

Gold Springs Resource Corp.

(An Exploration Stage Company)

Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2021 and 2020

(Unaudited - Expressed in U.S. dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants Canada for a review of interim financial statements by an entity's auditor.

Gold Springs Resource Corp.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Financial Position

(Unaudited - Expressed in U.S. dollars)

	Note	March 31, 2021 \$	December 31, 2020 \$
Assets			
Current			
Cash and cash equivalents		1,475,686	1,595,615
Restricted cash	7	449,794	449,794
Receivables and prepaids	4	188,215	552,011
		2,113,695	2,597,420
Non-current assets			
Equipment		64,854	67,548
Reclamation deposit	6	470,131	470,131
Other receivables	4	360,552	356,171
Investment in associate	5	1,175,330	1,394,345
Mining claims and deferred exploration costs	6	19,099,523	18,830,813
		23,284,085	23,716,428
Liabilities			
Current			
Accounts payable and accrued liabilities	10	276,750	275,701
Redemption liability	7	449,794	449,794
		726,544	725,495
Non-current liabilities			
Loan payable	8	31,808	31,416
		758,352	756,911
Equity attributable to shareholders			
Share capital	9	98,491,472	98,491,472
Contributed surplus	9	13,759,729	13,757,700
Accumulated other comprehensive loss		(284,089)	(305,356)
Deficit		(89,441,379)	(88,984,299)
		22,525,733	22,959,517
		23,284,085	23,716,428

Contingencies (Note 11)

Subsequent events (Note 15)

Approved by the Board of Directors:

(signed) "Tina Woodside-Shaw"

(signed) "Roman Mironchik"

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Gold Springs Resource Corp.

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Condensed Interim Consolidated Statements of Earnings (Loss) and Comprehensive Income (Loss)

For the three months ended March 31

(Unaudited - Expressed in U.S. dollars)

	Note	March 31, 2021 \$	March 31, 2020 \$
General and administrative expenses			
Professional fees	11	61,374	71,905
Wages and benefits	11	51,892	60,877
Shareholder information and investor relations		10,935	19,288
Office and administration		29,331	22,787
Directors' fees	10	14,304	12,183
Filing and transfer agent fees		35,414	25,767
Reconnaissance and sundry exploration		6,564	-
Share-based payments	9,10	2,029	17,509
Depreciation and amortization		6,381	6,722
Consulting		5,517	5,342
		(223,741)	(242,380)
Other income (expenses)			
Interest and other income		4,401	34,710
Foreign exchange gain (loss)		(3,807)	(975)
Share of loss, and gain on dilution, of equity accounted investee	5	(233,933)	(149,149)
		(233,339)	(115,414)
Net loss for the period			
		(457,080)	(357,794)
Other comprehensive income (loss)			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Currency translation differences		21,267	(152,614)
Total other comprehensive income (loss) for the period			
		21,267	(152,614)
Total comprehensive loss for the period			
		(435,813)	(510,408)
Net loss per share:			
Basic and Diluted		(0.00)	(0.00)
Weighted average number of shares outstanding:			
Basic and Diluted		249,039,073	248,789,073

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

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Condensed Interim Consolidated Statements of Changes in Equity

For the three months ended March 31, 2021 and 2020

(Unaudited - Expressed in U.S. dollars)

	Share Capital		Contributed Surplus	AOCL ¹	Deficit	Total
	Number	\$	\$	\$	\$	\$
Balance, December 31, 2019	248,789,073	98,466,930	13,725,401	(327,157)	(87,633,339)	24,231,835
Share-based payments	-	-	18,039	-	-	18,039
Total comprehensive loss	-	-	-	(152,614)	(357,794)	(510,408)
Balance, March 31, 2020	248,789,073	98,466,930	13,743,440	(479,771)	(87,991,133)	23,739,466
Shares issued on warrant exercise	250,000	24,542	(3,687)	-	-	20,855
Share-based payments	-	-	17,947	-	-	17,947
Total comprehensive income (loss)	-	-	-	174,415	(993,166)	(818,751)
Balance, December 31, 2020	249,039,073	98,491,472	13,757,700	(305,356)	(88,984,299)	22,959,517
Shares issued on warrant exercise	-	-	-	-	-	-
Share-based payments	-	-	2,029	-	-	2,029
Total comprehensive income (loss)	-	-	-	21,267	(457,080)	(435,813)
Balance, March 31, 2021	249,039,073	98,491,472	13,759,729	(284,089)	(89,441,379)	22,525,733

