MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND NINE-MONTH PERIODS ENDED OCTOBER 31, 2022
(All figures are expressed in Canadian dollars, unless otherwise stated)

GENERAL BUSINESS AND OVERVIEW

Gold Mountain Mining Corp. (the "Company", "Gold Mountain" or "GMTN") was incorporated pursuant to the provisions of the Business Corporations Act of British Columbia on November 5, 2018. The registered head office and principal address of the Company is 1285 West Pender Street, Suite 1000, Vancouver, British Columbia, Canada, V6E 4B1. The Company's common shares trade on the Toronto Stock Exchange under the symbol "GMTN", on the Frankfurt Stock Exchange under the ticker "5XFA" and on the OTCQB Venture Market under the stock symbol "GMTNF".

It is fundamental for readers of this document to be aware that effective December 23, 2020, the Company underwent a reverse takeover transaction ("RTO"). The RTO resulted in numerous changes to the Company's business, including changing its name from Freeform Capital Partners Inc. to Gold Mountain Mining Corp. and acquiring all the shares of Bayshore Minerals Incorporated ("Bayshore"), a private company holding a 100% interest in Elk Gold Mining Corp ("Elk Mining"), which is the owner of the Elk Gold Property in British Columbia, Canada.

GMTN is focused on the exploration, development and operation of gold properties. The Company operates the Elk Gold Mine located in British Columbia, Canada.

All public filings for the Company can be found on the SEDAR website www.sedar.com.

DATE AND SUBJECT OF REPORT

The following is Management's Discussion & Analysis ("MD&A") of the Company's financial condition and results of operations for the three and nine-month periods ended October 31, 2022 and to the date of this MD&A. This MD&A should be read in conjunction with the condensed interim consolidated financial statements for the three and nine-month periods ended October 31, 2022 and the annual audited consolidated financial statements for the year ended January 31, 2022. This report is dated December 14, 2022.

The Company reports its financial results in Canadian dollars and all references to $ in this MD&A refer to the Canadian dollar. All financial information in this MD&A is derived from the Company's condensed interim consolidated financial statements for the three and nine-month periods ended October 31, 2022 and October 31, 2021 (the "Financial Statements") prepared under International Financial Reporting Standards ("IFRS") in accordance with International Accounting Standard 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB").

FORWARD LOOKING STATEMENTS

The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the Company are generally, but not always, preceded by, followed by or include the words 'believes,' 'expects,' 'anticipates,' 'estimates,' 'intends,' 'plans,' 'forecasts,' or similar expressions. Forward-looking statements are not a guarantee of future performance. These forward-looking statements are based on current expectations that involve numerous risks and uncertainties, including, but not limited to, those identified in the Risks and Uncertainties section in this MD&A and the Annual Information Form. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately. Although management believes such assumptions underlying the forward-looking statements to be reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The Company may not provide updates or revise any forward-looking statements, except those otherwise required under paragraph 5.8(2) of NI 51-102, whether written or oral that may be made by or on the Company's behalf.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

Financial highlights for the nine months ended October 31, 2022

- Revenue of $6,766,654
- Gross loss of $1,095,860
- Working capital balance of $1,959,183 as of October 31, 2022
- Closing cash balance of $5,209,162 as of October 31, 2022
- Loss and comprehensive loss of $4,905,820 and adjusted EBITDA[1] of negative $2,805,706

Operating highlights for the nine months ended October 31, 2022

- Crushed ore sales of 3,588 ounces of gold at an average realized price[1] of $1,866 per ounce
- Mined ore production of 34,182 tonnes at a grade of 3.62 grams per tonne ("g/t")
- Cash cost per ounce of crushed ore sold[1] of $2,191

BUSINESS DEVELOPMENT AND OVERALL PERFORMANCE

Mining

During the nine months ended October 31, 2022, Gold Mountain began start-up operations at the Elk Gold Mine and delivered its first crushed ore to New Gold Inc.'s New Afton Mine. Mined ore is being crushed, sampled, and assayed prior to being delivered to the New Afton Mine in accordance with the terms of the Company's Ore Purchase Agreement with New Gold Inc. For the nine months ended October 31, 2022, the Company delivered 3,588 ounces of gold and generated revenue of $6,766,654. During the commissioning process, the Company has been operating the mine with an excellent safety record.

