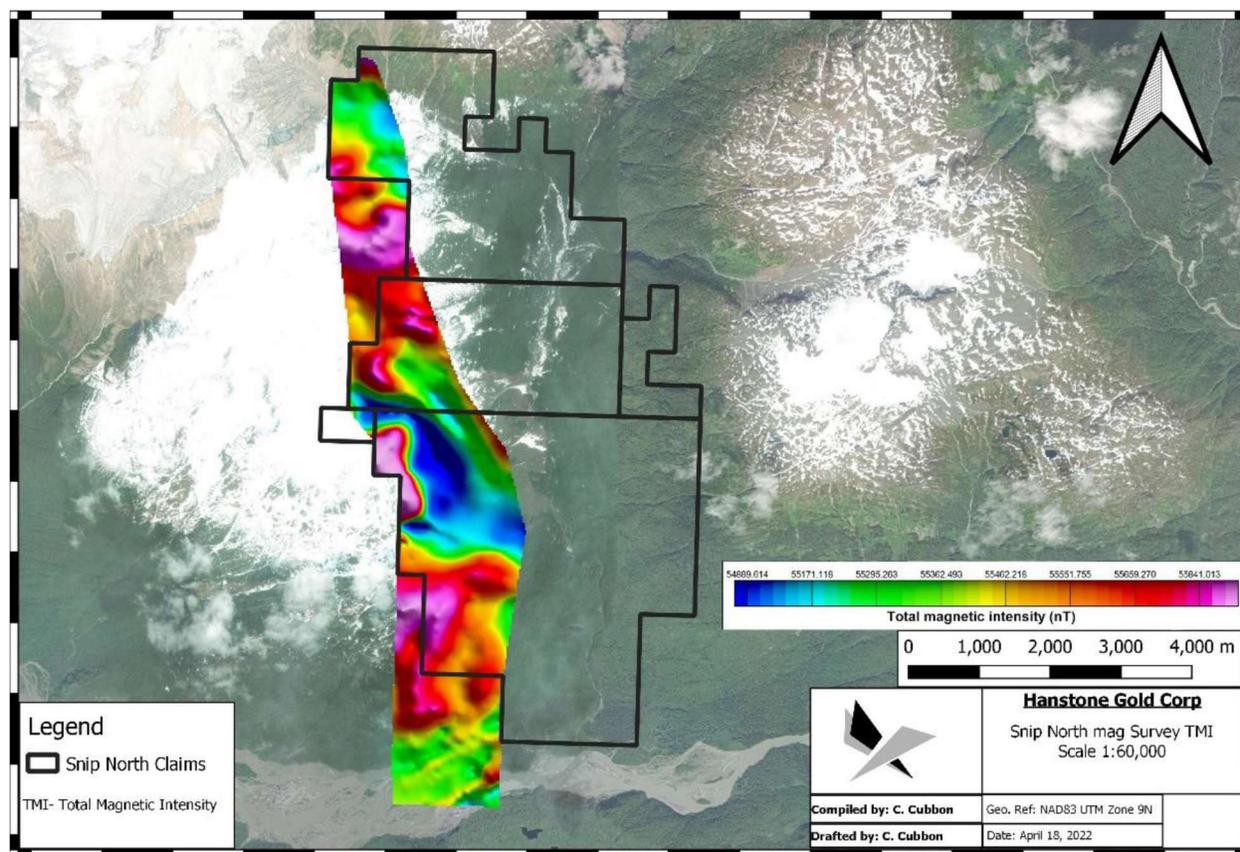
On August 18, 2020, the Company acquired a 100% interest in the Snip North Property, comprised of five mineral claims located in British Columbia, approximately 50 kilometers north of the Doc Property. As consideration for the acquisition of the Snip North Property, the Company issued an aggregate of 200,000 common shares of Hanstone Gold.

The Snip North is a highly prospective exploration property, given its location proximal to several active projects in the Golden Triangle. Approximately 8 km northeast of Hanstone Gold's Snip North Property, Enduro Metals Corp announced in May of 2021, results of 17.15 g/t Au, 26.20 g/t Ag and 1.18% Cu over 2.72 meters in addition to a possible porphyry intercept of an average grade of 0.82 g/t AuEq over 139 m.