1 Accumulated other comprehensive loss

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

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Condensed Interim Consolidated Statements of Cash Flows

For the three months ended March 31

(Unaudited - Expressed in U.S. dollars)

	March 31, 2021	March 31, 2020
	\$	\$
Cash flows (used in) from operating activities		
Net loss for the period	(457,080)	(357,794)
<i>Items not affecting cash</i>		
Depreciation and amortization	6,381	6,722
Share of loss, and gain on dilution, of equity accounted investee	233,933	149,149
Share-based payments	2,029	17,509
Interest income	(4,401)	(34,710)
	(219,138)	(219,124)
 <i>Changes in non-cash operating working capital</i>		
Change in receivables and prepaids	83,520	(36,917)
Change in accounts payable and accrued liabilities	(99,004)	(52,430)
	(234,622)	(308,471)
 Cash flows (used in) from investing activities		
Mining claims and deferred exploration costs	(168,657)	(200,525)
Receipts from collection of Escalones sales proceeds receivable	275,895	-
Purchase of equipment	(3,685)	(56,311)
Interest received	4,401	31,120
	107,954	(225,716)
 Decrease in cash and cash equivalents	(126,668)	(534,187)
Foreign exchange effect on cash and cash equivalents	6,739	(6,870)
Cash and cash equivalents - Beginning of period	1,595,615	3,831,570
Cash and cash equivalents - End of period	1,475,686	3,290,513

Supplemental cash flow information (Note 13)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

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Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2021 and 2020

(Unaudited - Expressed in U.S. dollars)

1 Nature of operations and liquidity risk

Gold Springs Resource Corp. (“GRC” or the “Company”) was incorporated pursuant to the *Canada Business Corporations Act* by articles of incorporation dated September 28, 2006 and was continued under the *Business Corporations Act* (British Columbia) (“BCBCA”) on December 17, 2013. The Company is listed on the on the Toronto Stock Exchange (“TSX”) under the stock symbol GRC and on the OTCQB Venture Market (“OTCQB”) in the U.S. under the stock symbol GRCAF. The Company’s registered and head office is located at Suite 880, 580 Hornby Street, Vancouver, British Columbia, Canada, V6C 3B6. The Company’s principal activities include the acquisition, exploration and development of mineral properties. The principal country where the Company has been undertaking exploration activities is the United States. Property interests are held through wholly owned subsidiaries.

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months.

At March 31, 2021, the Company had a working capital of \$1,387,151 (December 31, 2020 – working capital of \$1,871,925), and subsequent to March 31, 2021 raised \$2,000,000 (see Note 15), which the Company believes is sufficient to meet its obligations and continue its operations for at least the next twelve months.

Beyond the next 12 months, the Company’s ability to continue as a going concern will be dependent upon its ability to obtain the necessary financing to meet its general operating expenses and to continue to explore its mineral properties. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

2 Basis of presentation

Statement of compliance

The Company’s condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2020, which have been prepared in accordance with IFRS.

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended December 31, 2020.

These financial statements were approved by the board of directors on May 11, 2021.

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Basis of consolidation

The consolidated financial statements include the results or financial information of Gold Springs Resource Corp. and its significant wholly-owned subsidiaries listed in the following table:

Name	Country of incorporation
South American Silver Limited ¹	Bermuda
Escalones Resource Corp.	Canada
High Desert Gold Corporation	Canada
Gold Springs Resource Corp. (formerly TriMetals Mining Inc.)	U.S.A.
Gold Springs LLC	U.S.A.

¹ On April 14, 2021 the Company dissolved its Bermudan subsidiary and, accordingly, has ceased operations in that country.

The results of each subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. All significant intercompany transactions and balances have been eliminated.

