Gold Springs Resource Corp.

(formerly TriMetals Mining Inc.)

Year ended December 31, 2020

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

INTRODUCTION

The following information, prepared as of March 26, 2021, 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, 2020 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 (as such term is defined herein). For a description of the assumptions made in developing the forward-looking statements and the material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, please see the "Cautionary notes" and the "Risks and uncertainties" sections below.

GENERAL

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

On November 1, 2019, the Company changed its name from TriMetals Mining Inc. to Gold Springs Resource Corp. On November 5, 2019, the Company changed its stock symbol on the Toronto Stock Exchange ("TSX") to GRC and on November 12, 2019 changed its stock symbol on the OTCQB Venture Market ("OTCQB") in the U.S. to GRCAF. During the third and fourth quarters of 2020, respectively, the Company dissolved its Bolivian and Bahamian subsidiaries, respectively, and accordingly has ceased operations in those countries.

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. An overview of the project can be found on the Company's website at https://www.goldspringsresource.com/projects/gold-springs/gallery/. In addition to drilling, the Company has completed rock chip sampling, detailed target mapping, soil sampling, stream sediment sampling, and a property-wide set of geophysical surveys including Light Detection and Ranging ("LIDAR"), airborne Z-Axis Tipper Electromagnetic ("ZTEM") and ground based Controlled Source Audio-Frequency Magnetotelluric ("CSAMT"). The ZTEM and CSAMT geophysical surveys identified many structural features related to mineralization, and the Company has developed resources on the Jumbo (the North Jumbo and South Jumbo resources), Grey Eagle and Thor trends. Geological work identified 32 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).

Exploration Plan for 2021

The Company's vision is to identify a multimillion-ounce gold resource at its Gold Springs project. Aligned with that vision, the Company's 2021 exploration plan for the Gold Springs project includes a 10,000-metre reverse-circulation drill program which should produce approximately 50 holes and will focus on the Jumbo trend on the Utah side of the Gold Springs project. The program will be stepping out and drill-testing the north, west and southwest extensions of the North Jumbo resource and the north, south and down-deep extensions of the South Jumbo resources. The program will also include initial drilling at the Juniper target to test the strong high-resistivity CSAMT geophysical anomaly which has a signature similar to the North Jumbo resource located 400 metres to the east. The 2021 exploration plan also includes metallurgical testing and permitting activities, including required cultural studies, to ready additional drill targets for future drilling.

On March 8, 2021, the Company announced that it had mobilized a reverse-circulation drill to the Gold Springs project and that it started drilling (see press release dated March 8, 2021, which can be found on the Company's website).

2019 Drilling at Homestake

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CSAMT Survey Highlights Drill Targets and Areas for Resource Expansion

On September 2, 2020, the Company has received results from the recently completed CSAMT ground-based geophysical survey covering portions of the Gold Springs project located in Nevada and Utah. The survey was designed to cover the Central Jumbo target, filling a gap in a previous survey. It also expanded the previous survey west from the South Jumbo resource to cover the Fitch and Snow targets and extend coverage north from the North Jumbo resource testing for its extension and covering the Juniper and Declaration targets and possible extensions. The results received from the CSAMT survey not only demonstrate the close association of the known resources with high resistivity, but the potential extension of those resources. In addition, other GRC drill-target areas were highlighted by similar anomalies providing support for the size and quality of the targets in the Gold Springs project.

For more details on the CSAMT plan map and selected cross-sections please refer to the Company's press release dated September 2, 2020 which can be found on the Company's website.

Detail Mapping and Rock-Chip Surface Sampling at Ridge, West Ridge and Big Summit

On September 9, 2020, the Company announced mapping and surface-sample results from the Ridge, West Ridge and Big Summit targets on the Nevada portion of the Gold Springs project, all of which returned high-grade gold and silver values as the targets are readied for drilling.

The Ridge target vein samples grade as high as 2.77 g/t Au and 20.8 g/t silver. Vein samples from the West Ridge target grade up to 5.60 g/t Au and 32.6 g/t silver. The Big Summit target area returned the highest grades with samples as high as 30.3 g/t Au and 94.2 g/t silver.

For more details on the target areas and surface-sample results please refer to the Company's press release dated September 9, 2020 which can be found on the Company's website.