QuestEx Gold & Copper Exploration also reported in January 2021, impressive results on their Inel prospect with an intercept of 1,670.51 g/t Au over 1.4 m in the footwall of the Big Rock Deformation Zone which is "spatially associated with gold and zinc mineralization along its full > 6 km strike length."

In the Company's new release dated May 25, 2022, the Company announced the results of the Triaxial Magnetic Survey on its Snip Property.

The Snip North Magnetic Survey was flown across the western side of the property which coincided with areas of interest outlined by the multispectral satellite survey analysis conducted in 2020. Several new target areas have been identified where analysis indicates hydrothermal alteration coincident with multiple magnetic highs. These areas are often associated with mineralization and are considered high value target areas for future evaluation.



**Figure 2: Snip Property Total Magnetics**



## **SUMMARY**

### **Doc Property**

Based on the successes of the 2022 exploration and metallurgical work on the Property, the Company's 2023 and 2024 goal will be to continue to advance the project and to determine the economic potential of the Property's gold mineralization. Subject to available financing, Hanstone intends to continue with a mapping and sampling program on the numerous vein systems visible at surface on the Property to determine the relationship between the veins and potential for additional mineralization on the Property.

Management believes that the Doc Property has considerable merit and offers strong mineral resource discovery potential. Data from the 2020, 2021 and 2022 sampling and drill programs utilizing HQ core drilling, are considered suitable for use in defining potential resource definition compliant with National Instrument 43-101 reporting.

### **Snip North Property**

Historic and recent surface samples have returned assays grades up to 9.94 g/t Au. The delineation of multiple mineralized zones spanning the Snip North property demonstrate the longer-term potential for the discovery of significant in-situ resources with further exploration and development.

## **RESULTS OF OPERATIONS**

The Company has no revenues and is dependent upon both satisfactory results from exploration and access to capital on reasonable terms in order to advance its projects.

### **Nine months ended September 30, 2023**

The Company incurred a net loss of \$993,968 for the nine months ended September 30, 2023 (nine months ended September 30, 2022 - \$1,454,697).

**Nine-Month Periods ended September 30, 2023 and 2022**

Nine months ended	September 30, 2023 \$	September 30, 2022 \$	Variance \$
<b>Expenses</b>			
Exploration expenditures	380,627	695,518	(314,891)
Consulting	154,600	252,532	(97,932)
Marketing	6,292	286,279	(279,987)
Stock-based compensation	20,205	87,407	(67,202)
Transfer agents and listing fees	34,864	42,647	(7,783)
Professional fees	24,774	36,790	(12,016)
General and administrative	25,447	27,289	(1,842)
Rent	9,000	25,000	(16,000)
Exchange loss	1	1,964	(1,963)
	<b>(655,810)</b>	<b>(1,455,426)</b>	<b>(799,616)</b>
Gain on settlement of accounts payable	60,264	-	(60,264)
Flow-through share premium recovery	113,629	-	(113,629)
Interest income	9	729	720
Finance expense	(507,720)		507,720
Interest on long-term debt	(4,340)		4,340
<b>Net loss and comprehensive loss</b>	<b>(993,968)</b>	<b>(1,454,697)</b>	<b>(460,729)</b>

A summary of significant variances from the nine months ended September 30, 2022 to the nine months ended September 30, 2023 follows:

Exploration expenses decreased by \$314,891 (45%). The difference is due to a reduced exploration program for the nine months ended September 30, 2023.

Consulting and management fees decreased by \$97,932 (39%). The Company retained fewer consultants for the nine months ended September 30, 2023 and reduced fees for other contracts.

Marketing expenses decreased by \$279,987 (98%). The decrease is due to the termination of all investor relations service contracts.

Stock-based compensation decreased by \$67,202 (77%). The decrease is due to reduced stock option grants and vesting during the nine months ended September 30, 2023.

Transfer agent and listing fees decreased by \$7,783 (18%). The prior period includes TSX Venture Exchange filing fees that were not incurred in the nine months ended September 30, 2023.

Professional fees decreased by \$12,016 (33%). The prior period includes corporate income tax filing fees that were not incurred in the nine months ended September 30, 2023.