3 Use of estimates, assumptions and judgments

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2020.

4 Receivables and prepaids

	March 31, 2021	December 31, 2020
	\$	\$
GST receivable	4,401	6,644
Other receivables	2,874	13,783
Other prepaids and advances	180,940	202,694
Receivables from sale of the Escalones property (note 5)	360,552	685,061
	548,767	908,182
Less: long term receivable from sale of the Escalones property (note 5)	(360,552)	(356,171)
	188,215	552,011

5 Investment in associate

On May 31, 2019, the Company and its wholly-owned subsidiary, Escalones Resource Corp. ("ERC") entered into a definitive share purchase agreement, as amended (the "Share Purchase Agreement"), with Wealth Minerals Ltd. ("Wealth") and its then wholly-owned subsidiary, Wealth Copper Ltd., subsequently renamed to World Copper Ltd., ("World Copper"), a company incorporated in British Columbia, pursuant to which, World Copper agreed to acquire from ERC all of the issued and outstanding shares of the Company's subsidiaries SASC

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Metallurgy Corp. and Escalones Copper Corp. (the “Purchased Shares”), and thereby 100% of the Company’s Chilean subsidiary, TriMetals Mining Chile SCM, and its interest in the Escalones property (the “Escalones Transaction”). The Escalones Transaction closed on September 26, 2019.

As consideration to the Company for the purchase of the Escalones property, World Copper:

- (i) issued 25,000,000 common shares in its capital (each, a “World Copper Share”) to ERC (received);
- (ii) will pay the Company an aggregate of \$754,638 (Cdn\$1,000,000) in cash (the “Cash Consideration”) of which \$112,790 (Cdn\$150,000) was paid in 2018, and credited against the Cash Consideration, and Cdn\$350,000 due upon closing of the Concurrent Financing (as defined below, received) and Cdn\$500,000 due on the 12-month anniversary of the closing of the Concurrent Financing; and
- (iii) granted the Company a 2% net smelter returns royalty payable on production from those mining rights or exploitation concessions that supersede or shall derive from the Escalones Exploration Concessions if the price of copper is greater than US\$0.75 per pound or a 1% net smelter returns royalty if the copper price is equal to or less than US\$0.75 per pound (the “Royalty”). The Royalty is subject to a buyback right pursuant to which the Royalty may be purchased for US\$3 million at any time during the 5 years following the first sale of minerals produced from such mining rights or exploitation concessions, and US\$5 million after such 5-year period. In calculating the loss from disposition of the Escalones property, a \$nil value was ascribed to the Royalty due to uncertainty of occurrence.

World Copper also agreed to reimburse the Company for the 2019 land payments of the Escalones property of \$54,000 upon closing of the Concurrent Financing (received).

At closing of the Escalones Transaction, the Company held 25,000,000 World Copper Shares and 25,000,000 World Copper Shares were held by Wealth, which collectively represented 85.2% of the issued and outstanding World Copper Shares, excluding any World Copper Shares to be issued in connection with the Concurrent Financing.

World Copper entered into a letter of intent with Allante Resources Ltd. (TSXV: ALL.H) (“Allante”) dated June 7, 2019 in respect of a reverse take-over transaction (the “Going-Public Transaction”), whereby Allante (which, as a result of the closing of the Going-Public Transaction on January 18, 2021 is the “Resulting Issuer”) acquired all of the issued and outstanding World Copper Shares from Wealth and ERC and continued the business of World Copper in exchange for the issuance of common shares in the capital of Allante to the World Copper shareholders on a one (1) for one (1) basis. As contemplated in the Share Purchase Agreement, in connection with the Going-Public Transaction, World Copper completed private placement financings to raise an aggregate of at least Cdn\$5,000,000 (the “Concurrent Financing”) before April 30, 2021, and raised at least Cdn\$2,000,000 prior to the closing of the Going-Public Transaction (the Concurrent Financing completed on January 12, 2021).

