Gold Springs Resource Corp.

(formerly TriMetals Mining Inc.)

Three and nine months ended September 30, 2019

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

INTRODUCTION

The following information, prepared as of November 12, 2019, should be read in conjunction with the condensed interim consolidated financial statements of Gold Springs Resource Corp. ("GRC" or the "Company") for the three and nine months ended September 30, 2019 and the audited consolidated financial statements for the year ended December 31, 2018 which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in U.S. dollars unless otherwise indicated.

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

GENERAL

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

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

PROJECTS

Gold Springs gold-silver project, USA

The Company holds a 100% interest in the 78 square kilometre Gold Springs gold-silver project located on the Nevada-Utah border. In addition to drilling, the Company has completed rock chip sampling, detailed target mapping, soil sampling, stream sediment sampling, a property-wide LIDAR, aero-magnetic, ZTEM and ground CSAMT geophysical surveys. The ZTEM and CSAMT geophysical surveys identified many structural features related to mineralization, and the Company has developed resources on the Jumbo (the North Jumbo and South Jumbo resources, Grey Eagle and Thor trends. Geological work identified 25 surface targets with outcropping gold mineralization, the majority of which correspond to the ZTEM and CSAMT resistivity features.

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

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

The Homestake target is highlighted by two main parallel 3-4-metre-thick gold-bearing veins which have returned high-grade results from surface samples collected by the Company. These two veins are separated by 20-30 metres of brecciated and silicified rocks which have returned intermediate gold grades and represent a priority target along with the enclosing veins. This package of veins and breccia is surrounded by a wide stockwork zone containing low-grade gold values. This entire system has a surface-exposed length and width of approximately 650 meters by 400 metres and is offset by faulting along the eastern margin.

A total of 14 holes for 1,856 metres were drilled, testing 600 metres of strike length on the Homestake system. Holes were designed to test the down-dip extension of the two parallel Homestake veins and the enclosed breccia and surrounding stockwork zones between the veins, exposed on surface. In addition, one hole was drilled to the west testing for mineralization in the hanging wall of the Iris vein which dips east and projects to intersect the west dipping Homestake veins. The holes were sampled on 1.5-metre intervals and all of the drill samples, standards and blanks have now been submitted to the laboratory for analyses. Results are expected in December and January.

2017 Resource Estimate

The Company contracted Global Resource Engineering, Ltd. who, on March 29, 2017, completed an updated pit-constrained resource estimate for the Jumbo North and Jumbo South (Etna) areas, the Grey Eagle area and the Thor area, at Gold Springs. The updated resource includes the assay information from the 2015 and 2016 drill programs.

Category	**Area**	**Tonnage**	**Gold**		**Silver**		**AuEq***	
		Tonnes (000)	**Grade g/t**	**Troy oz (000)**	**Grade g/t**	**Troy oz (000)**	**Grade g/t**	**Troy oz (000)**
Gold Springs Property-Wide Resource – using a 0.25 g/t gold cutoff								
Measured		13,591	0.58	252	11.11	4,855	0.76	330
Indicated		16,245	0.53	276	9.08	4,741	0.68	353
M&I		29,836	0.55	528	10	9,596	0.71	683
Inferred		4,660	0.46	69	6.49	973	0.57	85
Jumbo Trend Resource - Jumbo North and Jumbo South (Etna), Utah								
M&I	Jumbo N	16,994	0.5	271	12.12	6,623	0.69	378
M&I	Jumbo S (Etna)	5,312	0.61	104	6.51	1,111	0.71	122
	Total	**22,306**	**0.52**	**375**	**10.79**	**7,735**	**0.7**	**500**
Inferred	Jumbo N	2,328	0.45	34	7.25	542	0.57	43
Inferred	Jumbo S (Etna)	1,435	0.5	23	5.27	243	0.58	27
	Total	**3,763**	**0.47**	**57**	**6.49**	**786**	**0.58**	**70**
Grey Eagle and Thor Resource, Nevada								
M&I	Grey Eagle	7,175	0.62	142	7.17	1,654	0.73	169
M&I	Thor	355	0.96	11	18.15	207	1.25	14
	Total	**7,531**	**0.63**	**153**	**7.69**	**1,861**	**0.76**	**183**
Inferred	Grey Eagle	875	0.43	12	6.37	179	0.53	15
Inferred	Thor	23	0.63	0	11.1	8	0.81	1
	Total	**898**	**0.43**	**13**	**6.49**	**187**	**0.54**	**16**

Numbers have been rounded, which may lead to some numbers not adding up exactly.

