GOLDSHORE RESOURCES INC.

(formerly Sierra Madre Developments Inc.)

MANAGEMENT’S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED MARCH 31, 2022

In Canadian Dollars

INTRODUCTION

This management's discussion and analysis ("MD&A") presents the financial condition and results of operations of Goldshore Resources Inc. (formerly "Sierra Madre Developments Inc.") for the year ended March 31, 2022. This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended March 31, 2022, and the audited financial statements and the notes thereto for the year ended March 31, 2022 and for the period from incorporation on October 23, 2020 to March 31, 2021, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This MD&A complements and supplements, but does not form part of, the Company's consolidated financial statements.

This MD&A contains forward-looking statements. Statements regarding the adequacy of cash resources to carry out the Company's exploration programs or the need for future financing are forward-looking statements. All forward-looking statements, including those not specifically identified herein, are made subject to cautionary language included in this MD&A. Readers are advised to refer to the cautionary language when reading any forward-looking statements.

All dollar amounts contained herein are expressed in Canadian dollars unless otherwise indicated. This MD&A has been prepared as of July 26, 2022.

DESCRIPTION AND OVERVIEW OF BUSINESS

Goldshore Resources Inc. (formerly Sierra Madre Developments Inc.) ("Goldshore" or the "Company") is a gold focused Canadian exploration company. The Company's head office is located at 918 – 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3 and its registered and records office is at 401 – 353 Water Street, Vancouver, British Columbia, V6B 1B8. The Company was incorporated under the Business Corporations Act (British Columbia) on April 30, 2009.

On May 31, 2021, the Company closed the reverse takeover transaction contemplated in the amalgamation agreement dated January 25, 2021, amended and restated on February 16, 2021 (the "Amalgamation"). Pursuant to the Amalgamation, all Former Goldshore common shares were exchanged for common shares of the Company on a one-for-one basis and Former Goldshore amalgamated with a subsidiary of Sierra Madre, with the resulting entity to continue as a wholly owned subsidiary of the Company (the "Resulting Issuer").

On May 31, 2021, Sierra Madre Developments Inc. ("Sierra Madre") acquired all of the outstanding shares of Goldshore Resources Inc. ("Former Goldshore") by way of a three-cornered amalgamation in which a wholly-owned subsidiary of Sierra Madre amalgamated with Former Goldshore, with Former Goldshore surviving as a wholly-owned subsidiary of Sierra Madre under the name Moss Lake Project Inc. ("Moss Lake"). On June 4, 2021, Sierra Madre changed its name to Goldshore Resources Inc. ("Goldshore" or the "Company") and began trading on the TSX-V under the symbol GSHR. Former Goldshore has been identified as the accounting acquirer and, accordingly, the Company is considered to be a continuation of Former Goldshore, and the net assets of Sierra Madre at the date of the reverse acquisition are deemed to have been acquired by Former Goldshore.

As a result of the Amalgamation, the shareholders of Former Goldshore acquired control of the Company, thereby constituting a reverse acquisition of the Company. The Amalgamation is considered a purchase of the Company's net assets by the shareholders of Former Goldshore.

The Amalgamation will be accounted for in accordance with guidance provided in IFRS 2, Share-based payments, and IFRS 3, Business combinations. As the Company did not qualify as a business according to the definition in IFRS 3, this Amalgamation does not constitute a business combination; rather, it is treated as an issuance of shares by Former Goldshore for the net assets of the Company and the listing of the Former Goldshore's shares.

The purchase price is allocated as follows:

	Amount
Fair value of the Company's shares (3,677,623 post-consolidation common shares at $0.65 per share)	$ 2,390,455
Fair value of replacement options	302,456
Consideration	2,692,911
Net assets acquired	
Cash and restricted cash	10,320,318
Receivables	22,152
Deferred financing costs	881,876
Accounts payable	(400,423)
Subscriptions received	(10,000,000)
Net assets	823,923
Listing expense	**$ 1,868,988**

The Amalgamation was measured at the fair value of the shares that Former Goldshore would have had to issue to the shareholders of the Company, being 3,677,623 common shares, to give the shareholders of the Company the same percentage equity interest in the combined entity that results from the Amalgamation had it taken the legal form if Former Goldshore acquired the Company.

