Gold Basin
Resources Corporation

MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended December 31, 2020

REPORT DATE: April 30, 2021

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") for Gold Basin Resources Corporation, formerly Fiorentina Minerals Inc. ("Gold Basin Resources" or the "Company") for the year ended December 31, 2020 has been prepared by management, in accordance with the requirements of National Instrument 51-102 *Continuous Disclosure Obligations*, as of April 30, 2021, and contains a review and analysis of financial results for Gold Basin Resources for the year ended December 31, 2020. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and the accompanying notes for the year ended December 31, 2020. The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars unless otherwise noted. The Company reports its financial position, results of operations and cash-flows in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian and U.S. securities legislation, including the *United States Private Securities Litigation Reform Act of 1995*, concerning the business, operations and financial performance and condition of the Company. All statements, other than statements of historical fact, included herein including, without limitation, management's expectations regarding the Company's growth, results of operations, estimated future revenues, future demand for and prices of gold and precious metals, business prospects and opportunities, future capital expenditures and financings (including the amount and nature thereof), anticipated content, commencement, and cost of exploration programs in respect of the Company's projects and mineral properties, anticipated exploration program results from exploration activities, the discovery and delineation of mineral deposits, resources and/or reserves on the Company's projects and mineral properties, and the anticipated business plans and timing of future activities of the Company, are forward-looking statements. In making the forward-looking statements in this MD&A, the Company has applied several material assumptions, including without limitation, that there will be investor interest in future financings, market fundamentals will result in sustained precious metals demand and prices, the receipt of any necessary permits, licenses and regulatory approvals in connection with the future exploration and development of the Company's projects in a timely manner, the availability of financing on suitable terms for the exploration and development of the Company's projects and the Company's ability to comply with environmental, health and safety laws. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct.

Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "may", "will", "budget", "scheduled", "estimates", "forecasts", "predicts", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative or grammatical variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved.

Forward looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. Such risks and other factors include, among others:

- general business, economic, competitive, political and social uncertainties;
- the Company's strategies and objectives, both generally and in respect of its specific mineral properties or exploration and evaluation assets;
- the ability of the Company to obtain sufficient financing to fund its business activities and plans on an ongoing basis;
- operating and technical difficulties in connection with mineral exploration for the Company's projects generally, including the geological mapping, prospecting, drilling and sampling programs for the Company's projects;
- accuracy of probability simulations prepared to predict prospective mineral resources;
- actual results of exploration activities, including exploration results, the estimation or realization of mineral resources and mineral reserves, the timing and amount of estimated future production, costs of production, capital expenditures, and the costs and timing of the development of new deposits;
- changes in project parameters as plans continue to be refined;
- possible variations in ore grade or recovery rates, possible failures of plants, equipment or processes to operate as anticipated, accidents, labour disputes and other risks of the mining industry;
- delays in obtaining governmental and regulatory approvals, permits or financing or in the completion of development or construction activities;
- changes in laws, regulations and policies affecting mining operations, hedging practices, currency fluctuations, title disputes or claims limitations on insurance coverage and the timing and possible outcome of pending litigation, environmental issues and liabilities, risks related to joint venture operations, and risks related to the integration of acquisitions;
- requirements for additional capital, future prices of precious metals, changes in general economic conditions, changes in the financial markets and in the demand and market price for commodities;
- risks relating to epidemics or pandemics such as COVID–19, including the impact of COVID–19 on the Company's business, financial condition and results of operations; and
- those factors discussed under the headings "Risk and Uncertainties" and "Financial Instruments and Risk Management" in this MD&A and other filings of the Company with the Canadian Securities Authorities, copies of which can be found under the Company's profile on the SEDAR website at www.sedar.com.

These factors should be carefully considered and readers are cautioned not to place undue reliance on forward-looking statements. Although the forward-looking information contained in this MD&A is based upon what management believes to be reasonable assumptions, there can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Such forward-looking information is made as of the date of this MD&A and, other than as required by law, the Company assumes no obligation to update or revise such forward-looking information to reflect new events or circumstances.

BUSINESS OVERVIEW

The Company is a publicly traded mineral exploration company, whose common shares are listed on the Canadian Securities Exchange (the "CSE") under the symbol "GXX" and on the OTCQB Venture Market under the symbol "GXXFF". The Company is principally engaged in the acquisition, exploration and development of North American mineral properties.

The Company's exploration assets are grouped together as the Gold Basin project (the "Gold Basin Project" or the "Project") and the mining claims are located in Mojave County, Arizona, United States, which Project area is described in more detail below.

The Company's head office and registered and records offices are located at 1170 – 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H1, Canada.

COVID-19

The Company's priority is the health and safety of its workforce. No positive COVID-19 cases have been reported among the Company's employees, consultants, contractors, or their families. Company employees, consultants and service providers in Canada, the United States and Australia are working from home where possible. As a response to the COVID-19 crisis, Australia implemented strict lock-down protocols for the population in general during 2020 and the months following. In the United States, Arizona state measures permitted the Company to begin exploration work.

No matters or circumstances have arisen since the end of the financial year, including the COVID-19 pandemic, which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in the future financial years.

EXPLORATION PROJECTS

The Company has exploration assets in Arizona, U.S.A., which are described in more detail below. During the year ended December 31, 2020, the Company relinquished its option to acquire the Consortium Project mineral property (the "Consortium Project"), located in British Columbia, Canada.

Gold Basin Project

<u>Property Description</u>

The Gold Basin Project is located approximately 70 miles southeast of Las Vegas, Nevada, and 50 miles northwest of Kingman, Arizona, in the Gold Basin mining district of Mohave County, Arizona, U.S.A, and is accessible via Interstate Highway 93 from either Las Vegas or Kingman. The approximate geographic center of the Gold Basin Project area is located at 35˚48'N latitude and 114˚14'W longitude (N3,963,278m, E748,824m; WGS84, UTM Zone 11S). The Project area is comprised of 5 split estate mineral rights (2,389 acres) and 290 unpatented federal mining claims (5,280 acres), which together total approximately 7,669 acres (roughly 12 mi2) of land surface

Property Acquisition

The Company entered into two assignment and assumption agreements dated June 16, 2020 with Centric Minerals Corporation ("Centric"), an arm's length private British Columbia corporation, whereby Centric assigned to the Company all of its rights under two letter agreements with third party vendors that were at arm's length to the Company. The Company was assigned the right to acquire an approximate aggregate 75% interest in and to the Gold Basin Project (the "Assignment") in consideration for 8,000,000 common shares in its capital, and subsequently the Company negotiated the acquisition of a 100% interest in the Project.

