

**Gold Springs Resource Corp.**

**Three and six months ended June 30, 2022**

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

## **INTRODUCTION**

The following information, prepared as of August 10, 2022, should be read in conjunction with the unaudited condensed interim consolidated financial statements of Gold Springs Resource Corp. (“GRC” or the “Company”) for the three and six months ended June 30, 2022 and the audited consolidated financial statements for the year ended December 31, 2021 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.

The Company’s common shares trade on the Toronto Stock Exchange (“TSX”) under the stock symbol GRC and on the OTCQB Venture Market (“OTCQB”) in the U.S. under the symbol GRCAF.

## **GOLD SPRINGS PROJECT, USA AND OTHER HIGHLIGHTS**

The Company holds a 100% interest in the 78 square kilometre Gold Springs project located in USA, on the Nevada-Utah border, one of the best mining jurisdictions in the world. An overview of the project can be found on the Company’s website at <https://www.goldspringsresource.com/projects/gold-springs/>. During the first quarter of 2022, the Company received the last assay results from the 2021 drilling program, completed detailed modelling of the different targets to prepare a resource update based on the 2021 drilling for the 4 existing resources and the 4 new discoveries, and planned the 2022 drilling program.

On June 13, 2022, the Company announced an updated National Instrument 43-101 compliant mineral resource estimate of measured and indicated 832,000 ounces of gold and 12,484,000 ounces of silver with an additional inferred 125,000 ounces of gold and 1,397,000 ounces of silver for its Gold Springs Project, taking into consideration all the 2021 drilling results at North and South Jumbo, Tremor, Charlie Ross, and White Point (for further details on the updated mineral resource refer to the July 13, 2022 filed: “Mineral Resource Estimate NI 43-101 Technical Report - Gold Springs Project Utah-Nevada, USA with an effective date of June 13, 2022 and an issue date of July 11, 2022. This resource estimate enabled the Company to reach the first important milestone of its multi-year resource expansion plan (see Resource Expansion Financing Program). The Company is now focused on the 2022 drilling program to reach the second milestone, being a new resource update and PEA for the end of the year, with a further goal of reaching, within the next 2 years, the third milestone and complete the mine permitting process.

### *Exploration Plan for 2022*

The Company’s plan is to rapidly advance towards pre-feasibility its flagship Gold Springs Project located in Nevada and Utah (USA). The 2022 drill program commenced at South Jumbo in April and includes 20,100 meters of RC drilling and 2,000 meters of core drilling. The focus and goal of the program is to extend the current resources along the Jumbo trend and to follow up on the four new discoveries at Tremor, Charlie Ross, White Point, and Homestake. Five new targets will also be tested at Midnight, the Horseshoe Extension, Pope, Snow, and Red Light. All of these targets are ready to drill with roads and drill pads constructed. The core drilling, as part of the 2022 drill program, will test deeper portions of the system and be used to collect material for metallurgical testing. In addition, the Company has planned an expanded ground based Controlled Source Audio-frequency Magneto-Tellurics (“CSAMT”) geophysical survey covering most of our 33 targets and to complete baseline studies to advance the mine permitting process.

### 2022 Drilling and Exploration information

The 2022 drill program commenced at South Jumbo in April. As of July 29, 2022, the Company has completed 44 holes, for a total of 9,317 meters of the 2022 drilling program. The Company has completed 20 holes at South Jumbo, the first 2 holes in the previously untested Snow target, 13 new holes around the North Jumbo resource and 9 holes looking to expand the Charlie Ross resource discovered by the 2021 drilling program. From South Jumbo, assays have been received for the first 14 holes and samples for 6 additional holes have been delivered to the laboratory for assay, All the first 14 holes at South Jumbo have hit veins and zones of stockwork veins and breccia development which are favorable for gold mineralization.

The core drilling, as part of the 2022 drill program, to test deeper portions of the system and to collect material for metallurgical testing has started. As of July 29, 2022, 1 hole from the diamond core drilling has been completed in the Tremor target discovered in 2021 and now part of North Jumbo.

The ground based CSAMT geophysical survey covering most of the 33 targets began in July 2022.

For more details on the drill holes and results please refer to the Company's press releases filed on April 25, June 6, and July 29, 2022.