MOSS LAKE GOLD PROJECT

On January 25, 2021, the Company entered into a purchase agreement (the "Moss Lake Agreement") with Moss Lake Gold Mines Ltd. and Wesdome Gold Mines Ltd. ("Wesdome") to acquire a 100% interest in the Moss Lake gold project located in Ontario, Canada (the "Transaction").

In exchange for 100% interest in the project, the Company will:

- Pay $12,500,000 cash to Wesdome upon closing (paid);
- Issue common shares with a fair value equal to the greater of a) $19,500,000 and b) 30% of the issued and outstanding common shares of the Company to Wesdome at closing (issued 30,085,000 common shares);
- Issue $20,000,000 in common shares to Wesdome in the form of milestone payments consisting of:
    - $5,000,000 within 12 months of closing (issued June 6, 2022);
    - $7,500,000 upon the earlier of (i) the Company completing an updated Preliminary Economic Assessment ("PEA") or pre-feasibility study; and (ii) 30 months from closing; and
    - $7,500,000 upon the earlier of (i) the Company completing a feasibility study, (ii) the date on which the Company makes a development decision on Moss Lake, and (iii) 48 months from closing.
- Grant to Wesdome a 1.00% net smelter royalty ("NSR") on all metal production from Moss Lake. The Company shall have the right to repurchase the NSR for (i) $5,000,000 within 30 months of closing or (ii) $7,500,000 between 30 and 48 months after closing. The NSR buyback shall expire if not exercised within 48 months of closing.
- Grant Wesdome representation on the Company's Board of Directors with two appointees (completed).

The Company paid Wesdome a refundable deposit of $1,000,000 concurrent with executing the Moss Lake Agreement. The deposit was applied to the cash payment due on closing. The future milestone payments totaling $20,000,000 were recorded as an obligation to issue shares on the consolidated statement of financial position as at March 31, 2022.

Acquisition and exploration costs incurred to date on Moss Lake are as follows:

	March 31, 2022	March 31, 2021
Property acquisition costs		
Balance, beginning	$ -	$ -
Additions	52,055,250	-
Balance, ending	$ 52,055,250	$ -
Exploration and evaluation costs		
Balance, beginning	$ -	$ -
Camp costs	726,492	-
Consulting and salaries	3,060,044	-
Database management	204,083	-
Drilling	3,038,962	-
Environmental	184,208	-
Geochemistry	1,011,952	-
Other costs	989,425	-
Balance, ending	$ 9,215,166	$ -
Total	**$ 61,270,416**	$ -

FINANCINGS

On February 26, 2021, the Company and Former Goldshore closed brokered private placements by issuing 13,333,335 Flow-Through Subscription Receipts and 23,076,924 Subscription Receipts at a price of $0.75 per Flow-Through Subscription Receipt and $0.65 per Subscription Receipt for total gross proceeds of $25,000,002. The subscriptions received in advance were held in escrow (the "Escrowed Funds"), including $14,359,805 as restricted cash as at March 31, 2021, pending satisfaction of certain conditions ("Escrow Release Conditions"), including the closing of the Amalgamation and receiving conditional approval for the resulting issuer's shares being listed on the TSX-V. On June 1, 2021, the Escrowed Funds were released from escrow concurrent with the completion of the reverse takeover transaction and commencement of trading on the TSX-V. Based on the difference in price between the flow-through and non-flow-through financings, management accounted for the premium paid on the Flow-Through Subscription Receipts on a residual basis as a flow-through premium liability of $1,333,334.