Pursuant to the Share Purchase Agreement, the Company’s ownership interest in the Resulting Issuer is not to be less than 30% immediately after giving effect to the Going-Public Transaction and the Concurrent Financing and the Company is to be granted the right to participate in future equity financings of the Resulting Issuer to allow the Company to maintain up to its pro rata ownership interest in the equity capital of the Resulting Issuer. In addition, following closing of the Going-Public Transaction, the Company and Wealth were each granted the

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right to nominate one director to the board of directors of the Resulting Issuer for so long as each holds at least 20% of the issued and outstanding shares of the Resulting Issuer.

During the three months ended March 31, 2021, World Copper issued 27,031,466 units at Cdn\$0.12 per unit for gross proceeds of Cdn\$3,243,766. Each unit consisted of a common share and warrant exercisable into a common share at a price of Cdn\$0.20 until July 27, 2025. In addition, World Copper issued 2,666,666 common shares at Cdn\$0.12 per share to settle a loan payable of Cdn\$320,000. In connection with the Going Public Transaction World Copper issued 14,675,595 common shares to the Company to maintain the Company's 30% pro-rata interest in the Resulting Issuer, and a special warrant, whereby the Company will be entitled to receive up to an additional 24,446,702 common shares upon the deemed exercise of the special warrant. The special warrant will be deemed to be exercised on a proportionate basis at the time common share purchase warrants issued by World Copper, as part of the Concurrent Financing, are exercised by the warrant holders.

On initial recognition, in absence of available market information on the value of World Copper's shares, the Company estimated the value of the common shares of World Copper to equal Cdn \$0.10/share, being the price per common share applicable to the financings completed by World Copper prior to closing of the Escalones Transaction, totalling an initial recognition cost of \$1,887,000. As at March 31, 2021 the Company owns 30% (2020 – 29.81%) of the issued and outstanding common shares of World Copper.

The Company's investment in associate as at March 31, 2021 and the changes for the period then ended are as follows:

	March 31, 2021
	\$
Balance, December 31, 2020	1,394,345
Share of loss, and gain on dilution, of equity accounted investee	(233,933)
Foreign exchange	14,918
Balance, March 31, 2021	1,175,330

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The following is a summary of World Copper's financial information on a 100% basis as at March 31, 2021 and December 31, 2020.

	March 31, 2021	December 31, 2020
	\$	\$
Cash and cash equivalents	1,468,299	259,696
Total current assets (other than cash)	119,115	37,350
Total non-current assets	5,348,218	3,709,784
Total current liabilities	(635,292)	(580,775)
Total non-current liabilities	(442,059)	(767,781)
Net asset value	5,858,281	2,658,274
	March 31, 2021	March 31, 2020
	\$	\$
Net loss for the period	1,232,141	349,844
Proportionate share of net loss*	233,933	149,149

*30% ownership as at March 31, 2021. The proportionate share of net loss is net of a dilution gain of \$135,709 recorded during the three months ended March 31, 2021.

6 Mining claims and deferred exploration costs

Mining claims and deferred exploration costs are associated with the following projects:

	Gold Springs
	\$
Balance, December 31, 2020	18,830,813
Land and option payments	24,000
Laboratory	6,888
Field supplies	670
Camp	7,653
Geologists and personnel	85,222
Drilling	116,797
Environmental and permitting	560
Travel and accommodation	22,280
Trenching	4,640
	268,710
Balance, March 31, 2021	19,099,523

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Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited - Expressed in U.S. dollars)

Gold Springs, USA

The Gold Springs mineral property was acquired through the 2013 acquisition of High Desert Gold Corporation (“HDG”).

During the year ended December 31, 2017 the Company increased the size of the Gold Springs property by entering into lease and surface use agreements. Pursuant to the agreements, the Company has entered into a 30 year lease beginning on October 25, 2017 for the mineral rights on certain patented mining claims and a 30 year surface use agreement on certain homestead lands upon payment as follows: \$41,035 paid on execution of the agreement, \$40,000 on October 25, 2018 (paid), \$45,000 on October 25, 2019 (paid), \$50,000 on October 25, 2020 (paid) and \$55,000 on each anniversary until October 25, 2047. In addition, upon commencement of commercial production, the Company is to pay the lessor a 3% net smelter returns royalty. The Company has the right and option, prior to commencement of commercial production, to buy back 0.5% of the net smelter returns royalty for the sum of \$1,000,000, payable within 60 days from and after commencement of commercial production.