M&I: measured and indicated. The Inferred resource is in addition to the measured and indicated resource.

** AuEq: Gold equivalent - reflects gross metal content using a gold/silver price ratio of 61.9 and have not been adjusted for metallurgical recoveries.*
The 2017 Resource on the Gold Springs project was derived from the technical report "Amended Technical Report and 2017 Mineral Resource Gold Springs Project" authored by Global Resource Engineering, Ltd. (GRE) and Kurt Katsura, dated March 29, 2017 and filed on SEDAR on July 27, 2017.

Sale of the Escalones copper-gold project, Chile
The Escalones copper-gold project (the "Escalones Project") is located in the central Chilean mining district which includes the nearby El Teniente deposit – the world's largest underground copper mine. The project is approximately 100 kilometres south-east of Santiago.

The Company entered into a definitive share purchase agreement (the "Share Purchase Agreement") with Wealth Minerals Ltd. ("Wealth") and its wholly-owned subsidiary, Wealth Copper Ltd. ("Wealth Copper") pursuant to which, Wealth Copper agreed to acquire 100% of the Company's interests in the Escalones project (the "Escalones Transaction"). The Escalones Transaction closed on September 26, 2019.

As consideration for the Escalones Project, Wealth Copper

(i) issued 25,000,000 common shares in its capital (each, a "Wealth Copper Share") to the Company,

(ii) will pay the Company $754,638 (Cdn$1,000,000) in cash, of which $112,790 (Cdn$150,000) has already been paid, and

(iii) granted the Company a 2% net smelter returns royalty payable on production from those mining rights or exploitation concessions that supersede or shall derive from the Escalones Exploration Concessions if the price of copper is greater than US$0.75 per pound or a 1% net smelter returns royalty if the copper price is equal to or less than US$0.75 per pound (the "Royalty"). The Royalty shall be subject to a buyback right pursuant to which the Royalty may be purchased for US$3 million at any time during the 5 years following the first sale of minerals produced from such mining rights or exploitation concessions, and US$5 million after such 5 year period.

Wealth Copper is to pay the remaining Cdn$850,000 of the cash portion of the purchase price as follows: (a) Cdn$350,000 upon the closing of the Concurrent Financing (as defined below); and (b) Cdn$500,000 on the 12-month anniversary of closing of the Concurrent Financing.

Wealth Copper also agreed to reimburse the Company for the 2019 land payments of the Escalones Property of $54,000 upon closing of the Concurrent Financing (as defined below).

At closing of the Escalones transaction, the 25,000,000 Wealth Copper Shares held by the Company, together with the 25,000,000 Wealth Copper Shares held by Wealth, collectively represented 100% of the issued and outstanding Wealth Copper Shares, excluding any Wealth Copper Shares issued in connection with the Concurrent Financing (as defined below).

Wealth Copper has entered into a letter of intent with a TSX Venture Exchange listed issuer ("ListingCo") in respect of a reverse take-over transaction (the "Going-Public Transaction"), whereby ListingCo (which, after the closing of the Going-Public Transaction, shall be the "Resulting Issuer") is to acquire all of the issued and outstanding Wealth Copper Shares from Wealth and GRC and continue the business of Wealth Copper in exchange for the issuance of common shares in the capital of ListingCo to the Wealth Copper shareholders on a one (1) for one (1) basis. The Share Purchase Agreement contemplates that in connection with the Going-Public Transaction, Wealth Copper and/or ListingCo shall have completed private placement financings to raise an aggregate of at least Cdn$5,000,000 (the "Concurrent Financing") of which, at closing of the Escalones Transaction, Wealth Copper has already raised approximately Cdn$814,000 with the issuance of 8,140,000 Wealth Copper Shares at a price of Cdn$0.10 per Wealth Copper Share.

