



MANAGEMENT DISCUSSION & ANALYSIS

Year Ended December 31, 2022 and 2021

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MANAGEMENT DISCUSSION & ANALYSIS

This Management Discussion and Analysis (“MD&A”) of Elevation Gold Mining Corporation (the “Company” or “Elevation”), has been prepared by management and approved by the Board of Directors as of April 28, 2023 and contains information that management believes is relevant to an assessment and understanding of the Company’s financial position and the results of its operations and cash flows for the year ended December 31, 2022 and 2021. This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2022 and 2021, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

Additional information, including this MD&A, the audited consolidated financial statements for the year ended December 31, 2022 and 2021, press releases, and other corporate filings are available on the SEDAR website, www.sedar.com, and the Company’s website, www.elevationgold.com.

This MD&A contains certain non-IFRS measures. The Company believes these measures, in addition to information prepared in accordance with IFRS, provide investors with useful information to assist in their evaluation of the Company’s performance and ability to generate cash flow from its operations. While these measures are intended to provide additional information, they should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS, as they do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers. References in this MD&A to total cash costs, all-in sustaining costs (“AISC”), average realized gold price, and per ounce equivalents are all considered non-IFRS measures and for further details on these metrics, refer to the section *Non-IFRS Measures*.

This MD&A contains forward-looking statements and should be read in conjunction with the risk factors outlined in the *Risk Factors* and *Forward-Looking Statements* sections. This MD&A provides management’s analysis of historical financial and operating results and provides estimates of the Company’s future financial and operating performance based on information currently available. Actual results will vary from estimates and variances may be significant. Readers should be aware that historical results are not necessarily indicative of future performance.

All dollar amounts in this MD&A are expressed in U.S. dollars (“\$”) unless otherwise noted. References to “CAD \$” are to the Canadian dollar.

COMPANY OVERVIEW

Elevation is a publicly listed gold and silver producer, engaged in the operation, acquisition, exploration and development of mineral properties located in the United States. The Company is incorporated under the laws of British Columbia, Canada and maintains its corporate head office at Suite 1920 – 1188 West Georgia Street, Vancouver, British Columbia, Canada. Elevation’s common shares are listed on the TSX Venture Exchange (“TSXV”) in Canada under the ticker symbol ELVT and on the OTCQX in the United States under the ticker symbol EVGDF.

The Company’s principal operation is the 100% owned Moss Mine in Mohave County, Arizona. Elevation also holds the title to the Hercules exploration property, located in Lyon County, Nevada, which is a prospective gold exploration project. The Company’s management and technical team are proven professionals with extensive experience in all the aspects of mineral exploration, mine development, operations and capital markets. Key strategic priorities for the Company are to increase production, reduce costs and increase efficiency, grow the Moss Mine and Hercules reserves and to consider other projects leading to the long-term growth of the Company and shareholder value creation. Effective September 24, 2021, the Company changed its name from Northern Vertex Mining Corp. to Elevation Gold Mining Corporation. Prior to the change in the Company’s name, the Company’s common shares were trading on the TSXV under the ticker symbol NEE. At the same time, the Company also completed a consolidation of the issued and outstanding common shares based on one post-consolidation common share for every six pre-consolidation common shares. The common shares of the Company commenced trading on the TSX Venture Exchange on a post-consolidation basis on September 24, 2021. The exercise or conversion price and the number of shares issuable under the Company’s outstanding stock options and convertible instruments were proportionately adjusted upon completion of the share

consolidation. All information relating to earnings/loss per share, issued and outstanding common shares, share options and warrants, and per share amounts in this MD&A have been adjusted retrospectively to reflect the share consolidation.

CONSOLIDATED RESULTS SUMMARY

The following are financial and operational highlights for the year ending December 31, 2022. Additional information and comparisons to prior periods is provided throughout this MD&A.

- Elevation produced 31,094 ounces of gold and 160,480 ounces of silver during 2022 from 2,976,281 ore tonnes processed with average grades of 0.45 g/t gold and 3.47 g/t silver. Gold ounces produced in 2022 was a 7% increase from 2021.
- The Company generated total revenue of \$62.0 million on 31,666 ounces of gold and 257,659 ounces of silver sold. The average realized price of gold per ounce sold ⁽¹⁾ was \$1,786. Gold ounces sold in 2022 was a 9% increase from 2021.
- Income from mine operations before depreciation and depletion of \$2.4 million.
- Total Cash Costs per ounce of gold sold ⁽¹⁾ of \$1,660 and all-in sustaining costs (“AISC”) per ounce of gold sold ⁽¹⁾ of \$2,115 for 2022. For further details refer to the *Non-IFRS Measures* section in this MD&A.
- In October 31, 2022, the Company announced the final set of results from the drilling campaign completed in the first half of 2022, including 48.8 meters of 0.63 g/t Au and 3.79 g/t Ag and 53.3 meters of 0.49 g/t Au and 4.24 g/t Ag, both holes returning from Center Pit.

⁽¹⁾ This is a non-IFRS measure, for further information refer to the *Non-IFRS Measures* section in this MD&A.

RECENT CORPORATE DEVELOPMENTS

Completion of Public Offering and Debt Settlement

During the year ended December 31, 2022, the Company completed an equity financing, whereby a total of 43,301,000 units of the Company were issued at a price of CAD \$0.53 per unit for total gross proceeds of \$18.3 million. Each unit consists of one common share in the capital of the Company and one common share purchase warrant, each warrant entitling the holder to acquire an additional common share of the Company at an exercise price of CAD \$0.70 until March 24, 2027. The Company paid a total of \$1.2 million in cash for broker commissions, regulatory fees and legal expenses related to the financing. As consideration for services performed in connection with the equity financing, the broker received a total of 284,310 units and 2,313,750 broker warrants. The broker warrants have an exercise price of CAD \$0.53 per share and an expiry date of 2 years from the date of grant. For a reconciliation of the use of net proceeds see section *Liquidity, Capital Resources and Going Concern*. Concurrent with the closing of the equity financing, the Company issued an aggregate of 5,592,890 additional units (“Debt Settlement Units”) in partial settlement of certain short-term loans. The fair value of the Debt Settlement Units totalled \$2.4 million, which was applied to outstanding principal and interest on the short-term loans. The terms and conditions of these units are identical to the terms above. As consideration for services performed in connection with the debt settlement, the broker received a total of 167,787 units and 167,787 broker warrants. The broker warrants have an exercise price of CAD \$0.53 per share and an expiry date of 2 years from the date of grant.

Impact and Risks Associated with the Global Coronavirus Pandemic (“COVID-19”) and Russian – Ukraine Conflict

The COVID-19 pandemic has significantly impacted the global economy, disrupted global supply chains, and created significant volatility in the financial markets. To date, the impact of COVID-19 on Elevation’s operational and financial performance has been effectively minimized through a combination of controls, strict safety protocols, and as a result of our operations being located in a well populated area, near high metropolitan areas with ample supply sources and excellent infrastructure in the USA.

These measures have included monitoring employees and contractors for illness, physical distancing measures, implementation of remote work and video conferencing, cancellation of non-essential travel, screening questionnaires, adherence to mask mandates, and routine sanitation and deep cleaning of the workplace spaces. The Company continues to monitor lead times on critical spare parts and supplies and consumables and will consider bulk inventory purchases in the future if appropriate.

While the Company has not yet been significantly impacted by COVID-19, additional government or regulatory actions or inactions, in the future, around the world in jurisdictions where the Company or its suppliers operate may also have a potential significant, economic, and social impact. If the Company's operations are disrupted or suspended because of these or other measures, it may have a material adverse effect on the Company's business, results of operations and financial performance. The extent to which COVID-19 may impact the Company's future business and operations will depend on future developments that are highly uncertain and cannot be accurately estimated at this time.

During the year ended December 31, 2022, continuing risks associated with global inflation and supply chain delivery were further heightened by the Russian – Ukraine conflict. Inflationary increases on energy, fuel, and consumables have impacted operating costs and are expected to continue to do so into 2023. The Company continues to implement procurement strategies to mitigate the impact and to continue to monitor these risks, including review of how to optimize consumables used in the processing of ore and reduce cyanide and other consumables, unlocking the potential of our newly built production wells to nearly eliminate the purchase of water, and installation of a new fuel management system soon to help ensure proper fuel controls and minimize waste.

OUTLOOK

During 2022, the Company completed a number of key capital projects including the completion of the construction of the new heap leach pad 2C and constructed two new production water wells. The Company also completed five new monitoring wells in 2022. The monitoring wells were a requirement of our Aquifer Protection Permit, while the production water wells secure water for operations at the Moss Mine.

The Company continues to focus on overall efficiencies and enhancements including sourcing higher-grade ore material from East Pit. For Q4 2022, the mine averaged 8,027 stacked ore tonnes per day, which is in-line with the YTD 2022 average of 8,154 stacked ore tonnes per day, an 8% betterment than YTD 2021. By improving quality control from mine drilling and blasting and oversight on scheduled crusher maintenance, the Company looks ahead to continually improve crusher throughput.