News releases can be found on the Company's website (<https://goldspringsresource.com/news/news/>) or under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### Primary highlights by target:

#### *South Jumbo Resource*

The first 6 holes at South Jumbo are designed to expand the resource to the west and at depth, where hole E-21-012 intersected 5.26 g/t gold and 14.0 g/t silver over 19.8 meters at the bottom of the hole. A total of 12-15 holes are planned for a first phase of the resource expansion effort at South Jumbo. On June 6, 2022, the Company announced the results from the first 6 holes which all encountered gold mineralization. The drill results for 8 additional holes announced on July 29, 2022 continue to demonstrate extensions of the South Jumbo gold mineralization. Once these holes are completed and assays are received, a second phase of drilling will be designed to further expand the resource (see News Releases on April 25, June 6, and July 29 2022).

In previous years, in addition to drilling, the Company completed rock chip sampling, detailed target mapping, soil sampling, stream sediment sampling, and a property-wide set of geophysical surveys including Light Detection and Ranging ("LIDAR"), airborne Z-Axis Tipper Electromagnetic ("ZTEM") and ground based Controlled Source Audio-Frequency Magnetotelluric ("CSAMT"). The ZTEM and CSAMT geophysical surveys identified many structural features related to mineralization, and the Company has developed resources within the 6 kilometer Jumbo trend (the North Jumbo and South Jumbo resources), Grey Eagle and Thor trends. Geological work identified 33 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 North Jumbo (maximum drilled depth of 280 metres) 150 meters below surface at South Jumbo (maximum drilled depth of 190 meters) and 130 metres below the surface at Grey Eagle (maximum drilled depth of 262 metres).

## RESULTS OF OPERATIONS

### Three months ended

During the three months ended June 30, 2022, the Company reported a net loss of \$431,055 (\$0.00 loss per share) compared to a net loss of \$454,397 (\$0.00 loss per share) reported during the three months ended June 30, 2021.

	<b>2022</b>	<b>2021</b>
	\$	\$
General and administrative expenses (excluding share-based payments)	(197,689)	(165,535)
Share of loss of equity accounted investee	-	(222,289)
Interest and other income	8,675	13,218
Accretion finance charge	-	(8,193)
Other	(6,815)	(6,808)
Share-based payments	(235,226)	(64,790)
<b>Net (loss) earnings for the period</b>	<b>(431,055)</b>	<b>(454,397)</b>

The general and administrative expenses (excluding share-based payments) are broadly consistent from period to period, with the increase in the current period being primarily as a result of increased administrative activities in support of the Company's expanding exploration activities.

The primary drivers for the change in net loss for the three months ended June 30, 2022 compared with the same period ended June 30, 2021 are as a result of the share loss of equity accounted investee of \$nil (2021 - \$222,289) and share-based payments of \$235,226 (2021 - \$64,790).

### Six months ended

During the six months ended June 30, 2022, the Company reported a net loss of \$674,368 (\$0.00 loss per share) compared to a net loss of \$911,477 (\$0.00 loss per share) reported during the six months ended June 30, 2021.

	<b>2022</b>	<b>2021</b>
	\$	\$
General and administrative expenses (excluding share-based payments)	(357,327)	(387,247)
Share of loss of equity accounted investee	-	(456,222)
Interest and other income	13,627	17,619
Accretion finance charge	-	(8,193)
Other	(8,436)	(10,615)
Share-based payments	(322,232)	(66,819)
<b>Net (loss) earnings for the period</b>	<b>(674,368)</b>	<b>(911,477)</b>

The general and administrative expenses (excluding share-based payments) are largely comparable for the six months ended June 30, 2022 to the same period in 2021.

The primary drivers for the change in net earnings for the six months ended June 30, 2022 compared with the same period ended June 30, 2021 are as a result of the share loss of equity accounted investee of \$nil (2021 - \$456,222) and share-based payments of \$322,232 (2021 - \$66,819).

## **CAPITAL EXPENDITURES AND INVESTING ACTIVITIES**

Total exploration spending for the six months ended June 30, 2022 was \$1,752,763, which was incurred on the Gold Springs project, prior to an offset of \$265,535 for Secured Rights consideration recognized for costs incurred under the Resource Expansion Program plus capitalization of aggregate sales costs for Secured Rights of \$23,493. Principal activities conducted at the Gold Springs project during the six months ended June 30, 2022 are in connection to the drilling program in progress. Refer to the condensed interim consolidated financial statements for a breakdown of costs incurred during the six months ended June 30, 2022.