As at September 30, 2019 the Company owns 42.6% of issued and outstanding common shares of Wealth Copper. The Company's ownership interest in the Resulting Issuer is not to be less than 30% immediately after giving effect to the Going-Public Transaction and the Concurrent Financing and the Company is to be granted the right to participate in future equity financings of the Resulting Issuer to allow the Company to maintain up to its pro rata ownership interest in the equity capital of the Resulting Issuer. In addition, following closing of the Going-Public Transaction, the Company and Wealth will each be granted the right to nominate one director to the board of directors of the Resulting Issuer for so long as each holds at least 20% of the issued and outstanding shares of the Resulting Issuer.

Arbitration claim against the Bolivian government for the expropriation of the Malku Khota project

On October 23, 2012, the Company's wholly-owned Bermudian subsidiary, South American Silver Limited ("SASL"), delivered a formal letter to the Plurinational State of Bolivia ("Bolivia") notifying it of an investment dispute between the Company and Bolivia. The dispute arose as a result of acts and omissions of the Government of Bolivia including the issuance of Supreme Decree No.1308 on August 1, 2012. The Decree revoked mining concessions held by the Company's Bolivian subsidiary, Compañia Minera Malku Khota S.A. ("CMMK"), a wholly-owned subsidiary of SASL.

On April 30, 2013, SASL commenced international arbitration proceedings against the Government of Bolivia under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL) pursuant to the UK-Bolivia Treaty seeking compensation.

On May 23, 2013, the Company entered into a privileged arbitration funding agreement (the "Arbitration Funding Agreement") with a third-party funder (the "Fund") pursuant to which the Fund would cover most of the Company's future costs and expenses related to its international arbitration proceedings against Bolivia.

On November 22, 2018, an Arbitration Tribunal of the Permanent Court of Arbitration issued an award to SASL for $18,700,000 in respect of amounts invested and interest thereon (the "Award").

On April 4, 2019 the Company executed an addendum to its 2013 Arbitration Funding Agreement with the Fund whereby the Company could elect to receive up to $2 million for working capital purposes. The Fund made such working capital funding facility available to the Company in four semi-annual installments of $500,000 each. The first $500,000 installment was received in June 2019 and repaid in September 2019.

On August 29, 2019, the Company and its wholly-owned subsidiaries SASL and CMMK, entered into an agreement (the "Settlement Agreement") with Bolivia for US$25,798,000 to settle SASL's international arbitration against Bolivia, and to transfer to Bolivia the exploration data of the Malku Khota project owned by the Company (the "Data").

On September 5, 2019 the Company received US$25,588,525, being net of $209,475 for the Tribunal's cost order included in the Award, from the Government of Bolivia as a final settlement amount for (i) SASL's Award against Bolivia and (ii) the transfer of the Data by the Company to Bolivia. During the nine months ended September 30, 2019, the Company paid $8,408,603 of arbitration award liabilities.

An aggregate 116,375,152 Class B shares were issued and outstanding as at September 30, 2019. The Class B shares carried redemption and retraction rights and rights on liquidation which entitled the holders collectively to 85% of the net cash, (after deducting all costs, taxes and expenses and the Funds' recovery portion thereof) received by GRC from an award or settlement in relation to the arbitration proceedings against Bolivia. On November 4, 2019 the Class B shares were redeemed for $0.09827 per Class B share for total redemption proceeds of $11,436,186. On November 5, 2019 the Class B shared were delisted from the TSX and the OTCQB.

RESULTS OF OPERATIONS

Three months ended

During the three months ended September 30, 2019, the Company reported net loss of $49,628 ($nil per share) compared to net loss of $2,527,533 ($0.01 loss per share) reported during the three months ended September 30, 2018.

	2019 **$**	**2018** **$**
General and administrative expenses (excluding share-based payments)	(156,560)	(237,314)
Accretion, interest and gain on extension on convertible notes	-	217,104
Change in fair value of arbitration award assets, Class B shares and other arbitration award liabilities	2,145,910	(2,544,395)
Change in fair value of stock options exercisable into Class B shares	-	6,993
Loss on sale of Escalones property	(1,974,909)	-
Other	2,506	38,256
Share-based payments	(66,575)	(8,177)
Net loss for the period	(49,628)	(2,527,533)

During the 2018 fiscal year, the convertible note holders converted 100% of the outstanding balance of the convertible notes, plus accrued interest. The convertible notes and the security interests provided to secure payment of the convertible notes, were thereby extinguished.

The Company completed the sale of the Escalones property on September 26, 2019. The loss on sale reported during the three months ended September 30, 2019 primarily relates to a change in estimate of the cost of the Wealth Copper shares which are being recorded at a value of $0.10 per share.

The settlement with Bolivia resulted in a net fair-value gain to the Company of $2,145,910 for the 3 months ended September 30, 2019 (2018 – $2,544,395 loss). On November 4, 2019 the Class B shares were redeemed for $0.09827 per Class B share for total redemption proceeds of $11,436,186, and on November 5, 2019 the Class B shared were delisted from the TSX and the OTCQB.

Nine months ended

During the nine months ended September 30, 2019, the Company reported a net loss of $11,370,712 ($0.05 loss per share) compared to a net loss of $202,842 ($0.00 per share) reported during the nine months ended September 30, 2018.

	2019 **$**	**2018** **$**
General and administrative expenses (excluding share-based payments)	(1,029,670)	(958,710)
Accretion, interest and gain on extension on convertible notes	-	88,626
Change in fair value of arbitration award assets, Class B shares and other arbitration award liabilities	3,312,037	629,823
Change in fair value of stock options exercisable into Class B shares	-	58,456
Loss on sale of Escalones property	(13,363,497)	-
Other	3,566	40,736
Share-based payments	(293,148)	(61,773)
Net loss for the period	(11,370,712)	(202,842)

The general and administrative expenses increased from period to period due to arbitration related legal fees incurred, that are not covered by the Fund. The other general and administrative expenses had a general decrease as the Company continues to reduce costs.

The Company completed the sale of the Escalones property on September 26, 2019.

During the 2018 fiscal year, the convertible note holders converted 100% of the outstanding balance of the convertible notes, plus accrued interest. The convertible notes and the security interests provided to secure payment of the convertible notes, were thereby extinguished.

The settlement with Bolivia resulted in a net fair value gain to the Company of $3,312,037 for the 9 months ended September 30, 2019 (2018 - $629,823) in respect to the change in the recorded fair value of arbitration award assets, Class B shares and other arbitration award liabilities. On November 4, 2019 the Class B shares were redeemed for $0.09827 per Class B share for total redemption proceeds of $11,436,186. On November 5, 2019 the Class B shared were delisted from the TSX and the OTCQB.

CAPITAL EXPENDITURES AND INVESTING ACTIVITIES

Total exploration spending for the nine months ended September 30, 2019 was $506,569. The costs included $419,139 incurred at Gold Springs, of which $296,075 were land payments, and $87,430 incurred at the Escalones property prior to its sale. Refer to the condensed interim financial statements for detailed analysis.

FINANCING ACTIVITIES

On August 16, 2019 the Company closed, in two tranches, a private placement, issuing 8,548,181 common shares at a price of Cdn $0.055 per share, raising gross process of $356,442 (Cdn $470,150). The Company incurred share issuance costs of $11,265.

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

In addition, during the nine months ended September 20, 2019, the Company issued 400,000 common shares at a price of Cdn $0.05 per share to settle trade debts payable.