Rent expense decreased by \$16,000 (64%). The decrease is due to the renegotiation of a rental contract in late 2022.

Gain on settlement of accounts payable increased by \$60,264. The increase is due to the settlement of accounts payable with a supplier in the nine months ended September 30, 2023.

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Flow-through share premium recovery increased by \$113,629. The increase is due to certain exploration expenditures not spent at December 31, 2022, although the benefits were renounced to shareholders. The Company incurred exploration expenditures in the nine months ended September 30, 2023 that reduced its Flow-through share premium liability.

Finance expense increased by \$507,720. The increase is due to recording the fair value of warrants associated with a \$400,000 loan advance from a company controlled by a director.

Interest on long-term debt increased by \$4,340. The increase is due to accrued interest on a Q3 2023 loan advance in the amount of \$400,000 from a company controlled by a director.

### SUMMARY OF QUARTERLY RESULTS

The following is a summary of certain consolidated financial information of the Company for the past eight quarters:

	September 30, 2023	June 30, 2023	March 31, 2023	Dec. 31, 2022
	\$	\$	\$	\$
Revenue <sup>(1)</sup>	-	-	-	-
Net income	(712,202)	(121,510)	(160,256)	11,470
Total assets	2,089,755	1,382,046	1,528,308	1,762,000
Basic and diluted loss per share	(0.01)	(0.00)	(0.00)	(0.00)

	Sept. 30, 2022	June 30, 2022	March 31, 2022	Dec. 31, 2021
	\$	\$	\$	\$
Revenue <sup>(1)</sup>	-	-	-	-
Net income	(388,863)	(420,150)	(645,686)	(414,079)
Total assets	1,664,354	1,893,036	1,612,853	2,486,547
Basic and diluted loss per share	(0.01)	(0.01)	(0.02)	(0.01)

Explanatory Notes:

(1) The Company has no revenue.

### FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2023, the Company had current assets of \$493,857 (December 31, 2022 - \$409,158) and a working capital deficiency of \$342,927 (December 31, 2022 - \$614,394).

The Company had a cash balance of \$467,524 at September 30, 2023 (December 31, 2022 - \$373,496). During the nine months ended September 30, 2023, the Company used net cash in operating activities of \$586,538 (nine months ended September 30, 2022 - \$935,543), primarily due to the operating expenses as discussed in the "Results of Operations" section.

The Company's future capital requirements will depend on many factors, including, among others, its ability to earn cash flow from operations. Should the Company wish to pursue current and future business opportunities, additional funding will be required. If additional funds are raised through the issuance of equity securities, the percentage ownership of current shareholders will be reduced and such equity securities may have rights, preferences, or privileges senior to those of the holders of the Company's

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common stock. No assurance can be given that additional financing will be available, or that it can be obtained on terms acceptable to the Company and its shareholders. If adequate funds are not available, the Company may not be able to meet its contractual requirements.

The financial statements have been prepared in accordance with IFRS applicable to a going concern, 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.

Recent financing arrangements include the following:

On April 26, 2022, the Company closed a non-brokered private placement and raised aggregate gross proceeds of \$500,000 through issuance of an aggregate of 2,000,000 flow-through units of the Company at a price of \$0.25 per unit.

On August 29, 2023, the Company closed a non-brokered private placement with a director of the Company and raised aggregate gross proceeds of \$600,000 through issuance of an aggregate of 12,000,000 flow-through units of the Company at a price of \$0.05 per unit. In addition, on August 29, 2023, the Company received funds in the amount of \$400,000 (the "Principal") from a company controlled by a director of the Company (the "Lender"). The Principal is repayable on the date which is three years from the date of advance. The Principal will accrue interest at 12% per annum, such interest calculated and payable annually in arrears ("Interest"). The Principal and Interest is secured by a perfected first priority security interest in all present and after-acquired property of the Company.

The Company intends to use proceeds from the August 29, 2023 financing to continue its exploration program on the Doc Property and to cover ongoing general and administrative expenses.

## FINANCIAL INSTRUMENTS

### Classification of financial instruments

	Ref.	September 30, 2023 \$	December 31, 2022 \$
Fair value through profit or loss financial asset	(a)	467,524	373,496
Other financial liabilities	(b)	836,784	1,023,552

(a) Comprised of cash at September 30, 2023 and December 31, 2022.