Following the Assignment, the Company entered into a relinquishment of rights and release deed, and a relinquishment of rights agreement and termination, whereby certain third parties with existing rights to the Project (the "Vendors") agreed to relinquish all of their right, title and interest in the Project (the "Relinquishment") in favour of the underlying owner of the Project, Aurum Exploration Inc. ("Aurum"), effective September 3, 2020. As consideration for the Relinquishment, the Company made a cash payment of AU$1,000,000 and issued an aggregate of 10,000,001 common shares in its capital, valued at $4,625,000, to the Vendors (collectively, the "Relinquishment Transaction").

The Company acquired its 100% interest in the Project through its wholly-owned subsidiary Gold Basin Resources (Arizona), Inc., ("Gold Basin (US)") pursuant to a purchase and sale agreement made as of September 3, 2020 (the "Purchase Agreement") among the Company, Gold Basin (US), and Aurum (the "Property Acquisition"). All of Aurum's right, title and interest in the 290 unpatented federal mining claims which comprise the bulk of the Project area was transferred to Gold Basin (US) by Quitclaim Deed on September 14, 2020. Pursuant to the Purchase Agreement, the Company issued an aggregate of 15,000,000 common shares in its capital to Aurum's nominees with the value of $6,000,000. The closing of the Property Acquisition took place on September 18, 2020.

The 290 unpatented federal mining claims are also subject to a 1% Gross Returns Royalty (the "Centric Royalty") held by Centric Minerals Management Pty Ltd ("Centric (AUS)") pursuant to a gross returns royalty agreement dated as of January 1, 2020 between Aurum and Centric (AUS) (the "Centric Royalty Agreement"). The Centric Royalty Agreement was assigned to Gold Basin (US) by Aurum pursuant to an assignment and assumption agreement made effective as of September 14, 2020 among Aurum, Gold Basin (US) and Centric (AUS), whereby Aurum assigned all of its right, title, benefit and interest in the Centric Royalty Agreement to Gold Basin (US) and Gold Basin (US) assumed all of Aurum's obligations thereunder, including the payment of the Centric Royalty thereunder.

The split estate mineral rights are subject to a perpetual production royalty held by Newmont Corporation of 3.5% gross returns from the sale or other disposition of all metals and minerals produced from those portions of the Project area previously owned by Sante Fe Pacific Railroad Company pursuant to the terms of an option agreement entered into by Sante Fe Pacific Railroad Company and Aurumbank Incorporated as of February 9, 2004.

The Company has filed a National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") Technical Report entitled "National Instrument 43-101 Technical Report, Geology and Exploration at the Gold Basin Project, Mohave County, Arizona, USA", dated February 25, 2021 with an effective date of February 5, 2021 (the "Technical Report"). The Technical Report was prepared by Hard Rock Consulting LLC, and can be viewed on the Company's profile on the SEDAR website at www.sedar.com and on the Company's website.

A large portion of the technical information included below is sourced from the Technical Report. As the information is necessarily summarized, readers are encouraged to review the Technical Report in its entirety, including all qualifications and assumptions. The Technical Report is intended to be read as a whole, and sections should not be read or relied upon out of context. For the purposes of the following summary, capitalized terms not defined herein have the meanings given to them in the Technical Report.

Accessibility

The Gold Basin Project is readily accessible from both Las Vegas, Nevada and Kingman, Arizona via Interstate Highway 93 to Pierce Ferry Road. The primary Project access road, BLM Road 9748, extends to the west from Pierce Ferry Road immediately past mile marker 17 (northeast of Highway 93). BLM Road 9748 is a well-used but largely unimproved gravel road that turns into BLM Road 9761 within about a mile of the Project area. Local access throughout the Project area, including to old workings and drill pads, is provided by an assortment of secondary gravel roads and jeep trails, most of which are suitable for two-wheel drive vehicles.

Exploration work can be carried out year-round, though local flooding during heavy rains in the late summer months can occasionally limit access to and throughout the Project site for short periods of time.

Geology and Mineralisation

Bedrock in the Project area is primarily comprised of Precambrian gneiss and rapakivi-like granite, and a Cretaceous two-mica granite. The Precambrian and Cretaceous rocks are both cut by the Cyclopic detachment fault, the southernmost extension of the regional South Virgin-White River detachment. The Cyclopic detachment consists of at least two low-angle normal faults that strike northwest and dip generally less than 20° southwest. The fault contains Precambrian crystalline rocks in both its hanging wall and footwall and locally cuts the Cretaceous two-mica granite.

The Cyclopic detachment fault is the most dominant structural feature in the Gold Basin district, and it is presently thought to be the primary district-scale control over gold mineralisation. Gold grade and distribution at the Gold Basin Project are primarily controlled by structure, specifically the series of near-horizontal detachment fault planes cutting the Precambrian gneissic basement. Gold mineralisation is localized within brecciated, gouged, and shattered zones which range in thickness from 1m to 30m. Based on the drill data, at least four separate detachment planes occur within a package of stacked shears with an aggregate thickness of about 200m, though at present only two of these planes are known to be important with respect to gold occurrence.

Gold mineralisation is the result of a low sulphidation and shallow epithermal depositional system. Sulphide is recorded in several holes but is typically not present above depths of 100 to 200m. The mineralised zones have fairly well-defined tops and bottoms, which is typical of shallow, hydrostatically open, epithermal systems.

Exploration Status

Over the past four decades, roughly fifteen different operators have completed approximately 40,312m of drilling in a total of 587 drill holes throughout the Gold Basin Project area. During that same time frame, the Project has been subject to a variety of other exploration activities, including soil, rock, and trench sampling, geologic mapping, and ground and air magnetic surveys.

