

Gold Springs Resource Corp.

Year ended December 31, 2022

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

INTRODUCTION

The following information, prepared as of March 28, 2023, should be read in conjunction with the audited consolidated financial statements of Gold Springs Resource Corp. (“GRC” or the “Company”) for the year ended December 31, 2022 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.

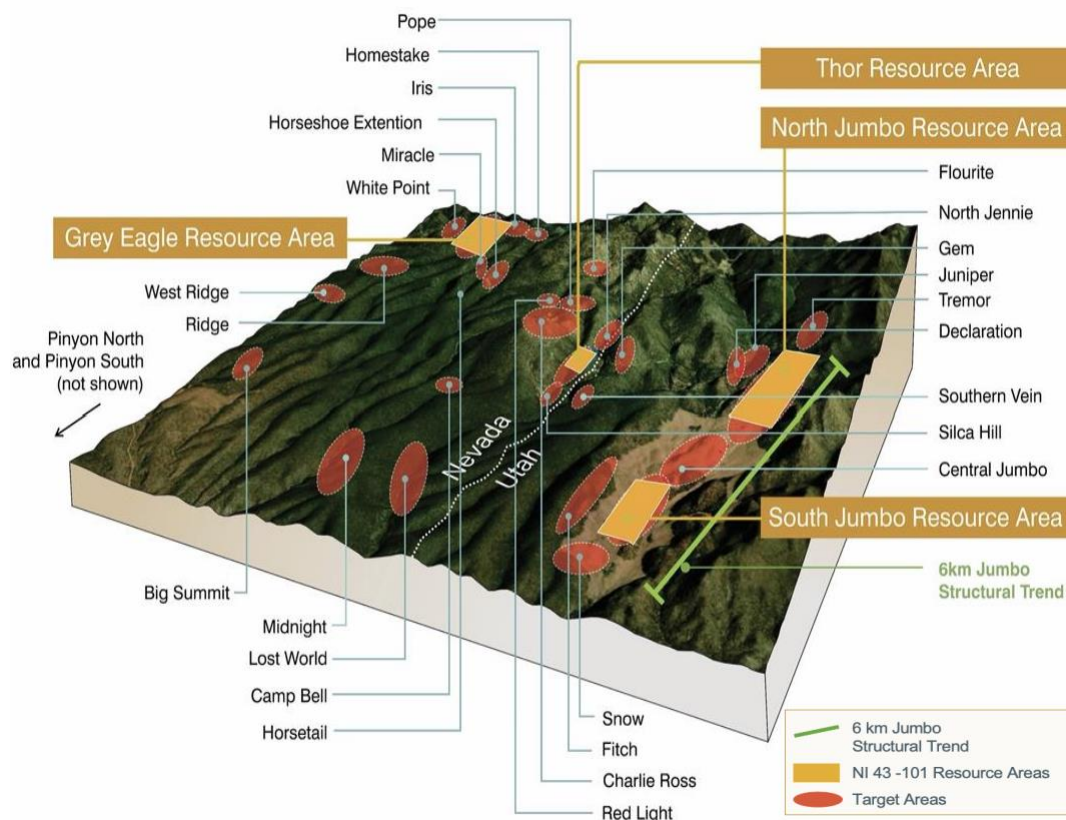
GENERAL

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/>.



Since 2010, the Company spent in excess of \$24 million on Gold Springs and has completed or collected:

- 443 drill holes at Gold Springs for a total of 79,733 meters. The Company has also the technical information of 20 drill holes drilled prior to the Company's acquisition of the Gold Springs project totalling 2,647 meters.
- 77.4 line kilometres of CSAMT geophysical survey data.
- 470 line kilometers of ZTEM geophysical survey data.
- 3,420 rock samples, 2,182 soil samples and 912 sediment samples.
- Detailed mapping on 33 different targets.
- Cultural clearance on 27 targets.
- Environmental Assessment in both Nevada and Utah.

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 2023 drilling program to continue to expand the resource, with a further goal of reaching, within the next 2 years, a multi-million-ounce gold resource and the milestone of completing the mine permitting process.

On September 22, 2022, the Company announced a new discovery on the Snow target with highlights including 1.98 g/t gold equivalent over 3.0 meters and 0.70 g/t gold equivalent over 27.4 meters in hole SN-22-002.

Exploration Expectations for 2022

The Company's plan for 2022 was to continue 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 included an expected 20,100 meters of RC drilling and 2,000 meters of core drilling. The focus and goal of the program was 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.

2022 Drilling and Exploration information

As part of the 2022 drilling program, the Company completed 77 RC holes for a total of 16,226 meters:

- 24 holes around the South Jumbo resource,
- 22 holes around the North Jumbo resource,
- 19 holes around the Charlie Ross resource discovered in 2021,
- 2 holes on the previously untested Snow target,
- 5 holes on the Red Light target,
- 5 holes on the Horseshoe Extension target.

The Horseshoe Extension, Pope, Snow, and Red Light were new targets in the 2022 program.