(b) Comprised of accounts payable and flow through premium liability at September 30, 2023 and December 31, 2022.

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

### Management of Financial Risk

The Company's financial instruments are exposed to certain financial risks, which include the following:

#### Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with large financial institutions. The Company does not have cash that is invested in asset backed commercial paper.



### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at September 30, 2023, the Company had a cash balance of \$467,524 and current liabilities of \$836,784. The Company currently does not have sufficient funding to meet its short-term requirements and will require additional financing to meet its long-term cash requirements.

### Foreign exchange risk

Foreign currency risk arises from fluctuations in foreign currencies versus the Canadian dollar that could adversely affect reported balances and transactions denominated in those currencies. The Company currently has no assets or liabilities and has no revenue or expenses denominated in a foreign currency, so it is not exposed to foreign currency risk.

### Interest rate risk

Interest rate risk arises from changes in market rates of interest that could adversely affect the Company. The Company currently has a fixed interest rate loan payable, so its exposure to interest rate risk is insignificant.

### Equity price risk

Equity price risk arises from market fluctuations in equity prices that could adversely affect the Company's operations. The Company's current exposure to equity price risk is limited to declines in the values and volumes including those of its own shares, which could impede its ability to raise additional funds when required.

### Capital management

The Company's equity is considered to be capital under management. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of mineral properties and to maintain a flexible capital structure at an acceptable risk.

The Board of Directors manages the capital structure and makes adjustments to its plan, based on economic and market conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, issue debt and may acquire or dispose of assets.

In order to facilitate the management of capital, the Company prepares expenditure budgets that are updated as necessary depending on factors determined by the Board of Directors. The Company is not subject to any external capital restrictions. The Company does not expect to pay out dividends in the foreseeable future. The Company's investment policy is to keep its cash on deposit in an interest-bearing major Canadian chartered bank account.

The Company is not subject to any externally imposed capital requirements. There were no changes to the Company's approach to capital management during the period ended September 30, 2023.

### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements and no long-term debt obligations.



## TRANSACTIONS WITH RELATED PARTIES

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that this consists of corporate officers, executive and non-executive members of the Corporation's Board of Directors.

During the nine months ended September 30, 2023, the Company paid and/or accrued the following amounts:

1. Management fees of \$20,250 (nine months ended September 30, 2022 - \$20,250) and exploration expense of \$114,750 (nine months ended September 30, 2022 - \$114,750) to the President and CEO of the Company.
2. Management fees of \$27,000 (nine months ended September 30, 2022 - \$67,000) to the Vice President of the Company.
3. Consulting fees of \$Nil (nine months ended September 30, 2022 - \$24,750) to a company controlled by a former CFO of the Company.
4. Consulting fees of \$68,800 (nine months ended September 30, 2022 - \$18,000) to a company controlled by the current CFO of the Company.

In addition, 250,000 stock options were issued to officers of the Company with a value of \$20,205 (nine months ended September 30, 2022 - 709,000 options with a value of \$75,868).

As at September 30, 2023, the Company had \$329,383 payable to related parties included in accounts payable and accrued liabilities (December 31, 2022 - \$255,085) as follows: a company controlled by the CEO - \$204,908, a Vice President - \$62,000, a director - \$54,600 and a company controlled by the CFO - \$7,875.

On August 29, 2023, the Company received funds in the amount of \$400,000 (the "Principal") from a company controlled by a director of the Company (the "Lender"). The Principal is repayable on the date which is three years from the date of advance. The Principal will accrue interest at 12% per annum, such interest calculated and payable annually in arrears ("Interest"). The Principal and Interest is secured by a perfected first priority security interest in all present and after-acquired property of the Company. In connection with the advance, the Company issued to the Lender 8,000,000 common share purchase warrants (each, a "Loan Warrant"), with each Loan Warrant exercisable to acquire a common share (a "Loan Warrant Share") at a price of \$0.05 per Loan Warrant Share for three years from the closing date.