The Company initiated an 88-hole Phase 1 reverse circulation drilling program in the Autumn of 2020 (the "Phase 1 Drilling Program"), which was intended to increase the density of drilling and quality of data in the Cyclopic and Cyclopic NW target areas to a degree sufficient to support estimation of mineral resources in accordance with the definitions and standards of disclosure prescribed by NI 43-101.

The Phase 1 Drilling Program has been expanded twice since its initialisation due to the continued positive results received. To date, the Company has completed a total of 103 holes totalling 9,537m with hole depths ranging from 67 to 110m. The Phase 1 Drilling Program has confirmed a series of vertically-stacked, laterally-extensive mineralised zones previously identified in both the historical and current drilling and has confirmed that the gold mineralisation is contiguous between the historical gold bearing zones and extends to greater depth at the Cyclopic Mine than was previously known. The gold bearing structures cover an area 1,650m long (NNW) and over 650m wide (East to West), starting at surface and extending to over 90m depth. The gold-bearing structures pinch and swell in all directions and, in places, are more than 50m thick and contain continuous gold mineralisation. The structures remain open in all directions.

At present, approximately 1000 samples from the Phase 1 Drilling Program are still to be assayed with results expected in May 2021. Diamond drilling commenced in April 2021 with four (4) x HQ holes to be drilled at the Stealth Deposit (approximately 1km west of the Cyclopic Deposit. Four (4) x PQ holes are also planned at the Cyclopic deposit to provide samples for metallurgical testwork.

Highlights of the drilling to date include:

- 39.6m @ 0.52 g/t Au from 47.24m in hole CM-20-023 incl. 12.2m @ 1.13 g/t Au
- 28.7m @ 0.59 g/t Au from 7.62 m in hole CM-20-078 incl. 13.7 m @ 1.1 g/t Au
- 10.67m @ 0.98 g/t Au from 15.24m in hole CM-20-090
- 9.1m @ 6.52 g/t Au from surface in hole CM-20-61
- 13.7m @ 1.17 g/t Au from 21.34m in hole CM-20-10
- 18.3m @ 1.30 g/t Au from 38.1m in hole CM-20-11
- 13.7m @ 1.20 g/t Au from 54.86m in hole CM-20-19

Further significant drill intersections are shown in Table 1.

Table 1: Significant Drill Intersections

HOLE ID	From_m	To_m	Intersection_m	Gold Grade g/t	Mineralised Detachment Identification
CM-20-01	19.8	33.5	13.7	0.43	Detachment 2
CM-20-02	0	24.4	24.4	1.38	Detachment 1
incl.	0	4.8	4.8	3.23	
and	12.2	21.3	9.1	2.2	
CM-20-03	22.86	25.91	3.1	1.04	Detachment 1
CM-20-04	16.8	33.5	16.7	0.34	Detachment 1
CM-20-05	6.1	45.72	39.6	0.37	Detachment 1

HOLE ID	From_m	To_m	Intersection_m	Gold Grade g/t	Mineralised Detachment Identification
CM-20-08	12.19	18.29	6.1	1.37	Detachment 1
CM-20-08	71.63	86.87	15.2	0.50	Detachment 2
CM-20-09	21.34	27.43	6.1	0.60	Detachment 1
CM-20-10	21.34	35.05	13.7	1.17	Detachment 1
incl.	28.96	30.48	1.5	5.32	
CM-20-11	16.8	35.1	18.3	1.34	Detachment 1
incl.	24.4	33.5	9.1	2.40	
CM-20-12	16.76	53.34	36.6	0.45	Detachment 1 & 2
incl	39.62	50.29	10.7	0.85	
CM-20-13	4.57	32	27.4	0.58	Detachment 1 & 2
incl.	4.57	9.14	4.6	1.50	
CM-20-16	21.3	51.8	30.5	0.59	Detachment 1
incl.	21.3	36.6	15.3	1.01	
CM-20-17	25.91	73.15	47.2	0.69	Detachment 1 & 2
incl.	38.1	56.39	18.3	1.30	
CM-20-19	39.62	73.15	33.5	0.65	Detachment 1 & 2
incl.	54.86	68.58	13.7	1.20	
CM-20-020	19.81	27.43	7.6	0.4	Detachment 1
CM-20-21	19.8	67.1	47.3	0.31	Detachment 1 and 2
CM-20-022	10.67	73.15	62.5	0.32	Detachments 1 and 2
incl.	60.96	68.58	7.6	1.17	
CM-20-023	47.24	86.87	39.6	0.52	Detachments 1 and 2
incl.	59.44	71.63	12.2	1.13	
CM-20-024	18.29	24.38	6.1	0.62	Detachment 1
CM-20-26	85.3	91.4	6.1	0.71	Detachment 2
CM-20-27	33.5	41.2	7.7	0.68	Detachment 1
CM-20-32	7.6	13.7	6.1	0.83	Detachment 1
CM-20-32	24.4	41.1	16.7	0.30	Detachment 2
incl.	24.4	27.4	3.0	1.08	

HOLE ID	From_m	To_m	Intersection_m	Gold Grade g/t	Mineralised Detachment Identification
CM-20-37	3.1	21.3	18.2	1.62	Detachment 1
incl.	4.6	13.7	9.1	2.70	
CM-20-38	1.5	19.8	18.3	0.51	Detachment 1
CM-20-040	54.86	60.96	6.1	0.71	Detachment 2
CM-20-041	7.62	15.24	7.6	0.58	Detachment 1
CM-20-041	33.53	50.29	16.8	0.57	Detachment 2
incl.	42.67	47.24	4.6	1.42	
CM-20-42	16.8	19.8	3.0	1.00	Detachment 1
CM-20-42	39.6	48.8	9.2	0.49	Detachment 2
CM-20-044	24.38	44.20	19.8	0.43	Detachment 1
CM-20-045	22.86	30.48	7.6	0.48	Detachment 1
CM-20-045	42.67	51.8	9.1	0.79	Detachment 2
incl.	45.72	51.82	6.1	1.02	
CM-20-46	0	27.4	27.4	0.3	Detachment 1
CM-20-49	0	4.6	4.6	1.29	Detachment 1
CM-20-51	0	3.05	3.05	2.06	Detachment 1
CM-20-51	36.6	41.1	4.5	1.04	Detachment 2
CM-20-61	0	9.14	9.1	6.52	Detachment 1
incl.	***0.00***	***1.52***	***1.5***	***12.87***	
	1.52	***3.05***	***1.5***	***7.01***	
	3.05	***4.57***	***1.5***	***3.14***	
	4.57	***6.10***	***1.5***	***12.53***	
	6.10	***7.62***	***1.5***	***3.16***	
CM-20-62	22.9	38.1	15.2	0.62	Detachment 1
incl.	29	35.1	6.1	1.06	
CM-20-071	0.00	4.57	4.6	0.66	Detachment 1
CM-20-074	15.24	33.53	18.3	0.41	Detachment 1
incl.	16.76	18.29	1.5	1.56	
CM-20-076	15.24	28.96	13.7	0.51	Detachment 1

