Gold Springs Resource Corp.

(formerly TriMetals Mining Inc.)

Three and six months ended June 30, 2020

Management's Discussion & Analysis ("MD&A")

INTRODUCTION

The following information, prepared as of August 12, 2020, should be read in conjunction with the condensed interim consolidated financial statements of Gold Springs Resource Corp. ("GRC" or the "Company") for the three and six months ended June 30, 2020 and the audited consolidated financial statements for the year ended December 31, 2019 which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in U.S. dollars unless otherwise indicated.

This MD&A contains forward looking statements. For a description of the assumptions made in developing the forward-looking statements and the material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, please see the "Cautionary notes" and the "Risks and uncertainties" sections below.

GENERAL

The Company is a growth focused mineral exploration company creating value through the exploration and development of the near-surface Gold Springs gold-silver project along the Nevada-Utah border. The Company's approach to business combines the team's track record of discovery and advancement of large projects, key operational and process expertise, and a focus on community relations and sustainable development. Management has extensive experience in the global exploration and mining industry.

On November 1, 2019, the Company changed its name from TriMetals Mining Inc. to Gold Springs Resource Corp. On November 5, 2019, the Company changed its stock symbol on the Toronto Stock Exchange ("TSX") to GRC and on November 12, 2019 changed its stock symbol on the OTCQB Venture Market ("OTCQB") in the U.S. to GRCAF.

GOLD SPRINGS GOLD-SILVER PROJECT, USA

The Company holds a 100% interest in the 78 square kilometre Gold Springs gold-silver project located on the Nevada-Utah border. In addition to drilling, the Company has completed rock chip sampling, detailed target mapping, soil sampling, stream sediment sampling, a property-wide LIDAR, aero-magnetic, ZTEM and ground CSAMT geophysical surveys. The ZTEM and CSAMT geophysical surveys identified many structural features related to mineralization, and the Company has developed resources on the Jumbo (the North Jumbo and South Jumbo resources), Grey Eagle and Thor trends. Geological work identified 28 surface targets with outcropping gold mineralization, the majority of which correspond to the ZTEM and CSAMT resistivity features.

The gold-silver mineralization at North Jumbo, South Jumbo, Thor and Grey Eagle, remains open to expansion laterally and to depth as the drilling has typically only penetrated the top 150 metres vertically below the surface at Jumbo (maximum drilled depth of 280 metres) and 130 metres below the surface at Grey Eagle (maximum drilled depth of 262 metres).

Drilling at Homestake

In October 2019, the Company conducted a drilling program at the Homestake patented claims (the "Homestake target") located on the Nevada side of the Gold Springs project, next to the Iris target, and 700 metres east of the Grey Eagle resource.

The Homestake target is highlighted by two main parallel 2-4-metre-thick gold-bearing veins which have returned high-grade results from surface samples collected by the Company. These two veins are separated by 20-30 metres of brecciated and silicified rocks which have returned intermediate gold grades and represent a priority target along with the enclosing veins. This package of veins and breccia is surrounded by a wide stockwork zone containing low-grade gold values. This entire system has a surface-exposed length and width of approximately 650 meters by 400 metres and is offset by faulting along the eastern margin.

A total of 14 holes for 1,856 metres were drilled, testing 600 metres of strike length on the Homestake system. Holes were designed to test the down-dip extension of the two parallel Homestake veins and the enclosed breccia and surrounding stockwork zones between and around the veins, exposed on surface. In addition, one hole was drilled to the west testing for mineralization in the hanging wall of the Iris vein which dips east and projects to intersect the west dipping Homestake veins. The holes were sampled on 1.5-metre intervals.

In January 2020, the Company announced drill results from the 2019 Homestake drill program. The best hole was HS-19-007 which included 6.1 metres @ 21.88 g/t Au and 69.25 g/t Ag and 71.6 metres @ 0.712 g/t Au and 1.91 g/t Ag. Hole HS-19-007 was drilled in the area of historic mining and is believed to have intersected one of the productive mineralized shoots within the Homestake system.