In connection with the closing of the private placements, the Company incurred cash share issuance costs and commissions totalling $2,166,144, including $1,068,717 which were recorded as deferred financing costs as at March 31, 2021. Additionally, the Company and Former Goldshore issued a total of 2,036,484 non-transferrable compensation options ("Compensation Options") to agents. Upon completion of the reverse take over transaction, each Compensation Option was exchanged for one compensation option of the Resulting Issuer, of which 772,560 and 1,263,924 are exercisable for one Resulting Issuer common share at a price of $0.75 and $0.65, respectively, for 24 months after the Escrow Release Date. The total fair value of the Compensation Options was determined to be $730,978 using the Black-Scholes Option Pricing Model using the following assumptions: risk-free rate of 0.30%, expected life of 2 years, volatility factor of 100% and dividend yield of Nil. Of the total fair value of the compensation options, $428,522 was recorded at March 31, 2021 and an additional $302,456 was recorded during the nine months ended March 31, 2022.

On November 23, 2021, the Company closed its previously announced private placement for aggregate gross proceeds of $10,000,000 by issuing 10,810,692 flow-through common shares ("FT Shares") at a price of $0.65 for gross proceeds of $7,026,950 and 3,911,904 premium flow-through common shares ("Premium FT Shares") at a price of $0.76 per Premium FT Share for gross proceeds of $2,973,050. Based on the difference in price between the FT Shares/Premium FT Shares and the market price of the common shares, management accounted for the premium paid on the FT Shares/Premium FT Shares on a residual basis as a flow-through premium liability of $724,762.

In connection with the Offering, the Company has paid to the Agents a cash commission equal to 6% of the gross proceeds of the Offering, of which 3% was paid in cash totalling $299,025 and 3% was paid through the issuance of 440,179 common shares of the Company with a fair value of $277,313. In addition, the Company issued to the Agents 880,355 compensation options of the Company exercisable for a period of 24 months at an exercise price of $0.65. The fair value of the compensation options was determined to be $287,586 using the Black-Scholes Option Pricing Model using the following assumptions: risk-free rate of 1.05%, expected life of 2 years, volatility factor of 100% and dividend yield of Nil. The Company also incurred additional cash share issuance costs of $476,175 in connection with the closing of the offerings.

On April 6, 2022, the Company closed a private placement for aggregate gross proceeds of $10,000,000 by issuing 9,616,095 flow-through units at a price of $0.60 for gross proceeds of $5,769,657, 6,460,686 non-flow-through units at a price of $0.50 per non-flow-through units for gross proceeds of $3,230,343, and 1,408,451 charity-flow-through units at a price of $0.71 per charity flow-through unit for gross proceeds of $1,000,000 (the "April 2022 Offering"). Each Flow-Through Unit consists of one flow-through common share and one-half of one common share purchase warrant, each Non-Flow-Through Unit consists of one common share and one-half of one common share purchase warrant, and each Charity Flow-Through Unit consists of one common share and one-half of one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.75, until the date which is 24 months following the Closing Date. In connection with the April 2022 Offering, the Company paid to the agents a cash commission equal to 6% of the gross proceeds of the April 2022 Offering. In addition, the Company issued to the agents 1,003,815 compensation warrants of the Company exercisable for a period of 24 months at exercise prices of $0.50, $0.71 and $0.60.

On May 18, 2022, the Company closed a private placement for gross proceeds of $500,000 by issuing 1,000,000 Units at a price of $0.50. Each unit consists of one common share and one-half common share purchase warrant, exercisable at a price of $0.75.

Stock options

The Company has adopted a 10% rolling Stock Option Plan (the "Plan"). Under the Plan, the Company may grant stock options to directors, officers, employees and consultants of the Company at an exercise of not less than the market value ("Market Value") of the common shares of the Company as of the grant date. Market Value will be the closing trading price of the common shares on the day immediately preceding the grant date, and may be less than this price if it is within the discounts permitted by the applicable regulatory authorities including the TSX Venture Exchange. The expiry date of an option shall be determined by the Compensation Committee of the Company and shall be no later than the tenth anniversary of the grant date of such option. The vesting terms and conditions of the options are determined by the Board of Directors. As at March 31, 2022, the Company had 8,787,500 stock options outstanding (March 31, 2021 – Nil) with a weighted average exercise price and remaining life of $0.65 per stock option and 4.24 years, respectively.