HOLE ID	From_m	To_m	Intersection_m	Gold Grade g/t	Mineralised Detachment Identification
incl.	22.86	27.43	4.6	0.82	
CM-20-078	7.62	36.28	28.7	0.59	Detachment 1
incl.	22.86	36.58	13.7	1.10	
CM-20-079	24.38	36.58	12.2	0.80	Detachment 1
CM-20-083	19.81	39.62	19.8	0.50	Detachment 1
incl.	30.48	36.58	6.1	1.1	
CM-20-083	79.25	82.3	3.05	1.09	Detachment 3
CM-20-090	15.24	25.91	10.67	0.98	Detachment 1
incl.	16.76	19.81	3.05	2.5	

Planned Exploration Activities

In addition to the continuation of the Company's RC drilling program at the Cyclopic deposit that is designed to define the limits and distribution of mineralisation and to potentially support the upgrade of future mineral resource classifications, the Company is also planning approximately 1000m of PQ diamond core drilling in order to confirm the thickness and grades of the detachment fault zones at Cyclopic and Cyclopic NW and also to provide sample material for metallurgical testwork that will include both bottle roll and column testing to gather recovery data for a heap leach gold recovery process.

The mineralised portion of the Cyclopic Fault as currently drill-defined is centrally located with respect to several other gold mineralised zones previously identified within the much larger Cyclopic District. Aside from the Cyclopic Mine and Cyclopic NW historical targets, the Company's land package includes four other zones of historical gold mineralisation within a NW-trending area 11 km long and 2 km wide. Therefore, additional geophysical airborne surveys are anticipated to be undertaken with a view to additional target definition over the Gold Basin Project as historical gold geochemical anomalies together with surface alteration indicate good potential for extending gold mineralisation north-westward along the Cyclopic Fault.

The lack of historical surface and drill data south of the Cyclopic Mine target makes it difficult to assess the potential for a south-eastward extension of mineralisation along the Cyclopic Fault. A south-eastward extension can be inferred from detailed air magnetic anomalies, but additional surface exploration and scout drilling are needed to confirm this potential.

Consortium Project

The Company entered into a property option agreement dated January 5, 2018 (the "Property Option Agreement") with Rich River Exploration Ltd. and Craig Lynes (collectively, the "Optionors") whereby the Company was granted an irrevocable and exclusive option to acquire a 100% interest in the Consortium

Project, consisting of three mineral titles covering an area of 1,161 hectares, approximately 35 km south of the town of Sayward in the Nanaimo Mining Division, British Columbia.

The Company acquired a 51% interest in the Consortium Project (the "Stage 1 Interest") through the payment of $5,000 to the Optionors upon the execution and delivery of the Property Option Agreement by the parties (the "Stage 1 Option Consideration"). To acquire an additional 49% interest in the Consortium Project, the Issuer was required to: (i) pay a total of $155,000 in cash payments to Rich River; (ii) issue a total of 600,000 Common Shares to Rich River; and (iii) incur an aggregate minimum of $500,000 in exploration expenditures on the Consortium Project (together with the Stage 1 Option Consideration, the "Option Consideration"), in accordance with the following schedule:

Date for Completion	Cash Payment	Number of Common Shares to be Issued	Minimum Exploration Expenditures to be Incurred
Upon execution of Property Option Agreement	$5,000 (paid)	Nil	Nil
Upon the closing of the Company's initial public offering	Nil	100,000 (issued)	Nil
Upon the listing of the Company's common shares on the CSE	$5,000 (paid)	Nil	Nil
On or before the 1st anniversary of the listing of the common shares on the CSE	$20,000	100,000	$100,000
On or before the 2nd anniversary of the listing of the common shares on the CSE	$30,000	100,000	$100,000
On or before the 3rd anniversary of the listing of the common shares on the CSE	$100,000	300,000	$300,000

The Company entered into an amendment to the Property Option Agreement dated October 29, 2020, whereby the Company was granted an extension to the end of November with respect to certain obligations under the agreement. After considering and evaluating the exploration potential of the Consortium Project and the Company's exploration focus going forward, the Company decided to relinquish its option to acquire a 100% interest in the Consortium Project. By relinquishing the option to the Consortium Project, the Company is not subject to any further obligations in respect of the Consortium Project.

Quality Control And Quality Assurance

The Company initiated RC drilling on the Gold Basin Project on November 14, 2020 and as of the date of this MD&A has drilled approximately 9,537m in 103 holes, with hole depths ranging from 67m to 110m. All holes are vertical and are being drilled with dry air (no injected water or other fluid) using a centre-return hammer.

Samples are collected every 5 feet (1.52m) and are reduced on-site using a triple-tier Gilson splitter, producing a 2kg - 3kg assay sample and a 3kg - 5kg twin sample that can be used for met testing or re-assay work. Coarse blank material, standard reference pulps, and split duplicates are inserted into the sample stream on a 1-in-20 sample basis such that each 23-sample group contains one blank, one duplicate, and one reference pulp. Three standard reference pulps at three different gold grades (0.154 ppm, 0.778ppm, and 2.58ppm) are being used. One 1.52m drill interval in every four intervals is weighed in order to monitor recovery.

Assay samples are placed in shipping sacks, together with the field inserts, upon completion of each hole. After four holes are completed, all assay samples are transported in their respective shipping sacks to the FedEx Freight centre in Kingman, Arizona by a site geologist, and the samples are sent via FedEx to American Assay Lab ("AAL") in Reno, Nevada. Prior to shipping, all assay samples are maintained under the direct control and supervision of the on-site geological staff.