Detail Mapping and Rock-Chip Surface Sampling at Snow and Gem

On October 8, 2020, the Company announced mapping and surface-sample results from the Snow and Gem targets on the Utah portion of the Gold Springs project. The two targets are located on major structural corridors identified at surface as well as by the Company's recently reported CSAMT geophysical survey on September 2, 2020.

Rock chip sampling results of up to 8.98 g/t Gold and 66.9 g/t Ag silver were reported from Snow, and up to 5.92 g/t gold with 19.4 g/t silver from Gem.

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

Rock-Chip Sampling at Fluorite and Pinyon

On October 27, 2020, the Company announced mapping and surface-sample results from the Fluorite and Pinyon targets on the Nevada portion of the Gold Springs project. Both targets display similarities to the existing, defined resources located within the GRC claim block.

Samples taken of the banded fluorite have graded as high as 23.45 g/t gold and 66.2 g/t Ag silver were reported from Fluorite, with altered andesite host rock sampled in float returned grades of 3.69 g/t Au and 16.1 g/t silver from Pinyon.

For more details on the target areas and surface-sample results please refer to the Company's press releases dated October 27, 2020 which can be found on the Company's website.

Rock-Chip Sampling at Iris and Camp Bell

On December 7, 2020, the Company announced rock-chip surface sample results from the Iris and Camp Bell targets located on the Nevada side of the Gold Springs project. Both targets have produced high-grade gold samples from surface and offer potential for new discoveries in future drill programs.

Surface sampling results returned grades as high as 38 g/t gold from Iris, and up to 145.68 g/t gold with 148.2 g/t silver from Camp Bell.

For more details on the target areas and surface-sample results please refer to the Company's press release dated December 7, 2020 which can be found on the Company's website.

Rock-Chip Sampling at West Pinyon and North Jennie

On December 21, 2020, the Company announced mapping and surface-sample results from the West Pinyon and North Jennie targets. West Pinyon is located within the Company's Nevada side of the Gold Springs project while North Jennie straddles the state line between Nevada and Utah.

The West Pinyon target produced rock chip sampling results as high as 42.30 g/t Au and 131.0 g/t Ag, with gold values as high as 4.6 g/t from the North Jennie target. The North Jennie target represents a significant CSAMT geophysical anomaly defined by the recently completed survey (Press Release September 2, 2020).

For more details on the target areas and surface-sample results please refer to the Company's press release dated December 21, 2020 which can be found on the Company's website.

2020 Resource Estimate

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

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

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

Category	2017 Resource				
		Au		Ag	
	Tonnes (1000s)	Grade (g/t)	Troy oz (1000s)	Grade (g/t)	Troy oz (1000s)
Measured	13,591	0.58	252	11.1	4,855
Indicated	16,245	0.53	276	9.1	4,741

Measured & Indicated	**29,836**	**0.55**	**528**	**10.0**	**9,596**
Inferred	4,660	0.46	69	6.5	973

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

Highlighted Changes from the Previous PEA

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

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

For additional information, please see the technical report titled "Updated Preliminary Economic Assessment – NI 43-101 Technical Report – Gold Springs Project - Utah-Nevada, USA" with an effective date of May 1, 2020 and issue date of June 22, 2020, as filed on SEDAR.

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.

	2020 **$**	**2019** **$**	**2018** **$**
Total Revenues	nil	nil	nil
Net Earnings (Loss)	(1,350,960)	(11,803,798)	2,591,479
Net Earnings (Loss) Per Share (basic and diluted)	(0.01)	(0.05)	0.01
Total Assets	23,716,428	24,828,815	44,798,033
Total Non-Current Liabilities	31,416	-	9,463,383
Deferred Exploration Expenditures	1,303,744	790,740	1,195,060
Dividends Declared	nil	nil	nil

The lower total assets as at December 31, 2020 compared with December 31, 2019 is due to (i) a lower cash and cash equivalents balance of $1,595,615 compared with $3,831,570 as at December 31, 2019 and (ii) a balance of investment in associate of $1,394,345 at December 31, 2020 compared with $1,819,796 at December 31, 2019. The decrease in total assets was offset by the following balances at December 31, 2020: (i) receivables and prepaids of $552,011, (ii) other receivables of $356,171 and (iii) mining claims and deferred exploration costs of $18,830,813, which increased compared with (i) $408,735, (ii) 295,487 and (iii) $17,527,069, respectively, at December 31, 2019.