Hole HS-19-012, located 380 metres south of HS-19-007, intersected three stacked vein systems returning values of 4.23 g/t Au and 2.5 g/t Ag over 3 metres in the upper vein and 1.12 g/t Au and 4.0 g/t Ag over 3 metres in the middle vein and 1.31 g/t Au and 8.5 g/t Ag in the lower vein. The mineralized interval across the three veins totaled 38.1 metres @ 0.63 g/t Au and 2.6 g/t Ag. Other holes returned spotty, lower-grade intercepts or failed to intersect significant mineralization.

Of the 14 holes drilled, 11 hit vein and breccia zones as predicted, and the holes intersected the veins at very shallow depths. GRC will look to test the depth extension of Homestake, both in areas down-dip from the significant gold intercepts and in the intervening areas. In addition to the possible depth extension of the system there are additional strike extensions to be tested to the north and south with future drilling.

Detail Mapping and Rock-Chip Surface Sampling at Fitch, Declaration and Juniper

On April 15, 2020 and May 19, 2020, the Company reported detailed mapping and rock-chip surface sampling results completed for two new targets, Juniper and Fitch, as well as on the existing Declaration target, which are all adjacent to the Jumbo Trend on the Utah side of the Gold Springs Project. The sampling results returned strong gold (“Au”) values and large-scale targets, displaying broad areas of alteration and favorable structural settings for gold and silver (“Ag”) mineralization. These target areas lie west of the existing Au and Ag resources within the Jumbo Trend and offer opportunities to expand those resources or develop new ones.

Of the 12 surface samples taken along the Declaration target, five returned grades of +1 g/t Au and four contained +100 g/t Ag with grades as high as 5.4 g/t Au and 153 g/t Ag. Results were received for three samples taken along the Juniper target with one returning grades of +1 g/t Au and another returning grades of 0.88 g/t Au and 40.2 g/t Ag. Results from six rock samples taken from veins in historical trenches at the new Fitch target grade as high as 2.4 g/t Au and 4.4 g/t Ag.

For more details on the target areas and surface-sample results please refer to the Company’s press releases dated April 15, 2020 and May 19, 2020 which can be found on the Company’s website.

Detail Mapping and Rock-Chip Surface Sampling at Pope, Red Light, Charlie Ross, and Tin Can

On July 8, 2020, the Company concluded field work on the Pope, Charlie Ross, Red Light, and Tin Can targets, located on the Nevada side of the Gold Springs project, all of which returned high-grade gold and silver values and are considered priority future drill targets. These targets are clustered together with a close spatial relationship to both the margin and radial fracturing of the Gold Springs caldera. While the targets are in the same general area, they represent differing styles of mineralization. The area is significant in that it represents the only fully preserved stratigraphic sequence of the Gold Springs caldera system. The Pope is located at the top of this sequence in a welded tuff, followed by the Charlie Ross in a non-welded tuff, then the Red Light where mineralization is at the contact between the Charlie Ross non-welded tuff and the underlying andesite. The andesite unit hosts the mineralization seen at the Tin Can and is also the host of the four current resources in the project

The high-grade rock chip sampling results indicated vein zones returned grades as high as 20.2 g/t Au and 233.6 g/t Ag from Pope, 33.1 g/t Au and 69.4 g/t Ag from Red Light, 17.16 g/t Au and 45.1 g/t Ag from Charlie Ross, and 5.2 g/t Au and 61.5 g/t Ag from Tin Can.

For more details on the target areas and surface-sample results please refer to the Company's press release dated July 8, 2020 which can be found on the Company's website.

Detail Mapping and Rock-Chip Surface Sampling at Midnight, Lost World, White Point, Horseshoe Extension and Horsetail.

On August 4, 2020, the Company announced mapping and surface-sample results from Midnight, Lost World, White Point, Horseshoe Extension and the new Horsetail drill targets on the Nevada portion of the Gold Springs project, all of which returned high-grade gold and silver values, and ready for drilling.

High-grade rock chip results up to 3.94 g/t gold with 6.7 g/t silver were reported from Midnight, up to 4.43 g/t gold with 18.1 g/t silver from Lost world, up to 13.9 g/t gold with 3.7 g/t silver from White Point, up to 7.85 g/t gold with 2.4 g/t silver from Horseshoe Extension, and up to 14.2 g/t gold with 52 g/t silver from the new Horsetail target.

With the new addition of the Horsetail target, there are now 29 drill-target areas at Gold Springs, and resources in 4 of them.

For more details on the target areas and surface-sample results please refer to the Company's press release dated August 4, 2020 which can be found on the Company's website.

2020 Resource Estimate

On June 19, 2020, the Company reported a new NI 43-101 mineral resource estimate ("the 2020 Resource") and preliminary economic assessment ("2020 PEA") prepared by Global Resource Engineering and Kurt Katsura. The 2020 Resource is an update of the 2017 mineral resource estimate and the 2020 PEA and update from the 2015 PEA.

A table comparing the 2020 Resource with the 2017 Resource is shown below:

Category	2020 Resource				
		Au		Ag	
	Tonnes (1000s)	Grade (g/t)	Troy oz (1000s)	Grade (g/t)	Troy oz (1000s)
Measured	17,120	0.56	306	10.2	5,594
Indicated	18,537	0.51	304	8.7	5,188
Measured & Indicated	**35,657**	**0.53**	**610**	**9.4**	**10,782**
Inferred	5,634	0.49	90	7.0	1,267

	2017 Resource				
		Au		Ag	

Category	Tonnes (1000s)	Grade (g/t)	Troy oz (1000s)	Grade (g/t)	Troy oz (1000s)
Measured	13,591	0.58	252	11.1	4,855
Indicated	16,245	0.53	276	9.1	4,741
Measured & Indicated	**29,836**	**0.55**	**528**	**10.0**	**9,596**
Inferred	4,660	0.46	69	6.5	973

Both the 2020 and 2017 Resources are pit-constrained and use a 0.25 g/t gold cutoff grade and reflect gross metal content that is not adjusted for metallurgical recoveries. The inferred resource is in addition to the measured and indicated resource. Numbers have been rounded, which may lead to some numbers not adding up exactly. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Highlighted Changes from the Previous PEA

	2020 PEA	2015 PEA
Economic Assumptions		
Gold Price	$1,450	$1,300
Silver Price	$16	$21
Gold/Silver Price Ratio	90.6	61.9
Mineral Economics		
NPV5% after tax	$153.6 million	$92.1 million
IRR after tax	38.9%	35.8%
Initial CapEx	$83.5 million	$55.0 million
Sustaining CapEx	$16.0 million	$24.9 million
Total CapEx	$99.5 million	$79.9 million
After-tax Payback	2.9 years	3.1 years
Cash Cost per oz (net of silver by-product)	$715	$669
AISC per oz (net of silver by-product)	$837	$863
LOM cumulative after-tax free cashflow	$212.7 million	$133.3 million
Mining		
Strip Ratio (Waste to Mineralization)	1.6	2
Mining Method	Contract Mining	Contract Mining
Life of Mine (LOM)	8 years	9 years
Contained Gold ounces	708,899	589,136
Contained Silver ounces	13,410,951	13,337,511
Processing		
Processing Throughput: Crushed	15,000 tpd	15,000 tpd
Processing Throughput: Run-of-mine	3,200 tpd	n/a
Gold Recovery System	Merrill Crowe	Merrill Crowe
Gold Recovery - Heap-leach crushed	73%	73%/72%
Gold Recovery - Heap-leach Run-of-mine	40%	n/a
Silver Recovery - Heap-leach crushed	40%	40%/30%
Silver Recovery - Heap-leach Run-of-mine	20%	n/a
LOM payable (recovered) Gold oz	490,152	428,408
LOM payable (recovered) Silver oz	4,842,140	4,915,349
LOM annual average gold production	61,269	47,601
LOM annual average silver production	605,268	546,150

** Cash cost per gold ounce is net of silver credit and includes mining, processing, general and administrative, and operating cost contingency; All-In Sustaining Cost (AISC) per gold ounce includes Cash* *cost per gold ounce plus sustaining capital, federal, state and local taxes and does not include initial capital. The portion of the project subject to the updated PEA does not have overriding royalties. The PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized.*

Exploration Plan for 2020

The Company's vision is to identify a multimillion-ounce gold resource at its Gold Springs project. Aligned with that vision, the Company's plan for 2020 is to continue to add to the existing gold resources at Gold Springs. GRC's plan is mainly focused on stepping out and drill-testing the extensions of the existing South Jumbo and North Jumbo resources, with the goal of increasing these resources which are open in multiple directions, as well as follow-up drilling at the Homestake target to test the extension of the high-grade mineralization intercepted in drill-hole HS-19-007. The plan also includes other exploration activities, metallurgical test work and the publishing of a new resource estimate by the end of 2020.

The Company started the 2020 plan by conducting detailed structural and geological mapping and rock-chip surface sampling of various target-areas of the Gold Springs project to advance these targets to the drill-ready stage. During June, the Company updated its NI 43-101 resource estimate and PEA to mainly incorporate the drilling information of the 2017 drill program conducted at the South Jumbo deposit. On June 23, 2020, the Company commenced a ground-based geophysical survey, known as CSAMT, on the Utah side of the Gold Springs project, which will fill gaps left by a previous CSAMT survey performed at Gold Springs in 2004. These gap zones are located in the Jumbo trend and include the Central Jumbo target, which is the area between the North and South Jumbo resource blocks, the northern-extension of the North Jumbo resource, the northern extension of the Juniper target, as well as the western extension of the South Jumbo Resource block, which also includes the Fitch target. The CSAMT survey is an important component of GRC's 2020 exploration program as it will help to further define some of the priority targets and aid in future drill planning.

GRC continues to conduct cultural clearances on priority target areas. The focus in 2020 has been to complete the cultural surveys on, and around, the South Jumbo resource area, the new Fitch target, Juniper, Declaration, North Jennie, and the Charlie Ross targets. Field work is currently underway and expected to be finished by mid-September.

RESULTS OF OPERATIONS

Three months ended

During the three months ended June 30, 2020, the Company reported net loss of $231,134 ($0.00 loss per share) compared to net loss of $11,420,827 ($0.05 loss per share) reported during the three months ended June 30, 2019.

	2020 **$**	**2019** **$**
General and administrative expenses (excluding share-based payments)	(185,385)	(627,078)
Share of loss of equity accounted investee	(49,709)	-
Interest and other income	11,436	1,101
Other	(550)	(821)
Share-based payments	(6,926)	(166,951)
Change in value of Class B shares, arbitration award assets and liabilities	-	761,510
Write-down of carrying value on transfer to assets held for sale	-	(11,388,588)
Net loss for the period	(231,134)	(11,420,827)

The general and administrative expenses (excluding share-based payments) decreased during the three months ended June 30, 2020 to $185,385 compared with $627,078 for the same period in 2019, which is primarily as a result of arbitration costs of $418,206 incurred in the three months ended June 30, 2019, with no corresponding costs in the same period for 2020 due to the settlement of the arbitration with Bolivia in September 2019. Other general and administrative expenses (excluding share-based payments) are largely comparable for the three months ended June 30, 2020 to the same period in 2019, other than offsetting changes in professional fees and wages and benefit arising, respectively, from a reduction in use of external advisors and a modification of executive compensation subsequent to the settlement of the arbitration with Bolivia in September 2019.

The Company recorded a loss from investment in associate of $49,709 for the three months ended June 30, 2020 (2019 - $nil) which represents the Company's proportionate share of World Copper Ltd. (formerly World Copper Ltd.)'s net loss for the same period. At June 30, 2020 the Company owns 42.6% of the common shares of World Copper Ltd.

During the quarter ended June 30, 2019 the Escalones project met the criteria as an asset held for sale under IFRS 5. The Company was required under IFRS 5 to measure the Escalones project at the lower of its carrying amount and its fair value less costs to sell ("FVLCS") which resulted in a charge being taken for a write-down of carrying value on transfer to assets held for sale from mining claims and deferred exploration costs.

The change in fair value of the Class B shares and the arbitration award assets and liabilities for the three months ended June 30, 2019 resulted in a net gain of $761,510, with no corresponding amounts in the same period for 2020 subsequent to the settlement of the arbitration with Bolivia in September 2019.

Six months ended

During the six months ended June 30, 2020, the Company reported a net loss of $588,928 ($0.00 loss per share) compared to a net loss of $11,321,083 ($0.05 loss per share) reported during the six months ended June 30, 2019.

	2020 **$**	**2019** **$**
General and administrative expenses (excluding share-based payments)	(410,256)	(873,110)
Share of loss of equity accounted investee	(198,858)	-
Interest and other income	46,146	1,350
Other	(1,525)	(290)
Change in value of Class B shares, arbitration award assets and liabilities	-	1,166,128
Write-down of carrying value on transfer to assets held for sale	-	(11,388,588)
Share-based payments	(24,435)	(226,573)
Net (loss) income for the period	(588,928)	(11,321,083)

The general and administrative expenses (excluding share-based payments) are decreased during the six months ended June 30, 2020 to $410,256 compared with $873,110 for the same period in 2019, which is primarily as a result of arbitration costs of $441,791 incurred in the six months ended June 30, 2019, with no corresponding costs in the same period for 2020 due to the settlement of the arbitration with Bolivia in September 2019. Other general and administrative expenses (excluding share-based payments) are largely comparable for the six months ended June 30, 2020 to the same period in 2019, other than offsetting changes in professional fees and wages and benefit arising, respectively, from a reduction in use of external advisors and a modification of executive compensation subsequent to the settlement of the arbitration with Bolivia in September 2019.

The Company recorded a loss from investment in associate of $198,858 for the six months ended June 30, 2020 (2019 - $nil) which represents the Company's proportionate share of World Copper Ltd.'s net loss for the same period. At June 30, 2020 the Company owns 42.6% of the common shares of World Copper Ltd.

During the six months ended June 30, 2019 the Escalones project met the criteria as an asset held for sale under IFRS 5. The Company was required under IFRS 5 to measure the Escalones project at the lower of its carrying amount and its fair value less costs to sell ("FVLCS") which resulted in a charge being taken for a write-down of carrying value on transfer to assets held for sale from mining claims and deferred exploration costs.

The change in fair value of the Class B shares and the arbitration award assets and liabilities for the six months ended June 30, 2019 resulted in a net gain of $1,166,128, with no corresponding amounts in the same period for 2020 subsequent to the settlement of the arbitration with Bolivia in September 2019.

CAPITAL EXPENDITURES AND INVESTING ACTIVITIES

Total exploration spending for the six months ended June 30, 2020 was $411,887, which was incurred on the Gold springs Project. Principal activities conducted at the Gold Springs project during the six months ended June 30, 2020 revolved around target development, including rock-chip surface sampling of new and existing drill target areas; structural and geological mapping of those areas as well as updating the PEA and 2020 resource estimates. The Company also made the project ready for the re-start of drilling. Refer to the condensed interim financial statements for a breakdown of spending.

FINANCING ACTIVITIES

There were no share capital financing activities in the current period. In May 2020, the Company received $29,352 (CAD $40,000) in the form of a Canada Emergency Business Account ("CEBA") loan. CEBA is part of the economic assistance program launched by the Government of Canada to ensure that businesses have access to capital during the COVID-19 pandemic and can only be used to pay non-deferrable operating expenses.

On April 9, 2019, the Company to receive its first installment under the Arbitration Funding Agreement of $500,000.

On March 20, 2019 the Company closed a private placement raising gross proceeds of $345,414 (Cdn. $460,000) from the sale of 9,200,000 common shares priced at $0.05 per share. The Company incurred share issuance costs of $28,563.

SUMMARY OF QUARTERLY RESULTS

The following is selected financial data for the last eight quarters ending with the most recently completed quarter, being the three months ended June 30, 2020:

	Three months ended			
	June 30, 2020 $	March 31, 2020 $	December 31, 2019 $	September 30, 2019 $
Total revenues	Nil	Nil	Nil	Nil
Net loss	(231,134)	(357,794)	(433,087)	(49,628)
Net loss per share - Basic and diluted	-	-	-	-
Deferred exploration costs	208,028	203,859	284,171	270,498

Three months ended				
	June 30, 2019 $	**March 31, 2019 $**	**December 31, 2018 $**	**September 30, 2018 $**
Total revenues	Nil	Nil	Nil	Nil
Net earnings (loss)	(11,420,827)	99,744	2,794,321	(2,527,533)
Net earnings (loss) per share - Basic and diluted	(0.05)	-	0.01	(0.01)
Deferred exploration costs	112,968	123,103	24,511	303,088

The Company recorded a loss from investment in associate of $49,709 for the three months ended June 30, 2020 (2019 - $nil) which represents the Company's proportionate share of World Copper Ltd.'s net loss for the same period. At June 30, 2020 the Company owns 42.6% of the common shares of World Copper Ltd.

During the quarter ended June 30, 2019 the Escalones Project met the criteria as an asset held for sale under IFRS 5 which resulted in a charge of $11,388,588 being taken for a write-down of carrying value on transfer, from mining claims and deferred exploration costs, to assets held for sale upon reclassification. The sale of the Escalones Project closed on September 26, 2019, with additional transaction costs of $87,909 being charged during the three months ended September 30, 2019 and a further loss of $1,887,000 recognized during the same three-month period arising from a change in estimate of the cost of the World Copper shares which are being recorded at value of $0.10 per share. A further loss of $108,226 was recorded during the three months ended December 31, 2019.

During the quarter ended December 31, 2018, due to the arbitration award being granted, the Company derecognized the Malku Khota project and recognized an arbitration award asset, resulting in a $1,147,249 loss on derecognition. The Company also reported income of $4,602,641 in relation to the fair value changes in the Class B shares and the arbitration award assets and liabilities.

Net earnings (loss) has been volatile for the quarters ended September 30, 2018 and prior due to the change in fair value of the Company's Class B shares. In this regard, the Company recognized a loss of 2,544,395 during Q3 of 2018.

LIQUIDITY AND CAPITAL RESOURCES

The Company's aggregate operating, investing and financing activities during the six months ended June 30, 2020 resulted in a net cash outflow of $989,837. As at June 30, 2020, the Company had a working capital of $3,266,790 ($4,093,733 as at December 31, 2019). As at June 30, 2020 the Company has a redemption liability of $449,794 (December 31, 2019 - $450,408) representing amounts not yet claimed for redemption by prior Class B shareholders. This liability is supported by redemption funds of the same amount remaining held in trust with Company's Transfer Agent.

The Company is dependent upon share issuances to provide the funding necessary to meet its general operating expenses and will require additional financing to continue to explore its mineral properties. The recoverability of amounts shown as mining claims and deferred exploration costs is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop its mineral properties, and the ultimate realization of profits through future production from, or sale of, the properties.

CONTINGENCIES

The Company may be subject to various contingent liabilities that occur in the normal course of operations. The Company is not aware of any pending or threatened proceedings that would have a material adverse effect on the consolidated financial condition or future results of the Company.

RELATED PARTY TRANSACTIONS

Key management includes all the Officers and Directors of the Company. The compensation paid or payable to key management for services during the three and six months ended June 30, 2020 and 2019 is as follows:

	Three months ended June 30,		**Six months ended June 30,**	
	2020	**2019**	**2020**	**2019**
	$	**$**	**$**	**$**
Directors' fees	14,400	11,400	27,000	23,850
Professional fees	7,105	18,620	21,792	37,563
Share-based payments	6,767	143,035	23,911	201,925
Wages and benefits	75,000	34,604	150,000	62,247
	103,272	207,659	222,703	325,585

The Company's related parties consist of the Company's officers or companies associated with them, including (i) Gowling WLG (Canada) LLP which is a legal firm in which Tina Woodside-Shaw, the Chair and a director of the Company, is a partner and (ii) Malaspina Consultants Inc., a consulting company in which Killian Ruby, the CFO of the Company, is President & CEO. The Company incurred the following additional expenditures with related parties during the three and six months ended June 30, 2020 and 2019 that were charged by related parties. All transactions with related parties have occurred in the normal course of the Company's operations and have been measured at the exchange amounts agreed to by the Company and the related parties.

	Three months ended June 30,		**Six months ended June 30,**	
	2020	**2019**	**2020**	**2019**
	$	**$**	**$**	**$**
Consulting fees (1)	-	19,711	-	38,758
Consulting fees - mineral property costs (2)	-	4,569	-	21,325
Professional fees (3)	23,570	86,762	53,597	120,170
Share issue costs (4)	-	6,376	-	16,268
	23,570	117,418	53,597	196,521

(1) *2019 amounts paid to Felipe Malbran (former officer of the Company), as compensation to serve as officer of the Company.*
(2) *2019 amounts paid to Felipe Malbran ,(former officer of the Company)as consulting costs for the Escalones Project.*
(3) *paid primarily to Gowling WLG (Canada) LLP, and Malaspina Consultants Inc.*
(4) *paid primarily to Gowling WLG (Canada) LLP for professional services regarding financing transactions.*

Included in accounts payable and accrued liabilities at June 30, 2020 is an amount of $38,333 (December 31, 2019 - $38,670) due to related parties. These amounts are non-interest bearing and have no specific terms of repayment.

FINANCIAL INSTRUMENTS

The Company's financial instruments as at June 30, 2020 consist of cash and cash equivalents, receivables, reclamation deposits, accounts payable, redemption obligations and loan payable which are all classified as amortized cost.

Fair Value of Financial Instruments

The Company classified the fair value of the financial instruments according to the following fair value hierarchy based on the amount of observable inputs used to value the instruments:

- Level 1 – Values based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2 – Values based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in Level 2 are either directly or indirectly observable as of the reporting date.
- Level 3 – Values based on prices or valuation techniques that are not based on observable market data.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. There have been no changes in any risk management policies since December 31, 2019.

OUTLOOK

The Company's focus for 2020 is on the exploration and expansion of the mineral resources at its Gold Springs project in Nevada and Utah, USA.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative financial obligations, or with respect to any obligations under a variable interest equity arrangement.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's management, with the participation of the Chief Executive Officer and the Chief Financial Officer, engaged external consultants to evaluate the effectiveness of the Company's disclosure controls and procedures (as defined in the rules of the Canadian Securities Administrators ("CSA")) as at December 31, 2019, and have concluded that such disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in reports that it files or submits under Canadian securities laws is (i) recorded, processed, summarized and reported within the time periods specified in Canadian securities laws and (ii) accumulated and communicated to the Company's management to allow timely decisions regarding required disclosure.

Management is also responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Management has engaged external consultants, who used the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") control framework (2013) to evaluate the effectiveness of the Company's internal control over financial reporting. As of December 31, 2019, management assessed the effectiveness of the Company's internal control over financial reporting and concluded that such internal control over financial reporting is effective and that there are no material weaknesses in the Company's internal control over financial reporting that have been identified by management.

As of the date of this report, management is not aware of any change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting since the date of last year's MD&A.

It should be noted that all internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the condensed interim and annual consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ significantly from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Significant estimates are made to determine the fair-value of share-based payments, warrants and the cost of investment in associate.

Significant accounting judgements are made in particular with regard to the Company's ability to continue as a going concern and the assessment of impairment to the carrying value of mineral properties and investment in associate.

For further discussion related to critical accounting estimates and judgements, please refer to the Company's annual Management's Discussion and Analysis for the year ended December 31, 2019 and the condensed interim financial statements for the three and six months ended June 30, 2020 available on SEDAR at www.sedar.com.

OUTSTANDING SHARE DATA

The Company has an unlimited number of common shares without par value.

Type of Security	**Common shares**
As of August 12, 2020	(number)
Issued and outstanding	248,789,073
Stock options	18,930,000
Share purchase warrants	2,142,858
TOTAL DILUTION	**269,861,931**

RISKS AND UNCERTAINTIES

The Company is exposed to a number of risks and uncertainties that are common to other mineral exploration companies as well as risks associated with its international arbitration. Exploration for and the development of mineral resources involves a high degree of risk. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. The industry is capital intensive and is subject to variations in commodity prices, market sentiment, inflation and other risks. For further discussion related to risks and uncertainties, please refer to the Company's annual information form and annual Management's Discussion and Analysis for the year ended December 31, 2019 available on SEDAR at www.sedar.com.

Cautionary note regarding forward-looking statements

Certain statements contained herein constitute "forward-looking information" or "forward-looking statements" under applicable securities laws ("forward-looking statements"). Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as "will", "may", "expand", "continue", "estimated", "potential", "contingent", "develop", "plan", "future", "indications", "further", "could", "would', "expected", "nearing", "believes", "envisions", "ongoing", "possible", "creating", "advancing", "realization" and "pursuing" and similar expressions. This MD&A contains forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors. Information concerning mineral resource estimates, the PEA, and the interpretation of exploration programs, drill results and metallurgical testing may also be considered as a forward-looking statement, as such information constitutes a prediction of what mineralization might be found to be present and economically mineable if and when a project is actually developed.

Readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize. Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements, include, but are not limited to, risks of the mineral exploration industry which may affect the advancement of the Gold Springs project, including possible variations in mineral resources or grade, recovery rates, metal prices, capital and operating costs, and the application of taxes, availability of sufficient financing to fund further required work in a timely manner and on acceptable terms, availability of equipment and qualified personnel, failure of equipment or processes to operate as anticipated, changes in project parameters as plans continue to be refined; and other risks more fully described in the Company's Annual Information Form filed and publicly available on SEDAR at www.sedar.com. The assumptions made in developing the forward-looking statements include: the accuracy of current resource estimates and the interpretation of drill, metallurgical testing and other exploration results; the continuing support for mining by local governments in Nevada and Utah, the availability of equipment and qualified personnel to advance exploration projects; and execution of the Company's existing plans and further exploration and development programs for its projects, which may change due to changes in the views of the Company or if new information arises which makes it prudent to change such plans or programs.

Subject to applicable laws, the Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason. Unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of August 12, 2020.

Readers are also cautioned that the preliminary economic assessments in this MD&A are preliminary in nature and include inferred mineral resources that are considered too speculative geologically to have the *economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that the results indicated in the preliminary economic assessments will or could be realized. Mineral resources that are not mineral reserves do not have economic viability.*

Cautionary note regarding reserve and resource estimates

The material in this MD&A has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of U.S. securities laws. Unless otherwise indicated, all resource and reserve estimates included in this MD&A have been prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and the Canadian Institute of Mining and Metallurgy Classification System. NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Canadian standards, including NI 43-101, differ significantly from the requirements of the United States Securities and Exchange Commission ("SEC"), and resource and reserve information contained herein may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, the term "resource" does not equate to the term "reserves". Investors should also understand that "inferred mineral resources" have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an "inferred mineral resource" will ever be upgraded to a higher category. The estimation of quantities of resources and reserves is complex, based on significant subjective assumptions and forward-looking information, including assumptions that arise from the evaluation of geological, geophysical, engineering and economic data for a given ore body. This data could change over time as a result of numerous factors, including new information gained from development activities, evolving production history and a reassessment of the viability of production under different economic conditions. Changes in data and/or assumptions could cause reserve estimates to substantially change from period to period. No assurance can be given that the indicated level of mineral will be produced. Actual production could differ from expected production and an adverse change in mineral prices could make a reserve uneconomic to mine. Variations could also occur in actual ore grades and recovery rates from estimates.

Other information

Additional information related to the Company, including the Company's Annual Information Form and press releases, are available for viewing on SEDAR at www.sedar.com and at the Company's website at www.goldspringsresource.com.

Randall Moore, Executive Vice President for the Company, is the Company's internal Qualified Person for the Gold Springs Project and he has approved of the written disclosure of scientific and technical information contained herein.