Upon arrival in Reno, Nevada at AAL, the samples are prepared using AAL code PV03 procedure (pulverize 0.3kg split to 85% passing 75 micron) and fire-assayed for gold using AAL code FA-PB30-ICP procedure (30gm fire with ICP-OES finish). AAL also inserts its own certified reference materials plus blanks and duplicates.

Qualified Person

Charles Straw BSc., a qualified person as defined by NI 43-101, has reviewed the scientific and technical information that forms the basis for this MD&A and has approved the disclosure herein. Mr. Straw is not independent of the Company as he is the President and a director of the Company, and holds securities of the Company.

OTCQB LISTING

Effective April 26, 2021, the common shares in the capital of the Company were approved for and commenced trading in the United States on the OTC Markets Group's OTCQB Venture Market ("OTCQB"). The common shares are trading on the OTCQB under the ticker symbol "GXXFF" and will continue to trade on the Canadian Securities Exchange under the ticker symbol "GXX".

RISK FACTORS

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties. Due to the nature of the Company's proposed business and the present stage of exploration of its mineral properties the following risk factors, among others, will apply:

Resource Industry is Intensely Competitive

The Company's business is the acquisition, exploration and development of resource properties. The resource industry is intensely competitive, and the Company will compete with other companies that have far greater resources.

Resource Exploration and Development is Generally a Speculative Business

Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting both from the failure to discover mineral deposits and from finding mineral deposits which, though present, are insufficient in size and grade at the then prevailing market conditions to return a profit from production. The marketability of natural resources which may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Fluctuation of Prices

Even if commercial quantities of resource deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the product produced. Factors beyond the control of the Company may affect the marketability of any substances discovered. Commodity prices have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved exploration and production methods. The supply of commodities is affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any commodities will be such that any of the properties in which the Company has, or has the right to acquire, an interest may be mined at a profit.

Permits and Licenses

The operations of the Company will require consents, approvals, licenses and/or permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary consents, approvals, licenses and permits that may be required to carry out exploration, development and production operations at its projects.

No Assurance of Profitability

The Company has no history of earnings and due to the nature of its business there can be no assurance that the Company will ever be profitable. The Company has not paid dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is from the sale of its common shares or, possibly, from the sale or optioning of a portion of its interest in its resource properties. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether a commercial deposit exists. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there can be no assurance that any such funds will be available on favorable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

Uninsured or Uninsurable Risks

The Company may become subject to liability for pollution or hazards against which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

Government Regulations and Political Climate

Mineral exploration on the Company's properties are affected to varying degrees by: (i) government regulations relating to such matters as environmental protection, health, safety and labour; (ii) mining law reform; (iii) tax laws; (iv) restrictions on production, price controls, and tax increases; (v) maintenance of claims; (vi) tenure; and (vii) expropriation of property through nationalization, requisition or confiscation. Any mineral exploration activities conducted by the Company, including commencement of production, require permits from governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in development and/or production and other schedules as a result of the need to comply with applicable laws, regulations and permits. All permits required for the conduct of exploration, development and mining operations, including the construction of mining facilities, may not be obtainable by the Company on reasonable terms, which would have an adverse effect on any mining project the Company might undertake. Additionally, failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining exploration, development or operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

To the best of the Company's knowledge, the Company is and will continue to operate in compliance with applicable legal and environmental regulations and social requirements. However, amendments to current governmental laws and regulations affecting mining companies, or the more stringent application thereof, or shifts in political conditions or attitudes could adversely affect the Company's operations including the potential to curtail or cease exploration programs or to preclude entirely the economic viability of a mineral property. The extent of future changes to governmental laws and regulations cannot be predicted or quantified, but it should be assumed that such laws and regulations will become more stringent in the future. Generally, new laws and regulations will result in increased compliance costs, including costs and time and effort for obtaining permits, and increased delays or fines resulting from loss of permits or failure to comply with the new requirements.

General Economic Conditions

The recent unprecedented events in global financial markets have had a profound impact on the global economy. Many industries, including the gold and base metal mining industry, are impacted by these market conditions. Some of the key impacts of the recent financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company's growth and profitability. Specifically:

- global credit or liquidity crisises could impact the cost and availability of financing and the Company's overall liquidity;
- the volatility of commodity prices may impact the Company's future revenues, profits and cash flow;
- volatile energy prices, commodity and consumables prices and currency exchange rates impact potential production costs; and
- the devaluation and volatility of global stock markets impacts the valuation of the Common Shares, which may impact the Company's ability to raise funds through the issuance of Common Shares.

These factors could have a material adverse effect on the Company's financial condition and results of operations.

Exploration and Mining Risks

Fires, power outages, labor disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labor are other risks involved in the operation of mines and the conduct of exploration programs. Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of gold or other minerals produced, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Short term factors, such as the need for orderly development of ore bodies or the processing of new or different grades, may have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in geological resources, grades, stripping ratios or recovery rates may affect the economic viability of projects.

No Known Mineral Reserves

The Company's mineral properties are in the exploration stage and it is without known mineral reserves. Although the Company may discover mineral reserves through its exploration programs, commercial production may not be warranted due to insufficient quantities or unfavourable economic conditions.

In the event a mineral reserve is discovered, substantial expenditures are required to develop the mineral reserve for production including facilities for mining, processing, infrastructure and transportation. The marketability of any minerals discovered may be affected by numerous factors which are beyond the Company's control and which cannot be accurately predicted, such as global economic conditions, mineral markets and mineral pricing, global smelting and refining availability, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Depending on the price of minerals produced, the Company may determine that it is not warranted to commence or continue commercial production.

Environmental Matters

Existing and possible future environmental legislation, regulations and actions could cause significant expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted and which may well be beyond the capacity of the Company to fund. The Company's right to exploit any resource property is and will continue to be subject to various reporting requirements and to obtaining certain government approvals and there can be no assurance that such approvals, including environment approvals, will be obtained without inordinate delay or at all.