The Company commenced an exploration program in the Florence Hill and the surrounding areas and continued a reverse-circulation ("RC") drilling program during 2022 at the Moss Mine. Both recent exploration programs are discussed further in the *Exploration* section in this MD&A.

EXTERNAL PERFORMANCE DRIVER AND TRENDS

The price of gold is a significant factor in determining the Company's profitability, financial performance, and cash flow from operations. The price of gold is subject to volatile price fluctuations and can be affected by numerous economic conditions including supply and demand, interest rates, and global and political issues, such as the ongoing COVID-19 pandemic and, most recently, the Ukraine-Russia conflict. Management considers the gold price outlook for 2023 and longer-term to be favourable. As of December 31, 2022, the price of gold closed at \$1,812 per ounce. The average spot gold price for 2022 was \$1,801 (the average for the year ended December 31, 2021: \$1,799). Despite continued volatility the overall price of gold continues to trade at a historically high value; however, longer term periods of lower gold price would result in reduced profitability, financial performance, and cash flow from operations for the Company.

REVIEW OF MINING AND PROCESSING OPERATIONS

The Company operates an open pit mine and extracts precious metals with a heap leach and Merrill Crowe circuit to produce gold and silver doré. The table below presents operational highlights for the periods presented.

		Q4 2022	Q4 2021	YTD 2022	YTD 2021
Mining					
Ore mined	t	723,418	690,967	2,963,038	2,810,037
Waste mined	t	954,845	1,552,240	5,486,747	5,624,800
Total mined	t	1,678,263	2,243,207	8,449,785	8,434,838
Strip ratio	waste/ore	1.32	2.25	1.85	2.00
Crushing					
Tonnes stacked	t	738,478	710,173	2,976,281	2,757,861
Tonnes stacked per day (average)	tpd	8,027	7,961	8,154	7,556
Contained gold ounces stacked	oz	12,540	8,610	43,401	38,268
Contained silver ounces stacked	oz	93,266	121,048	331,875	527,254
Gold grade	g/t	0.53	0.37	0.45	0.43
Silver grade	g/t	3.93	5.14	3.47	5.95
Processing					
Merrill Crowe efficiency – gold	%	99	99	98	99
Gold ounces produced	oz	9,183	6,739	31,094	29,107
Silver ounces produced	oz	52,329	35,960	160,480	229,212
Sales					
Gold ounces sold	oz	9,060	6,795	31,666	29,175
Silver ounces sold ⁽¹⁾	oz	67,624	66,460	257,659	266,088

⁽¹⁾ Includes silver ounces purchased and sold to the final customer in accordance with the silver streaming agreement.

Mining

During Q4 2022, a total of 723,418 tonnes (2021: 690,967) of ore was mined at a strip ratio of 1.32 (2021: 2.25). Average grade mined increased by 43% to 0.53 grams per tonne (“g/t”) gold in Q4 2022 (2021: 0.37 g/t). For YTD 2022, 2,963,038 tonnes of ore was mined at an average mined head grade of 0.45 g/t (2021: 0.43 g/t). The Company moved a total of 8,449,785 tonnes for YTD 2022 (2021: 8,434,838).

The total tonnes mined during the recent period were lower than planned primarily due to a change in mining contractor which resulted in a decrease in production during the transition period. Despite this, East pit ore deliveries continued throughout the quarter, leading to the highest-grade quarter in 2022. During the quarter 37% of the ore delivered was from the East pit. However, the planned additional layback for the East pit in Q4 2022 was delayed and has now been rescheduled for Q1 2023. As a result, there will be a need for additional waste tonnes to be moved during H1 2023 to complete the layback. In H1 2023, we expect lower grades as a higher percentage of ore delivery will be from the West pit as the layback is completed.

Crushing and Stacking

During Q4 2022, the average crushing rate was 8,027 tonnes per day (2021: 7,961), resulting in a total of 738,478 crushed tonnes (2021: 710,173) at an average gold grade of 0.53 g/t (2021: 0.37 g/t) and an average silver grade of 3.93 g/t (5.14 g/t). For the year ended December 31, 2022, the average crushing rate was 8,154 tonnes per day (2021: 7,556), resulting in a total of 2,976,281 crushed tonnes (2021: 2,757,861) at an average gold grade of 0.45 g/t (2021: 0.43 g/t) and an average silver grade of 3.47 g/t (2021: 5.95 g/t).

The Company continues to see the benefit from higher-grade East Pit ore as stacked gold totaled 12,540 ounces for the quarter, a 46% increase from Q4 2021 although stacked silver totaled 93,266 for the quarter, a 23% drop from Q4 2021 as a result of mining locations.

For the year ended December 31, 2022 crushed tonnes were 8% higher than the year ended December 31, 2021 even with the Q4 change in mining contractor as a result of Management's continued focus on improved fragmentation and operational efficiencies feeding the crusher. Construction of additional heap leach pad space, Pad 2C, was completed in Q3 2022.

Processing

During Q4 2022, a total of 9,183 gold ounces and 52,329 silver ounces were produced (2021: 6,739 gold ounces and 35,960 silver ounces), a result of better gold grade and stacking rates discussed above. For the year ended December 31, 2022, a total of 31,094 gold ounces and 160,480 silver ounces were produced (2021: 29,107 gold ounces and 229,212 silver ounces).

The Merrill Crowe recovery process remained highly efficient for both periods presented, averaging 99% in Q4 2022 equal to the 99% obtained in Q4 2021. During Q4 2022, the first lift was stacked and put under leach on the newly constructed Pad 2C. Stacking will return to Pad 2C in Q2 2023 after completing the planned stacking on Pad 3A Phase 1.

FINANCIAL RESULTS

The net income (loss) for the three months and year ended December 31, 2022 and 2021 is comprised of the following items:

<i>(in thousands of dollars)</i>	Q4 2022	Q4 2021	YTD 2022	YTD 2021
Revenue	\$ 17,108	\$ 13,759	\$ 62,008	\$ 58,845
Production costs	(13,467)	(14,584)	(56,396)	(43,996)
Royalties	(952)	(673)	(3,196)	(3,111)
Mine operating income (loss) before depreciation and depletion	2,689	(1,498)	2,416	11,738
Depreciation and depletion	(4,463)	(2,578)	(10,310)	(8,754)
Income (loss) earnings from mine operations	(1,774)	(4,076)	(7,894)	2,984
Corporate administrative expenses	(712)	(1,115)	(3,429)	(4,963)
Finance costs	(1,585)	(1,707)	(6,646)	(5,683)
Gain (loss) on revaluation of derivative liabilities	(5,167)	7,869	8,097	11,067
Impairment of mineral properties	-	-	(33,850)	-
Other	(52)	(97)	114	170
Income (loss) for the period	\$ (9,290)	\$ 874	\$ (43,608)	\$ 3,575

Elevation continues to benefit from historically high gold prices. Average realized gold per ounce sold for Q4 2022 was \$1,732, compared to \$1,804 for Q4 2021. During Q4 2022, the Company sold a total of 9,060 gold ounces and 67,624 silver ounces for total revenue of \$17.1 million (an increase of 24% from Q4 2021). For Q4 2021, the Company sold 6,795 ounces of gold and 66,460 ounces of silver for total revenue of \$13.8 million. Average realized gold per ounce sold for the year ended December 31, 2022 was \$1,786, compared to \$1,796 for the year ended December 31, 2021. During 2022, the Company sold a total of 31,666 gold ounces and 257,659 silver ounces for total revenue of \$62.0 million. For the comparative period in 2021, the Company sold 29,175 ounces of gold and 266,088 ounces of silver for total revenue of \$58.8 million.