The lower total assets as at December 31, 2019 compared with December 31, 2018 is due to (i) the sale of the Escalones Project, with a carrying value at December 31, 2018 of $15,692,632, which resulted in a loss on sale of $13,471,723 and (ii) realization of the arbitration award asset, with a carrying value at December 31, 2018 of $11,874,819, which, when combined with the settlement of the related arbitration obligations, resulted in a fair value change for the year ended December 31, 2019 of $3,312,037. The decrease in total assets was offset by the following balances at December 31, 2019: (i) cash and cash equivalents of $3,831,570, (ii) restricted cash of $450,408, (iii) reclamation deposits of $470,131, (iv) other receivables of $295,487 and (v) investment in associate of $1,819,796, which increased compared with (i) $11,678, (ii) $nil, (iii) $234,800, (iv) $nil and (v) $nil, respectively, at December 31, 2018.

The higher non-current liabilities as at December 31, 2020 compared with December 31, 2019 is due to receipt of the Canada Emergency Business Account loan received as part of the economic assistance program launched by the Government of Canada to ensure that businesses have access to capital during the COVID-19. The lower non-current liabilities balance as at December 31, 2019 compared with December 31, 2018 is due to the Arbitration Settlement and the redemption of the Class B shares.

During the previous fiscal year, the net loss includes net income of $3,312,037 on the final settlement of the arbitration and a loss on sale of the Escalones Project of $13,471,723.

RESULTS OF OPERATIONS

During the year ended December 31, 2020, the Company reported a net loss of $1,350,960 ($0.01 loss per share) compared to net loss of $11,803,798 ($0.05 loss per share) reported during the year ended December 31, 2019. Key components of the 2020 and 2019 results are as follows:

	2020 $	2019 $
General and administrative expenses (excluding share-based payments)	(966,152)	(1,258,700)
Loss on sale of the Escalones property	-	(13,471,723)
Change in fair value of arbitration award assets, Class B shares and other arbitration award liabilities	-	3,312,037
Share of loss of equity accounted investee	(440,105)	(103,264)
Other	90,229	37,146
Share-based payments	(34,932)	(319,294)
Net (loss) earnings for the year	**(1,350,960)**	**(11,803,798)**

The general and administrative expenses (excluding share-based payments) decreased during the year ended December 31, 2020 to $966,452 compared with $1,258,700 for the same period in 2019, which is primarily as a result of arbitration costs of $391,221 incurred in the year ended December 31, 2019, with no corresponding costs in the same period for 2020 due to the settlement of the arbitration with Bolivia in September 2019. Other general and administrative expenses (excluding share-based payments) are largely comparable for the year ended December 31, 2020 to the same period in 2019, other than primarily an increase in wages and benefits from $165,652 to $274,339 arising from (i) salary and severance costs associated with the Company's Bolivian subsidiary and (ii) a modification of executive compensation subsequent to the settlement of the arbitration with Bolivia in September 2019.

The Company recorded a loss from investment in associate of $440,105 for the year ended December 31, 2020 (2019 – $103,264) which represents the Company's proportionate share of World Copper Ltd. (formerly Wealth Copper Ltd.)'s net loss for the same period. At December 31, 2020 the Company owns 29.81% (2019 – 42.63%) of the common shares of World Copper Ltd.

The Company completed the sale of the Escalones property on September 26, 2019 resulting in a recognized loss on sale of $13,471,723.

The settlement with Bolivia resulted in a net fair value gain to the Company of $3,312,037 for the year ended December 31, 2019 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 shares were delisted from the TSX and the OTCQB.

CAPITAL EXPENDITURES AND INVESTING ACTIVITIES

Total exploration spending for the year ended December 31, 2020 was $1,303,744, which was incurred on the Gold Springs project. Principal activities conducted at the Gold Springs project during the year ended December 31, 2020 revolved around target development, including rock-chip surface sampling and a geophysical ("CSAMT") survey of new and existing drill target areas; structural and geological mapping of those areas as well as updating the PEA and 2020 resource estimates. The Company also made the project ready for the restart of drilling by building drill-pads and roads and by completing an archaeological survey required to secure drill permits. Refer to the audited consolidated financial statements for a breakdown of spending.