There are numerous historic excavations, prospect pits, and shafts within the Gold Basin Project area, as well as a number of associated waste rock dumps, access roads, and tailings dumps. It is uncertain at present if the historic workings pose a potential environmental liability to the Project, nor if or to what extent the Company might be responsible for their reclamation.

Insufficient Financial Resources

The Company does not presently have sufficient financial resources to undertake by itself the exploration and development of all of its significant exploration and development programs. The development of the Company's properties will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public financing or other means. There can be no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its interest in its properties.

Financing Risks

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under any applicable agreements. There can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

Dilution to the Company's Existing Shareholders

The Company assesses various options for financing; however, the Company may need to continue its reliance on the sale of securities for future financing. The Company may issue securities on less than favorable terms to raise sufficient capital to fund its business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective holders of common shares. The amount of additional funds required will depend largely on the success of the Company's exploration programs.

Increased Costs

Management anticipates that costs at the Company's projects will frequently be subject to variation from one year to the next due to a number of factors, such as the results of ongoing exploration activities (positive or negative), changes in the nature of mineralization encountered, and revisions to exploration programs, if any, in response to the foregoing. In addition, exploration program costs are affected by the price of commodities such as fuel, rubber and electricity and the availability (or otherwise) of consultants and drilling contractors. Increases in the prices of such commodities or a scarcity of consultants or drilling contractors could render the costs of exploration programs to increase significantly over those budgeted. A material increase in costs for any significant exploration programs could have a significant effect on the Company's operating funds and ability to continue its planned exploration programs.

Dependence Upon Others and Key Personnel

The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability to design and carry out appropriate exploration programs on its resource properties; (ii) the ability to produce resources from any resource deposits that may be located; (iii) the ability to attract and retain additional key personnel in exploration, marketing, mine development and finance; and (iv) the ability and the operating resources to develop and maintain the properties held by the Company. These and other factors will require the use of outside suppliers as well as the talents and efforts of the Company and its consultants and employees. There can be no assurance of success with any or all of these factors on which the Company's operations will depend, or that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities. This is especially true as the competition for qualified geological, technical personnel and consultants is particularly intense in the current marketplace.

Conflicts of Interest

Certain directors of the Company also serve as directors and/or officers of other companies involved in other business ventures. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

Cyber Security Risk

Cyber security risk is the risk of negative impact on the operations and financial affairs of the Company due to cyber attacks, destruction or corruption of data, and breaches of its electronic systems. Management believes that it has taken reasonable and adequate steps to mitigate the risk of potential damage to the Company from such risks. The Company also relies on third-party service providers for the storage and processing of various data. A cyber security incident against the Company or its contractors and service providers could result in the loss of business sensitive, confidential or personal information as well as violation of privacy and security laws, litigation and regulatory enforcement and costs. The Company has not experienced any material losses relating to cyber attacks or other information security breaches, however there can be no assurance that it will not incur such losses in the future.

Price Fluctuations and Share Price Volatility

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual and extreme fluctuations in price will not occur. Additionally, the current COVID-19 pandemic and efforts to contain it, including restrictions on travel and other advisories issued may have a significant effect on metal prices. Recent vaccine breakthroughs have the potential to mitigate some of the economic disruption caused by the COVID-19 pandemic, but the risks of economic uncertainty and market volatility are expected to remain for the foreseeable future. The Company cannot predict how successful the vaccines will be against COVID-19 or any of its variants, if there will be significant adverse side effects from vaccines, how quickly the vaccines will be available and rolled out to the general population, the willingness of people to get vaccinated and how long it will take for economies to stabilize if and when the vaccines prove to be effective in reducing the spread of COVID-19.

Surface Rights and Access

Although the Company acquires the rights to some or all of the resources in the ground subject to the tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its resource tenures. In such cases, applicable laws usually provide for rights of access to the surface for the purpose of carrying on exploration activities, however, the enforcement of such rights can be costly and time consuming. In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access. However, in areas where there are local populations or land owners, it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the right at law to access the surface and carry on exploration activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out exploration activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction.

Title

Although the Company has taken steps to verify the title to the resource properties in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title. Title to resource properties may be subject to unregistered prior agreements or transfers and may also be affected by undetected defects or the rights of indigenous peoples.

COVID-19

In December 2019, COVID-19 emerged and spread around the world causing significant business and social disruption. On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. In response to the outbreak, governmental authorities in Canada and internationally have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing. The COVID-19 outbreak and the response of governmental authorities to try to limit it are having a significant impact on the private sector and individuals, including unprecedented business, employment and economic disruptions. The continued spread of COVID-19 nationally and globally could have an adverse impact on the business, financial condition, results of operations and cash flows.

The outbreak of COVID-19 may cause disruptions to the Company's business and operational plans. These disruptions may include disruptions resulting from (i) shortages of skilled workers, (ii) unavailability of contractors and subcontractors and the inability of same to get to and from the Gold Basin Project, (iii) interruption of supplies from third parties upon which the Company relies, (iv) restrictions that governments impose to address the COVID-19 pandemic, (v) restrictions that the Company and its contractors and subcontractors impose to ensure the safety of employees and others, (vi) closure of assay labs, (vii) work delays, and (viii) the diversion of management's attention from the Company's business objectives due to dealing with any of the aforementioned disruptions. Further, it is presently not possible to predict the extent or durations of these disruptions. These disruptions may have a material adverse effect on the Company's business, financial condition and results of operations. Such adverse effect could be rapid and unexpected. These disruptions may severely impact the Company's ability to carry out its business plans for 2021, and may result in an increase in the total amount of funds the Company requires to carry out its planned exploration activities.

U.S. PFIC Status

The Company may be a "passive foreign investment company" under the U.S. Internal Revenue Code, which may result in material adverse U.S. federal income tax consequences to investors in common shares that are U.S. taxpayers: Investors in the Company's common shares that are U.S. taxpayers should be aware that the Company expects it will be in the current year, a "passive foreign investment company" under Section 1297(a) of the U.S. Internal Revenue Code (a "PFIC"). If the Company is or becomes a PFIC, generally any gain recognized on the sale of its common shares and any "excess distributions" (as specifically defined) paid on its common shares must be rateably allocated to each day in a U.S. taxpayer's holding period for the common shares. The amount of any such gain or excess distribution allocated to prior years of such U.S. taxpayer's holding period for the common shares generally will be subject to U.S. federal income tax at the highest tax applicable to ordinary income in each such prior year, and the U.S. taxpayer may be required to pay interest on the resulting tax liability for each such prior year, calculated as if such tax liability had been due in each such prior year.