Production costs are comprised of mining, processing, maintenance, site administration and site share-based compensation, net of inventory changes and include write-downs of inventories due to net realizable value impairments. The table below provides a breakdown of major components of the Company's production costs:

	Q4 2022	Q4 2021	YTD 2022	YTD 2021
Contractors and outside services	\$ 7,249	\$ 6,823	\$ 28,273	\$ 25,998
Employee compensation and benefits expense	2,318	2,078	8,915	8,040
Materials and consumables	2,996	2,503	11,612	8,150
Other expenses	1,837	1,625	5,829	5,283
Share-based compensation	53	130	215	72
	14,453	13,159	54,844	47,543
Changes in inventories	(986)	1,425	1,552	(3,547)
	\$ 13,467	\$ 14,584	\$ 56,396	\$ 43,996

- Contractors and outside services increased by 8.8% for the YTD 2022 compared to YTD 2021, and 6.2% in Q4 2022 compared to Q4 2021, which was driven by a change in mining contractor in Q4 resulting in mobilization and demobilization charges.
- Employee compensation and benefits for the three months and year ended December 31, 2022 are higher compared to the prior periods due to improvements to employee incentive programs during 2022 and refunds received for certain employee benefits in 2021.
- Materials and consumables for the three months and year ended December 31, 2022 are higher when compared to the prior periods. The Company spent an additional \$0.5 million in material and consumable costs (including increased use in diesel, water purchases, cyanide and other agents used in production) in Q4 2022 when compared to Q4 2021 and \$3.5 million YTD 2022 when compared to YTD 2021. Since the Company's new water production wells came online in Q3 2022, the Company has seen a reduction of outside water purchases for its operations moving forward. In addition, costs for diesel and fuel reached their highest per unit pricing in Q2 2022 but the Company has seen a reduction in these costs during Q4 2022. However, some costs for reagents have not retreated, including cyanide, lime, and other reagents and the Company expects these costs to continue to be at historically high per unit prices. Elevation continues to review utilization of all its consumables to maintain optimal usage rates and reduce expenditures.
- Other expenses and share-based compensation are consistent for each of the periods presented.
- The Company had an inventory recovery of \$1.0 million in Q4 2022 (a charge of \$1.4 million in Q4 2021) and an inventory charge of \$1,552 for YTD 2022 (a recovery of \$3.5 million for YTD 2021). Charges (and recoveries) related to inventory changes will fluctuate from period to period and reflect events such as increases or drawdowns of physical inventory carried by the Company, increases or reduction of inventory costs, and net realizable value adjustments. During the six months ended June 30, 2022, the Company incurred an inventory net realizable value impairment charge of approximately \$5.8 million. During Q3 and Q4 of 2022, due to lower per ounce costs and higher production in the period, the Company reversed \$2.7 million and \$1.5 million respectively from production costs to inventory, resulting in a net impairment of \$1.6 million for the year ended December 31, 2022. All impairments and reversal of impairments are included in changes in inventories and part of production costs.

Depletable mineral properties and most assets included in plant and equipment are depleted on a units of production basis over the life of the mine. Depletion and depreciation rates for all periods are consistent with units of contained gold ounces stacked on the heap leach and increased depreciation and depletion expense reflects changes in the Company's life of mine plan.

Increase in royalty expenses for Q4 2022 is directly correlated to increases in total revenue.

The decrease in corporate administrative expenses for YTD 2022 is driven by a one-time severance payment of \$0.9 million occurring in Q1 2021 and a reduction in marketing activities and consulting/legal expenditures relating to group

restructuring throughout 2022. The decrease in marketing and consulting/legal expenditures is also the driver for the decrease in corporate administrative expenses for Q4 2022.

Increases in finance costs during the year ended December 31, 2022 compared to 2021 are directly related to the Company's decreased silver production and increased gold production driving up finance costs related to the silver stream agreement terms and finance charges on the gold prepayment which the Company entered into in Q1 2022.

Gain (loss) on revaluation of derivative liabilities includes the changes to the silver stream embedded derivative, the warrant derivatives, and the convertible debenture derivatives. The silver stream embedded derivative is valued using a Monte Carlo simulation valuation model that uses key inputs including silver forward curve prices, long-term silver production volatility, anticipated silver production, and other metrics. The warrant and convertible debenture derivatives are calculated using a Black-Scholes option model and use key inputs such as share price and volatility. Changes to the valuation of derivatives can be material from period to period. The loss on revaluation for the quarter included a \$5.5 million loss on the silver stream derivative driven by an increase in the forward silver price. The gain on revaluation for 2022 included a \$7.0 million gain on the warrant derivative, a \$0.4 million gain on the convertible debenture derivative, both of which were driven by a reduction in the Company's share price, and a \$0.8 million gain on the silver stream derivative caused by a decrease in the forward silver price.

At June 30, 2022, the Company recognized a non-cash impairment of mineral properties of \$33.9 million (2021: \$Nil), of which \$21.5 million was recorded in depletable mineral properties and \$12.3 million in non-depletable mineral properties. Management completed an assessment of impairment indicators for the Moss Mine cash generating unit ("CGU"), as the Company's market capitalization fell below the carrying value of net assets. Accordingly, the Company estimated the recoverable amounts of the CGU and compared them to the carrying value of the CGU. The recoverable amount of the CGU was based on a fair value less cost of disposal method using discounted cash flow models. Upon completion of the Company's impairment assessment, it was determined that the Moss Mine CGU was impaired by a total of \$33.9 million, which resulted in a charge of the same amount to the Company's statement of income and loss and is included in the YTD 2022 period.

The projected cash flows used in impairment testing are significantly affected by changes in assumptions. Key assumptions included by management in the discounted cash-flow model included a gold price ranging from \$1,750 to \$1,800 per ounce, gold and silver recoveries of 80% and 43%, respectively, as indicated in life of mine plans, and a real after-tax discount rate of 5%. Management's estimates of the recoveries are prepared by or under the supervision of and verified by Qualified Persons as defined in National Instrument 43-101 of the Canadian Securities Administrators (management's experts). The Company performed a sensitivity analysis on these key assumptions. Based on the impairment testing performed at June 30, 2022, the sensitivity to changes in these key assumptions is as follows:

- a 10% decrease in the short and long term gold price would result in an additional impairment of \$14.7 million,
- a 10% decrease in gold recoveries would result in an additional impairment of \$17.4 million, and
- a 5% increase in the real after-tax discount rate would result in an additional impairment of \$4.1 million.

The Company completed an assessment as of December 31, 2022 and did not identify any additional impairment indicators.

SELECTED ANNUAL INFORMATION

The following selected annual financial information is derived from the audited Financial Statements of the Company for the three most recently completed financial years:

	Year Ended December 31, 2022	Year Ended December 31, 2021	Six Months Ended December 31, 2020
Revenue	\$ 62,008	\$ 58,845	\$ 52,739
Net income (loss)	(43,608)	3,575	(7,108)
Basic income (loss) per share	(0.44)	0.06	(0.03)
Diluted income (loss) per share	(0.44)	0.02	(0.03)
Total assets	113,931	140,983	106,434
Total non-current financial liabilities	32,893	33,336	36,772

The net loss and the decrease in total assets in 2022 were the result of the Company recognizing a non-cash impairment of mineral properties of \$33.9 million. The increase in total assets between 2020 and 2021 was due to the acquisition of Eclipse Gold Mining Corp. and its wholly owned subsidiaries for a fair value of \$39.4 million.

Relative decreases in revenue for the years ended December 31, 2022 and 2021 compared to the six months ended December 31, 2020 were driven by decreases in grade, averaging 0.62 g/t in 2020 compared to 0.43 and 0.45 in 2021 and 2022, respectively.

EXPLORATION

Greenfields Exploration Program

In July 2022, the Company commenced a planned 3,800-meter diamond core drilling program to test several high-priority targets at Florence Hill, Grapevine, and the Hardy Vein. As of December 31, 2022, three diamond core holes for 2,064 meters have been completed, two at Florence Hill and one at the Hardy vein target. The initial hole at Florence Hill (FH22-001), which was intended to test both the extension of the West Oatman and Gold Road epithermal vein structures in the Florence Hill area and as well as the cause of the extensive surface advanced argillic alteration in this area, has been completed at almost 1,100-meter in total depth. The drill hole was terminated in promising highly altered rock due to drill rig limitations. The second hole at Florence Hill (FH22-002) was completed to 570-meters and targeted the extension of the West Oatman and Gold Road epithermal vein structures. It intersected a 2.4-meter-thick vein structure at 297-meters down the hole. One hole has been completed at the Hardy vein area (HV22-001) with a total depth of 396 meters. The hole targeted an approximately 3-meter-thick quartz-calcite vein with an associated 30-meter-thick footwall stockworks zone. It intersected a 3-meter-thick quartz-calcite vein at 95 meters downhole, and numerous associated footwall veins up to approximately 1-meter-thick to a downhole depth of approximately 188 meters. Core from all three completed holes has been logged in detail and has been shipped to several independent laboratories for assay and geochemical analysis. Complete analytical results for all three holes are outstanding. The core drilling program has continued into Q1 of 2023 with additional holes being drilled at Florence Hill and in the Grapevine area. Key information discovered from this drill program will be used to target further drilling at Florence Hill and similar targets in the area.

Q4 2022 Near-Mine Drilling Program

A reverse circulation (RC) drill rig returned to the Moss Mine in November 2022 to begin a follow-up drill campaign focused on drilling the area between the crusher and the Center pit, and on exploring the Mordor/West Pit extension and the Reynolds pit/Mid-West extension areas. Previous drilling results indicate the presence of gold mineralization in and adjacent to the Ruth Vein under and adjacent to the Moss Mine crusher facility and indicate a continuation of the gold mineralization in the West pit trending through the Mordor area to the Reynolds pit area. The Mordor and Reynolds pit areas to the west and south of the West pit contain limited drilling information. In Q4 of 2022, a total of twelve RC holes totaling 2,637 meters were drilled at the Mordor and Reynolds pit areas. All samples have been shipped to an independent laboratory for gold and silver assays. Assay results are expected in H1 2023. The program continued into Q1 2023 with additional holes being drilled at the Reynolds pit area and the area between the crusher and Center pit.