On June 4, 2021, the Company granted 7,700,000 stock options to management, directors, advisors, employees and consultants. Each stock option is exercisable into one common share of the Company at a price of $0.65 per common share for five years, with 1/3 vesting one year from the grant date, 1/3 vesting two years from the grant date and the final 1/3 vesting three years from the grant date. The fair value of the stock options was determined to be $5,426,778 using the Black-Scholes Option Pricing Model using the following assumptions: risk-free rate of 0.97%, expected life of 5 years, volatility factor of 100% and dividend yield of Nil.

On July 15, 2021, the Company granted 50,000 stock options to an employee of the Company. Each stock option is exercisable into one common share of the Company at a price of $0.69 per common share for five years, with 1/3 vesting one year from the grant date, 1/3 vesting two years from the grant date and the final 1/3 vesting three years from the grant date. The fair value of the stock options was determined to be $25,583 using the Black-Scholes Option Pricing Model using the following assumptions: risk-free rate of 0.78%, expected life of 5 years, volatility factor of 100% and dividend yield of Nil.

On November 24, 2021, the Company granted 1,037,500 stock options to management, directors, employees and consultants. Each stock option is exercisable into one common share of the Company at a price of $0.65 per common share for five years, with 1/3 vesting one year from the grant date, 1/3 vesting two years from the grant date and the final 1/3 vesting three years from the grant date. The fair value of the stock options was determined to be $485,335 using the Black-Scholes Option Pricing Model using the following assumptions: risk-free rate of 1.56%, expected life of 5 years, volatility factor of 100% and dividend yield of Nil.

During the three months and year ended March 31, 2022, the Company recognized $894,573 and $2,840,413, respectively, in stock-based compensation expense. As at March 31, 2022, there were no stock options exercisable.

ANNUAL FINANCIAL INFORMATION

The selected financial information below are derived from the Company's audited consolidated financial statements for the year ended March 31, 2022 and the period from incorporation on October 23, 2020 to March 31, 2021 prepared in accordance with IFRS. The Company's significant accounting policies and new accounting policies applied in the preparation of its consolidated financial statements are outlined in Note 3 to the Company's audited consolidated financial statements for the year ended March 31, 2022 and for the period from incorporation on October 23, 2020 to March 31, 2021.

	Year Ended March 31, 2022	For the period from October 23, 2020 to March 31, 2021
Total revenue	$ -	$ -
Operating expenses	5,818,626	749,682
Other expenses	7,656,846	888
Net loss	13,475,472	750,570
Total comprehensive loss	13,475,472	750,570
Basic and diluted loss per common share:	0.15	0.06

	As at	
	March 31, 2022	March 31, 2021
Cash	$ 12,105,759	$ 2,225,896
Exploration and evaluation assets	61,270,416	-
Total assets	75,201,147	18,730,646
Current financial liabilities	3,574,216	15,189,736
Shareholders' equity	64,570,314	3,536,419

RESULTS OF OPERATIONS

Three months ended March 31, 2022

The Company recognized a loss of $7,329,392 for the three months ended March 31, 2022, compared to $710,727 for the three months ended March 31, 2021. All classes of expenses were higher in 2021 compared with the comparative period in 2021 due to increased corporate activity, the acquisition of Moss Lake and the Amalgamation. The main components of the loss for the three months ended March 31, 2022 were deferred income tax expense of $6,826,000, stock-based compensation expense of $894,573, a recovery to listing expense of $507,071, recovery of flow-through premium of $397,863, investor relations expense of $203,234, and consulting fees of $169,768. The stock-based compensation expense related to the vesting of stock options granted to management, directors, advisors, employees and consultants of the Company. The recovery of listing expense relates to an adjustment to the reverse takeover purchase price allocation. Consulting fees and shareholder and investor relations expense were incurred the normal course of operations and the flow-through premium was incurred related to the flow-through subscription receipts in February 2021.