Alternatively, a U.S. taxpayer that makes a "qualified electing fund" (a "QEF") election with respect to the Company generally will be subject to U.S. federal income tax on such U.S. taxpayer's pro rata share of the Company's "net capital gain" and "ordinary earnings" (as specifically defined and calculated under U.S. federal income tax rules), regardless of whether such amounts are actually distributed by the Company. U.S. taxpayers should be aware, however, that there can be no assurance that the Company will satisfy record keeping requirements under the QEF rules or that the Company will supply U.S. taxpayers with required information under the QEF rules, in event that the Company is a PFIC and a U.S. taxpayer wishes to make a QEF election. As a second alternative, a U.S. taxpayer may make a "mark-to-market election" if the Company is a PFIC and its common shares are "marketable stock" (as specifically defined). A U.S. taxpayer that makes a mark-to-market election generally will include in gross income, for each taxable year in which the Company is a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the common shares as of the close of such taxable year over (b) such U.S. taxpayer's adjusted tax basis in the common shares.

The above paragraphs contain only a summary of certain U.S. federal income tax considerations. Investors should consult their own tax advisor regarding the PFIC rules and other U.S. federal income tax consequences of the acquisition, ownership, and disposition of common shares of the Company.

SELECTED ANNUAL INFORMATION

Financial year ended	December 31, 2020	December 31, 2019
Total revenues	$ nil	$ nil
Net loss	$ (3,146,552)	$(183,633)
Per share	$ (0.09)	$(0.02)
Total assets	$ 15,746,528	$307,046
Total long-term financial liabilities	$ 13,227	$ nil

SUMMARY OF QUARTERLY RESULTS

Below is a summary of the Company's last eight quarterly results, selected from financial statements prepared under International Financial Reporting Standards:

	Year ending December 31, 2020				Year ending December 31, 2019			
	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1
Net cost recovery/ (loss) per share	816,555	(3,832,451)	(102,539)	(28,117)	(69,462)	(55,796)	(12,202)	(46,173)
Basic/diluted recover/loss per share	0.01/0.01	(0.09)/(0.06)	(0.01)/(0.00)	(0.00)/(0.00)	(0.01)/(0.00)	(0.01)/(0.00)	(0.00)/(0.00)	(0.01)/(0.00)

Financial Performance

Three Months Ended December 31, 2020

Net recovery in the three months ended December 31, 2020, was $816,555 compared to the net loss $69,462 in the same period in 2019.

Office expenses for the three months ended December 31, 2020 were $23,145 compared to $15,635 for the same period in the prior year. Management fees paid to the former CEO were $15,000 compared to $5,000 for the same period in the prior year. Professional fees were $361,294 compared to $73,289. Filing and listing fees of $NIL were incurred in the three months ended December 31, 2020, compared to $12,915 in 2019. Share-based payments were $1,581,000 for the three months ended December 31, 2020 compared to $6,978 in 2019.

Twelve Months Ended December 31, 2020

Net loss in the year ended December 31, 2020 was $3,146,552 compared to $183,633 in 2019.

General and administrative expenses in 2020 were $41,483 compared to $22,598 in 2019. Professional fees amounted to $773,399 as opposed to $83,104 in the prior year. Management fees paid were $237,573 compared to $10,000 in 2019. Rent expense was $9,000, same as in the previous year. Filing and listing fees were $23,739 compared to $21,435. Share-based payments were $1,816,435 compared to $32,551.

Cash Flows

Net cash used in operating activities in the year ended December 31, 2020 was $1,122,699, compared to $152,380 in 2019. Cash used in the acquisition investigation of Exploration assets were was $1,352,211 (2019 - $5,000). Shares were issued for cash in the amounts of $4,470,099 in 2020 and $313,807 in 2019.

Liquidity and Capital Resources

Total shareholders' equity as of December 31, 2020 was $15,332,500 (December 31, 2019 – $301,718) as follows:

Balance as of December 31, 2019	$ 301,718
Options exercised	20,000
Warrants exercised	39,570
Shares issued for cash	4,729,565
Shares issued for exploration and evaluation assets	11,825,000
Share issuance costs	(259,466)
Share based payments	1,816,435
Foreign currency translation	6,230
Current period loss	(3,146,552)
Balance as of December 31, 2020	$15,332,500

The Company ended the year with cash of $2,208,496, an increase of $2,039,316 from December 31, 2019.

Working capital was $1,952,698 as of December 31, 2020 compared to $165,230 at December 31, 2019.

The Company does not generate cash flows from operations and accordingly, the Company will need to raise additional funds through the issuance of shares. When acquiring an interest in mineral properties through purchase or option the Company will sometimes issue common shares to the vendor or optionee of the property as partial or full consideration for the property interest to conserve its cash. Although, the Company has been successful in raising funds in the past there can be no assurance that the Company will be able to raise sufficient funds in the future, in which case the Company may be unable to meet obligations in the normal course of business. These factors may cast significant doubt regarding the Company's ability to continue as a going concern. Should the Company be unable to discharge liabilities in the normal course of business, the net realizable value of the Company's assets may be materially less than amounts on the statement of financial position.

Share Capital

During the year ended December 31, 2019, the Company had the following share capital transactions:

On October 18, 2019 the Company completed its initial public offering (the "IPO") of 4,006,000 common shares in its capital (each a "Share"), 506,000 of which were sold pursuant to an over-allotment option, at a price of $0.10 per Share for gross proceeds of $400,600. Share issue costs were recorded in the amount of $114,293. The net proceeds from the IPO will be used for working capital and to carry out exploration of the Company's Consortium Project Mineral Property.

Leede Jones Gable Inc. acted as agent (the "Agent") for the IPO. The Agent received a cash commission equal to 10% of the gross proceeds of the IPO and a corporate finance fee of $25,000. Additionally, the Company granted the Agent and its selling group compensation options entitling the holder to purchase in aggregate 400,600 Shares at a price of $0.10 per Share, exercisable on or before October 18, 2021. The Shares were approved for listing on the Canadian Securities Exchange on October 16, 2019 and began trading on October 21, 2019 under the symbol "FLO".