Assays have been received from 41 RC holes: 20 of the 24 at South Jumbo, 13 of the 22 at North Jumbo, 6 of the 19 at Charlie Ross, 2 at Snow, none from the Red Light and Horseshoe Extension targets.

At the South Jumbo resource, the 20 drill results received have extended gold mineralization to the west and at depth and to the north. The resource remains open along the western and eastern margins, and to the north where 4 additional holes have been completed and await results.

At the North Jumbo resource, the results received from 13 drill holes have extended gold mineralization in a western parallel mineral block and to the south into a new structural block extending gold mineralization 200 meters south of the North Jumbo Resource with hole J-22-005 returning 1.87 g/t gold equivalent over 29 meters including 3.73 g/t over 9.2 meters, and with hole J-22-004 returning 0.57 g/t gold equivalent over 41.2 meters and 1.88 g/t over 6.1 meters. Of the 9 holes awaiting results, 5 additional holes are looking to extend mineralization further to the south.

At the Snow target, the 2 first drill holes ever completed resulted in a new discovery with hole SN-22-002 returning 1.98 g/t gold equivalent* over 3.0 meters and 0.70 g/t gold equivalent over 27.4 meters.

**Gold equivalent based on US\$1,800/oz gold, US\$25/oz silver and 50% for silver recovery.*

The core drilling, as part of the 2022 drill program tested deeper portions of the systems and collected material for metallurgical testing. In 2022, the Company completed 3 diamond core holes, one at South Jumbo, one in the Tremor target discovered in 2021 and now part of North Jumbo, and one at Charlie Ross for a total of 695.5 meters. No assays have yet been received from the core drilling.

The ground based Controlled Source Audio-Frequency Magnetotelluric (“CSAMT”) geophysical survey covering most of the 33 targets began in July 2022 and was completed in August.

For more details on the drill holes and results please refer to the Company’s press releases filed on April 25, June 6, July 29, August 12, September 19, September 22, and September 28, 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.

Primary highlights by target:

South Jumbo Resource

The first six 2022 drill holes at South Jumbo were designed to expand the resource to the west and at depth, where hole E-21-012 had 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 24 holes were drilled at South Jumbo in 2022. 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, continued to demonstrate extensions of the South Jumbo gold mineralization. The assays were received for another 6 drill holes on August 12, 2022 and the results confirm the significant potential for expansion of our current gold resource at South Jumbo. Follow-up holes will be planned in 2023 with the objective to continue to expand gold mineralization in every direction, but especially to the north, towards Central Jumbo (see News Releases on April 25, June 6, July 29, and August 12, 2022).

North Jumbo Resource

Assay results from the first 2022 drill holes at North Jumbo were received confirming the possibility for a significant southward extension of the North Jumbo Resource. These results confirmed (i) the discovery of a new gold mineralization area extending 200 meters south of our North Jumbo Resource (holes J-22-004 & J-22-005) in a new structural block that was never drilled before; (ii) the extension of the North Jumbo Resource in a parallel western mineral block (J-22- 001, J-22-006, and J-22-007) and (iii) the extension of gold mineralization in the southern portion of the North Jumbo Resource as our model predicted (Hole J-22-008). All these holes have thick sections of gold mineralization and higher-grade intervals than our existing resource (see News Release of September 19, 2022).

Charlie Ross Resource

This target is highlighted by a significant CSAMT geophysical anomaly that extends over an area 1100x600 meters and is located just west of the North Jennie target on the edge of the Gold Springs caldera complex.

Gold is controlled by north-south trending structural corridors with three possible parallel zones. The first assays results from the 2022 drill program around the Charlie Ross Resource were announced on September 28, 2022, including 1.20 g/t gold equivalent over 10.7 meters and 0.70 g/t gold equivalent over 13.7 meters in hole CR-22-001. These first 2022 holes around the Charlie Ross resource have successfully extended the gold mineralization around the western zone of the system (See News Release of September 28, 2022).

Snow Target

The Snow target is located on the Utah side of the Gold Springs project and is controlled by a parallel structural zone to the Jumbo Trend. Historical workings are located on the southern end of the 3 km long north-south Snow fault. On September 22, 2022 the Company announced a new 2022 discovery on the Snow target, including 1.98 g/t gold equivalent over 3.0 meters and 0.70 g/t gold equivalent over 27.4 meters in hole SN-22-002. The new gold discovery on the Snow target continues to demonstrate the quality of our 33 targets defined to date on only 40% of the Gold Springs project. This new discovery at Snow was primarily defined by a large CSAMT geophysical anomaly that extends north-south for 3 km and parallels the 5 km long Jumbo Trend located 900 meters to the west. This target is mostly covered by post mineral material, with the exception of the very southern portion where historical workings have produced surface samples up to 3.7 g/t gold (see New Release of September 22, 2022).

CSAMT and ZTEM Geophysical Surveys

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 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, White Point, 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).

SELECTED ANNUAL INFORMATION

The table below provides selected financial information derived from the audited consolidated financial statements of the Company for each of the past three years ended December 31.