As at March 31, 2021 the Company had \$470,131 (2020 - \$470,131) of cash on direct deposit with Nevada and Utah land and environmental regulatory authorities for future remediation costs. The cash on deposit represents the amounts to meet the expected remediation costs as advised by those regulatory authorities.

7 Restricted cash and redemption liability

On November 4, 2019 the Class B shares of the Company were redeemed for \$0.09827 per Class B share for an aggregate redemption amount of \$11,436,186. On November 5, 2019 the Class B shares were delisted from the TSX and the OTCQB. As at March 31, 2021 there was \$449,794 (December 31, 2020 - \$449,794) of redemption funds remaining held in trust with Company’s Transfer Agent, and representing amounts not yet claimed for redemption by prior Class B shareholders.

8 Loan payable

In May 2020, the Company received \$31,808 (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. During the period from receipt of the CEBA loan to December 31, 2022, the “Initial Term”, no interest is charged on the amount outstanding and should at least CAD\$ 30,000 be repaid on or before the end of the Initial Term the remaining CAD \$10,000 of principal will be forgiven. During the period from January 1, 2023 to December 31, 2025 (the “Extended Term”), should the loan remain outstanding, interest will be payable monthly at rate of 5% per annum on the outstanding balance. The balance of the CEBA loan is fully repayable on or before the end of the Extended Term, if not repaid on or before the end of the initial Term.

9 Share capital

Authorized

An unlimited number of common shares without par value and up to 127,328,790 Class B shares without par value.

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The holders of the common shares are entitled to one vote per share. The holders of the common shares are entitled to dividends, when and if declared by the directors of the Company. No dividends have ever been declared or paid as at March 31, 2021.

On November 4, 2019 the Company redeemed the Class B shares at a price of US\$0.09827 per share for an aggregate redemption amount of \$11,436,186. On November 5, 2019 the Class B shares were delisted from the TSX and the OTCQB. As at March 31, 2021 there was \$449,794 (December 31, 2020 - \$449,794) of redemption funds remaining held in trust with Company's Transfer Agent, and representing amounts not yet claimed for redemption by prior Class B shareholders.

Financings

There were no financing activities in the three-month period ended March 31, 2021 and 2020.

On April 27, 2021, the Company closed the first tranche of \$2,000,000 (the "First Tranche") of an ongoing non-brokered private placement (the "Offering") of up to \$20,000,000 comprised of a \$10,000,000 initial funding round of Series A Secured Rights (the "Series A Secured Rights") and a subsequent \$10,000,000 second funding round of Series B Secured Rights (the "Series B Secured Rights").

Investors in the First Tranche received a total of \$2,000,000 Series A Secured Rights of the Company and 2,000,000 common share purchase warrants ("Warrants"), with each Warrant entitling the holder to purchase one common share of the Company for a period of two years from the closing date of the First Tranche at a price of CAD\$0.11 per share (see Note 15).

Stock options

The Company's stock options outstanding as at March 31, 2021 and the changes for the three months then ended are as follows:

	Number of options	Weighted average exercise price (per share) Cdn \$	Weighted average remaining life (years)
Balance – December 31, 2020	19,130,000	0.10	1.23
Expired	-	-	
Granted	-	-	
Balance – March 31, 2021	19,130,000	0.10	0.98
Exercisable – March 31, 2021	18,996,667	0.10	0.97

During the three months ended March 31, 2021, the Company recorded share-based payments of \$2,029 (2020 - \$18,039) in respect of the vesting of previously granted stock options and newly granted options. Of this amount, \$2,029 (2020 - \$17,509) was recorded as a charge to operations and \$nil (2020 - \$530) was included in deferred exploration costs.