Year ended March 31, 2022

The Company recognized a loss of $13,475,472 for the year ended March 31, 2022, compared to $750,570 for the period from incorporation on October 23, 2020 to March 31, 2021. All classes of expenses were higher in 2021 compared with the comparative period in 2021 due to increased corporate operations, the acquisition of Moss Lake and the Amalgamation. The main components of the loss for the year ended March 31, 2022, were deferred income tax expense of $6,826,000, stock-based compensation expense of $2,840,413, listing expense of $1,868,988, recovery of flow-through premium of $1,055,896, consulting fees of $892,165, shareholder and investor relations expense of $877,537, general and administrative costs of $371,949, property investigation costs of $342,472, and professional fees of $250,252. The listing expense relates to the transaction with Former Goldshore and property investigation costs are primarily related to expenses incurred on Moss Lake prior to May 31, 2021, while stock-based compensation expense related to the vesting of stock options granted to management, directors, advisors, employees and consultants of the Company. Consulting fees, general and administrative costs, and shareholder and investor relations expense were incurred in the normal course of operations and the recovery of flow-through premium was incurred related to the flow-through subscription receipts issued in February 2021.

The following is a summary of the Company's results for the six most recently completed quarters, since the Company's inception:

	Q4 '22 Mar 31, 2022	Q3 '22 Dec 31, 2021	Q2 '22 Sep 30, 2021	Q1 '22 Jun 30, 2021	Q4 '21 Mar 31, 2021	Q3 '21 Dec 31, 2020
Financial Results						
Loss and comprehensive for the period	$7,329,392	1,586,080	1,307,276	3,252,724	710,727	39,843
Loss per share	$0.06	$0.01	$0.01	$0.10	$0.06	$0.40
Balance Sheet Data						
Cash and restricted cash	12,105,759	15,703,738	9,905,907	13,185,145	16,585,701	389,986
Total assets	75,301,147	74,742,835	65,035,411	66,189,767	18,730,646	389,986
Shareholders' equity	64,570,314	71,163,690	63,539,603	64,007,814	3,536,419	300,715

LIQUIDITY AND CAPITAL RESOURCES

Goldshore has no operations that generate cash flows and the Company's future financial success will depend on the discovery of one or more economic mineral deposits. This process can take years, can consume significant resources and is largely based on factors that are beyond the control of the Company's management. As at March 31, 2022, the Company's current assets exceeded its current liabilities by $9,842,123 (2021 - $2,512,595) and had an accumulated deficit of $7,400,042 (2021 – $750,570). The Company currently has no source of revenue.

For the foreseeable future, the Company will continue to rely upon its ability to raise financing through the sale of equity. This will be dependent on the Company identifying suitable projects that willattract investors. Which will also require a general positive investor sentiment, which in turn will be influenced by a positive climate for precious metals exploration, a Company's track record and the experience and calibre of the Company's management, as well as global economic outlook. There is no assurance that the Company will be able to access equity funding at the times and in the amounts required to meet the Company's obligations and fund activities.

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time, and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods, including the possible impact on future financing opportunities. There are various community restrictions and health and safety measures in Ontario, Canada that may prohibit or delay exploration programs from proceeding. Operations will depend on obtaining necessary permits, field supplies, and contractor services, and safeguarding personnel during the outbreak, which may be prohibitive or costly.

Operating Activities

Net cash used by the Company in operating activities for the year ended March 31, 2022, was $3,754,711.

Investing Activities

Net cash used in investing activities for the year ended March 31, 2022, was $9,079,655, which was due to expenditures incurred on Moss Lake and equipment purchases, which were higher than the cash received in the reverse takeover transaction.

Financing Activities

Net cash provided by financing activities in the current period was $8,354,424. The current period cash was provided by the private placements closed in December 2021, net of share issuance costs and the repayment of lease obligations.

The Company raised net proceeds of approximately $25.0 million in February 2021 through brokered flow-through and non-flow-through financings. The table below summarized the expected use of proceeds and the actual use of proceeds:

February 2021 Financings	February 2021 Expected Use of Proceeds	Actual Use of Proceeds To Date	Variance
Payment pursuant to the Moss Lake Asset Purchase Agreement	$12,500,000	$12,500,000	$Nil
To pay the estimated cost of the recommended Phase 1 exploration program and budget on the Moss Lake Property as outlined in the Technical Report (1)	$14,000,000	$9,215,166	$(4,784,834)
Costs related to the Transaction (2)	$50,000	$300,000	$250,000
Operating expenses for 12 months (3)	$264,500	$2,910,908	$2,646,408
Unallocated working capital (4)	$322,260	n/a	n/a

Notes:

(1) Actual exploration costs are for the year ended March 31 2022. The drilling program is still in progress, which is the reason for the lower-than-expected costs for the program to date.