## **FINANCING ACTIVITIES**

### *Share Capital Financings*

On March 8, 2022, the Company issued 350,000 common shares for the exercise of options for gross proceeds of \$32,642. There were no share capital financing activities in the six-month period ended June 30, 2022 and 2021.

### *Resource Expansion Financing Program*

On April 27, 2021 and June 24, 2021, the Company closed the first and second tranches, respectively, of a non-brokered financing for a resource expansion program (the “Resource Expansion Financing Program”). The first tranche closing was for a total of \$2,000,000 Series A Secured Rights of the Company and the second tranche closing was for a total of \$1,000,000 Series A Secured Rights of the Company (collectively, the “Series A Secured Rights”). Investors in each of the first and second tranches (the “Series A Secured Rights Investors”) were also issued 2,000,000 common share purchase warrants and 1,000,000 common share purchase warrants, respectively, (collectively, “Secured Rights Warrants”), with each Secured Rights Warrant entitling the holder to purchase one common share of the Company for a period of two years at a price of Cdn\$0.11 and Cdn\$0.14, respectively, per share.

The Company wishes to raise an aggregate of \$20 million under the Resource Expansion Financing Program to fund exploration activities at the Gold Springs Project with the view to significantly expanding the gold and silver resources of the project to a minimum of 3 million gold-equivalent ounces, and to thereafter sell the Gold Springs Project or the Company (an “Exit Transaction”) to a third party (an “Acquirer”).

Proceeds received under the Resource Expansion Financing Program, are to be used, among others, to fund resource-expansion and -definition drilling, extensive metallurgical testing, the completion of a preliminary feasibility study, the completion of an environmental impact statement and work required to obtain a mine permit.

Upon the occurrence of an Exit Transaction, the Series A Secured Rights Investors of the first \$10 million raised under the Resource Expansion Financing Program will be entitled to receive 1.5% of the net sale proceeds for every \$1 million invested.

During the three and six months ended June 30, 2021, the Company recognized a non-cash finance charge, representing accounting accretion for the period, of \$8,193 (June 30, 2020 - \$nil) in the condensed consolidated statements of loss. The aggregate fair value of Secured Rights Warrants issued of \$155,236 was recognized as a transaction cost against the proceeds received from the issuance of the Series A Secured Rights.

## 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, 2022:

<b>Three months ended</b>				
	<b>June 30, 2022</b>	<b>March 31, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total revenues	Nil	Nil	Nil	Nil
Net loss	(431,055)	(243,313)	2,258,144	(227,849)
Net loss per share* - Basic and diluted	-	-	-	-
Deferred exploration costs <sup>#</sup>	1,752,763	534,939	98,443	243,859

<b>Three months ended</b>				
	<b>June 30, 2021</b>	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>September 30, 2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total revenues	Nil	Nil	Nil	Nil
Net earnings (loss)	(454,397)	(457,080)	(519,481)	(242,551)
Net loss per share* - Basic and diluted	-	-	-	-
Deferred exploration costs	529,768	268,710	396,648	495,209

\* The aggregate of quarterly net loss per share may not equal the annual equivalent due to rounding.

<sup>#</sup> These figures are revised to reflect the impact, on the September 30, 2021 and June 30, 2021 quarterly financial statements, of the finalized accounting approach, applied during Q4 2021, to the recognition and allocation of the consideration from the Gold Springs Secured Rights sale as part of the Resource Expansion Program.

The Company recorded a gain of \$2,607,101 from the completion of the sale of its investment in World Copper to Wealth during the three months ended December 31, 2021. During the quarter ended September 30, 2021, the Sale Agreement resulted in the investment in associate meeting the criteria as an asset held for sale under IFRS 5 which resulted in a transfer, from investment in associate, to assets held for sale upon reclassification. Prior to entering into the Sale Agreement, and the transfer to assets held for sale, the Company recognized its share of losses from its equity accounted investment in World Copper, being the primary driver of differences in quarterly losses prior to that time for periods presented above.

## LIQUIDITY AND CAPITAL RESOURCES

The Company's aggregate operating, investing and financing activities during the six months ended June 30, 2022 resulted in a net cash outflow of \$1,733,387. As at June 30, 2022, the Company had a working capital of \$1,982,335 (\$3,947,988 as at December 31, 2021). As at June 30, 2022 the Company had a redemption liability of \$131,694 (December 31, 2021 - \$131,694) 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 the 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 property. 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 property, and the ultimate realization of profits through future production from, or sale of, the property.

