GOLDSHORE RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 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. for the three and nine months ended December 31, 2022. This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements for the nine months ended December 31, 2022, and the audited consolidated 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 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 [28], 2023.

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 was 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 was allocated as follows:

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

Subsequent to the Amalgamation, the Company finalized the values of the assets acquired and the liabilities assumed which resulted in a change to the net assets acquired, whereby cash and restricted cash increased by $574,648, receivables increased by $19,608 and accounts payable increased by $87,185. Upon finalization of the purchase price allocation, these adjustments resulted in the listing expense decreasing by $507,071, from $2,376,059 to $1,868,988. The prior year comparatives have been restated to reflect the finalization of the purchase price allocation during the year ended March 31, 2022.

EXPLORATION AND EVALUATION ASSETS

	Moss Lake Project	Iris Lake and Vanguard Projects	Total
Property acquisition costs			
Balance, March 31, 2021	$ -	$ -	$ -
Additions	52,055,250	-	52,055,250
Balance, March 31, 2022	$ 52,055,250	$ -	$ 52,055,250
Additions	-	91,000	91,000
Balance, September 30, 2022	$ 52,055,250	$ 91,000	$ 52,146,250
Exploration and evaluation costs			
Balance, March 31, 2021	$ -	$ -	$ -
Camp costs	726,492	-	726,492
Consulting and salaries	3,060,044	-	3,060,044
Database management	204,083	-	204,083
Drilling	3,038,962	-	3,038,962
Environmental	184,208	-	184,208
Geochemistry	1,011,952	-	1,011,952
Other costs	989,425	-	989,425
Balance, March 31, 2022	$ 9,215,166	$ -	$ 9,215,166
Camp costs	721,961	-	721,961
Consulting and salaries	4,535,221	-	4,535,221
Database management	47,987	-	47,987
Drilling	10,975,595	-	10,975,595
Geochemistry and geophysics	3,810,011	197,791	4,007,802
Other costs	708,450	-	708,450
Balance, December 31, 2022	$ 30,014,391	$ 197,791	$ 30,212,182

Total, March 31, 2022	**$**	**61,270,416**	**$**	**-**	**$ 61,270,416**
Total, December 31, 2022	**$**	**82,069,641**	**$**	**288,791**	**$ 82,358,432**

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"). A summary of the Company's commitments in exchange for 100% of the project are outlined in the Commitments section of this MD&A.

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. 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. During the nine months ended December 31, 2022, the Company issued 8,333,333 common shares to Wesdome with a value of $5,000,000, resulting in remaining future milestone payments totaling $15,000,000.

Iris Lake and Vanguard Projects

On July 7, 2022, the Company executed an option agreement with Thunder Gold Corp. (formerly White Metal Resources Corp.) ("Thunder Gold") to earn in to certain mining claims held by Thunder Gold in the Shebandowan greenstone belt known as the Iris Lake and Vanguard properties (the "Iris Lake and Vanguard Projects"). A summary of the Company's commitments in exchange for rights to earn not certain mining claims of the Iris Lake and Vanguard Projects are outlined in the Commitments section of this MD&A.

FINANCINGS

At December 31, 2022, there were 167,851,703 issued and fully paid common shares (March 31, 2022 – 115,458,038). At December 31, 2022, there were 25,030,301 (2022 – 31,300,501) shares held in escrow, including the additional shares issued to Wesdome on June 6, 2022, subject to the following escrow release conditions: 8,343,433 released on June 4, 2023, 8,343,433 released on December 4, 2023, and 8,343,435 released on June 4, 2024. Historic escrow releases included 4,173,400 released on June 4, 2021, 6,260,100 released on December 4, 2021, 6,260,100 released on June 4, 2022, and 8,343,433 released on December 4, 2022.

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 $2,121,927, 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 year 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 $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.

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 ("Flow-Through Units") at a price of $0.60 for gross proceeds of $5,769,657, 6,460,686 non-flow-through units ("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 ("Charity Flow-Through Unit") 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. Using the residual value method, the value of the warrant component of the units issued in the April 2022 Offering was $699,409.