	2022	2021	2020
	\$	\$	\$
Total Revenues	nil	nil	nil
Net Earnings (Loss)	(1,171,051)	1,118,818	(1,350,960)
Net Earnings (Loss) Per Share (basic and diluted)	(0.01)	0.00	(0.01)
Total Assets	25,778,729	25,166,112	23,716,428
Total Non-Current Liabilities	-	-	31,416
Deferred Exploration Expenditures	4,464,127*	1,140,780	1,303,744
Dividends Declared	nil	nil	nil

* Deferred exploration expenditures for the year ended December 31, 2022 are post recognition of net Secured Rights consideration of \$242,042 recognized during the year (2021: \$2,367,792 and 2020: \$nil).

The higher total assets as at December 31, 2022 compared with December 31, 2021 is due to (i) a balance of mining claims and deferred exploration costs of \$24,435,720 at December 31, 2022 compared with \$19,971,593 at December 31, 2021, the increase arising as a result of continued investment in the Gold Springs project, (ii) a balance of equipment of \$250,550 compared with \$140,595 at December 31, 2021, and (iii) a reclamation deposit of \$554,293 at December 31, 2022 compared with \$518,152 at December 31, 2021, the increase arising as a result of expanded exploration activities at the Gold Springs project. The increase in total assets was offset by the following balances at December 31, 2022: (i) cash and cash equivalents of \$278,023 and (ii) receivables and prepaids of \$128,449, which decreased compared with (i) \$3,824,025 and (ii) 580,053, respectively, at December 31, 2021.

The higher total assets as at December 31, 2021 compared with December 31, 2020 is due to (i) a higher cash and cash equivalents balance of \$3,824,025 compared with \$1,595,615 as at December 31, 2020, the increase arising primarily from the receipt of CAD\$4,364,315 from the sale of its World Copper Ltd. securities during the fourth quarter of 2022, (ii) a balance of mining claims and deferred exploration costs of \$19,971,593 at December 31, 2021 compared with \$18,830,813 at December 31, 2020, the increase arising as a result of continued investment in the Gold Springs project, (iii) a balance of receivables and prepaids of \$580,053 compared with \$552,011 at December 31, 2020, (iv) a balance of equipment of \$140,595 compared with \$67,548 at December 31, 2020, and (v) a reclamation deposit of \$518,152 at December 31, 2021 compared with \$470,131 at December 31, 2020, the increase arising as a result of expanded exploration activities at the Gold Springs project. The increase in total assets was offset by the following balances at December 31, 2021: (i) restricted cash of \$131,694, (ii) other receivables of \$nil and (iii) investment in associate of \$nil, which decreased compared with (i) \$449,794, (ii) \$356,171 and (iii) \$1,394,345, respectively, at December 31, 2020. The decreases at December 31, 2021 arose due to (i) Class B shareholders redeeming their shares, (ii) the receipt of sales consideration receivable from the sale of the Escalones property, and (iii) the disposal of the Company's investment in associate, respectively.

The lower non-current liabilities as at December 31, 2021 compared with December 31, 2020 is due to the Canada Emergency Business Account loan becoming current as at December 31, 2021.

Deferred exploration expenditures of \$4,464,127 for the year ended December 31, 2022 are net of deferred consideration recognized of \$265,535 for costs incurred under the Resource Expansion Program offset by capitalization of aggregate selling costs for Secured Rights of \$23,493. Deferred exploration expenditures of \$1,140,780 for the year ended December 31, 2021 are net of deferred consideration recognized of \$2,609,610 for costs incurred under the Resource Expansion Program offset by capitalization of aggregate selling costs for Secured Rights of \$241,818.

During the fiscal year ended December 31, 2021, net earnings included a gain of \$2,607,101 on the sale of shares in World Copper Ltd. (“World Copper”) to Wealth Minerals Ltd. (“Wealth”) pursuant to the Sale Agreement.

RESULTS OF OPERATIONS

During the year ended December 31, 2022, the Company reported a net loss of \$1,171,051 (\$0.01 loss per share) compared to a net earnings of \$1,118,818 (\$0.00 per share) reported during the year ended December 31, 2021.

	2022 \$	2021 \$
General and administrative expenses (excluding share-based payments)	(728,429)	(762,497)
Share of loss of equity accounted investee	-	(483,021)
Gain on disposal of investment in associate	-	2,607,101
Interest and other income	27,379	40,358
Other	(23,294)	30,495
Share-based payments	(446,707)	(313,618)
Net (loss) earnings for the year	(1,171,051)	1,118,818

The general and administrative expenses (excluding share-based payments) are largely comparable for the year ended December 31, 2022 to the same period in 2021.

The primary drivers for the change in net earnings for the year ended December 31, 2022 compared with the same period ended December 31, 2021 are as a result of the share loss of equity accounted investee of \$nil (2021 – \$483,021); gain on disposal of investment in associate \$nil (2021 - \$2,607,101) and share-based payments of \$446,707 (2021 - \$313,618).

CAPITAL EXPENDITURES AND INVESTING ACTIVITIES

Total exploration spending for the year ended December 31, 2022 was \$4,706,169, 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 year ended December 31, 2022 are in connection to the drilling program of which 16,921 metres were completed in 2022. Refer to the consolidated financial statements for a breakdown of spending.

FINANCING ACTIVITIES

Share Capital Financings

During the year ended December 31, 2022, a total of 2,435,058 stock options were exercised for gross proceeds of \$262,093 and a total of 3,000,000 Secured Rights Warrants were exercised for gross proceeds of \$268,846. During the year ended December 31, 2021, the Company issued 2,500,000 common shares for the exercise of options for gross proceeds of \$114,841.

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.

On February 8, 2023, the Company closed an additional tranche (the “Additional Tranche”) of its previously announced non-brokered private placement offering of secured rights (the “Offering”). The Additional Tranche closing was for a total of US\$300,000 Series A Secured Rights of the Company (the “Series A Secured Rights”) and the investors in the Additional Tranche were also issued 300,000 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 Additional Tranche at a price of CAD\$0.13 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 year ended December 31, 2021, the Company incurred legal and other transaction costs of \$110,075 (December 31, 2020 - \$nil) in connection with the issuance of the Series A Secured Right. 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 December 31, 2022:

Three months ended				
	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
	\$	\$	\$	\$
Total revenues	Nil	Nil	Nil	Nil
Net loss	(269,600)	(227,083)	(431,055)	(243,313)
Net loss per share* - Basic and diluted	-	-	-	-
Deferred exploration costs	367,822	2,585,584	1,217,824	534,939

Three months ended				
	December 31, 2021	September 30, 2021[#]	June 30, 2021[#]	March 31, 2021
	\$	\$	\$	\$
Total revenues	Nil	Nil	Nil	Nil
Net earnings (loss)	2,258,144	(227,849)	(454,397)	(457,080)
Net loss per share* - Basic and diluted	-	-	-	-
Deferred exploration costs	98,443	243,859	529,768	268,710

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

[#] 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 net loss in Q2 2022 is higher than other quarters in 2022 primarily as a result of recognizing higher share-based payment costs of \$235,226.

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.

FOURTH QUARTER

During the fourth quarter of 2022, the Company reported net loss of \$269,600 (\$nil per share) compared to net earnings of \$2,258,144 (\$nil per share) reported in the fourth quarter of 2021. During the 2021 fourth quarter the Company recorded a gain of \$2,607,101 on the sale of its World Copper investment for proceeds of Cdn\$4,364,315.

LIQUIDITY AND CAPITAL RESOURCES

The Company's aggregate operating, investing and financing activities during the year ended December 31, 2022 resulted in a net cash outflow of \$3,471,721. As at December 31, 2022, the Company had a working capital deficit of \$898,433 (working capital of \$3,947,988 as at December 31, 2021). As at December 31, 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. These factors may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, whether it may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its current operating expenses and to continue to explore its mineral properties by methods which could include debt refinancing, equity financing, forward sale agreements, sale of assets and strategic partnerships. Although the Company has been successful in the past in obtaining

financing, there is no assurance that it will be able to continue to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

The consolidated financial statements do not reflect the adjustments to the carrying values of the assets and liabilities, the reported expenses and the statements of financial position classifications that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

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.

Indenture and Security for Payments

Under the terms of the Resource Expansion Program, the Company has given certain warranties and covenants to the Series A Secured Rights Holders, including a guarantee for its obligations under the funding agreement, and it has pledged 25% of the issued and outstanding shares of its U.S subsidiary corporation that beneficially owns the Gold Springs Project (the “Gold Spring Subsidiary”).

Under the terms of the Resource Expansion Program, if the Company is subject to a successful hostile take-over bid the Series A Secured Rights Holders are entitled to receive a cash payment equal to 5 times their amount invested and if the Company fails to comply with general obligations of the Resource Expansion Program, the Holders are entitled to a similar payment.

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 years ended December 31, 2022 and 2021 is as follows:

	2022	2021
	\$	\$
Directors’ fees	50,100	64,800
Professional fees	190,762	113,993
Wages and benefits	185,000	265,255
Share-based payments	466,448	319,916
	892,310	763,964

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 years ended December 31, 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.

	2022	2021
	\$	\$
Deferred financing fees ⁽¹⁾	26,439	-
Financing fees ⁽¹⁾	-	41,975
Professional fees ⁽²⁾	97,099	156,437
Share-based payments ⁽³⁾	2,291	7,810
	125,829	206,222

⁽¹⁾ paid primarily to Gowling WLG (Canada) LLP for legal services regarding financing transactions.

⁽²⁾ paid primarily to Gowling WLG (Canada) LLP and Malaspina Consultants Inc.

⁽³⁾ earned primarily by Malaspina Consultants Inc.

Included in accounts payable and accrued liabilities at December 31, 2022 is an amount of \$152,337 (December 31, 2021 - \$56,213) due to related parties. These amounts are non-interest bearing and have no specific terms of repayment.

In addition, during the year ended December 31, 2022, the President and Chief Executive Officer, and Director of the Company, exercised 2 million Secured Rights Warrants; 1 million to purchase 1 million common shares of the Company at a price of Cdn\$0.11 per common share and 1 million to purchase 1 million common shares of the Company at a price of Cdn\$0.14 per common share.

FINANCIAL INSTRUMENTS

The Company's financial instruments as at December 31, 2022 consist of cash and cash equivalents, restricted cash, receivables, reclamation deposits, accounts payable, redemption obligations, and loan payable which are all measured at 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.

Discussions of risks associated with financial assets and liabilities are detailed below:

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. A portion of the Company's financial assets and liabilities is denominated in foreign currencies giving rise to risks from changes in foreign exchange rates. The Company is exposed 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, 2022 a 5% change in exchange rates could give rise to a change in the net loss by approximately \$4,000 (2021 - \$22,000), which is primarily driven by the parent Company's USD cash balance of \$132,000 at December 31, 2022 (2021 - \$390,000) (the parent Company has a Canadian Dollar functional currency). The Company does not use derivative financial instruments to reduce its foreign exchange exposure.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The majority of the Company's credit risk exposure arises from its cash balances which are held with a Canadian chartered bank and from reclamation deposits held directly with governmental authorities in the United States. Accordingly, the Company's exposure to credit risk is considered to be limited. Cash equivalents consist of term deposits which have an original maturity of three months or less from the date of purchase and which are readily convertible into a known amount of cash. The Company also maintains deposits for ongoing working capital at major banks in the jurisdictions in which its foreign subsidiaries operate.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company manages its cash according to its operational needs and to maximize interest revenue. The Company is not significantly exposed to interest rate risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by maintaining sufficient cash and cash equivalents balances to enable settlement of transactions on the due date. The Company's investment policy is to invest its cash in term deposits, with maturities of three months or less from the original date of acquisition. See Note 1. The Company's accounts payable are due on normal commercial terms. The Company's redemption obligations are due on demand and are funded by cash balances held directly with the Company's Transfer Agent to facilitate the redemptions as they arise.

Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain a flexible capital structure which optimizes the costs of capital as an acceptable risk. In the management of capital, the Company includes the components of equity attributable to shareholders.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust capital structure, the Company may attempt to issue new shares, issue debt, or acquire or dispose of assets.

The Company is dependent on the equity markets as its principal source of operating working capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

The Company is not subject to any capital requirements imposed by a regulator, other than continued listing requirements of the TSX. The Company expects its current capital resources will be sufficient to carry out its exploration plans and operations through the current operating period.

There have been no changes to the Company's approach in managing capital during the year ended December 31, 2022.

OUTLOOK

The Company's focus for 2023 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, 2022, 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, 2022, 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.

Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the financial resources to continue in business for at least the next twelve months. The factors considered by management are disclosed in Note 1 to the consolidated financial statements.

Mining claims and deferred exploration costs

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 the properties, and the ultimate realization of profits through future production or sale of the properties.

At each reporting period end, management applies judgment in assessing whether there are any indicators of impairment relating to mining claims and deferred exploration costs. If there are indicators of impairment, the recoverable amount of the related asset is estimated in order to determine the extent of any impairment. Indicators of impairment may include (i) the period during which the entity has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed, (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned, (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and (iv) sufficient data exist to indicate that the carrying amount of the mining claims and deferred exploration costs is unlikely to be recovered in full from successful development or by sale. No impairment indicators were identified by management as at December 31, 2022.

Share-based payments

The Company uses the fair-value method of accounting for share-based payments related to incentive stock options and compensation warrants granted, modified or settled. Under this method, compensation cost attributable to options granted is measured at fair value at the grant date and expensed over the vesting period. In determining the fair value, the Company makes estimates of the expected volatility of the stock, the expected life of the options, and an estimated risk-free interest rate.

Warrants

In determining the fair value of warrants when issued, the Company makes estimates of the expected volatility of the stock, the expected life of the warrants, and an estimated risk-free interest rate.

OUTSTANDING SHARE DATA

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

Type of Security	Common shares
As of March 28, 2023	(number)
Issued and outstanding	261,630,880
Stock options	14,879,942
Share purchase warrants	300,000
TOTAL DILUTION	276,810,822

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.

The following risks are listed in the order of most to least significant:

Expected Continued Operating Losses and Additional Funding Requirements

The Company currently has no revenues from operations. The Company has experienced losses from operations in previous financial years and had an accumulated deficit of \$89,036,532 as of December 31, 2022. The Company expects to incur losses for the foreseeable future. Accordingly, the Company is dependent on additional financing to provide the funding necessary to meet its general operating expenses and will require additional financing to continue to explore its mineral properties. In order to further fund the Company's business plans, additional funds will be required. The only sources of future funds presently available to the Company are the Secured Rights Funding, the sale of additional equity capital, sale of additional Secured Rights, the sale of a future metal stream from a property, the sale of a production royalty, the entering into of a metal or concentrate off-take type agreement, the entering into a loan agreement, the sale or leasing of the Company's interest in a property, or the entering into of a joint venture arrangement or other strategic alliance in which the funding source could become entitled to an interest in one of the assets of the Company. The Company's capital resources are largely determined by the strength of the junior resource market and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. There is no assurance that the Company will be successful in raising additional funds in the future. If the Company does not have the necessary capital to meet its obligations under its contractual obligations, the Company may have to forfeit its interest in properties or prospects earned or assumed under such contracts. In addition, if the Company does not have sufficient funds to pursue its exploration and development programs and other plans, the viability of the Company could be jeopardized.

Recession and Interest Rate Increases

The Company, in common with many businesses, is subject to global and local recession risks and the risk of increasing interest rates. These can impact, among other things, the Company's cost of supplies, energy and fuel, hiring and staffing, potential future sales prices, prices and values which can be obtained from the sale of assets, costs of financing, as well the ability to manage and implement the Company's operational plan arising from related budgetary constraints.

Personnel

The Company's labour force is primarily constituted of consultants rather than direct employees. Accordingly, the Company's operations are managed and its business plans implemented and overseen by consultants. The Company may be subject to changing labour markets, a changing workforce, shortage of experienced personnel to manage its operations, lack of continuity in its workforce. In addition, the

Company's workforce be hired and/or engaged by other exploration companies or companies in the broader mining sectors, thereby causing the Company to incur increases in labour costs to hire, retain and/or maintain continuity of its workforce.

Commodity Price Risk

The profitability of the Company's operations, if ever established, will be dependent upon the market price of precious metals. Precious metals prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, world supply of mineral commodities, consumption patterns, sales of copper, gold and silver by central banks, forward sales by producers, production, industrial and jewellery demand, speculative activities and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable. The Company's revenues and earnings also could be affected by the prices of other commodities such as fuel and other consumable items, although to a lesser extent than by the price of gold and silver. The prices of these commodities are affected by numerous factors beyond the Company's control.

Dilution

The Company is dependent on additional financing to provide the funding necessary to meet its general operating expenses and will require additional financing to continue to explore its mineral properties. Issuances of additional securities will result in dilution of the equity interests of the Company's shareholders. The Company may issue additional Common Shares in the future as further capital is required and on the exercise of outstanding options or other convertible securities issued from time to time. Sales or issuances of substantial amounts of additional securities, or the availability of such securities for sale, could adversely affect the market prices for the Company's securities. A decline in the market prices of securities of the Company could impair the Company's ability to raise additional capital through the sale of new Common Shares should it desire to do so. In addition, if additional Common Shares or securities convertible into Common Shares are sold or issued, such sales or issuances may substantially dilute the equity interests of the Company's holders of Common Shares.

Uncertainty of Resource Estimates

The Company announced resource estimates on the Gold Springs project and the results of its preliminary economic study (the "PEA") on such project. The statements of mineral resources disclosed are estimates only and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Mineral resources are not mineral reserves and do not have demonstrated economic viability. Until they are categorized as "mineral reserves", the known mineralization of the Gold Springs project is not determined to be economic ore. The mining and exploration business relies upon the accuracy of determinations as to whether a given deposit has significant mineral reserves and resources. Mineral reserve and resource estimates are based on limited sampling, and inherently carry the uncertainty that samples may not be representative. Such estimates necessarily include presumptions of continuity of mineralization which may not actually be present. Mineral reserve and resource estimates may require revision (either upward or downward) based on actual production experience. Market fluctuations in the price of metals, as well as increased production costs or reduced recovery rates, may render certain mineral resources uneconomic. Inaccurate estimates may result in a misallocation of resources such that an excess amount could be allocated to a less than economic deposit or, conversely, failure to develop a significant deposit. Greater assurance will require completion of final comprehensive feasibility studies that conclude a potential mine at the Gold Springs project is likely to be economic, but such studies remain subject to the same risks and uncertainties.

Exploration Stage Operations

The Company's operations are subject to all of the risks normally associated with the exploration for and the development of mineral properties. The Gold Springs project is still in the advanced exploration stage. Mineral exploration and exploitation involves a high degree of risk, which even a combination of experience,

knowledge and careful evaluation may not be able to avoid. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain necessary permits, adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities. The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise.

Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the material processed and to develop the mining and processing facilities and infrastructure at any site chosen for mining. There can be no assurance that commercial quantities of ore will be discovered. There is also no assurance that even if commercial quantities of ore are discovered, that the properties will be brought into commercial production or that the funds required to exploit mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. The commercial viability of a mineral deposit once discovered is also dependent on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices. Most of the above factors are beyond the control of the Company. There can be no assurance that the Company's mineral exploration activities will be successful. In the event that such commercial viability is never attained, the Company may seek to transfer its property interests or otherwise realize value or may even be required to abandon its business and fail as a "going concern". The recoverability of the carrying value of its mineral properties and the Company's continued existence is dependent, in part, upon the preservation of its interest in its properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to obtain financing or, alternatively, upon the Company's ability to dispose of its interests on an advantageous basis.

Portions of the Company's interest in the Gold Springs project are subject to option or lease agreements which require the Company to make periodic payments over a varying number of years to maintain its interest in those portions of the project. The Company can cancel these agreements at any time without completing the remaining payments and without further obligation.

Exploration and Operation Risks

In common with other enterprises undertaking business in the mining sector, the Company's mineral exploration and project development activities are subject to conditions beyond its control. The success of the Company will be dependent on many factors including: the discovery and/or acquisition of mineral reserves and mineral resources; the successful conclusions to feasibility and other mining studies; access to adequate capital for project development and sustaining capital; design and construction of efficient mining and processing facilities within capital expenditure budgets; the securing and maintaining of title to properties; obtaining permits, consents and approvals necessary for the conduct of exploration and potential mining operations; complying with the terms and conditions of all permits, consents and approvals during the course of exploration and mining activities; access to competent operational management and prudent financial administration, including the availability and reliability of appropriately qualified employees, contractors and consultants; the ability to procure major equipment items and key consumables in a timely and cost-effective manner; the ability to access full power supply; and the ability to access appropriate road and port networks for shipment of any mineral production. There can be no assurance that the Company will ever be able to develop any of its mineral properties at all or on time or on budget. Should any of these events occur, it would have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Although the Company has implemented comprehensive safety and environmental measures designed to comply with or exceed government regulations and ensure safe, reliable and efficient operations in all phases of its operations, accidents, environmental hazards or degradation, unusual and unexpected geological formations, seismic activity, cave-ins, pit-wall failures, flooding, rock bursts and other acts of God or unfavorable operating conditions and losses may still occur.

Permits and Government Regulation

The Company requires licenses and permits from various governmental authorities in Nevada and Utah to carry out exploration and development at Gold Springs. Obtaining permits can be a complex, time-consuming process. There can be no assurance that the Company will be able to obtain the necessary licenses and permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities. In addition, the requirements applicable to sustain existing permits and licenses may change or become more stringent over time and there is no assurance that the Company will have the resources or expertise to meet its obligations under such licenses and permits.

The mineral exploration activities of the Company are also subject to various laws governing prospecting, development, production, taxes, labour standards, occupational health, mine safety, waste disposal, toxic substances and other matters. Mining and exploration activities are also subject to various laws and regulations relating to the protection of the environment, historical and archaeological sites and endangered and protected species of plants and animals. Although the exploration activities of the Company are currently carried out substantially in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a substantial adverse impact on the Company.

Environmental Regulations

The Company's activities are subject to foreign environmental laws and regulations which may materially adversely affect its future operations. These laws and regulations control the exploration and development of mineral properties and their effects on the environment, including air and water quality, mine reclamation, waste handling and disposal, the protection of different species of plant and animal life, and the preservation of lands and glaciers. These laws and regulations will require the Company to acquire permits and other authorizations for certain activities. There can be no assurance that the Company will be able to acquire such necessary permits or authorizations on a timely basis, if at all.

The Company cannot predict what environmental legislation or regulations will be enacted or adopted in the future or how future laws and regulations will be administered or interpreted. Compliance with more stringent laws and regulations, as well as potentially more vigorous enforcement policies or regulatory agencies or stricter interpretation of existing laws, may materially adversely affect the Company's future operations.

Mineral exploration and development in the United States are subject to various U.S. federal and state and local laws and regulations relating to the protection of the environment. These laws impose high standards on the mining industry to monitor the discharge of wastewater and report the results of such monitoring to regulatory authorities, to reduce or eliminate certain effects on or into land, water or air, to progressively rehabilitate mine properties, to manage hazardous wastes and materials and to reduce the risk of worker accidents. A violation of these laws may result in the imposition of substantial fines and other penalties. There can be no assurance that the Company will be able to meet all the regulatory requirements in a timely manner or without significant expense or that the regulatory requirements will not change to prohibit the Company from proceeding with certain exploration and development.

Infrastructure

Development and exploration activities depend on adequate infrastructure, including reliable roads, power sources and water supply. The Company's inability to secure adequate water and power resources, as well as other events outside of its control, such as unusual weather, sabotage, government or other interference

in the maintenance or provision of such infrastructure, could adversely affect the Company's operations and financial condition.

Title to Properties

Acquisition of rights to the mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has investigated the title to all of the properties for which it holds concessions or in respect of which it has a right to earn an interest, the Company cannot give an assurance that title to such properties will not be challenged or impugned. The Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects or governmental actions. The Company can never be certain that it or its option partners will have valid title to its mineral properties. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers under foreign law are often complex. The Company does not carry title insurance on its properties. A successful claim that the Company or its option partner does not have title to a property could cause the Company to lose its rights to that property, perhaps without compensation for its prior expenditures relating to the property. The occurrence of any such event could have a material adverse effect on the Company and its prospects.

Portions of the Gold Springs project, including the Jumbo target where the Company has a resource estimate, are subject to option or lease agreements requiring cash payments. If the Company fails to make these payments, the Company may lose its right to the applicable portion of the property and forfeit any funds previously expended to acquire such interest.

Conflicts of Interest

Certain directors and officers of the Company are or may become associated with other natural resource companies which may give rise to conflicts of interest. In accordance with the Business Corporations Act (British Columbia), a director or senior officer who has a material interest in a contract or transaction or a proposed contract or transaction that is material to the Company, or a director or senior officer who is a director or senior officer of, or has a material interest in, a person who has a material interest in the contract or transaction, is required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract or transaction. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Company. However, circumstances (including with respect to future corporate opportunities) may arise which are resolved in a manner that is unfavourable to the Company.

Further, the non-management directors of the Company have either other full-time employment or other business or time restrictions placed on them and accordingly, the Company will not be the only business enterprise of these persons and these persons will not devote all of their time to the business and affairs of the Company.

Uninsurable Risks

The Company maintains liability, property and other insurance, where reasonably available, in such amounts it considers prudent. The Company may become subject to liability for hazards against which it is not insured or which it may have elected not to insure against because of high premium costs or other reasons.

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions, including rock bursts, cave-ins, fires, flooding, earthquakes and other environmental occurrences, may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

Cyber Security Risks

Companies in all industries, including the mining industry, are susceptible to cyber risk. The Company's primary operational exposure to cyber risk is with respect to proprietary geological, geochemical and

exploration data and related models. The Company, similar to companies in all industries, is exposed to commonplace cyber risks such as, but not necessarily limited to: ransomware, phishing, spam, fraudulent attacks, denial of service attacks, data loss, data theft and data corruption.

No History of Dividends

The Company has never paid a dividend on its Common Shares and does not expect to do so in the foreseeable future. The Company intends to retain earnings and other cash resources for its business. Any future determination to pay dividends will be at the discretion of the board of directors and will depend upon the capital requirements of the Company, results of operations and such other factors as the board of directors considers relevant. Accordingly, it is likely that for the foreseeable future holders of Common Shares will not receive any return on their investment in the Common Shares other than possible capital gains.

Litigation Risk

Companies in all industries, including the mining industry, are subject to legal claims from time to time, some of which have merit and others of which do not. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company may become subject could have a material effect on the Company's financial position, results of operations or the Company's property development.

PFIC Status

The Company believes that it was classified as a "passive foreign investment company" under Section 1297(a) of the U.S. Internal Revenue Code (a "PFIC") during the tax year ended December 31, 2022 and may be a PFIC in future tax years. If the Company is a PFIC for any year during a U.S. shareholder's holding period, then such U.S. shareholder generally will be required to treat any gain realized upon a disposition of shares, or any so-called "excess distribution" received on its shares, as ordinary income, and to pay an interest charge on a portion of such gain or distributions, unless the shareholder makes a timely and effective "qualified electing fund" election ("**QEF Election**") or a "mark-to-market" election with respect to the shares. A U.S. shareholder who makes a QEF Election generally must report on a current basis its share of the Company's net capital gain and ordinary earnings for any year in which the Company is a PFIC, whether or not the Company distributes any amounts to its shareholders. U.S. taxpayers should be aware that there can be no assurance that the Company will satisfy record-keeping requirements or that it will supply U.S. taxpayers with required information under the QEF rules, in event that the Company is a PFIC and a U.S. taxpayer wishes to make a QEF election. This shall not be construed as tax advice given by the Company and U.S. taxpayers are encouraged to consult with their tax advisor regarding the tax consequences of holding shares in the Company.

Russian-Ukrainian War

On 24 February 2022, Russia began a military invasion of Ukraine which has resulted in multiple global impacts, including, but not limited to, a significant rise in fuel prices. The ultimate impacts to the Company are not determinable at this date, however, they could have a material impact on the Company's forecasted exploration work and the Company's financial position, results of operation and cash flows. The impacts to the Company's operations could include, but not necessarily be limited to: (i) significantly increased operational and subcontractor costs from rising fuel prices, (ii) increased food and subsistence costs, (iii) greater risk exposures in capital flows, trade and commodity markets worldwide and (iv) high inflation and uncertain financial markets. As at March 28, 2023 the Company has not been significantly impacted by the Russian-Ukrainian war, however, the full-extent of its impact on the Company's business remains uncertain.

COVID-19

The COVID-19 outbreak has resulted in social and economic disruption and had a resultant impact on the mining and exploration industries and capital markets. The ultimate impacts to the Company are not determinable at this date, however, they could have a material impact on the Company's forecasted exploration work and the Company's financial position, results of operation and cash flows. The impacts to

the Company's operations could include, but not necessarily be limited to: (i) increased costs for adherence to workplace health and safety standards; (ii) limited availability of contracted work force or skilled workers in the exploration and/or drilling sector; (iii) increased insurance costs; and (iv) delays in drilling, environmental compliance and/or other exploration activities. The Company's liquidity and ability to continue as a going concern may also be impacted. As at March 28, 2023 the Company has not been significantly impacted by the COVID-19 outbreak, however, the full-extent of the impact of COVID-19 on the Company's business remains uncertain.

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. 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 March 28, 2023.

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.