## 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, 2022 and 2021 is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Directors' fees	15,750	20,100	26,700	34,500
Professional fees	44,748	8,556	99,629	14,600
Wages and benefits	46,250	80,255	92,500	172,755
Share-based payments	235,954	68,689	324,542	69,500
	342,702	177,600	543,371	291,355

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, (ii) Malaspina Consultants Inc. ("Malaspina"), a consulting company in which Killian Ruby, the CFO of the Company, is President & CEO, and (iii) Reial Consulting & Investment SA ("Reial"), a consulting company in which Antonio Canton, the President & CEO and a director of the Company, is the President & CEO. 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.

The Company incurred the following additional expenditures with related parties during the three and six months ended June 30, 2022 and 2021. 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,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Deferred financing fees <sup>(2)</sup>	5,914	-	17,418	-
Financing fees <sup>(2)</sup>	-	41,975	-	41,975
Professional fees <sup>(1)</sup>	28,035	39,218	56,786	84,871
	33,949	81,193	74,204	126,846

<sup>(1)</sup> paid primarily to Gowling WLG (Canada) LLP and Malaspina Consultants Inc.

<sup>(2)</sup> paid primarily to Gowling WLG (Canada) LLP for legal services regarding financing transactions.

Included in accounts payable and accrued liabilities at June 30, 2022 is an amount of \$27,894 (December 31, 2021 - \$56,213) due to related parties. These amounts are non-interest bearing and have no specific terms of repayment. During the three months ended June 30, 2021, Mr. Antonio Canton, the President and Chief Executive Officer, and Director of the Company, invested in \$2 million (2020 - \$nil) of the Series A Secured Rights.

## FINANCIAL INSTRUMENTS

The Company's financial instruments as at June 30, 2022 consist of cash and cash equivalents, restricted cash, 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, 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, 2021. At June 30, 2022 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 June 30, 2022 a 5% change in exchange rates could give rise to a change in the net loss by approximately \$1,000 (December 31, 2021 - \$22,000), which is primarily driven by the parent Company's USD cash balance of \$26,000 at June 30, 2022 (December 31, 2021 - \$390,000) (because the parent Company has a Canadian Dollar functional currency). The Company does not use derivative financial instruments to reduce its foreign exchange exposure.

## **OUTLOOK**

The Company's focus for 2022 is on the exploration and expansion of the mineral resources at its Gold Springs project in Nevada and Utah, USA, to achieve pre-feasibility and to make the Company attractive to major gold mining companies.

## **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, other than as already disclosed in this MD&A.

## **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, 2021, 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, 2021, 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 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, as well as the carrying value of advances for Gold Springs Project exploration costs.

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.

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, 2021 and the condensed interim financial statements for the three and six months ended June 30, 2022 available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **OUTSTANDING SHARE DATA**

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

<b>Type of Security</b>	<b>Common shares</b>
As of August 10, 2022	(number)
Issued and outstanding	256,349,943
Stock options	19,465,000
Share purchase warrants	3,000,000
<b>TOTAL DILUTION</b>	<b>278,814,943</b>

## **RISKS AND UNCERTAINTIES**

The Company is exposed to a number of risks and uncertainties that are common to other mineral exploration companies. 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, 2021 available on SEDAR at [www.sedar.com](http://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, the interpretation of exploration programs, drill results and metallurgical testing, 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, statements with respect to the secured rights offering and the timing and closing of future tranches, the gross proceeds of the secured rights offering, the use of proceeds from the secured rights offering, the occurrence of an Exit Transaction or a Non-Exit Transaction Payment Triggering Event, the planned expansion of the gold and silver resources and Resource Expansion Program at the Gold Springs project and the acquisition of the Gold Springs project by an acquirer may all be considered as forward-looking statements. 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; the availability and cost of funds; additional closings of the Offering; uncertainties and risks relating to the expansion of the Gold Springs project and Resource Expansion Program, potential risks and uncertainties relating to the ultimate geographic spread of the novel coronavirus (COVID-19), the severity of the disease, the duration of the COVID-19 outbreak, actions that may be taken by governmental authorities to contain the COVID-19 outbreak or to treat its impact and the potential negative effects of COVID-19 on the global economy and financial markets; and other risks related to our business and the Offering and other risks more fully described in the Company’s Annual Information Form filed and publicly available on SEDAR at [www.sedar.com](http://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 10, 2022. 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](http://www.sedar.com) and at the Company’s website at [www.goldspringsresource.com](http://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.