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The balance of options outstanding as at March 31, 2021 is as follows:

Expiry date	Exercise price Cdn\$	Number of options outstanding	Number of options exercisable
May 19, 2021	0.305	1,427,500	1,427,500
October 10, 2021	0.285	250,000	250,000
November 21, 2021	0.225	50,000	50,000
November 27, 2021	0.05	2,050,000	2,050,000
February 8, 2022	0.055	200,000	200,000
February 15, 2022 ¹	0.06	2,000,000	2,000,000
April 8, 2022	0.06	6,500,000	6,500,000
May 1, 2022	0.045	2,000,000	2,000,000
May 9, 2022	0.045	500,000	500,000
June 12, 2022	0.30	1,702,500	1,702,500
September 9, 2022	0.08	2,250,000	2,250,000
August 31, 2023	0.145	200,000	66,667
		19,130,000	18,996,667

All of the outstanding options have associated share appreciation rights which allow the optionees to exercise their options on a cashless basis resulting in a lesser number of common shares to be issued to the optionee pursuant to their exercise.

¹ Subsequent to March 31, 2021, a total of 900,000 options with an exercise price of Cdn\$0.06 were exercised on a cashless basis resulting in the issuance of 409,091 common shares (Note 15).

10 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 months ended March 31, 2021 and 2020 is as follows:

	March 31, 2021	March 31, 2020
	\$	\$
Directors' fees	14,400	12,600
Professional fees	6,044	14,687
Wages and benefits	92,500	75,000
Share-based payments	811	17,144
	113,755	119,431

Included in accounts payable and accrued liabilities at March 31, 2021 is an amount of \$35,865 (December 31, 2020 - \$12,836) due to related parties. These amounts are non-interest bearing and have no specific terms of repayment.

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The Company incurred the following additional expenditures with related parties during the three months ended March 31, 2021 and 2020:

	March 31, 2021	March 31, 2020
	\$	\$
Professional fees	45,653	30,027
	45,653	30,027

11 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.

Subsequent to March 31, 2021, the Company, in connection with the Offering and through its direct, wholly-owned subsidiary, High Desert Gold Corporation (“High Desert”), has guaranteed certain of the Company’s obligations under the Offering. High Desert has, as security for the Guarantee, pledged, on a graduated basis, the issued and outstanding shares of its direct, wholly-owned subsidiary, Gold Springs Resource Corp. (Delaware) (see Note 15).

12 Segment information

The Company’s operations are limited to a single industry segment, being mineral exploration and development. Geographic segment information of the Company’s assets and liabilities as at March 31, 2021 and December 31, 2020 is as follows:

	March 31, 2021	December 31, 2020
Identifiable assets	\$	\$
Canada	3,566,039	4,262,952
United States	19,718,046	19,453,476
Total assets	23,284,085	23,716,428
	March 31, 2021	December 31, 2020
Identifiable liabilities	\$	\$
Canada	607,134	696,293
United States	151,218	60,618
Total liabilities	758,352	756,911

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Geographic segmentation of the Company's net earnings (loss) for the three months ended March 31, 2021 and 2020 is as follows:

	March 31, 2021	March 31, 2020
	\$	\$
Bolivia	-	(31,953)
Canada	(419,740)	(297,087)
United States	(37,340)	(28,754)
Net earnings (loss)	(457,080)	(357,794)

13 Supplemental cash flow information

The Company conducted non-cash investing activities during the three months ended March 2021 and 2020 as follows:

	March 31, 2021	March 31, 2020
	\$	\$
Investing activities		
Deferred exploration costs included in accounts payable	118,456	3,321
Deferred exploration costs included in accounts payable as at December 31, 2020 and 2019 respectively	(18,403)	(517)
Financing activities		
Share-based payments included in deferred exploration costs	-	530

Cash and cash equivalents as at March 31, 2021 and 2020 was comprised solely of cash.

14 Financial instruments

The Company's financial instruments as at March 31, 2021 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.