Based on the difference in price between the Charity Flow-Through Unit/Flow-Through Unit and Non-Flow-Through financings, management accounted for the premium paid on the Charity Flow-Through Units and Flow-Through Units on a residual basis as a flow-through premium liability of $1,257,385. 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 the amount of $756,161. In addition, the Company issued to the agents 1,003,815 compensation options of the Company exercisable for a period of 24 months at exercise prices of $0.50, $0.71 and $0.60, respectively. The aggregate fair value of the compensation options was determined to be $221,696 using the Black-Scholes Option Pricing Model using the following assumptions: risk-free rate of 2.50%, expected life of 2 years, volatility factor of 100% and dividend yield of Nil.

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 ("Units"). Each Unit consists of one common share and one-half common share purchase warrant, exercisable at a price of $0.75. Using the residual value method, the value of the warrant component of the Units was $32,500.

On August 2, 2022, the Company paid $10,000 in cash and issued 300,000 common shares to Thunder Gold pursuant to an option agreement (see Commitments section).

On December 22, 2022, the Company closed a private placement for aggregate gross proceeds of $5,750,000 by issuing 9,458,100 flow-through units ("Flow-Through Units") at a price of $0.30 for gross proceeds of $2,837,430, and 11,650,280 non-flow-through units ("Non-Flow-Through-Units") at a price of $0.25 per non-flow-through unit for gross proceeds of $2,912,570. Each Flow-Through Unit consists of one flow-through common share and one-half of one common share purchase warrant and each Non-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 $0.40, until the date which is 24 months following the Closing Date. Using the residual value method, the value of the warrant component of the units issued in the December 2022 Offering was $105,542.

Based on the difference in price between the Flow-Through Unit and Non-Flow-Through financings, management accounted for the premium paid on the Flow-Through Units on a residual basis as a flow-through premium liability of $472,905. In connection with the December 2022 Offering, the Company paid to the agents a cash commission equal to 6% of the gross proceeds in the amount of $282,500 and incurred other share issuance costs of $385,581.

On December 30, 2022, the Company closed a non-brokered private placement for gross proceeds of $1,041,680 by issuing 4,166,720 non-flow-through units at a price of $0.25 per non-flow-through unit. Each non-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 $0.40, until the date which is 24 months following the Closing Date. Using the residual value method, the value of the warrant component of the units issued was $20,834. In connection with the financing, the Company paid to the agents a finder's fee of $500 and incurred other share issuance costs of $10,000.

Stock options

As at December 31, 2022, the Company had 8,737,500 stock options outstanding (March 31, 2022 – 8,787,500) with a weighted average exercise price and remaining life of $0.65 per stock option and 3.48 years, respectively.

During the three and nine months ended December 31, 2022, the Company recognized $439,291 and $1,670,687 in stock-based compensation expense (2021 – $870,580 and $1,945,840, respectively), respectively. As at December 31, 2022, there were 2,929,167 stock options exercisable (March 31, 2022 – Nil).

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.

RESULTS OF OPERATIONS

Three months ended December 31, 2022

The Company recognized a loss before income taxes of $308,608 for the three months ended December 31, 2022, compared to $1,586,080 for the three months ended December 31, 2021.

All classes of expenses were lower in 2022 compared with the comparative period in 2021 due to reduced corporate activity and efforts by management to conserve cash, with the exception of interest expense, which was higher in the current period due to interest accretion on the lease liability. The Company did not have a lease obligation incurring interest in the comparative quarter.

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 and December 2021.

Nine months ended December 31, 2022

The Company recognized a loss before income tax of $1,345,728 for the nine months ended December 31, 2022, compared to $5,639,009 for the nine months ended December 31, 2021.

The decrease in loss before income tax of $4,293,281, is mostly driven by the listing expense of $1,868,988, incurred in the comparative period.