The Company recorded fair value for the 8,000,000 common share purchase warrants of \$507,720 using the Black-Scholes Option Pricing Model using the following assumptions: expected life of the option: 3 years; expected volatility: 146%; expected dividend yield: 0%; and risk-free interest rate: 4.53%.

Principal repayments in each of the next three years are estimated as follows on an undiscounted basis:

	\$
2024	-
2025	-
2026	400,000
Total	400,000

During the period ended September 30, 2023, the Company accrued interest expense of \$4,340 on the Loan.

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On August 29, 2023, the Company closed a non-brokered private placement with a director of the Company and raised aggregate gross proceeds of \$600,000 through issuance of an aggregate of 12,000,000 flow-through units of the Company at a price of \$0.05 per unit. Each unit is comprised of one flow-through common share of the Company and one common share purchase warrant. Each warrant is exercisable to acquire an additional common share (which will not be issued on a flow-through basis) at a price of \$0.05 per share until August 29, 2028. The Company allocated fair value of \$Nil from share capital to warrants issued pursuant to this financing based on the residual value method.

### OUTSTANDING SHARE DATA

The following table shows the Company's share capital data as at September 30, 2023:

	<b>September 30, 2023</b>
Common shares issued (at \$0.05 per share)	3,000,000
Common shares issued (at \$0.10 per share)	3,000,000
Common shares issued (at \$0.18 per share)	12,603,266
Common shares issued (at \$0.25 per share)	2,925,648
Common shares issued for Qualifying Transaction	4,500,000
Common shares issued for Snip Property	200,000
Common shares issued on exercise of agent options	300,000
Common shares issued on stock option exercise	100,000
Common shares issued for services	268,000
Common shares issued (at \$0.40 per share)	1,276,200
Common shares issued (at \$0.44 per share)	4,128,511
Common shares issued (at \$0.40 per share)	972,500
Common shares issued on warrants exercise	100,000
Common shares issued (at \$0.20 per share)	1,395,000
Common shares issued (at \$0.25 per share)	2,274,000
Common shares issued (at \$0.25 per share)	2,000,000
Common shares issued (at \$0.05 per share)	12,000,000
<b>Total common shares issued</b>	<b>51,043,125</b>

As at September 30, 2023, the Company had 51,043,125 common shares issued and outstanding (70,175,275 on a fully diluted basis).

As at the date of this report, the Company has 51,043,125 common shares issued and outstanding. On a fully diluted basis, the Company has 70,175,275 common shares.

### Escrow shares

As at September 30, 2023, a total of Nil (December 31, 2022 – 2,276,073) common shares were subject to a CPC Escrow Agreement and a Tier 2 Exchange Escrow Agreement. Under both the CPC Escrow and Tier 2 Exchange Agreements, 10% of the escrowed common shares were released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on the dates 6, 12, 18, 24, 30 and 36 months following the Initial Release.

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### Stock options

A summary of the Company's stock option plan as at September 30, 2023 and December 31, 2022:

Description	September 30, 2023		December 31, 2022	
	Number of options	Weighted Average Exercise Price (\$)	Number of options	Weighted Average Exercise Price (\$)
Outstanding, beginning of period	3,454,000	0.25	2,745,000	0.27
Granted	250,000	0.10	709,000	0.18
Outstanding, end of period	3,704,000	0.24	3,454,000	0.25
Exercisable, end of period	3,704,000	0.24	3,454,000	0.25

As at September 30, 2023, 500,000 stock options are exercisable at \$0.10 per share expiring on April 29, 2029, 1,120,000 stock options are exercisable at \$0.20 per share expiring on August 19, 2030, 150,000 stock options are exercisable at \$0.58 per share expiring on December 8, 2025, 875,000 stock options are exercisable at \$0.40 per share expiring on January 29, 2026, 100,000 stock options are exercisable at \$0.40 per share expiring on September 1, 2026, 709,000 stock options are exercisable at \$0.18 per share expiring on June 8, 2027 and 250,000 stock options are exercisable at \$0.10 per share expiring on February 8, 2028.