Gold Springs Resource Corp.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited - Expressed in U.S. dollars)

The Company's activities expose it to a variety of financial risks: market risk (including, primarily, currency risk and interest rate risk), credit risk and liquidity risk. There have been no changes in any risk management policies since December 31, 2020. At March 31, 2021 the Company's primary exposure to financial instrument risk is from exposure to currency exchange rate risks to the extent of its activities in the U.S. and/or in currencies which are not the functional currency of the economic environment in which the Company or its subsidiaries operate. Based on this exposure as at December 31, 2020 a 5% change in exchange rates could give rise to a change in the net loss by approximately \$77,000 (December 31, 2020 - \$96,000), which is primarily driven by the parent Company's USD cash balance of \$1.3 million at (December 31, 2020 \$1.6 million) (because the parent Company has a Canadian Dollar functional currency). The Company does not use derivative financial instruments to reduce its foreign exchange exposure.

15 Subsequent events

- (a) On April 27, 2021, the Company closed the first tranche of \$2,000,000 (the "First Tranche") of an ongoing non-brokered private placement (the "Offering") of up to \$20,000,000 comprised of a \$10,000,000 initial funding round of Series A Secured Rights and a subsequent \$10,000,000 second funding round of Series B Secured Rights (together with the Series A Secured Rights, the "Secured Rights").

Investors in the First Tranche received a total of \$2,000,000 Series A Secured Rights of the Company and 2,000,000 Warrants, each Warrant entitling the holder to purchase one common share of the Company for a period of two years from the closing date of the First Tranche at a price of CAD\$0.11 per share.

The objective of the Offering is to fund the comprehensive, multi-year resource expansion program (the "Resource Expansion Program") at the Company's Gold Springs project. If the Company's drilling results are successful at supporting at least a 3 million gold-equivalent (gold and silver) ounce mineral resource estimate, the Company would turn its focus to selling the Gold Springs Project to a third party (an "Exit Transaction").

Series A Secured Rights

The purchasers of Series A Secured Rights are entitled, per each \$1 million invested, and upon the occurrence of an Exit Transaction, to receive payment of 1.5% of the net sales proceeds received pursuant to the Exit Transaction (the "Series A Exit Transaction Price").

Series B Secured Rights

The purchasers of Series B Secured Rights are entitled, per each \$1 million invested, and upon the occurrence of an Exit Transaction, to receive payment of 1.0% of the net sale proceeds received pursuant to the Exit Transaction (the "Series B Exit Transaction Price" and collectively with the Series A Exit Transaction Price, the "Exit Payments").

Non-Exit Transaction Payments

In the event of certain "Non-Exit Transaction Payment Triggering Events" the holders of the Secured Rights may elect to receive a cash payment equal to five (5) times the amount invested by each holder (the "Non-Exit Transaction Payment").

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(Unaudited - Expressed in U.S. dollars)

A “Non-Exit Transaction Payment Triggering Event” includes: (a) a hostile take-over bid of the Company; (b) a sale of the Gold Springs Project (or the Company) prior to when the Company has announced a 3 million gold-equivalent (gold and silver) ounce mineral resource estimate, where such sale occurred without the requisite consent of the holders of the Secured Rights; (c) the Company spending less than 95% of the gross proceeds of the Offering on the Resource Expansion Program (subject to a reasonable period to cure an alleged breach upon receipt of a notice of default); (d) the Company having made an untrue statement of a material fact in certain representations and warranties set out in the Indenture (as defined below); and (e) the Company filing for bankruptcy.

Indenture and Security for Payments

The terms of the Secured Rights are set out in an indenture (the “Indenture”) entered into on April 27, 2021, the date of closing of the First Tranche, between the Company; the Company’s direct, wholly-owned subsidiary, High Desert Gold Corporation (“High Desert”); and the Company’s transfer agent, as agent for the Secured Rights. High Desert has guaranteed (the “Guarantee”) the Company’s obligation to make the Exit Payments or the Non-Exit Transaction Payments, as the case may be. High Desert has, as security for the Guarantee, pledged, on a graduated basis, the issued and outstanding shares of its direct, wholly-owned subsidiary, Gold Springs Resource Corp. (Delaware).

- (b) Subsequent to March 31, 2021, 900,000 stock options were exercised at a price of Cdn\$0.06 on a cashless basis resulting in the issuance of 409,091 common shares.