(2) Expected professional fees of $42,500 and filing fees $7,500. Actual professional fees were higher than expected resulting from additional audit, legal and consulting costs largely associated with time delays.

(3) Estimated operating expenses for the next 12 months included: consulting ($174,000), professional fees ($30,000), insurance ($40,000), filing fees ($14,500) and general and administrative ($6,000). Operating expenses for the year ended March 31, 2022 were $2,910,908, excluding amortization and stock based compensation expense. Annualized operating expenditures were higher than expected largely due to higher consulting and professional fees.

(4) Possible uses of the unallocated working capital: to fund ongoing operations; future due diligence of other mining claims/concessions; Phase II exploration program; and other uses as may be necessary.

RELATED PARTY TRANSACTIONS

Key management personnel are considered to include the Company's directors and officers. For the year ended March 31, 2022, the Company incurred the following compensation transactions with key management personnel:

		Year ended March 31, 2022		For the period from October 23, 2020 to March 31, 2021
Consulting services	$	641,000	$	-
Stock-based compensation		1,746,377		-
Total	$	2,387,377	$	-

During the three months and year ended March 31, 2022, the Company paid $193,500 and $641,000, respectively, in consulting fees to members of the Board of Directors and officers of the Company. The officers of the Company include the CEO and the CFO.

At March 31, 2022, the Company owed $701,582 (March 31, 2021 - $Nil) to related parties in respect of services provided to and payments made on behalf of the Company. These amounts are unsecured, non-interest-bearing and have no specific terms of repayment.

The Company also incurred general and administrative costs of $57,000 (2021 - $Nil) to a company controlled by a close family member of the CFO.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not enter into any off-balance sheet arrangements during the year ended March 31, 2022.

COMMITMENTS

On July 7, 2022, the Company executed an option agreement with White Metal Resource Corp. ("White Metal") to earn in to certain mining claims held by White Metal in the Shebandowan greenstone belt known as the Iris Lake and Vanguard properties (the "Property" or "Properties").

PROPOSED TRANSACTIONS

None.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The critical judgements and estimates that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements are as follows:

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Impairment of long-lived assets

The carrying value and the recoverability of long-lived assets, including exploration and evaluation assets, are evaluated at each reporting date. Management assesses for indicators of impairment, which includes assessing whether facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

Economic recoverability and probability of future benefits of exploration and evaluation costs

Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Valuation of stock-based compensation

The Company uses the Black-Scholes option pricing model for valuation of stock-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Income taxes

The Company recognizes deferred tax assets for deductible temporary differences, unused tax losses and other income tax deductions only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and other income tax deductions can be utilized. In assessing the probability of realizing the income tax benefits of deductible temporary differences, unused tax losses and other income tax deductions, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence.

As at March 31, 2022, the Company has not recognized any deferred tax assets for deductible temporary differences. Changes in any of the above-mentioned estimates can materially affect the amount of income tax assets recognized. In addition, where applicable tax laws and regulations are either unclear or subject to varying interpretations, changes in these estimates can occur that materially affect the amounts of income tax assets recognized. The Company reassesses unrecognized income tax assets at the end of each reporting period.

Flow-Through Premium Liability

Pursuant to the terms of the flow-through share agreements, flow-through shares transfer the tax deductibility of qualifying resources expenditures to investors. On Issuance, the Company bifurcates the flow-through shares into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability on a pro-rata basis and recognizes a deferred tax recovery for the amount of tax reduction renounced to the shareholders.

FINANCIAL AND OTHER INSTRUMENTS

The Company's financial assets and liabilities are classified as follows:

	March 31, 2022	March 31, 2021
Financial assets:		
Fair value through profit or loss		
Cash	$ 12,105,759	$ 2,225,896
Restricted cash	-	14,359,805
Financial liabilities:		
Amortized cost		
Accounts payable and accrued liabilities	$ 2,469,585	$ 171,953

Accounts payable and accrued liabilities includes amounts due to related parties.