FINANCING ACTIVITIES

On September 18, 2020, a total of 250,000 warrants were exercised for gross proceeds of $20,855 (CAD$27,500).

In May 2020, the Company received $29,988 (CAD $40,000) in the form of a Canada Emergency Business Account ("CEBA") loan. CEBA is part of the economic assistance program launched by the Government of Canada to ensure that businesses have access to capital during the COVID-19 pandemic and can only be used to pay non-deferrable operating expenses.

On 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 proceeds of $356,442 (Cdn $470,150). The Company incurred share issuance costs of $11,265.

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

In addition, during the year ended December 31, 2019, the Company issued 400,000 common shares at a price of Cdn $0.05 per share to settle trade debts payable.

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, 2020:

Three months ended				
	December 31, 2020 $	**September 30, 2020 $**	**June 30, 2020 $**	**March 31, 2020 $**
Total revenues	Nil	Nil	Nil	Nil
Net loss	(519,481)	(242,551)	(231,134)	(357,794)
Net loss per share* - Basic and diluted	-	-	-	-
Deferred exploration costs	396,648	495,209	208,028	203,859
Three months ended				
	December 31, 2019 $	**September 30, 2019 $**	**June 30, 2019 $**	**March 31, 2019 $**
Total revenues	Nil	Nil	Nil	Nil
Net earnings (loss)	(433,087)	(49,628)	(11,420,827)	99,744
Net loss per share* - Basic and diluted	-	-	(0.05)	-
Deferred exploration costs	284,171	270,498	112,968	123,103

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

The Company recorded a loss from investment in associate of $137,591 during the quarter ended December 31, 2020 (2019 - $103,264) which represents the Company's proportionate share of World Copper Ltd.'s net loss for the same period. At December 31, 2020 the Company owns 29.81% of the common shares of World Copper Ltd.

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

FOURTH QUARTER

During the fourth quarter of 2020, the Company reported net loss of $519,481 ($nil per share) compared to net loss of $433,087 ($nil per share) reported in the fourth quarter of 2019. During the 2020 fourth quarter the Company recorded its share of the loss of $137,591 (2019 - $103,264) on the equity accounted investee, World Copper. The 2019 fourth quarter included a further loss of $108,226 recorded on the sale of the Escalones Project.

LIQUIDITY AND CAPITAL RESOURCES

The Company's aggregate operating, investing and financing activities during the year ended December 31, 2020 resulted in a net cash outflow of $2,243,102. As at December 31, 2020, the Company had a working capital of $1,871,925 ($4,093,733 as at December 31, 2019). As at December 31, 2020 the Company had a redemption liability of $449,794 (December 31, 2019 - $450,408) representing amounts not yet claimed for redemption by prior Class B shareholders. This liability is supported by redemption funds of the same amount remaining held in trust with the Company’s Transfer Agent.

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

CONTINGENCIES

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

RELATED PARTY TRANSACTIONS

Key management includes all the Officers and Directors of the Company. The compensation paid or payable to key management for services during the years ended December 31, 2020 and 2019 is as follows:

	2020 **$**	**2019** **$**
Directors’ fees	57,783	52,848
Professional fees	35,650	81,776
Wages and benefits	323,334	180,781
Share-based payments	30,435	294,218
TOTAL	**447,202**	**609,623**

The Company’s related parties consist of the Company’s officers or companies associated with them, including (i) Gowling WLG (Canada) LLP which is a legal firm in which Tina Woodside-Shaw, the Chair and a director of the Company, is a partner and (ii) Malaspina Consultants Inc., a consulting company in which Killian Ruby, the CFO of the Company, is President & CEO. The Company incurred the following additional expenditures with related parties during the years ended December 31, 2020 and 2019 that were charged by related parties. All transactions with related parties have occurred in the normal course of the Company's operations and have been measured at the exchange amounts agreed to by the Company and the related parties.