Additionally, the Company issued 100,000 common shares at a price of $0.10 per share with fair value of $10,000 pursuant to the Consortium project.

During the year ended December 31, 2020, the Company had the following share capital transactions:

On June 18, 2020, the Company issued 8,000,000 common shares in connection with the Assignment.

On July 10, 2020 the Company issued 200,000 common shares for $20,000 as options were exercised by a director of the Company.

On July 31, 2020 the Company closed a non-brokered private placement of 23,647,826 units in the capital of the Company at a price of $0.20 per unit for aggregate gross proceeds of $4,729,565. Each Unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant, with each whole warrant entitling the holder thereof to purchase one common share at a price of $0.40 per common share for a period of 12 months from the closing of the financing. In the event the closing price of the common shares on the Canadian Securities Exchange is equal to or greater than $0.60 per common share for a minimum of ten consecutive trading days commencing four months and one day after the closing of the financing, the Company may accelerate the expiry date of the warrants by providing notice to the holders thereof and, in such case, the warrants will expire on the 30th day after the date on which such notice is give by the Company (the "Acceleration Provision").

The Company paid aggregate finder's fees consisting of $221,750 in cash and issued 1,108,750 non-transferrable finder's warrants to certain finders in connection with the introduction by the finders to the Company of eligible investors in the financing. Each finder's warrant entitles the holder thereof to purchase one common share on the same terms as the warrants and subject to the Acceleration Provision.

On July 31, 2020, the Company issued 750,000 common shares pursuant to the exercise of warrants at an exercise price of $0.05 per share for gross proceeds of $37,500.

On August 7, 2020 the Company issued 2,500,000 common shares pursuant to a relinquishment of rights agreement and release related to the Project acquisition.

On August 31, 2020 the Company issued 7,500,001 common shares pursuant to a relinquishment of rights agreement and termination related to the Gold Basin Project acquisition.

Pursuant to the Purchase Agreement, the Company issued an aggregate of 15,000,000 common shares to Aurum or its nominees with a value of $6,000,000. The closing of the Property Acquisition took place on September 18, 2020.

On September 23, 2020 the Company issued 5,700 shares pursuant to the exercise of compensation options issued by the Company in connection with the initial public offering of its common shares.

On October 19, 2020 the company issued 15,000 common shares pursuant to the exercise of compensation options.

Stock Options

For the 12 months ended December 31, 2020 the Company granted 6,100,000 stock options with a weighted average exercise price of $0.36. At the period end there were 6,700,000 options outstanding with and average exercise price of $0.46 and an average remaining life of 2.8 years.

On March 9, 2021, the Company granted a further 600,000 incentive stock options to directors, consultants, and management with an exercise price of $0.35 per share for a period of three years from the date of grant.

Warrants

For the 12 months ended December 31, 2020 the Company issued 12,932,663 share purchase warrants an average weighted exercise price of $0.19. At the period end there were 19,504,563 warrants outstanding with a weighted average price of $0.28 and an average remaining life of 0.59 years

Subsequent to year end, the Company issued an aggregate of 400,001 common shares pursuant to the exercise of warrants for gross proceeds of $20,000.

Commitments and Contingencies

Company has no material or significant commitments or contingencies other than certain royalty payments, common share issuances and exploration expenditures related to the Gold Basin Project.

Related Party Transactions

Related parties consist of companies owned by executive officers and directors. The Company enters into transactions with Matalia Investments Ltd. (a company owned by the former CEO/director) for rent, management fees and membership dues. The Company pays accounting fees to Lotz CPA Inc., a company owned by a former director.

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The Company had incurred the following key management personnel cost from related parties:

	2020	2019
	$	$
Share-based payments	1,454,435	32,551
Management fees	204,515	0

During the year ended December 31, 2020, the Company paid management fees of $42,000 (2019 - $10,000) and rent of $9,000 (2019 - $9,000) to the former Chief Executive Officer and President of the Company.

During the year ended December 31, 2020, the Company paid the former Chief Financial Officer ("CFO") a total fee of $32,000 (2019 - $nil) and professional accounting fees of $19,828 (2019 - $nil).

During the year ended December 31, 2020, the Company incurred $332,724 (2019 - $51,317) in legal fees and $nil (2019 - $34,000) in share issuance costs from a firm controlled by the family member of a former director and officer identified as a key management personnel. In addition, accounts payable includes $nil (2019 - $1,787) due to the firm.

Off Balance Sheet Transactions

The Company has no off-balance-sheet transactions.

Proposed Transactions

The Company has no proposed transactions to report.

Critical Accounting Estimates

Please refer to the December 31, 2020 audited financial statements on www.sedar.com for critical accounting estimates.

FINANCIAL INSTRUMENTS

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value of Financial Instruments

The Company's financial assets include cash and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at December 31, 2020 are as follows:

	Fair Value Measurements Using		
	Quoted Prices in Active Markets	Significant Other	Significant

	For Identical Instruments (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
	$	$	$	$
Cash	2,208,496	-	-	2,208,496

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at December 31, 2020 because of the demand nature or short-term maturity of these instruments.

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) *Currency risk*

The Company is exposed to foreign currency risk on fluctuations related to cash, leases, due from related parties and accounts payable and accrued liabilities that are denominated in AU dollars. 10% fluctuations in the AU dollar against the Canadian dollar have affected comprehensive loss for the year by approximately $14,664 (2019 – $nil).

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high-quality financial institution.

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

DISCLOSURES

Additional Information as specified by National Instrument 51-102

Additional information, including the Company's most recent Annual Information Form, is available on SEDAR at http://www.sedar.com

Venture Issuer Without Significant Revenue

This MD&A supports information disclosed in the Company's financial statements. More information regarding the Company's mineral right interests can be found under Note 6 of the Company's financial statements for the current reporting period.

Internal Controls Over Financial Reporting ("ICFR")

There were no changes in the Company's internal control over financial reporting during the period from December 31, 2019 to December 31, 2020 that have materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting.