

GOLDSHORE RESOURCES INC.

(formerly Sierra Madre Developments Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED DECEMBER 31, 2021

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 nine months ended December 31, 2021. This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements for the nine months ended December 31, 2021 and the audited financial statements and the notes thereto for the years ended March 31, 2021 and 2020, 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 condensed consolidated interim 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 February 23, 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.

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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	9,745,670
Receivables	2,544
Deferred financing costs	881,876
Accounts payable	(313,238)
Subscriptions received	(10,000,000)
Net assets	316,852
Listing expense	\$ 2,376,059

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;
 - \$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 condensed consolidated interim statement of financial position as at December 31, 2021.

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

	December 31, 2021	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	564,504	-
Consulting and salaries	2,109,917	-
Database management	161,297	-
Drilling	1,472,447	-
Environmental	184,208	-
Geochemistry	520,160	-
Other costs	606,001	-
Balance, ending	\$ 5,618,534	\$ -
Total	\$ 57,673,784	\$ -

FINANCINGS

On February 26, 2021, the Company and Former Goldshore closed brokered private placements by issuing 13,333,335 Flow-Through Subscription Receipts and 23,076,912 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 \$731,254 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 December 31, 2021.

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 3,911,908 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 \$294,969 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 \$144,931 in connection with the closing of the offerings.

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. The vesting terms and conditions of the options are determined by the Board of Directors. As at December 31, 2021, 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 4.48 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 and nine months ended December 31, 2021, the Company recognized \$870,580 and \$1,945,840, respectively, in stock-based compensation expense. As at December 31, 2021, there were no stock options exercisable.

RESULTS OF OPERATIONS

Three months ended December 31, 2021

The Company recognized a loss of \$1,586,080 for the three months ended December 31, 2021, compared to \$38,110 for the period from incorporation on October 23, 2020 to December 31, 2020. All classes of expenses were higher in 2021 compared with the comparative period in 2020 due to increased corporate activity, the acquisition of Moss Lake and the Amalgamation. The main components of the loss for the three months ended December 31, 2021 were stock-based compensation expense of \$870,580, consulting fees of \$369,049, recovery of flow-through premium of \$346,468 and shareholder and investor relations expense of \$326,049. The stock-based compensation expense related to the vesting of stock options granted to management, directors, advisors, employees and consultants of the Company. 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.

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For the nine months ended December 31, 2021

Nine months ended December 31, 2021

The Company recognized a loss of \$6,146,080 for the nine months ended December 31, 2021, compared to \$38,110 for the period from incorporation on October 23, 2020 to December 31, 2020. All classes of expenses were higher in 2021 compared with the comparative period in 2020 due to increase corporate operations, the acquisition of Moss Lake and the Amalgamation. The main components of the loss for the nine months ended December 31, 2021, were listing expense of \$2,376,059, stock-based compensation expense of \$1,945,840, consulting fees of \$722,397, shareholder and investor relations expense of \$674,304, recovery of flow-through premium of \$658,033 and property investigation costs of \$342,472. 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 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 two most recently completed quarters, since the Company's inception:

	Q3 '22 Dec 31, 2021	Q2 '22 Sep 30, 2021	Q1 '22 Jun 30, 2021	Q4 '21 Mar 31, 2021	Q3 '21 Dec 31, 2021
Financial Results					
Net loss for the period	1,586,080	1,307,276	3,255,246	750,570	38,110
Loss per share	\$0.01	\$0.01	\$0.10	\$0.06	\$2.34
Balance Sheet Data					
Cash and restricted cash	15,703,738	9,905,907	13,185,145	16,585,701	389,986
Total assets	74,742,835	65,035,411	66,189,767	18,730,646	389,986
Shareholder's equity	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 December 31, 2021, the Company's current assets exceeded its current liabilities by \$13,643,317 and had an accumulated deficit of \$6,896,650. 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 will attract 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.

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Operating Activities

Net cash used by the Company in operating activities for the nine months ended December 31, 2021, was \$2,730,227.

Investing Activities

Net cash used in investing activities for the nine months ended December 31, 2021, was \$7,145,520, 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 \$8,993,784. 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	\$5,618,534	\$(8,381,466)
Costs related to the Transaction ⁽²⁾	\$50,000	\$250,000	\$200,000
Operating expenses for 12 months ⁽³⁾	\$264,500	\$2,081,836	\$1,817,336
Unallocated working capital ⁽⁴⁾	\$322,260	n/a	n/a

Notes:

- (1) Actual exploration costs are for the nine months ended December 31, 2021. 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). Actual operating expenses for the nine months ended December 31, 2021 were \$2,081,836 after deducting one-time and non-cash costs. Actual annualized expenditures are expected to be higher than expensed 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

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Key management personnel are considered to include the Company's directors and officers. For the nine months ended December 31, 2021, the Company incurred the following compensation transactions with key management personnel:

	Three months ended December 31, 2021	Nine months ended December 31, 2021
Consulting services	\$ 70,333	\$ 211,000
Stock-based compensation	533,053	1,194,328
Total	\$ 603,386	\$ 1,405,328

At December 31, 2021, the Company owed \$536,251 (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 \$9,500 and \$28,500 (2020 - \$Nil and \$Nil) to a company controlled by a close family member of the CFO. At December 31, 2021, there is a balance of \$15,225 (March 31, 2021 - \$Nil) payable, which is included in accounts payable and accrued liabilities. The amount is unsecured, non-interest bearing, and has no fixed terms of repayment

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not enter into any off-balance sheet arrangements during the nine months ended December 31, 2021.

COMMITMENTS

The Company has not entered into any material contractual commitments as of the date of this MD&A.

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:

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

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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 December 31, 2021, 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:

	December 31, 2021	March 31, 2021
Financial assets:		
<i>Fair value through profit or loss</i>		
Cash	\$ 15,703,738	\$ 2,225,896
Restricted cash	-	14,359,805
Financial liabilities:		
<i>Amortized cost</i>		
Accounts payable and accrued liabilities	\$ 1,381,326	\$ 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 December 31, 2021, 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 December 31, 2021, management considers its exposure to credit risk to be low.

Liquidity risk

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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 December 31, 2021, the Company had cash of \$15,703,738 and accounts payable and accrued liabilities of \$1,381,326 with contractual maturities of less than one year. The Company had sufficient cash to meet its current liabilities as at December 31, 2021. The Company assessed its liquidity risk as low as at December 31, 2021.

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.

OUTSTANDING SHARE DATA

As at the date of this MD&A, the Company had 115,458,038 common shares issued and outstanding, 2,916,839 Compensation Options outstanding, 8,787,500 stock options outstanding and no warrants or other securities 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.