	2020 **$**	**2019** **$**
Consulting fees (1)	-	52,582
Consulting fees - mineral property costs (2)	-	21,326
Prepaid financing fees *(4)*	65,467	-
Professional fees (3)	115,208	236,432
Share issue costs (4)	-	22,351
TOTAL	**180,675**	**332,691**

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

Included in accounts payable at December 31, 2020 is an amount of $112,836 (December 31, 2019 - $38,670) due to related parties. These amounts are non-interest bearing and have no specific terms of repayment.

FINANCIAL INSTRUMENTS

The Company's financial instruments as at December 31, 2020 consist of cash and cash equivalents, receivables, reclamation deposits, accounts payable, redemption obligations and loan payable which are all classified as amortized cost.

Fair Value of Financial Instruments

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

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

The Company's activities expose it to a variety of financial risks: market risk (including, 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, 2019.

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, up to the time of dissolution of its Bolivian subsidiaries, Bolivia and/or in currencies which are not the functional currency of the economic environment in which the Company or its subsidiaries operate. Based on this exposure as at December 31, 2020 a 5% change in exchange rates could give rise to a change in the net loss by approximately $96,000 (2019 - $225,000), which is primarily driven by the parent Company's USD cash balance of $1.6 million at December 31, 2020 (2019 - $3.6 million) (because the parent Company has a Canadian Dollar functional currency). The Company does not use derivative financial instruments to reduce its foreign exchange exposure.

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 of the Consolidated Financial Statements. The Company's accounts payable are due on normal commercial terms. The Company's redemption obligations are due on demand and are supported by cash balances held directly with the Company's Transfer Agent to facilitate the redemptions as they arise.

OUTLOOK

The Company's focus for 2021 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, 2020, 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, 2020, 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.

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.

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 resources to continue in business for the foreseeable future. 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, 2020.

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 included in unit placements, the Company makes estimates of the expected volatility of the stock, the expected life of the warrants, and an estimated risk-free interest rate.

Investment in associate
Management has estimated the cost of the initial investment in World Copper Ltd. based on the number of common shares received and the price per common shares used in the financings completed by World Copper Ltd. prior to closing of the Escalones Transaction, as further discussed in Note 5 of the Consolidated Financial Statements. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggests the carrying amount exceeds the recoverable amount. Any change in the assumptions used could impact the carrying value of the investment on the consolidated statement of financial position with a corresponding adjustment to the consolidated statement of earnings (loss) and comprehensive income (loss).

OUTSTANDING SHARE DATA

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

Type of Security	**Common shares**
As of March 26, 2021	(number)
Issued and outstanding	249,039,073
Stock options	19,130,000
Share purchase warrants	-
TOTAL DILUTION	**268,169,073**

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:

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 26, 2021 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.

Additional Funding

The Company currently has no revenues from operations. 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. 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 sale of additional equity capital, 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.

Commodity Price Risk

The profitability of the Company's operations, if ever established, will be dependent upon the market price of mineral commodities. Mineral 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 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. 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 licences 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 waste water 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.

Expected Continued Operating Losses

The Company has experienced losses from operations in previous financial years and had an accumulated deficit of $89,121,294 as of December 31, 2020. The Company expects to incur losses for the foreseeable future.

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.

Political Risk

Real and perceived political risk in some countries may also affect the Company's ability to finance exploration programs and future mine development opportunities.

The Company's operations and investments may be adversely affected by political instability and legal and economic uncertainty that might exist. The risks associated with the Company's foreign operations may include political unrest, labour disputes, invalidation of governmental orders, permits or agreements, war, civil disturbances, criminal and terrorist actions, arbitrary changes in laws, regulations and policies, taxation, price controls, exchange controls, delays in obtaining or the inability to obtain necessary permits, import or export restrictions, opposition to mining from local, environmental or other non-governmental organizations, limitations on foreign ownership, limitations on the repatriation of earnings, limitations on mineral exports, government participation, royalties, duties, rates of exchange, high rates of inflation and increased financing costs, currency fluctuations, and changes in laws, regulations or policies as well as by laws and policies of Canada and the U.S. affecting foreign trade, investment and taxation. These risks may limit or disrupt the Company's projects or operations, restrict the movement of funds or result in the deprivation of contractual rights or the taking of property by nationalization, expropriation or other means without fair compensation.

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, 2020 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.

Cautionary note regarding forward-looking statements

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

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

Subject to applicable laws, the Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason. Unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of March 26, 2021.

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.