All classes of expenses were lower in 2022 compared with the comparative period in 2021 due to reduced corporate activity and efforts by management to conserve cash, with the exception of:

- Amortization expense, which was higher in 2022 as compared to the comparative period, due to additional leased assets acquired in the current period;
- Interest expense, which was higher in the current period due to interest accretion on the lease liability. The Company did not have a lease obligation incurring interest in the comparative quarter.
- Professional fees, driven by increased audit and accounting fees.
- Regulatory and transfer agent fees, a result of greater share capital activity in the current period, consistent with share issuances during the period.
- Shareholder and investor relations, driven by marketing campaigns and other investor relations programs in the current quarter that did not occur in the comparative period.

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 and December 2021.

The following is a summary of the Company's results for the eight most recently completed quarters:

	Q3 '23 Dec 31, 2022	Q2 '23 Sep 30, 2022	Q1 '23 Jun 30, 2022	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[(1)]
Financial Results								
Income (loss) and comprehensive income (loss) for the period	$(1,555,608)	$(4,682,402)	$ 572,282	$(7,833,941)	$(1,586,080)	$(1,307,276)	$(2,748,175)	$(710,727)
Loss per share	$(0.01)	$(0.03)	$0.00	$(0.06)	$(0.01)	$(0.01)	$(0.09)	$(0.06)
Balance Sheet Data								
Cash and cash equivalents	3,999,652	5,294,392	11,882,880	12,105,759	15,703,738	9,905,907	13,185,145	16,585,701[(2)]
Total assets	88,232,099	82,869,774	84,222,277	75,201,147	74,742,835	65,035,411	66,189,767	18,730,646
Shareholders' equity	74,782,921	70,259,044	74,404,227	64,570,314	71,163,690	63,539,603	64,007,814	3,536,419

(1) The prior year comparatives have been restated to reflect the finalization of the purchase price allocation during the year ended March 31, 2022. Subsequent to the Amalgamation, the Company finalized the values of the assets acquired and the liabilities assumed which resulted in a change to the net assets acquired, whereby cash and restricted cash increased by $574,648, receivables increased by $19,608 and accounts payable increased by $87,185. Upon finalization of the purchase price allocation, these adjustments resulted in the listing expense decreasing by $507,071, from $2,376,059 to $1,868,988.

(2) Includes restricted cash.

The Company reported income during the three months ended June 30, 2022, as a result of a deferred income tax recovery of $1,278,000, consistent with the issuance of shares to Wesdome pursuant to the Moss Lake Agreement.

The large loss reported for the three months ended September 30, 2022, is a result of the deferred income tax expense of $4,351,000.

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, 2022, the Company's current assets exceeded its current liabilities by $3,215,898 (March 31, 2022 - $9,842,123) and had an accumulated deficit of $19,891,770 (March 31, 2022 – $14,226,042). The Company currently has no source of revenue.

The Company's ability to continue its operations is dependent on its success in raising equity through share issuances, suitable debt financing and/or other financing arrangements. While the Company has been successful in raising equity in the past, there can be no guarantee that it will be able to do so in the future. If the Company is unable to obtain the requisite amount of financing it will be required to defer planned exploration activities and/or reduce corporate capacity and/or sell assets each of which would have a material adverse effect on its business and ability to continue as a going concern. The condensed consolidated interim financial statements for the nine months ended December 31, 2022 do not give effect to the required adjustments to the carrying amounts and classification of assets and liabilities should the Company be unable to continue as a going concern.

Operating Activities

Net cash used by the Company in operating activities for the nine months ended December 31, 2022, was $2,606,241.

Investing Activities

Net cash used in investing activities for the nine months ended December 31, 2022, was $21,269,746, which was due to expenditures incurred on Moss Lake.

Financing Activities

Net cash provided by financing activities in the current period was $15,769,880. The current period cash was provided by the private placements closed in December 2022, April 2022 and May 2022, net of share issuance costs and the repayment of lease obligations.

The Company raised net proceeds of approximately $6.1 million in December 2022 through a brokered flow-through and non-flow-through financing, and a non-brokered non-flow-through financing. The table below summarizes the expected use of proceeds and the actual use of proceeds:

December 2022 Financing	Expected Use of Proceeds	Actual Use of Proceeds to Date (2)	Variance (2)
Exploration and development of the Moss Lake Project	$3,000,000	$Nil	$Nil
Operating expenses for 12 months (1)	$1,331,900	$Nil	$Nil
Unallocated working capital	$1,768,100	$Nil	$Nil

Notes:

(1) Consists of consulting fees of $571,200, marketing of $276,500, professional fees of $182,500, and general and administrative costs of $301,700.

(2) The financing closed at the end of December 2022, and as such, the Company had not expended any of the proceeds from the financing during the three and nine months ended December 31, 2022.

RELATED PARTY TRANSACTIONS

The Company's related parties consist of its key management personnel and close family members of its key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and consist of its directors, the Chief Executive Officer and the Chief Financial Officer.

During the three and nine months ended December 31, 2022, the Company incurred $75,000 (2021 - $58,333) and $225,000 (2021 - $175,000), respectively, for CEO consulting services by Richards Enterprises Inc., which were recorded as consulting fees. Richards Enterprises Inc. is owned and operated by the Company's CEO, Brett Richards. During the three and nine months ended December 31, 2021, the Company also incurred $3,000 for CEO consulting services by Hani Zabaneh, the former CEO of the Company. As at December 31, 2022, the Company owed Richard Enterprises Inc. $nil in respect of services provided to the Company (March 31, 2022 - $374,548), and $45,315 in respect of expenses incurred on behalf of the Company (March 31, 2022 - $102,149).

During the three and nine months ended December 31, 2022, the Company paid $36,000 (2021 - $36,000) and $108,000 (2021 - $36,000), respectively, for CFO consulting services by Marlis Yassin, which were recorded as consulting fees.

During the three and nine months ended December 31, 2022, the Company incurred $58,500 (2021 - $Nil) and $143,500 (2021 - $Nil) for director's fees, which were recorded as consulting fees, as follows: Doug Ramshaw ($7,500 and $20,500, respectively); Brandon Macdonald ($9,500 and $25,500, respectively); Galen McNamara ($7,500 and $22,500, respectively); Victor Cantore ($6,500 and $19,500, respectively); Shawn Khunkhun ($7,500 and $21,500, respectively); Joanna Pearson ($10,000 and $24,000, respectively); Heather Laxton ($5,000 and $5,000, respectively); and Michael Michaud ($5,000 and $5,000, respectively). At December 31, 2022, the Company owed directors $103,718 (March 31, 2022 - $93,000) for retainer fees.

During the nine months ended December 31, 2022, the Company incurred stock-based compensation expense to related parties of $1,074,785 (2021 - $1,194,328).

On June 14, 2022, the Company advanced $60,000 to Peter Flindell, VP Exploration, included in other receivables. The advance earns simple interest at the Canada Revenue Agency prescribed annual interest rate of 1%, and is repayable within twelve months.

The Company does not have offices or direct personnel in British Columbia, but rather is party to an Administration Services Agreement, whereby it has contracted administrative, corporate and financial reporting services with Sentinel, a company controlled by a close family member of the CFO. Sentinel has a continuing service agreement with the Company.

During the three and nine months ended December 31, 2022, the Company incurred expenses with Sentinel for administration, corporate and financial reporting services of $19,475 and $85,975, respectively. Sentinel was not a related party during the three and nine months ended December 31, 2021. As at December 31, 2022, there was $Nil (March 31, 2022 - $45,150) owing to Sentinel for services and $71 owing to Sentinel in respect of expenses incurred on behalf of the Company (March 31, 2022 - $31,535).

All transactions are incurred in the normal course of business and are negotiated on terms between the parties which are believed to represent fair market value for all services rendered. Any amounts due to related parties arising from the above transactions are unsecured, non-interest bearing and are due upon receipt of invoices.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not enter into any off-balance sheet arrangements during the nine months ended December 31, 2022.

COMMITMENTS

Moss Lake Project

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).

Iris Lake and Vanguard Projects

On July 7, 2022, the Company executed an option agreement with Thunder Gold to earn into the Iris Lake and Vanguard Projects. Key terms of the option agreement are as follows:

1. Total cash payments (CAD$) of an aggregate of $110,000 to Thunder Gold over 3 years, to be paid as follows:
    a. $10,000 within five days of July 6, 2022 (the "Effective Date") (paid);
    b. an additional $20,000 on or before the 12-month anniversary of the Effective Date;
    c. an additional $30,000 on or before the 24-month anniversary of the Effective Date; and
    d. an additional $50,000 on or before the 36-month anniversary of the Effective Date.
2. Total share issuance of an aggregate of 1,500,000 common shares of the Company (each, a "Share") (such Shares to be subject to resale restrictions) as follows:
    a. 300,000 Shares within five days of the Effective Date (complete);
    b. an additional 300,000 Shares on or before the 12-month anniversary of the Effective Date;
    c. an additional 400,000 Shares on or before the 24-month anniversary of the Effective date; and
    d. an additional 500,000 Shares on or before the 36-month anniversary of the Effective Date.
3. Total incurred expenditures on the Iris Lake and Vanguard Projects of not less than $1,650,000 over 3 years as follows:
    a. $100,000 on or before the six-month anniversary of the Effective Date (completed);
    b. an additional $200,000 on or before the 12-month anniversary of the Effective Date;
    c. an additional $600,000 on or before the 24-month anniversary of the Effective Date; and
    d. an additional $750,000 on or before the 36-month anniversary of the Effective Date.
4. Other non-material administrative and technical matters guiding the earn in relationship between the Company and Thunder Gold.

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.

Valuation of stock-based compensation and compensation options

The Company uses the Black-Scholes option pricing model for the valuation of stock-based compensation and compensation options. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, forfeiture rate, risk-free market interest rate, expected volatility in the price of the underlying stock and expected life of the instruments. 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 December 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:

		December 31, 2022		March 31, 2022
Financial assets:				
Fair value through profit or loss				
Cash and cash equivalents	$	3,999,652	$	12,105,759
Amounts receivable		593,760		837,852
Financial liabilities:				
Amortized cost				
Accounts payable and accrued liabilities	$	1,485,529	$	2,469,585

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, 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 December 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 December 31, 2022, the Company had cash and cash equivalents of $3,999,652 and accounts payable and accrued liabilities of $1,485,529 with contractual maturities of less than one year. The Company had sufficient cash to meet its current liabilities as at December 31, 2022. The Company assessed its liquidity risk as low as at December 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 December 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 December 31, 2022.

OUTSTANDING SHARE DATA

At December 31, 2022, there were 167,851,703 issued and fully paid common shares (March 31, 2022 – 115,458,038). At December 31, 2022, there were 25,030,301 (2022 – 31,300,501) shares held in escrow, subject to the following escrow release conditions: 15% released on June 4, 2023, 15% released on December 4, 2023, and 15% released on June 4, 2024. Historic escrow releases included 4,173,400 released on June 4, 2021, 6,260,100 released on December 4, 2021, 6,260,100 released on June 4, 2022, and 8,343,433 released on December 4, 2022.

As at the date of this MD&A, the Company had 167,851,703 common shares issued and outstanding, 3,920,654 compensation options outstanding, 8,737,500 stock options outstanding and 21,880,166 warrants convertible into common shares outstanding.

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

On November 8, 2022, the Company's Board of Directors adopted an Omnibus Incentive Plan (the "Plan"), under which the Company may grant its directors, officers, employees and consultants stock options, restricted share units, and deferred share units (together the "Share Based Compensation") of the Company and which reserves up to 10% of its outstanding shares as Share Based Compensation.

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 annual information form ("AIF") dated July 29, 2022 available on SEDAR, before making an investment decision (www. sedar.com).

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.