Summary on Periodic Updates from Infill and Near-Mine Exploration Program from H1 2022 and Greenfields Exploration Program from Q4 2022

Exploration work in the first half of 2022 was focused on infill and near-mine drilling at the Moss Mine (completed in May 2022), when the Company completed a total of 68 RC drill holes totalling 17,197 meters, of which approximately 46% of the meters drilled were in the West Pit or the West Pit extension, 17% were drilled underneath the Center Pit, 10% were in the East Pit extension, and the remaining 27% were related to condemnation drilling beneath the proposed heap leach 3B pad. Results of that program are summarized below, as are summaries of periodic updates on the greenfields exploration program.

On November 15, 2022, the Company provided an update on its Florence Hill drill program. Two holes had been drilled to date, with a third, following up on the first completed hole, in progress. Assays are pending for all holes but are expected to be received during 2023.

- The first drill hole (FH22-001), drilled into the main Florence Hill exploration target, intersected significant structurally hosted epithermal quartz-calcite-(gypsum) veinlets at the top of the hole, along strike of the nearby Gold Road and West Oatman Veins. In addition, the hole intersected porphyry-style alteration transitioning from propylitic to phyllic accompanied by an increase in alteration intensity with downhole depth.
- The second drill hole (HV22-001), drilled into the Hardy Vein target approximately 1,300 meters to the west of the main Florence Hill target, intersected a three meter-thick epithermal quartz-calcite vein within a more than 90 meters thick zone of vein stockwork at depths of between 94-187 meters downhole. The vein and vein stockwork intersected in this drill hole is similar to the Moss Vein and mineralized epithermal veins historically mined in the Oatman District (e.g., Ransome, 1923).
- A third drill hole (FH22-002) is currently underway on the main Florence Hill target which is testing, at depth, the epithermal veining intersected at the top of FH22-001.
- The Company is investigating the relationship between the strong alteration intersected in drill hole FH22-001, geomagnetic and radiometric anomalies, and surface geochemistry results for follow-up drilling optimization.

The first diamond drill hole (FH22-001) at the Florence Hill project was collared southeast of the topographic feature known as Florence Hill, primarily targeting steeply dipping, northwest striking structures hosting epithermal quartz-calcite veins, including the structures that host the Gold Road deposit, approximately 3,600 meters to the southeast, and the West Oatman vein, approximately 1,300 meters to the northwest. The hole was drilled to the northeast with a dip of -45 degrees and was completed to a downhole depth of almost 1,100 meters.

The drill hole intersected fault-hosted epithermal veining in the upper 370 meters, including several intermittent vein stockwork zones in the first 30 meters, followed by variably altered volcanic and intrusive host rock to depth of drilling. Hydrothermal alteration displays an apparent transition to higher temperature porphyry-style alteration (propylitic to phyllic), accompanied by an increase in alteration intensity, with depth.

The hole was originally planned to end at a downhole depth of around 610 meters but was extended due to the presence and transitional nature of the hydrothermal alteration intersected, and the apparent “vectoring” of the alteration assemblages towards magnetic and radiometric geophysical anomalies, generated in the recently completed Moss Project airborne geophysical survey.

Detailed core logging has been completed. Cutting and sampling of the drill core is ongoing, and samples are being shipped to the ALS Global laboratory in Tucson, Arizona for multi-element plus gold analysis. Results are expected to be received in 2023.

Core drilling on the second diamond drill hole in the Florence Hill area has been completed. The second hole (HV22-001) collared approximately 1,300 meters west of FH22-001, on the Company’s patented claims (also known as the “McCullough” patents). Hole HV22-001 was drilled on an azimuth to the south-southeast (162 degrees) and a dip of -45 degrees, targeting the Hardy Vein and associated stockworks veining. Hole HV22-001 intersected intermittent

structurally-hosted quartz-calcite stockworks, followed by a three-meter-thick epithermal quartz-calcite vein at a depth of around 95 meters downhole. Intermittent quartz-calcite-fluorite veining and stockwork zones up to approximately one meter thick are present to almost 190 meters downhole. The hole was completed to a downhole depth of 396 meters. Detailed core logging, cutting, and sampling is ongoing, when complete, samples will be shipped to ALS Global in Tucson, AZ.

The third diamond drill hole of the project has been collared approximately 270 meters southwest of hole FH22-001. The hole has been planned to test the deeper parts of the significant quartz-calcite vein stockwork structure intersected in the upper 30 meters of hole FH22-001. This hole will test the Company's thesis that the structure is potentially the continuation of the structural zone that hosts the Gold Road deposit to the southeast and the West Oatman vein to the northwest.

Following completion of the third hole, Elevation Gold plans to move the drill to the northside of Florence Hill to better access the anomalies highlighted in the recent airborne geophysical survey, and to test a target in the Grapevine area that has been recently identified via reconnaissance geologic mapping. The Grapevine area is approximately 2,300 meters from the main Florence Hill exploration target and is characterized by steep quartz veining cutting stockwork associated with jarosite, quartz, kaolinite, and sericite. The Company plans on drilling two holes to test the geophysical anomalies in the main Florence Hill exploration target area (one into each of the magnetic and radiometric features of interest), as well as one hole to test the veining and stockwork zone in the Grapevine area.

On October 31, 2022, the Company announced the final set of results from the drilling campaign completed in the first half of 2022 – a total of 26 near-mine RC drill holes which contained several significant intersections of mineralization, including 48.8 meters grading 0.63 g/t gold ("Au") and 3.79 g/t silver ("Ag") (AR22-640R) and 53.3 metres grading 0.49 g/t Au and 4.24 g/t Ag (AR22-641R), both holes returned from Center Pit. See news release for complete assay results and links to maps and cross sections).

- Results of the Center Pit drilling included holes that were drilled in fans across three section lines to in-fill gaps, and to explore potential economic mineralization beneath the Moss Mine crusher facility. Four holes targeted the Moss vein, while seven holes targeted the Ruth vein. All but one of these holes interested significant gold mineralization, including the holes identified in the paragraph above.
- In-fill drilling in the West Pit continues to intersect thick zones of lower-grade ore. Fan patterns were drilled across the West Pit to in-fill areas lacking definition, and to drill beneath the West Pit mine plan. Most of these holes intersected thick stockwork zones containing gold above the Moss Mine ore control cut-off grade of 0.26 g/t. Hole AR22-636R drilled along Line 2W intersected 147.83 meters grading 0.31 g/t Au, 5.61 g/t Ag. Several zones of higher-grade material were intersected within this broad zone of stockwork mineralization, including 4.57 meters grading 1.34 g/t Au and 4.20 g/t Ag; 3.05 meters grading 1.13 g/t Au and 3.15 g/t Ag; and 6.10 meters grading 0.88 g/t Au and 44.10 g/t Ag.
- Condemnation drilling in the proposed 3B leach pad area (north of leach pad 3A) resulted in several intersections containing significant mineralization. The Mordor extension area west of the current West Pit looks especially promising and could help to connect the West Pit with the Mid-West Extension area. Note drillhole AR20-253R, drilled in 2020 in the Mid-West Extension area, intersected 45.72 meters grading 0.32 g/t Au 1.21 g/t Ag, and 4.57 meters grading 0.44 g/t Au, 1.53 g/t Ag, and 3.05 meters grading 1.18 g/t Au, 0.70 g/t Ag, and 4.57 meters grading 0.54 g/t Au, 0.77 g/t Ag. Hole AR22-618R, drilled approximately 198 meters southwest of the western crest of the West Pit, returned 21.34 meters grading 1.12 g/t Au, 2.75 g/t Ag, including 9.14 meters grading 2.03 g/t Au, 4.10 g/t Ag, starting from the surface. This hole was drilled near holes AR22-616R and AR22-617R, which were previously disclosed by Elevation Gold (see press release dated July 25, 2022).