### Share Purchase Warrants

A summary of the Company's share purchase warrants as at September 30, 2023 and December 31, 2022:

Description	September 30, 2023		December 31, 2022	
	Number of warrants	Weighted Average Exercise Price (\$)	Number of warrants	Weighted Average Exercise Price (\$)
Outstanding, beginning of period	27,189,225	0.32	25,489,225	0.32
Issued	12,000,000	0.05	2,000,000	0.30
Forfeited	(23,820,225)	0.33	(300,000)	0.30
Exercised	-	-	-	-
Outstanding, end of period	15,369,000	.10	27,189,225	0.32

During the nine months ended September 30, 2023, 23,820,225 share purchase warrants were forfeited. As a result, a value of \$281,413 was transferred from warrants reserve to contributed surplus.

As at September 30, 2023, 3,369,000 share purchase warrants are exercisable at \$0.30 per share expiring on December 23, 2023 under the condition mentioned above and 12,000,000 share purchase warrants are exercisable at \$0.05 per share expiring August 29, 2028.

### Compensation Options

A summary of the Company's compensation options as at September 30, 2023 and December 31, 2022:

## HANSTONE GOLD CORP.

Management's Discussion and Analysis  
For the Nine Months Ended September 30, 2023 and 2022  
(Expressed in Canadian Dollars)



Description	September 30, 2023		December 31, 2022	
	Number of options	Weighted Average Exercise Price (\$)	Number of options	Weighted Average Exercise Price (\$)
Outstanding, beginning of period	241,794	0.38	234,794	0.38
Granted	-	-	7,000	0.30
Forfeited	(182,644)	0.40	-	-
Outstanding, end of period	59,150	0.30	241,794	0.38
Exercisable, end of period	59,150	0.30	241,794	0.38

During the nine months ended September 30, 2023, 182,644 share purchase warrants were forfeited. As a result, a value of \$38,855 was transferred from warrants reserve to contributed surplus.

As at September 30, 2023, 31,150 compensation options are exercisable at \$0.30 per unit expiring on December 23, 2023 under the condition mentioned above, 21,000 compensation options are exercisable at \$0.30 per unit expiring on December 31, 2023 under the condition mentioned above and 7,000 compensation options are exercisable at \$0.30 per unit expiring on April 26, 2024.

### CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's condensed interim financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The financial statements include judgments and estimates that, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

### RISKS AND UNCERTAINTIES

See the discussion under "Risks and Uncertainties" included in the Company's annual MD&A for the year ended December 31, 2022. These risks and uncertainties remain relatively unchanged for the period ended September 30, 2023.

#### Coronavirus Global Pandemic Risk

In March 2020, the World Health Organization declared a global pandemic related to the virus known as Covid-19. The expected impacts on global commerce are anticipated to be far reaching. To date there have been significant declines in the equity markets, and the movement of people and goods has become restricted.

The Company's ability to fund ongoing operations and exploration is affected by the availability of financing. Due to market uncertainty the Company may be restricted in its ability to raise additional funding.

The impact of these factors on the Company is not yet determinable; however, they may have a material impact on the company's financial position, results of operations and cash flows in future periods. In particular, there may be heightened risk of mineral property impairment and going concern uncertainty.



## **CORPORATE GOVERNANCE**

The Company's Board and its committees follow the recommended corporate governance guidelines for public companies tailored to its size and operations to ensure transparency and accountability to shareholders. The current Board is comprised of four independent directors: Andre Douchane, Bob Hans, James Engdahl and Gary Billingsley.

## **FORWARD-LOOKING STATEMENTS**

This MD&A contains certain statements that may constitute "forward looking statements". Forward looking statements include but are not limited to, statements regarding future anticipated business developments and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company's ability to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

This MD&A includes, but is not limited to, forward-looking statements regarding the Company's plans and the Company's ability to meet its working capital needs for the next fiscal year.

Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.

## **FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES**

During the nine months ended September 30, 2023, there has been no significant change in the Company's internal control over financial reporting.

The management of the Company is responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. Management is also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's financial statements for September 30, 2023 (together the "Interim Filings").

The management of the Company has filed the Venture Issuer Basic Certificate with the Interim Filings on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.



## **APPROVAL**

The Board of Directors of the Company has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

## **ADDITIONAL INFORMATION**

Additional information pertaining to the Company is available on the SEDAR website at [www.sedarplus.ca](http://www.sedarplus.ca).