During the nine months ended September 30, 2018, the Company completed a private placement in three tranches for gross proceeds of $1,490,000 (Cdn. $1,904,250) through the issuance of 12,694,999 units at a price of Cdn. $0.15 per unit. Each unit is comprised of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at an exercise price of Cdn. $0.25 per share for a period of 24 months from the closing date of the private placement. The warrants are subject to an acceleration clause should the Company's common shares trade at a price of Cdn. $0.35 or greater for 10 consecutive trading days. A value of $190,013 was attributed to these warrants using the Black-Scholes option-pricing model and has been credited to contributed surplus. Assumptions used in the pricing model were as follows: average risk-free interest rate – 1.21%; expected life – 2 years; expected volatility – 71% to 74%; and expected dividends – nil. The Company incurred share issuance costs of $71,301.

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 September 30, 2019:

Three months ended				
	September 30, 2019 $	**June 30, 2019 $**	**March 31, 2019 $**	**December 31, 2018 $**
Total revenues	Nil	Nil	Nil	Nil
Net earnings (loss)	(49,628)	(11,420,827)	99,744	2,794,321
Net earnings (loss) per share - Basic and diluted	(0.00)	(0.05)	0.00	0.01
Deferred exploration costs	270,498	112,968	123,103	24,511

Three months ended				
	September 30, 2018 $	**June 30, 2018 $**	**March 31 2018 $**	**December 31, 2017 $**
Total revenues	Nil	Nil	Nil	Nil
Net earnings (loss)	(2,527,533)	1,303,959	1,020,731	658,241
Net earnings (loss) per share - Basic and diluted	(0.01)	0.01	-	0.00
Deferred exploration costs	303,088	459,482	407,979	202,622

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

The Arbitration Settlement was paid out to the Company on September 5, 2019. The settlement with Bolivia resulted in a net fair-value gain to the Company of $2,145,910 for the 3 months ended September 30, 2019.

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

Net earnings (loss) has been volatile for the quarters ended September 30, 2018 and prior due to the change in fair value of the Class B shares. In this regard, the Company recognized a loss of $2,544,395 during Q3 2018 (Q2 2018 - income of $1,720,046, Q1 2018 – income of $1,454,172, Q4 2017 – income of $1,506,302).

LIQUIDITY AND CAPITAL RESOURCES

The Company's aggregate operating, investing and financing activities during the nine months ended September 30, 2019 resulted in a net cash inflow of $16,154,289. The Company had a working capital of $4,550,332 at September 30, 2019 (working capital deficit of $293,028 as at December 31, 2018). During the nine months ended September 30, 2019, the Company paid $8,408,603 of arbitration award liabilities.

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

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 the Chief Executive Officer, the Chief Financial Officer and the remaining directors. The compensation paid or payable to key management for services during the three and nine months ended September 30, 2019 and 2018 is as follows:

	Three months ended September 30		**Nine months ended September 30**	
	2019 $	**2018 $**	**2019 $**	**2018 $**
Directors' fees	13,800	14,625	37,625	43,725
Professional fees	29,377	16,668	66,941	54,112
Share-based payments	56,159	2,716	251,359	15,392
Wages and benefits	21,500	48,750	62,750	138,494
TOTAL	**120,836**	**82,759**	**418,675**	**251,723**

The Company's related parties consist of the Company's officers or companies associated with them and Gowling WLG (Canada) LLP which is a legal firm in which Tina Woodside-Shaw, a director of the Company, is a partner. The Company incurred the following additional expenditures with related parties during the three and nine months ended September 30, 2019 and 2018 that were charged by related parties. All transactions with related parties have occurred in the normal course of the Company's operations and have been measured at the exchange amounts agreed to by the Company and the related parties.

	Three months ended September 30		**Nine months ended September 30**	
	2019 $	**2018 $**	**2019 $**	**2018 $**
Consulting fees (1)	-	687	15,891	5,531
Consulting fees - mineral property costs	-	1,439	943	12,411
Professional fees (2)	79,532	20,652	199,702	80,116
Share issue costs	6,083	-	22,351	28,215
TOTAL	**85,615**	**22,778**	**238,887**	**126,273**

(1) paid to Felipe Malbran, and in 2018 also to a company owned by David Dreisinger (a former officer of the Company), as compensation to serve as officers of the Company.

(2) paid to Gowling WLG (Canada) LLP.

Included in accounts payable at September 30, 2019 is an amount of $360,476 (December 31, 2018 - $281,499) due to related parties comprising Gowling WLG (Canada) LLP, Malaspina Consultants Inc. (a company in which Killian Ruby, the CFO of the Company, is President & CEO) and the Directors of the Company. These amounts are non-interest bearing and have no specific terms of repayment.

FINANCIAL INSTRUMENTS

The Company’s financial instruments as at September 30, 2019 consist of cash and cash equivalents, receivables, reclamation deposit and accounts payable. Cash and cash equivalents, receivables, reclamation deposit and accounts payable are classified as amortized cost.

The Company’s activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. There have been no changes in any risk management policies since December 31, 2018.

OUTLOOK

The Company’s focus for 2019 and beyond is on the exploration and expansion of the mineral resources at its Gold Springs project in Nevada and Utah, USA.

OFF-BALANCE SHEET ARRANGEMENTS

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

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company’s management, with the participation of the Chief Executive Officer and the Chief Financial Officer, engaged external consultants to evaluate the effectiveness of the Company’s disclosure controls and procedures (as defined in the rules of the Canadian Securities Administrators (“CSA”)) as at December 31, 2018, 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, 2018, 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.

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

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

For further discussion related to critical accounting estimates and judgements, please refer to the Company's annual Management's Discussion and Analysis for the year ended December 31, 2018 and the condensed interim financial statements for the nine months ended September 30, 2019 available on SEDAR at www.sedar.com.

OUTSTANDING SHARE DATA

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

Type of Security	**Common shares**
	(number)
Issued and outstanding – November 12, 2019	247,717,645
Stock options	21,835,000
Share purchase warrants[1]	18,554,416
TOTAL DILUTION	**288,107,061**

(1) A total of 963,496 of the warrants are compensation warrants. Each compensation-warrant entitles the holder to acquire one unit consisting of one common share and one half of one common share purchase warrant, with each whole warrant entitling the holder to purchase an additional common share

NEW ACCOUNTING STANDARDS

IFRS 16, Leases

IFRS 16, Leases ("IFRS 16") eliminates the classification of leases as either operating or finance leases for a lessee. Instead all leases are capitalized by recognizing the present value of lease payments and recognizing an asset and a financial liability representing an obligation to make future lease payments. The principles in IFRS 16 provide a more consistent approach to acquiring the use of an asset whether by leasing or purchasing an asset. The new leasing standard results in lease assets previously recorded as operating leases now being recognized as "right of use" assets on the statement of financial position. IFRS 16 is applicable to all entities and will supersede current lease accounting standards under IFRS. IFRS 16 became effective for the Company on January 1, 2019. There was no material impact upon adoption.

During the nine months ended September 30, 2019 the Company adopted a new accounting policy in respect of the common shares received on the sale of the Escalones property as below.

Investment in associate

Investments over which the Company exercises significant influence but do not control or jointly control are associates. Investment in associates are accounted for using the equity method.

The equity method involves recording the initial investment at cost and subsequently adjusting the carrying value of the investment for our proportionate share of any other changes in the associate's net assets. The Company's share of the profit or loss from the associate is recorded in the Consolidated Statements of Loss and Comprehensive Loss. Our proportionate share of the associate's profit or loss and other comprehensive loss is based on its most recent financial statements. Adjustments are made to align any inconsistencies between our accounting policies and our associate's policies before applying the equity method.

RISKS AND UNCERTAINTIES

The Company is exposed to a number of risks and uncertainties that are common to other mineral exploration companies as well as risks associated with its international arbitration. Exploration for and the development of mineral resources involves a high degree of risk. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. The industry is capital intensive and is subject to variations in commodity prices, market sentiment, inflation and other risks. For further discussion related to risks and uncertainties, please refer to the Company's annual information form and annual Management's Discussion and Analysis for the year ended December 31, 2018 available on SEDAR at www.sedar.com.

Cautionary note regarding forward-looking statements

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

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

Subject to applicable laws, the Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason. Unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of November 12, 2019.

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.