On July 25, 2022, Elevation provided an additional update on the Company's infill and resource expansion drilling program at the Moss Mine. Results discussed included those from infill drilling below the active West Pit, the Eastern Extension, as well as condemnation drilling in the proposed 3B Leach Pad area. For a listing of full drill results, notes, and links to drill hole and location maps refer to the Company's news release available on the Company's website or on SEDAR. Highlights from the release include the following:

- Infill drilling continues to indicate the presence of broad intersections of stockwork and vein-hosted mineralization beneath the active West Pit. Stockwork mineralization was intersected from surface down to almost 160 meters below surface in this tranche of drilling, including:
 - Drillhole AR22-613R intersected 60.96 meters of hanging wall stockwork grading 0.54 g/t gold and 5.13 g/t silver, including 10.67 meters grading 1.00 g/t gold and 6.80 g/t silver, starting from surface, and a further 41.15 meters grading 0.30 g/t gold and 7.70 g/t silver from a depth of approximately 80 meters below surface.
 - Drillhole AR22-606R intersected 138.68 meters of hanging wall stockwork mineralization grading 0.38 g/t gold and 0.93 g/t silver, including 3.05 meters grading 3.35 g/t gold and 1.60 g/t silver, and 4.57 meters grading 0.85 g/t gold and 1.47 g/t silver, starting around seven meters below surface.
- Drilling approximately 100 meters to the east of the current East Pit intersected stockwork and vein-hosted epithermal gold-silver mineralization in the Moss Vein from a depth of about 110 meters below surface. The vein appears to increase in thickness and grade with depth, being blind at surface in this area. Additional drilling is being planned to further explore the Moss Vein to the east of the current East Pit.
 - Drillhole AR22-579R intersected 32.00 meters of stockwork and vein-hosted mineralization grading 0.84 g/t gold and 10.91 g/t silver, including 12.19 meters grading 1.56 g/t gold and 20.70 g/t silver, from a depth of approximately 150 meters below surface.
- Stockwork and vein-hosted epithermal gold and silver mineralization was intersected in nine of the ten condemnation drillholes drilled in the proposed 3B Leach Pad area. Drillhole intersections are mainly of low grade stockwork mineralization ranging from more than a meter to almost 40 meters in downhole thickness. Mineralization that may be related to the north-dipping Mordor Vein was intersected at depths of between approximately 22 meters and 58 meters below surface in drillholes AR22-616R and AR22-617R, approximately 400 meters to the west of the active West Pit.
 - Drillhole AR22-616R intersected 18.29 meters grading 0.50 g/t gold and 2.23 g/t silver from a depth of around 22 meters below surface.
 - Drillhole AR22-617R intersected 25.91 meters grading 0.53 g/t gold and 4.16 g/t silver. Including 4.57 meters grading 1.54 g/t gold and 6.90 g/t silver from a depth of about 58 meters below surface.

On May 3, 2022, Elevation announced the results of several drill holes completed in late 2021 and early 2022, which focused on infill and resource expansion drilling targeting the Moss and Ruth Veins and associated hanging wall stockwork beneath and adjacent to the West Pit, as well as condemnation drilling in the proposed heap leach pad 3B area. For a listing of full drill results, notes, and links to drill hole and location maps refer to the Company's news release available on the Company's website or on SEDAR. Highlights from the release include the following drill holes:

- Drillhole AR21-562R intersected 344.42 meters of hanging wall stockwork mineralization grading 0.31 g/t Au and 1.12 g/t silver ("Ag"), starting at surface.
- Drillhole AR21-560R intersected 137.16 meters of hanging wall stockwork mineralization grading 0.30 g/t Au and 1.92 g/t Ag starting at surface, including 22.86 meters grading 0.47 g/t Au and 1.35 g/t Ag.
- Drillhole AR21-545R intersected 88.39 meters grading 0.40 g/t Au and 4.29 g/t Ag in the Moss Vein and associated hanging wall stockwork starting at surface, including 27.43 meters grading 0.67 g/t Au and 7.13 g/t Ag.
- Drillhole AR21-570R, a condemnation drillhole drilled in the proposed 3B Leach Pad area intersected 48.77 meters of stockwork and vein hosted mineralization grading 0.36 g/t Au and 0.82 g/t Ag, including 3.05 meters grading 0.71 g/t Au and 0.90 g/t Ag, 10.67 meters grading 0.47 g/t Au and 1.60 g/t Ag, and 4.57 meters grading 0.65 g/t Au and 0.47 g/t Ag. This mineralization is likely associated with the Rattan Vein system mapped to the west of the current West Pit.

Drilling beneath the active West Pit intersected broad intervals of stockwork and vein-hosted epithermal gold-silver mineralization from surface, down to almost 280 meters in depth. The broad zones of silicification and stockwork veining intersected below the current West Pit are reflective of the surface outcrop of the pre-mining surface in this area. Additional similar zones of silicification and stockwork veining crop out in the Midwest and Far West Extension

areas of the Moss Property, approximately 750 meters to 1,500 meters, respectively, to the west of the active West Pit, highlighting the potential of finding additional mineralization to the west of the West Pit. Furthermore, recent modelling has suggested that the Moss and Ruth Veins appear to diverge west of the Center Pit, further enhancing the potential for a westward widening of the broad stockwork zones between the two veins to the west of the current mine.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

As of December 31, 2022, the Company had cash and cash equivalents of \$3.3 million (December 31, 2021: \$1.1 million). The increase in cash compared to the year ended December 31, 2021, was primarily due to the Company completing an equity financing during Q1 2022 which totalled \$17.1 million (net of transaction costs) and agreeing to terms on a revolving credit facility resulting in net proceeds of \$6.0 million, offset by debt and interest repayments of \$2.9 million, and capital expenditure, including exploration drilling, of \$13.1 million.

In August 2022, the Company entered into a \$6.0 million revolving credit facility (the "Credit Facility"). Under the terms of the Credit Facility, interest accrues on any unpaid principal at an interest rate of 12% per annum compounded on a monthly basis, with all accrued interest and principal payable on or before December 31, 2023. The lender is affiliated with an entity with a director in common with Elevation Gold. The Company may, at its option, at any time and from time to time, prepay without penalty or premium the Credit Facility, in whole or in part. As at December 31, 2022, the Company had drawn down \$6.0 million of the Credit Facility. In January 2023, the terms of the revolving credit facility were amended. Under the terms of the amendment, the total maximum principal amount that may be outstanding at any given time is \$12.0 million, interest will be paid on a quarterly basis and is payable by delivery of physical gold, and the term of the loan was extended to Q1 2025. The total of gold ounces deliverable is calculated by dividing total interest payable by \$1,850. Subsequent to December 31, 2022, the Company had drawn down an additional \$6.0 million, bringing the total drawn down to \$12 million.

During the year ended December 31, 2022, working capital decreased by \$1.2 million to \$5.6 million. The decrease in working capital was primarily due to additional debt raises and a decrease in inventory valuation, offset by the equity financing described above. Working capital, excluding derivatives which are non-cash liabilities, is \$10.0 million.

The Company is in compliance with externally imposed debt covenants relating to its debt facilities and lease obligations as of December 31, 2022.

Going Concern

The Company is subject to many risks common to other companies in the same business, including under-capitalization and resource limitations. The Company may require additional capital to continue the operations of the Moss Mine or to continue as a going concern. There can be no assurance that such capital will be available or, if available, will be on reasonable terms.

As at December 31, 2022, the Company had working capital of \$5.6 million (2021: \$6.9 million) and in the year ended December 31, 2022, the Company incurred a loss of \$43.6 million (2021: income of \$3.6 million), which included an impairment of mineral properties totaling \$33.9 million (as discussed in the section *Financial Results* in this MD&A). The Company used cash in operations of \$4.4 million (2021: \$0.6 million), used cash for investing activities of \$13.1 million (2021: \$8.7 million), and added \$19.7 million in cash from financing activities (2021: \$2.1 million).

The ongoing operations and capital expenditures of the Moss Mine are dependent on the Company's ability to generate sufficient cash flow from production, which is subject to commodity price risk from fluctuations in the market prices for gold and silver. In the year ended December 31, 2022, the Company had a loss from mine operations of \$7,894, which included \$10,310 of depreciation. To continue operations at the Moss Mine, the Company will require additional financing. While the Company has been successful at raising funds in the past, there can be no assurance that it will be able to do so in the future.

See Note 1 of the Company’s consolidated financial statements for the year ended December 31, 2022 for further information.

Cash Flows

Cash used in operating activities during 2022 was \$4.4 million (2021: \$0.6 million). The reduction compared to the comparative period is due to reduced production/revenue resulting from lower grade material from the West Pit at the Moss Mine and the advanced stacking program commenced in March 2022, which increased heap leach inventory.

Cash provided by financing activities during 2022 was \$19.7 million (2021: \$2.1 million) which consisted of an equity financing of \$17.1 million and proceeds from a revolving credit facility \$6.0 million, offset by debt and lease repayments totalling \$3.4 million.

Cash used in investing activities during 2022 was \$13.1 million (2021: \$8.7 million), which included capital expenditures largely tied to construction and materials to be used for the new heap leach pad and exploration drilling.

Use of Proceeds

2022 Equity Financing

In March 2022, the Company completed a public offering. The funds received have been utilized in capital projects and exploration at the Moss Mine, including the building and completion of the heap leach pad 2C, monitoring and production well construction, and exploratory drilling, as well as for general and administrative purposes.

At the time of the offering, the intended use of the net proceeds were estimated to be as follows (in CAD \$ and converted to U.S. dollars at a rate of CAD \$1.00 to USD \$0.7772, the exchange rate on March 8, 2022, being the date of the offering document):

<i>(in thousands of dollars)</i>	Approximate Amount (CAD \$)	Approximate Amount (USD \$)
Heap Leach Pad Construction	\$ 3,920	\$ 3,047
Monitoring and Water Well Construction	3,120	2,425
Exploration Program	4,870	3,785
Miscellaneous Capital Expenditures	477	371
Engineering Studies for Future Heap Leaching	956	743
General and Administrative Expenses and Working Capital	5,059	3,932
Total	\$ 18,402	\$ 14,303

In March 2022, as a result of the over-allotment option being exercised by the broker agents, the Company received net cash proceeds of \$17.1 million (net of financing broker fees paid in cash and regulatory, legal, and accounting fees incurred related to the financing). A summary of the current expenditures and funds allocated to the above noted projects and their progress follows:

- The purchase of supplies and construction required for a new heap leach pad was completed in August 2022. Total funds allocated to the project to December 31, 2022 was approximately \$2.4 million. This project is now considered complete and milestones reached.
- The monitoring wells were completed in Q2 2022 at a cost of approximately \$0.4 million, while the costs associated with the production wells were approximately \$1.5 million. The production wells were completed and brought online in Q3 2022. The monitoring well project consisted of drilling and completing five points of compliance monitoring wells, which are a requirement of an Aquifer Protection Permit and subject to review and approval of multiple regulatory agencies. Current production wells at the Moss Mine Project were scheduled to be mined out in the proposed 2022 mine expansion. It is anticipated that the new production wells will reduce the amount of water to be delivered from offsite sources and support future operations and exploration work. This project is now considered complete and milestones reached.

- Exploration work at Moss Mine included expenditures of approximately \$3.0 million in RC drilling programs and geophysical surveys over the course of Q2 2022 and Q3 2022 (see details under the *Exploration* section in this MD&A). The exploration program was extended to test high-priority regional targets, including Florence Hill in August 2022. Elevation was able to accomplish its intended milestones with the funds from the equity financing. Exploration work continues and will be based on additional available funds and operating cashflows.
- The Company has also completed \$0.3 million in miscellaneous capital expenditures and \$0.2 million in pad design and technical studies. These projects are considered on-going and funded by on-going operations as required.
- In April 2022, the Company repaid approximately \$2.2 million in interest and principal related to a short-term loan which carried a fixed annual interest rate of 18% per annum. The Company was able to renegotiate the repayment of the remaining loan and reduce the interest rate on repayment to 12% per annum. The Company considered the repayment of this loan advantageous considering the high interest rate component. This short-term loan has now been repaid in full as at December 31, 2022.
- The Company utilized \$7.1 million in general working capital and funding operations since the time of the financing.

There are no remaining balances from the financing yet to be utilized in capital projects or operational activities.

2021 Eclipse Acquisition

As a condition to the acquisition of Eclipse, immediately prior to the effective time of the closing, Eclipse would have total cash, net of current liabilities, of at least CAD \$4.6 million. It was also a condition to the closing of the Transaction that proceeds of at least CAD \$20.0 million be raised by Eclipse in a concurrent financing of subscription receipts. Eclipse completed the required financing and at the time of the acquisition by Elevation, the available funds totaled approximately CAD \$24.1 million. The funds were utilized in 2021 on exploration and development at the Moss Mine (CAD \$7.5 million), exploration and development at the Hercules Project (CAD \$2.6 million), change of control provisions (CAD \$0.6 million), and general corporate purposes (CAD \$13.4 million). Further details are provided in the Company's MD&A for the year ended December 31, 2021.

With the funds available to the Company noted above, the Company was able to achieve the intended business objectives and milestones related to the Moss Mine Project. The funds were utilized to expand the exploration programs and development at the Moss Mine Project through 2021, including upgrading inferred mineral resources to measured and indicated mineral resources, adding new mineral resources proximate to current mineral resources, and further optimizing the planned mining sequence based on improving resource modeling incorporating the exploration results. The funds also allowed the Company to complete exploration of regional targets near the Moss Mine Project, including exploration of medium-term targets and evaluation of potential longer-term targets within the ~10,000 acre claim boundaries. The Company was also able to advance its exploration program at the Hercules Project but did not complete an initial mineral resource estimate by Q1 2022. Funds were diverted to the Moss Mine Project as the exploration results from the Moss Mine Project warranted further funding of development and exploration work ahead of the Hercules Project.

SUBSEQUENT EVENTS

- 423,501 stock options of the Company with an exercise price of C\$1.98 expired.
- 6,609,211 warrants of the Company with exercise prices ranging between C\$2.40 and C\$4.80 per common share expired.
- The Company granted 1,100,000 stock options with exercise prices ranging from C\$0.18 to C\$.20 per common share.
- In January 2023, the terms of the revolving credit facility were amended. Under the terms of the amendment, the total maximum principal amount that may be outstanding at any given time is \$12,000, interest will be paid on a quarterly basis and is payable by delivery of physical gold. The term of the loan was also extended

to Q1 2025. The total of gold ounces deliverable is calculated by dividing total interest payable by \$1,850 per ounce. Subsequent to December 31, 2022 the Company had drawn down an additional \$6,000, bringing the total drawn down to \$12,000.

- The Company entered into forward sales arrangements to sell 9,540 gold ounces of future production at prices between \$1,889 and \$2,012 per gold ounce.

SUMMARY OF QUARTERLY RESULTS

(in thousands of dollars, except per share amounts)	Three Months Ended							
	Dec. 31, 2022	Sep. 30, 2022	Jun. 30, 2022	Mar. 31, 2022	Dec. 31, 2021	Sept. 30, 2021	Jun. 30, 2021	Mar. 31, 2021
Revenue	\$ 17,108	\$ 16,979	\$ 14,386	\$ 13,535	\$ 13,759	\$ 12,095	\$ 16,590	\$ 16,402
Cost of sales	(19,062)	(16,684)	(20,711)	(13,624)	(17,834)	(10,898)	(13,848)	(13,282)
Operating income (loss) from mine operations before depreciation and depletion	2,689	2,132	(3,923)	1,517	(1,497)	2,910	5,028	5,297
Income (loss) for the period	(9,290)	1,193	(33,804)	(1,707)	874	3,535	741	(1,575)
Basic Income (loss) per share	\$ (0.08)	\$ 0.01	\$ (0.31)	\$ (0.03)	\$ 0.01	\$ 0.06	\$ 0.01	\$ (0.03)
Gold ounces produced (oz)	9,183	8,835	6,809	6,268	6,739	6,526	7,054	8,787
Gold ounces sold (oz)	9,060	9,096	6,998	6,512	6,795	6,214	8,045	8,121
Average realized gold price per ounce ⁽¹⁾	\$ 1,732	\$ 1,713	\$ 1,864	\$ 1,881	\$ 1,804	\$ 1,785	\$ 1,793	\$ 1,801
Total Cash Costs per ounce sold ⁽¹⁾	\$ 1,604	\$ 1,770	\$ 1,661	\$ 1,648	\$ 1,300	\$ 1,316	\$ 1,168	\$ 1,148

⁽¹⁾ This is a non-IFRS measure, for further information refer to the *Non-IFRS Measures* section in this MD&A.

The financial results are most directly impacted by the level of gold production/gold sales and the gold price for each quarter, which are the main drivers of the volatility noted for revenue and operating income from mine operations before depreciation and depletion in the above quarterly information table. Income (loss) for the period can be volatile from quarter to quarter due to the change in the Company's share price and global silver market pricing which will affect the fair value of the Company's derivative instruments related to warrants, convertible debentures, and the silver stream obligation.

Since the beginning of 2021, overall grade has been decreasing as the mine entered a phase of lower grade ore processing, which has been the contributing factor in the reduced gold production and ounces sold, while gold prices continue to remain strong across all periods when compared to historical values. As the Company anticipates seeing higher-grade ore being available as the Moss Mine development continues to progress into the East Pit in late 2022 and into 2023.

For the three months ended December 31, 2021, cost of sales, operating income from mine operations, and net income were impacted by a write-down of \$5.8 million related to a revised estimate of recoverable silver ounces in its heap leach ore inventory. The impact of this was offset on income for the period by a gain on the revaluation of the derivative liabilities totalling \$7.9 million.

For the three months ended June 30, 2022, cost of sales was negatively impacted by a \$6.0 million write down of heap leach and doré inventory and a non-cash impairment of \$33.9 million on the Moss Mine cash generating unit, both discussed in the *Financial Results* section of this MD&A.

For the three months ended September 30, 2022, revenue increased compared to the three months ended June 30, 2022 due to additional sales of 2,098 gold ounces. Cost of sales was positively impacted by a reversal of a previous write down of heap leach and doré inventory of \$3.0 million.

For the three months ended December 31, 2022, revenue increased compared to the three months ended September 30, 2022 due to an increase in gold price. Cost of sales was positively impacted by a reversal of a previous write down

of heap leach and doré inventory of \$1.5 million, offset by a change in depreciation base which resulted in an additional \$2.5 million in depreciation for the quarter.

The increasing Total Cash Costs per ounce sold is a measure of the weighted average costs (adjusted to reflect net realizable charges or reversals) and reflects higher expenses associated with higher per ounce cost inventory placed on the heap leach inventory pad in the first half of 2022 and the second half of 2021. The Company continues to focus on improving the Company's grade control by focusing on in-fill drilling in order to reduce per ounce costs as production grows. Most recently, the Company has noted a reduction in direct cash costs per ounce added to the heap leach pad over the course of the second half of 2022 when compared to the first half of 2022. The Company's focus will continue to be on higher grade ounce mining, (when compared to the first half of 2022), while continually looking to reduce costs in the mining process, for example, the addition of the new production wells, which will supply operational water for our processes and eliminate purchasing water from third party sources.

CONTRACTUAL OBLIGATIONS

At December 31, 2022, the Company had the following contractual obligations outstanding:

	Within 1 year	2-3 years	4-5 years	5+ years	Total
Debt ⁽¹⁾	\$ 7,444	\$ 4,529	\$ 477	\$ 1,789	\$ 14,239
Trade and other payables	10,280	-	-	-	10,280
Lease commitments	249	236	-	-	485
Silver stream	1,918	3,130	1,020	-	6,068
Gold stream deferred revenue	2,000	-	-	-	2,000
Provision for reclamation	-	-	-	11,183	11,183
	\$ 21,891	\$ 7,895	\$ 1,497	\$ 12,972	\$ 44,255

⁽¹⁾ Includes interest due on convertible debenture and debt.

OFF-BALANCE SHEET ARRANGEMENTS

At the date of this MD&A, there were no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company.

RELATED PARTY TRANSACTIONS

Related party transactions were incurred in the normal course of business and initially measured at their fair value which is the amount of consideration established and agreed to by the parties. Amounts due to or from related parties are non-interest bearing, unsecured and due on demand.

Key Management and Board of Directors Compensation

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, either directly or indirectly. The Company has identified its members of the Board of Directors and executive officers including its Chief Executive Officer and Chief Financial Officer. The remuneration of the Company's key management personnel is as follows:

(in thousands of US dollars)	Q4 2022	Q4 2021	YTD 2022	YTD 2021
Salaries and short-term benefits	\$ 144	\$ 179	\$ 898	\$ 1,798
Directors fees	\$ -	\$ 129	\$ -	\$ 129
Share-based payments	\$ 122	\$ 225	\$ 373	\$ 481

Included in salaries and short-term benefits for the year ended December 31, 2022 was \$0.2 million of termination payments made to the former President of the Company. Included in salaries and short-term benefits for the year ended December 31, 2021 was \$0.7 million of termination payments made to the former Chief Executive Officer of the Company.

Related Party Balances and Activity

There were no related party balances outstanding as of December 31, 2022. As of December 31, 2021, the Company had a total short term loan outstanding with a director of the Company of \$0.4 million (CAD \$0.5 million). In Q1 2022, the short-term loan was settled concurrently with the closing of the Company's public offering and debt settlement finalized in March 2022 (as disclosed in *Recent Corporate Developments* section for details).

Related party transactions (not otherwise referred to in this note) are as follows for each of the periods presented:

<i>(in thousands of US dollars)</i>	Q4 2022		Q4 2021		YTD 2022		YTD 2021	
Consulting fees	\$	-	\$	-	\$	-	\$	17
Shared office recovery	\$	-	\$	-	\$	-	\$	28

Consulting fees charged by companies controlled by two former directors of the Company are included in employee compensation and benefits expenses. Shared office expenses recovered from a company with former directors in common are recorded in corporate administrative expenses. Effective May 21, 2021, concurrent with the two former directors not standing for re-election at the Company's annual general meeting, the related party transactions ceased.

Other Related Party Transactions

The Company's silver stream agreement and gold prepayment facility are held by Maverix Metals Inc., a company with a director in common with Elevation Gold Mining Corporation. Details of both agreements are disclosed in Notes 10 and 12 of the consolidated financial statements for the year ended December 31, 2022 and 2021.

PROPOSED TRANSACTIONS

As of the date of this MD&A, there were no proposed asset or business acquisitions or dispositions.

ADOPTION OF NEW ACCOUNTING STANDARDS

No new accounting standards have been adopted during the year ended December 31, 2022.

FUTURE ACCOUNTING POLICY CHANGES ISSUED BUT NOT YET IN EFFECT

There were no future accounting policy changes or pronouncements issued but not yet in effect that may have a significant impact to the Company operations as at December 31, 2022.

OUTSTANDING SHARE DATA

The total number of outstanding common shares, stock options, and warrants is as follows:

As of:	April 28, 2022	December 31, 2022	December 31, 2021
Common shares	110,572,948	110,391,281	60,863,627
Stock options	5,527,769	5,856,826	3,848,028
Restricted Share Units	-	15,139	48,443
Warrants	51,827,524	58,436,736	11,409,190

At the Company's Annual and Special Meeting on August 18, 2022, the shareholders of the Company elected to adopt a new 10% rolling security based compensation plan ("Equity Incentive Plan") to replace the previous Option Plan and Share Unit Plan, which allows for the issuance of incentive stock options, deferred share units, performance share units, restricted share units, stock appreciation rights, and share purchase rights ("Awards"). Pursuant to the Equity Incentive Plan, a maximum of 10% of the issued shares of the Company, from time to time, may be reserved for issuance pursuant to the exercise of all Awards granted thereunder. Terms of any granting of Awards will be determined by the Board, subject to the provisions of the Equity Incentive Plan and the policies of the TSX Venture Exchange. No individual may be granted Awards exceeding 5% of the Company's common shares outstanding in any twelve-month period. Full details of the Equity Incentive Plan is available on the Company's Management Information Circular filed on July 21, 2022 available on www.sedar.com.

FAIR VALUE MEASUREMENTS AND FINANCIAL RISK MANAGEMENT

The carrying values of cash, trade and other receivables, and trade and other payables approximate their fair values due to the short-term nature of these instruments. In evaluating fair value information, considerable judgment is required to interpret the market data used to develop the estimates. The use of different market assumptions and different valuation techniques may have a material effect on the estimated fair value amounts. Accordingly, the estimates of fair value presented herein may not be indicative of the amounts that could be realized in a current market exchange. The carrying value amount of the Company's financial instruments that are measured at amortized cost (including debt, lease obligation, and silver stream obligation) approximates fair value as they are measured using level 2 assumptions and using inputs other than quoted prices that are observable for the asset or liability either directly or indirectly. Similarly, the carrying value of the Company's derivative instruments, which are recognized at fair value through profit or loss approximates the fair value based on the various valuation techniques associated with those instruments.

Financial Risk Management

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to market conditions and the Company's activities. The Company has exposure to credit risk, liquidity risk and market risk because of its use of financial instruments.

This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies, and processes for measuring and managing these risks. Further quantitative disclosures are included throughout the consolidated financial statements. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has implemented and monitors compliance with risk management policies.

Credit Risk

Credit risk is the risk of financial loss to the Company if a client or counterparty to a financial instrument fails to meet its contractual obligations. The Company has credit risk in respect of its cash, trade and other receivables, and restricted cash. The Company considers the risk of loss relating to cash and restricted cash to be low because these instruments are held only with a Canadian Schedule 1 financial institution, a US-chartered commercial bank, and a US government agency. Trade and other receivables as of December 31, 2022 related primarily to sale of gold and silver dore bars sold but for which the funds were not collected prior to the period end. All amounts in trade and other receivables are expected to be collectible in full due to the nature of the counterparties and previous history of collectability.

Liquidity Risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet

its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation.

The Company manages its liquidity risk through the preparation of budgets and forecasts, which are regularly monitored and updated as management considers necessary and through the Company's capital management activities. A summary of contractual maturities of financial liabilities is included in the section *Contractual Commitments*.

Market Risk

Market risk consists of currency risk, commodity price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits while maximizing returns.

Currency risk

Foreign currency exchange rate risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign exchange rates. Some of the Company's operating and corporate administration expenditures are incurred in Canadian dollars and the fluctuation of the CAD \$ in relation to US dollar will have an impact on the Company's profitability and the Company's financial assets and liabilities. The Company has assessed the impact to be low. At December 31, 2022, the Company held cash denominated in US dollars ("USD") of \$3.3 million and CAD \$0.1 million (December 31, 2021: USD \$0.8 million and CAD \$0.2 million). With other variables unchanged, a 1% increase on the USD/CAD exchange rate would increase debt by less than \$0.1 million. The Company has not entered into any formal arrangements to hedge currency risk but does maintain cash balances within each currency.

Commodity price risk

The Company is subject to commodity price risk from fluctuations in the market prices for gold and silver. Commodity price risks are affected by many factors that are outside the Company's control including global or regional consumption patterns, the supply of and demand for metals, speculative activities, the availability and costs of metal substitutes, inflation, and political and economic conditions. The value of the silver stream embedded derivative will fluctuate with changes in the price of silver which will affect future earnings. Management closely monitors trends in commodity prices of gold and other precious and base metals as part of its routine activities, as these trends could significantly impact future cash flows.

Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. Interest rate risk arises from the interest rate impact on cash, which is held at variable market rates, and is exposed to interest rate risk on its outstanding borrowings. With other variables unchanged, a 1% increase on the Company's floating rate debt would increase annual interest expense by less than \$0.1 million. The Company closely monitors its exposure to interest rate risk and has not entered into any derivative contracts to manage this risk.

NON-IFRS PERFORMANCE MEASURES

The Company has included certain non-IFRS measures in this MD&A. The Company believes that these measures, in addition to measures prepared in accordance with IFRS, provide investors an improved ability to evaluate the underlying performance of the Company and to compare it to information reported by other companies. The non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

Total Cash Costs and Total Cash Costs per Ounce of Gold Sold

Total cash costs is a common financial performance measure in the gold mining industry but has no standard meaning. The Company reports total cash costs on a gold ounce sold basis. The Company believes that, in addition to measures prepared in accordance with IFRS, such as revenue, certain investors can use this information to evaluate the Company's performance and ability to generate operating earnings and cash flow from its mining operations. Management uses this metric as an important tool to monitor the Moss mine's operating cost and performance. Total cash costs include cost of sales such as mining, processing, maintenance, site administration, royalties, selling costs and changes in inventories as well as site-based share compensation less non-cash depreciation and depletion and silver revenue divided by gold ounces sold to arrive at total cash costs per ounce of gold sold. Other companies may calculate this measure differently.

Total AISC and AISC per Ounce of Gold Sold

The Company believes that AISC more fully defines the total costs associated with the operation of the Moss mine and producing gold. The Company calculates AISC as the sum of total cash costs (as described above), sustaining capital expenditures, accretion on decommissioning and restoration provision, treatment and refinery charges netted against revenue and corporate administrative expenses, all divided by gold ounces sold to arrive at a per ounce amount. Other companies may calculate this measure differently because of differences in underlying principles and policies applied. Differences may also arise due to a different definition of sustaining versus non-sustaining capital.

The following table reconciles these non-IFRS measures to the most directly comparable IFRS measure disclosed in the financial statements.

<i>(in thousands of dollars, except per ounce figures)</i>	Q4 2022	Q4 2021	YTD 2022	YTD 2021
Gold ounces sold	9,060	6,795	31,666	29,175
Cost of sales	\$ 18,882	\$ 17,834	\$ 69,902	\$ 55,861
Less: Heap leach and doré adjustment ⁽¹⁾	1,532	(4,921)	(1,584)	(4,921)
Less: Depreciation and depletion	(4,462)	(2,577)	(10,310)	(8,754)
Add: Refining and transportation	71	50	293	262
Less: Silver and other bi-product revenue	(1,491)	(1,551)	(5,739)	(6,708)
Total Cash Costs	14,532	8,835	52,562	35,740
Sustaining capital expenditures	888	1,767	10,456	17,326
Accretion	202	38	511	233
Corporate administration	712	1,115	3,429	4,963
Total AISC	\$ 16,334	\$ 11,755	\$ 66,958	\$ 58,262
Cash Costs per ounce of gold sold	\$ 1,604	\$ 1,300	\$ 1,660	\$ 1,225
AISC per ounce of gold sold	\$ 1,803	\$ 1,730	\$ 2,115	\$ 1,997

⁽¹⁾ As discussed in the section *Financial Results*, during the six months ended June 30, 2022, the Company incurred an inventory net realizable value impairment charge of approximately \$5.8 million. During Q3 and Q4 2022, due to lower per ounce costs and higher production, the Company reversed the impairment in full. During Q4 2021, the Company revised its estimate of recoverable silver ounces in heap leach ore inventory. Accordingly, heap leach ore inventory was written down by \$4.9 million. All impairments and reversal of impairments are included in changes in inventories and part of production costs.

The Company has calculated Total Cash Costs, Total AISC, and relevant per ounce of gold unit rates consistently across each of the periods presented, which includes period adjustments for heap leach and doré impairment charges (and reversals) incurred in Q4 2022 and YTD 2022. These impairment charges and reversals (described immediately above) can create fluctuations where such adjustments occur. The increase to cash costs per ounce for Q4 and the year were driven by increases to materials and consumables (including diesel, water purchases, cyanide and other agents used in production) of \$0.5 million and \$3.5 million, respectively. Since the Company's new water production wells came online in Q3 2022, the Company has seen a reduction of outside water purchases for its operations moving forward,

in addition, costs for diesel and fuel reached their highest per unit pricing in Q2 2022 and the Company has seen a reduction in these costs in Q4 2022.

Average Realized Price of Gold Per Ounce Sold

Average realized price per ounce sold are used by management and investors to better understand the gold price throughout a period.

Average realized price is calculated as revenue per the Consolidated Statements of Income (Loss) and Comprehensive Income (loss) of the Company's for each of the periods presented with adjustments as noted below, less silver revenue divided by gold ounces sold.

<i>(in thousands of dollars, except per ounce figures)</i>	Q4 2022	Q4 2021	YTD 2022	YTD 2021
Gold revenue	\$ 15,688	\$ 12,258	\$ 56,562	\$ 52,399
Gold ounces sold	9,060	6,795	31,666	29,175
Average realized price per ounce sold	\$ 1,732	\$ 1,804	\$ 1,786	\$ 1,796

RISKS AND UNCERTAINTIES

The Company is subject to various business, financial, operational, and other risks, uncertainties, contingencies and other factors which could materially adversely affect the Company's future business, operations, and financial condition and could cause such future business, operations and financial condition to differ materially from the forward-looking statements and information contained in this MD&A.

The nature of the Company's activities and the locations in which it operates mean that the Company's business generally is exposed to significant risk factors, known and unknown, many of which are beyond its control.

For a comprehensive discussion of risks faced by the Company, which may cause the actual financial results, performance or achievements of the Company to be materially different from the Company's estimated future results, performance or achievements expressed or implied by forward-looking information or forward-looking statements, please refer to the Company's latest Annual Information Form ("AIF"), filed on www.sedar.com.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

In compliance with the Canadian Securities Administrators' Regulation, the Company has filed certificates signed by the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") that, among other things, report on the design of disclosure controls and procedures and the design of internal controls over financial reporting.

Disclosure controls and procedures have been designed to provide reasonable assurance that all relevant information required to be disclosed by the Company is accumulated and communicated to senior management as appropriate and recorded, processed, summarized, and reported to allow timely decisions with respect to required disclosure, including in its annual filings, interim filings or other reports filed or submitted by it under securities legislation.

Management, including the CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting. Management believes that any system of internal control over financial reporting, no matter how well conceived and operated, has inherent limitations. As a result, even those systems designed to be effective can provide only reasonable, not absolute, assurance that the objectives of the control system are met. There have been no changes in Elevation's internal control over financial reporting during the year ended December 31, 2022, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains statements that constitute “forward-looking statements” within the meaning of National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators. Forward-looking statements often, but not always, are identified by the use of words such as “seek”, “anticipate”, “believe”, “plan”, “estimate”, “expect”, “targeting” and “intend” and statements that an event or result “may”, “will”, “should”, “could”, or “might” occur or be achieved and other similar expressions. Forward-looking statements in this MD&A include but are not limited to statements regarding the Company’s future exploration and development plans and expenditures, the satisfaction of rights and performance of obligations under agreements to which the Company is a party, the ability of the Company to hire and retain employees and consultants and estimated administrative and other expenditures. The forward-looking statements that are contained in this MD&A involve a number of risks and uncertainties. As a consequence, actual results might differ materially from results forecast or suggested in these forward-looking statements. Some of these risks and uncertainties are identified under the heading *Risks and Uncertainties* in this MD&A. Additional information regarding these factors and other important factors that could cause results to differ materially may be referred to as part of forward-looking statements. The forward-looking statements are qualified in their entirety by reference to the important factors discussed under the heading *Risks and Uncertainties* and to those that may be discussed as part of forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause the actual results to differ include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory approvals and general market conditions. These statements are based on a number of assumptions, including assumptions regarding general market conditions, the timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. 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 may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

TECHNICAL INFORMATION

Unless otherwise indicated, all technical data contained in this MD&A that relates to geology, exploration and mineral resources has been reviewed and approved by Ron Kieckbush, P.Geo. He is a Qualified Person as defined by National Instrument 43-101 and is responsible for the Moss and Hercules Exploration Projects.

Unless otherwise indicated, the technical disclosure contained within this MD&A that relates to the Company’s operating mine has been reviewed and approved by Tim J. Swendseid, P.E., MBA, CFA, Chief Executive Officer of the Company and a Qualified Person for the purpose of National Instrument 43-101.