The fair values of the Company's cash and restricted cash are carried at fair value in accordance with level 1 of the fair value hierarchy. The Company's accounts payable and accrued liabilities approximate their carrying amounts due to the short-term nature of these instruments.

The Company's risk exposures arising from financial instruments and the impact on the Company's financial statements are summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. As at March 31, 2022, the Company was exposed to credit risk on its cash. The Company's cash is held with a high credit quality financial institution in Canada and as at March 31, 2022, management considers its exposure to credit risk to be low. The Company's maximum exposure to credit risk is equal to the carrying amount of its cash and cash equivalents.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining adequate cash and managing its capital and expenditures.

At March 31, 2022, the Company had cash of $12,105,759 and accounts payable and accrued liabilities of $2,469,585 with contractual maturities of less than one year. The Company had sufficient cash to meet its current liabilities as at March 31, 2022. The Company assessed its liquidity risk as low as at March 31, 2022.

Market risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Company is not exposed to significant currency, interest or other price risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that it has monetary assets and liabilities denominated in foreign currencies. As at March 31, 2022, the Company was not exposed to foreign currency risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Company is not exposed to other price risk as at March 31, 2022.

OUTSTANDING SHARE DATA

At March 31, 2022, there were 31,300,501 (2021 – Nil) shares held in escrow, subject to the following escrow release conditions: 10% released on June 4, 2021, 15% released December 4, 2021, 15% released June 4, 2022, 15% released December 4, 2022, 15% released June 4, 2023, 15% released December 4, 2023, and 15% released on June 4, 2024.

As at the date of this MD&A, the Company had 142,276,603 common shares issued and outstanding, 2,916,839 Compensation Options outstanding, 1,003,815 Compensation Warrants outstanding, 8,737,500 stock options outstanding and 9,242,616 warrants convertible into common shares outstanding.

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

RISKS AND UNCERTAINTIES

The Company is in the mineral exploration and development business and as such is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A and the Company's filing statement dated May 26, 2021 available on SEDAR, before making an investment decision (www. sedar.com).

Some of the possible risks include the following:

a) The Company currently has no properties nor producing operations and as a consequence, the Company does not generate any operating income or positive cash flow. Its ability to continue as a going concern is entirely dependent upon the Company's ability to find suitable projects and access public equity markets to raise sufficient capital.

b) The only source of future funds to source and acquire projects which may become available to the Company is through the sale of equity capital.

c) Any future equity financings by the Company for the purpose of raising additional capital may result in substantial dilution to the holdings of existing shareholders.

d) Any future operations of the Company may require added personnel; licenses and permits; and many other potential risks that the Company has no way of determining at this time. As such, there is no assurance that the Company will be successful in obtaining what is required to obtain and operate new activities in the future.

e) On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time, and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods, including the possible impact on future financing opportunities.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in forward-looking statements.

CAUTION REGARDING FORWARD LOOKING STATEMENTS

Some of the statements contained in this MD&A are "forward-looking statements." Such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or developments to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects," "plans," "anticipates," "believes," "intends," "estimates," "projects," "potential" and similar expressions, or that events or conditions "will," "would," "may," "could" or "should" occur.

Forward-looking statements in this MD&A include, among others, statements relating to expectations regarding the exploration and development of the Moss Lake Gold Project, including planned drilling activities, and other statements that are not historical facts. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors and risks include, among others: the Company may require additional financing from time to time in order to continue its operations which may not be available when needed or on acceptable terms and conditions acceptable; compliance with extensive government regulation; domestic and foreign laws and regulations could adversely affect the Company's business and results of operations; the stock markets have experienced volatility that often has been unrelated to the performance of companies and these fluctuations may adversely affect the price of the Company's securities, regardless of its operating performance; and the impact of COVID-19.

The forward-looking information contained in this MD&A represents the expectations of the Company as of the date of this MD&A and, accordingly, is subject to change after such date. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. The Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

This MD&A does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.