The Elk Gold Mine has experienced challenges during commissioning with respect to both grade control and sampling processes, which has resulted in lower than forecast ore production during initial ramp-up. The Company implemented a number of initiatives which have provided a better understanding of the ore body. These initiatives included, hiring industry experts that have experience mining narrow-vein deposits, implementing a robust in-fill drill program and examining other initiatives such as preconcentration technologies.

The in-fill drill program gold assay results to date, support the resource drill hole assays used to build the resource block model and have allowed the Company to improve its short-term grade control modeling. Initial test results from preconcentration technologies such as Dense Media Separation, which uses a heavy liquid bath to float low density waste rock particles away from high density gold-bearing particles, have yielded encouraging results and the Company is evaluating incorporating these technologies into future mine plans.

The Company continues to investigate steps to improve and refine both the sampling process and gold assaying procedures in order to ensure a high level of confidence in the gold grades being delivered to the New Afton Mine and to provide assurances that any negative impacts from nuggety ore are mitigated.

In August 2022, the Company continued to move a significant amount of waste rock in order to continue to implement a revised pit design which maintains a larger minimum mining width and allows for more efficient and selective ore mining. These efforts yielded more consistent ore release and delivery in the second half of this quarter; however, while ore grades have improved from the prior quarter, they remain lower than initially projected.

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[1] This is a non-IFRS financial measure. Please refer to the "Non-IFRS Financial Measures" section at the end of this MD&A for a description of these non-IFRS financial measures and a reconciliation to operating costs from the Company's condensed interim consolidated financial statements.

OUTLOOK

The Company intends to continue focusing on its Elk Gold Project located in British Columbia, Canada.

Ore Control Initiatives

The Company anticipates continuing to implement a number of initiatives to improve the accuracy of grade forecasting and reduce the dilution and ore losses associated with mining operations. Those initiatives include:

Ore-mining Optimization - The Company will continue to review and refine all aspects of the ore mining process in order to reduce and eliminate sources of dilution and mining losses; including, to continue to evaluate drill and blasting strategy and design.

In-fill Drill Program - The Company undertook an in-fill drilling program which is being used to develop a more accurate grade control block model. Additional in-fill drilling campaigns are planned for 2023.

Dense Media Separation ("DMS") - The Company is evaluating DMS as one of several technologies to upgrade the gold ore delivered to the New Afton Mine. Preliminary DMS testwork indicates the potential to achieve significant waste reduction while maintaining excellent gold recovery. The Company will continue to evaluate DMS as the initial test work indicates the potential to increase the gold grade in the ore, reduce trucking costs and mitigate any external dilution to the ore stream.

Sampling Initiatives

The Company has engaged external consultants with expertise in development and evaluation of sampling processes to assist the Company in achieving a high level of confidence in its production sample gold assays which drive the Company's revenues. The analysis continued during the third quarter with the goal of ensuring that the sampling process on site is sufficient to collect a physical sample which is representative of each ore lot and that the assay procedures adequately capture any impacts from the nuggety nature of the ore. The testing programs are nearing completion and the Company is in the process of analyzing the data.

Exploration

The Company plans on completing the following exploration activities:

- Phase IV drilling - The Company began its Phase IV drill program with targeted drilling in the Gold Creek, Lake, South and Elusive Zones with a goal of expanding the mineral resources as well as expanding the previously announced Elusive Zone high-grade gold target. Subsequent to this, the Company put its Phase IV drilling program on hold to focus on the ore control and sampling initiatives discussed above.

- Geological mapping and prospecting – The Company completed geological mapping, prospecting, and soil geochemical surveys in the third quarter. The Company is awaiting analytical results prior to interpreting the new data. The geological mapping and prospecting is expected to help define additional drill targets in the Elk Gold Project's satellite zones.

- Updated Technical Report and Preliminary Economic Assessment – The Company anticipates completing an updated resource estimate and preliminary economic assessment in the first quarter of 2023.

Mine Development and Expansion

Project Expansion: During the second quarter, the Company applied to have the Elk Gold Mine Expansion (as defined below) be designated as a "reviewable project" under the British Columbia *Environmental Assessment Act*. The British Columbia Environmental Assessment Office ruled that the project was not a "reviewable project" meaning that the anticipated expansion in production to increase total mining to approximately 324,000 tonnes per year, which is anticipated to produce approximately 64,000 ounces of gold per year (the "Expansion"), will not require an Environmental Assessment. The result of this decision is that the Expansion will require amendments to the Company's current permits. The Company intends to move forward with the necessary permit amendments and is aware and acknowledges each respective Indigenous Nation's decision-making process will continue independently from the Province of British Columbia's regulatory regime.

Underground Decline Rehabilitation and Development: A majority of the proposed expansion of the Elk Gold Project involves conducting underground mining. In order to do so, the Company must rehabilitate the historic underground decline that was developed by previous owners, and is currently flooded, and additionally develop new underground infrastructure. Timing of underground mine development will be evaluated in the first half of 2023.

REVIEW OF OPERATING RESULTS

Operating Results		Three months ended 2022	October 31, 2021	Nine months ended 2022	October 31, 2021
Ore mined and crushed	(t)	12,018	-	34,182	-
Waste mined	(t)	338,918	-	1,318,198	-
Total mined	(t)	350,936	-	1,352,380	-
Gold ounces produced	(oz)	1,283	-	3,738	-
Ore grade mined	(g/t)	3.49	-	3.62	-
Strip ratio	waste/ore	28.2	-	38.6	-
Gold ounces produced	(oz)	1,283	-	3,738	-
Gold ounces sold (payable)	(oz)	1,133	-	3,588	-
Average realized price[2]	$/oz	1,829	-	1,866	-
Total cash costs per ounce sold[2]	$/oz	2,442	-	2,061	-
Cost of sales per ounce[2]	$/oz	2,590	-	2,191	-

Operating results overview

- The Company utilizes a third-party contractor, Nhwelmen-Lake LLP ("Nhwelmen") for its mining operations at the Elk Gold Mine. During the three and nine-month periods ended October 31, 2022, the Company mined 12,018 and 34,182 tonnes of ore, respectively, all of which came from Phase 1 of the Siwash North pit.
- Ore grade mined during the three and nine-month periods ended October 31, 2022 was 3.49 and 3.62 grams per tonne, respectively, which was lower than projected as a result of the challenges experienced during the initial ramp-up with grade control and sampling procedures. The Company anticipates continuing to implement the initiatives set out above to refine its existing grade control and sampling procedures to improve the grade of ore being delivered to the New Afton mine.
- The Company mined 338,918 tonnes of waste during the quarter which was required to continue to implement a revised pit design which maintains a larger minimum mining width and allows for more efficient and selective ore mining.
- The Company currently utilizes a crusher and sample plant on site, with all ore placed as run-of-mine directly on the ore stockpile.
- Total cost of sales were $2,934,616 and $7,862,514 for the three and nine-month periods ended October 31, 2022 and the total cost of sales per ounce[2] was $2,590 and $2,191, respectively. Cost of sales in the third quarter was impacted by lack of ore delivery in August as the Company moved a significant amount of waste to continue to implement a revised pit design as noted above.

ELK GOLD PROJECT

[2] This is a non-IFRS financial measure. Please refer to the "Non-IFRS Financial Measures" section at the end of this MD&A for a description of these non-IFRS financial measures and a reconciliation to operating costs from the Company's condensed interim consolidated financial statements.

Property Description and Location

On May 16, 2019, the Company acquired the Elk Gold Project in British Columbia, Canada from Equinox Gold Corp. ("Equinox").

The Elk Gold Project is located in south central British Columbia, Canada, approximately 325km northeast of Vancouver and 55km west of Okanagan Lake, midway between the cities of Merritt and West Kelowna. The map below sets out the location of the Elk Gold Project.

Land Tenure

The Company holds its interest in the Elk Gold Project through its wholly owned subsidiary, Elk Gold Mining Corp. The entire Elk Gold Project consists of 32 contiguous mineral claims covering 22,152 hectares and two mining leases covering 646 hectares. The 150-hectare mining lease expires on September 14, 2023 and the 496-hectare mining lease expires on November 17, 2023. All mineral claims are scheduled to expire on December 31, 2022, however, the claims may be maintained beyond their current expiry date by continuing to conduct work on the property at the rate of $331,321 per year, or by cash payment in lieu at double that rate. The mining leases may be maintained by paying total yearly rental payments of $13,000 and providing an annual reclamation report that is acceptable to the Ministry of Energy, Mines and Low Carbon Innovation. Surface rights are currently held by the provincial government of British Columbia. The Company has met the annual spend requirements for 2022 for the mineral claims and intends to maintain the mining leases in good standing.

Permitting

The Company holds Mine Permit M-199 ("Mine Permit"), Effluent Discharge Permit #106262 ("Discharge Permit") as well as Exploration Permit M-4-387 ("Exploration Permit"). In October 2021, the Company obtained an amendment to the Mine Permit to allow for production of up to 70,000 tonnes per year, which is valid for the life of mine (currently contemplated for 11 years at 70,000 tonnes per year). The Company received its amendment to the Discharge Permit on February 23, 2022, which allows for construction of a new waste rock storage facility.

The Company applied to have the Elk Gold Mine Expansion (as defined below) be designated as a "reviewable project" under the British Columbia *Environmental Assessment Act*. The British Columbia Environmental Assessment Office ruled that the project was not a "reviewable project" meaning that the anticipated expansion in production to increase total mining to approximately 324,000 tonnes per year, which is anticipated to produce approximately 64,000 ounces of gold per year (the "Expansion"), will not require an Environmental Assessment. The result of this decision is that the Expansion will require amendments to the Company's current permits. The Company intends to move forward with the necessary permit amendments and is aware and acknowledges each respective Indigenous Nation's decision-making process will continue independently from the Province of British Columbia's regulatory regime.

Reclamation Commitments

Mine Permit M-199

The Mine Permit provides for posting a total of $15,866,700 in reclamation security in installments, as shown on the table below:

Date	Installments ($)	Cumulative ($)
Within 60 days of the issuance of the M-199 Permit (December 20, 2021)	4,592,500	4,742,500
October 1, 2022	2,703,400	7,445,900
October 1, 2023	2,040,800	9,486,700
October 1, 2024	1,380,000	10,866,700
October 30, 2024*	5,000,000	15,866,700

***If the construction and commissioning of the active water treatment plant is completed to the satisfaction of the Chief Permitting Officer by October 30, 2024, Gold Mountain is not required to post the additional security in the amount of Five Million ($5,000,000) dollars that would otherwise be due on that date.**

On September 27, 2022, the Company as principal and Intact Insurance Company as surety, posted a second reclamation security bond in favor of the Province of British Columbia for $2,703,400 for a total cumulative reclamation security bond of $7,445,900. The Company provided cash collateral of $405,510, which is in addition to the existing $715,893 of cash collateral previously provided. The Company anticipates posting additional reclamation security bonds as shown in the table above.

Exploration Permit MX 4-387

On September 27, 2022, the Company as principal and Intact Insurance Company as surety, posted an additional reclamation security bond in favor of the Province of British Columbia for $52,952 for a total cumulative reclamation security bond of $83,072. The company provided cash collateral of $7,943, which is in addition to the existing $4,500 of cash collateral previously provided.

Royalties and Encumbrances

Equinox Share Pledge Agreement

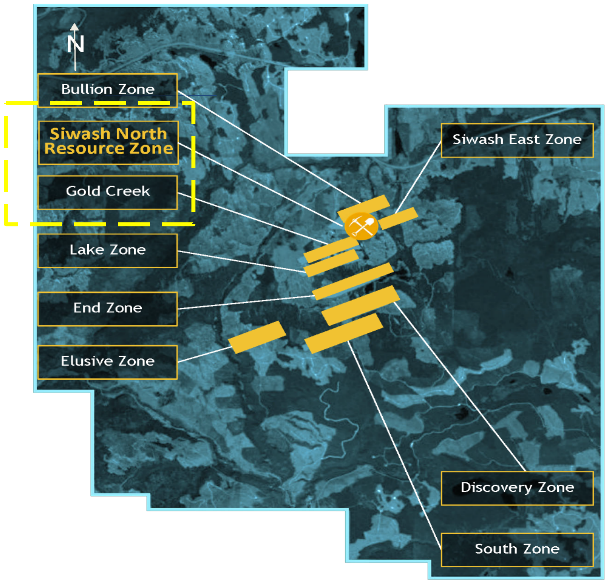
On May 16, 2019, Bayshore entered into a share pledge agreement with Equinox whereby Bayshore pledged the Elk Mining shares to Equinox as security for amounts owing under the Equinox promissory note (which was issued in connection with Bayshore's purchase of the Elk Gold Project). If the Company defaults on the payment of the Equinox promissory note, then Equinox may take possession of the Elk Mining shares. The Equinox promissory note is repayable in three annual instalments of $3,000,000 with the first payment having been made on May 17, 2021, the second payment having been made on May 16, 2022 and the remaining payment being due on May 16, 2023.

Net Smelter Return ("NSR") Royalties

Production from the Elk Gold Project is subject to a 2% NSR royalty held by Star Royalties Ltd., who purchased the 2% NSR royalty from Almadex Minerals Limited on September 28, 2021 for total consideration of US$10,630,000. A further 1% NSR royalty is payable to Don Agur on production from the Agur Option block which is outside of any of the identified mineralized zones.

Location of Mineralized Zones

The Elk Gold Project is host to eight known mineralized zones. The map below sets out the names and location of those zones within the Elk Gold Project.



Resource Estimation

Following the results of the Phase II drill program, the Company disclosed an updated resource estimate in a press release dated December 7, 2021. In January 2022, the Company filed an updated NI 43-101 compliant independent Technical Report for the Elk Gold Project titled "National Instrument 43-101 Technical Report and Resource Update on the Elk Gold Project, Merritt, British Columbia, Canada" prepared by L. John Peters, P.Geo, Gregory Z. Mosher, P.Geo, and Marinus Andre De Ruijter, P. Eng, each an independent "Qualified Person" as defined in NI 43-101, with an effective date of December 7, 2021, and a report date of January 21, 2022 (the "Technical Report").

The table below summarizes the updated resource estimate at the Elk Gold Project:

Combined Elk Gold Property Mineral Resource (Pit-Constrained and Underground) Dec 2021

Classification	Tonnes	AuEq (g/t)	Au Capped g/t	Ag Capped g/t	AuEq (Oz)
Measured	**169,000**	**10.4**	**10.3**	**10.9**	**56,000**
Indicated	**4,190,000**	**5.6**	**5.4**	**11.0**	**750,000**
Measured + Indicated	**4,359,000**	**5.8**	**5.6**	**11.0**	**806,000**
Inferred	**1,497,000**	**5.4**	**5.3**	**14.4**	**262,000**

CIM definitions were followed for classification of Mineral Resources.
Mineral Resources are not Mineral Reserves and have not demonstrated economic viability.
Results are presented in-situ and undiluted.
Mineral resources are reported at a cut-off grade of 0.3 g/t AuEq for pit-constrained resources and 3.0 g/t AuEq for underground resources.
The number of tonnes and metal ounces are rounded to the nearest thousand.
The Resource Estimate includes both gold and silver assays. The formula used to combine the metals is:
*AuEq = ((Au_Cap*53.20*0.96) + (Ag_Cap*0.67*0.86))/(53.20*0.96)*
The Resource Estimate is effective as of October 21, 2021.

The resource estimate includes resources in three separate zones on the Elk Gold Project: i) the Siwash North, which comprises the majority of the estimate, ii) the Lake Zone and iii) the South Zone.

Mineral Resource Estimate Assumptions

For information on the data verification and key assumptions and parameters used to estimate the mineral resources, please see the Technical Report, a copy of which is available at www.sedar.com.

Summary of Preliminary Economic Assessment

In November 2021, the Company filed an amended NI 43-101 compliant independent Technical Report and Preliminary Economic Assessment (the "2021 PEA") for the Elk Gold Project titled "National Instrument 43-101 Technical Report Updated Preliminary Assessment on the Elk Gold Project, Merritt, British Columbia, Canada" prepared by Robert G. Wilson, P.Geo, Greg Z. Mosher, P.Geo, Antonio Loschiavo, P.Eng., and Andre De Ruijter, P. Eng, each an independent "Qualified Person" as defined in NI 43-101, with an effective date of May 14, 2021, a report date of August 26, 2021 and an amended date of November 4, 2021.

The 2021 PEA uses the following resource estimate and does not incorporate the updated resource estimate set out above.

The table below summarizes the resource estimate at the Elk Gold Project used in the 2021 PEA:

Classification	Tonnes	AuEq (g/t)	Au Capped g/t	Ag Capped g/t	AuEq (Oz)
Measured	**196,000**	**9.9**	**9.8**	**9.9**	**63,000**
Indicated	**3,148,000**	**5.8**	**5.7**	**11.2**	**589,000**
Measured + Indicated	**3,344,000**	**6.1**	**5.9**	**11.1**	**651,000**
Inferred	**1,029,000**	**4.8**	**4.7**	**10.9**	**159,000**

CIM definitions were followed for classification of Mineral Resources.
Mineral Resources are not Mineral Reserves and have not demonstrated economic viability.
Results are presented in-situ and undiluted.
Mineral resources are reported at a cut-off grade of 0.3 g/t Au for pit-constrained resources and 3.0 g/t for underground resources.
The number of tonnes and metal ounces are rounded to the nearest thousand.
The Resource Estimate includes both gold and silver assays. The formula used to combine the metals is:
*AuEq = ((Au_Cap*55.81*0.96) + (Ag_Cap*0.76*0.86))/(55.81*0.96)*
The Resource Estimate is effective as of May 1, 2021.

The 2021 PEA contemplates producing an initial amount of crushed ore containing approximately 19,000 ounces of gold per year and then ramps up crushed ore production to contain approximately 64,000 ounces of annual gold production by Year 4. The pre and post-tax net present value ("NPV") (5% discount) are $395M and $231M, respectively. The 2021 PEA contemplates that for the life of mine, the mineralized material from the Elk Gold Project will be mined by the Company's contract mining partner, Nhwelmen and then delivered to New Gold Inc.'s New Afton Mine located approximately 130km from the Elk Gold Project (the "New Afton Mine").

The 2021 PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the 2021 PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The tables below further summarize the basis for the 2021 PEA and the assumptions and parameters used:

Base Case: US$1,600/oz long-term gold price and an exchange rate of 1.25 (US$/CAD$)	
Gold Price	Long-term US$1,600
Exchange Rate	1.25
NPV @ 5% Pre-tax	$395 million
NPV @ 5% After-tax	$231 million
Year 1 owner's costs	$3.9 million
Year 1 capital costs	$9.0 million
Sustaining owner's costs	$12.8 million
Sustaining capital costs	$54.5 million
After tax payback period	1 Year
All in sustaining costs (AISC) per ounce gold	US$554 / troy ounce
PEA life of mine (LOM)	11 years
LOM metal production gold equivalent ounces	582,080 oz
LOM metal recovered gold equivalent ounces	532,942 oz
LOM average gold head grade	6.98 g/t
LOM average silver head grade	11.73 g/t
LOM strip ratio (waste:ore)	20.2:1

Internal rate of return ("IRR") note: there are relatively insignificant pre-production costs prior to the commencement of production on the Elk Gold Project. Initial capital costs of approximately $9.0M are captured in year 1 of operations, which results in a positive year 1 cashflow of $27.2M. Since there is no negative cashflow that precedes the positive cashflow, IRR is not calculable.

Additional PEA Assumptions and Parameters:	
Gold Recovery	92%
Silver Recovery	70%
Gold Payable	96%
Silver Payable	90%
Gold TC/RC	$6.00/oz
Silver TC/RC	$0.50/oz
NSR Royalty	2%

2021 PEA Sensitivities

The table below sets out a sensitivity analysis showing the effect the price of gold has on the Elk Gold Project's NPV. The bold line shows the 2021 PEA's base case.

Gold Price (US$)	Pre-tax NPV (5%) ($M)	Post-tax NPV (5%) ($M)
2200	644.6	379.3
2000	561.5	329.9
1800	478.2	280.3
1600	**395.4**	**231.0**
1400	311.9	181.3
1200	228.7	131.2

2021 PEA Assumptions
For information on the data verification and key assumptions and parameters used to estimate the mineral resources and the 2021 PEA, please see the 2021 PEA a copy of which is available at www.sedar.com.

Phase IV Exploration Program

The Phase IV exploration program includes geological mapping and prospecting, soil geochemical surveys and diamond drilling. The Company began Phase IV drilling at the Gold Creek, Lake, South and Elusive Zones. Geological mapping and soil geochemistry surveys will be used to better define drill targets in the satellite zones. The goal of the Phase IV exploration program is to expand the mineral resources and the Elusive Zone high-grade gold target. The Company has put its Phase IV drilling program on hold to focus on the ore control and sampling initiatives discussed above.

Mining

Development and construction activities commenced at the Elk Gold Project in July 2021 and in February 2022, the Company delivered its first ore to the New Afton Mine. Mined ore is being crushed, sampled, and assayed prior to being delivered to the New Afton mine in accordance with the terms of the Ore Purchase Agreement, which specifies the sale will be recognized upon delivery of the crushed ore.

The Company based its production decision at the Elk Gold Project on a preliminary economic assessment and not on a feasibility study or pre-feasibility study of mineral reserves demonstrating economic and technical viability. The Company did not complete a feasibility study or pre-feasibility study in connection with its production decision due to, among other factors, the ability to move ahead to development and production based on comparatively low initial capital costs due to foregoing the need to construct a processing facility and the Company's knowledge of the resource base. As a result, there is increased uncertainty and there are multiple technical and economic risks of failure which are associated with this production decision. These risks, among others, include the inclusion of inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves.

Furthermore, there are risks associated with areas that are analyzed in more detail in a pre-feasibility and feasibility study, such as applying economic analysis to resources and reserves, more detailed metallurgy and a number of specialized studies in areas such as mining and recovery methods, market analysis, and environmental and community impacts. There is no assurance given all of the known and potentially unknown risks associated with the Elk Gold Project that the Company will be able to profitably carry-on mining operations. In addition, there is no assurance that production will be profitable or that continued exploration of the Elk Gold Project will demonstrate adequate additional mineralization which can be mined economically, such that mining operations on the Elk Gold Project may not be sustainable beyond currently estimated resources or in the medium to long term or at all.

Other provision

During the three months ended October 31, 2022, the Company received an order from the Ministry of Energy, Mines and Low Carbon Innovation (“EMLI”) to relocate waste rock stored at the Elk Gold Property’s east waste rock storage facility. Management is currently working with EMLI to achieve a mitigating alternative that enables compliance with the applicable requirements. An administrative penalty could be administered by EMLI as a result of the order.

The estimated costs to mitigate or complete the work ranges from $21,000 to $1.6 million. Management applied a probability weighted average methodology to estimate the provision by considering the likelihood of each outcome. As a result, the Company recognized a provision of $132,000 as of October 31, 2022 and recorded this amount in the condensed interim consolidated statement of loss and comprehensive loss as other expense. This provision will be reviewed at each reporting period. The critical judgments made in estimating the provision that create a high degree of estimation uncertainty are:

- estimated costs to mitigate/fulfill the order, and
- weighting assigned to each possible outcome.

Indigenous Community Engagement

Over the past 24 months, the Company has made a concerted effort to build strong relationships with communities that are affected by the development of the Elk Gold Project. The Company looks forward to continued collaboration with all Indigenous Nations that have interests in the Elk Gold Project. The Company also wishes to communicate that there is no time limit on direct engagement and consultation between the Company and each respective Indigenous Nation.

On June 3, 2021, the Company announced that it successfully executed three memorandums of understanding with surrounding Indigenous communities, establishing a process for ongoing engagement towards social and economic collaboration.

While the Provincial Review and the corresponding Mine Review Committee process have come to a close following the issuance of the Mine Permit, the Company is aware and acknowledges each respective Indigenous Nation’s decision-making process will continue independently from the Province of British Columbia.

One of the conditions in the Company’s Mine Permit is the establishment of the Elk Gold Life of Mine Committee made up of representatives of Indigenous communities around the Elk Gold Project and certain Provincial Agencies. The Company has held three meetings of its Life of Mine Committee and two meetings of the Life of Mine Technical Sub Committee, which were attended by representatives of certain Indigenous communities and Provincial agencies.

Contract Summaries

Ore Purchase Agreement

On January 26, 2021, the Company entered into the Ore Purchase Agreement with New Gold Inc. ("New Gold") to purchase crushed ore from the Elk Gold Project. Under the agreement, the Company is delivering crushed ore to New Gold's New Afton Mine located 130km from the Elk Gold Project near Kamloops, British Columbia. Gold Mountain will deliver up to 70,000 tonnes of crushed ore per annum or approximately 200 tonnes per calendar day. The Ore Purchase Agreement has a term of three years from the effective date (February 2022). In May 2021, the Company and New Gold signed a non-binding letter of intent contemplating the increase in tonnage to be delivered to the New Afton mine for up to 350,000 tonnes per annum, which is expected to begin in year four of production, subject to entering into a definitive agreement with New Gold.

The crushed ore will be sampled and weighed at the Elk Gold Project site to determine the contained ounces of gold and silver being delivered to the New Afton Mine. Following delivery of the crushed ore, New Gold will pay the Company on the 17th of each calendar month following the month of delivery based on the value of the gold and silver in the crushed ore, net of the agreed metallurgical recovery and concentrate selling costs.

Mining Contract

On January 19, 2021, the Company entered into a mining contract ("Mining Contract") with Nhwelmen for contract mining services at the Elk Gold Project. Nhwelmen is a majority owned, First Nations mining contractor.

Pursuant to the terms of the Mining Contract, Nhwelmen will be paid a fixed price per tonne mined over the first three years which is determined based on the planned production rate, mined volumes, haulage distances and equipment productivity. The Mining Contract also includes a quarterly fuel adjustment to account for fuel price variances. The scope of the Mining Contract includes mining of ore at a rate of 70,000 tonnes per annum (200 tonnes per day), waste mining, drilling, blasting, hauling, site supervision, supply of operating personnel, road maintenance, dust suppression as well as all the site preparation activities required prior to commencing mine operations, including topsoil stockpiling, and preparing surface water management structures. Nhwelmen will also haul the crushed ore from the Elk Gold Project to the toll milling location (New Afton mine).

The Mining Contract is for the life of mine while the price schedule carries a three-year term. The obligations of the Company under the Mining Contract began in May 2021.

ELK NORTH CLAIMS

On October 7, 2020, the Company staked the following claims located next to the Elk Gold Project as set out in the table below:

Title Number	Claim Name	Owner	Title Type	Title Sub Type	Map Number	Issue Date	Good To Date	Status	Area (ha)
1079047	ELK NORTH 1	254235 (100%)	Mineral	Claim	092H	2020/OCT/07	2022/DEC/31	GOOD	832.45
1079048	ELK NORTH 2	254235 (100%)	Mineral	Claim	092H	2020/OCT/07	2022/DEC/31	GOOD	1331.15
1079049	ELK NORTH 3	254235 (100%)	Mineral	Claim	092H	2020/OCT/07	2022/DEC/31	GOOD	976.78
1079050	ELK NORTH 4	254235 (100%)	Mineral	Claim	092H	2020/OCT/07	2022/DEC/31	GOOD	1330.60

The Company is currently evaluating the best strategy to explore and develop these separate claims.

ELKHOLE CLAIM

On January 28, 2022, the Company staked an additional claim that covers an area of 2,038 hectares located adjacent to the northern portion of the Elk Gold Project claims as set out in the table below:

Title Number	Claim Name	Owner	Title Type	Title Sub Type	Map Number	Issue Date	Good To Date	Status	Area (ha)
1092515	ELKHOLE	254235 (100%)	Mineral	Claim	092H	2022/JAN/28	2023/JAN/28	GOOD	2037.65

The Company is currently evaluating the best strategy to explore and develop this separate claim.

PROPERTY AND EQUIPMENT

	Exploration and evaluation	Mineral property	Building and equipment	Total
Year ended January 31, 2022				
Opening net book value	$ 9,881,559	$ -	$ 73,258	$ 9,954,817
Additions	8,136,562	7,026,514	1,363,351	16,526,427
Depreciation and amortization	-	-	(46,629)	(46,629)
Transfers between classifications	(12,288,108)	12,288,108	-	-
Exploration tax credits	-	(591,477)	-	(591,477)
Change in estimate in reclamation obligation	-	1,762,440	-	1,762,440
Closing net book value	**$ 5,730,013**	**$ 20,485,585**	**$ 1,389,980**	**$ 27,605,578**
At January 31, 2022				
Cost	$ 5,730,013	$ 20,485,585	$ 1,474,629	$ 27,690,227
Accumulated depreciation	-	-	(84,649)	(84,649)
Net book value	**$ 5,730,013**	**$ 20,485,585**	**$ 1,389,980**	**$ 27,605,578**
Period ended October 31, 2022				
Opening net book value	$ 5,730,013	$ 20,485,585	$ 1,389,980	$ 27,605,578
Additions	3,436,339	5,639,199	328,471	9,404,009
Depletion and amortization	-	(168,144)	(216,627)	(384,771)
Exploration tax credit and adjustments	-	(453,849)	-	(453,849)
Change in estimate in reclamation obligation	-	578,061	-	578,061
Closing net book value	**$ 9,166,352**	**$ 26,080,852**	**$ 1,501,824**	**$ 36,749,028**
At October 31, 2022				
Cost	$ 9,166,352	$ 26,248,996	$ 1,803,100	$ 37,218,448
Accumulated depreciationn and depletion	-	(168,144)	(301,276)	(469,420)
Net book value	**$ 9,166,352**	**$ 26,080,852**	**$ 1,501,824**	**$ 36,749,028**

Effective June 1, 2021, the Company commenced capitalization of all direct costs related to the development of the Elk Gold Project, as management determined that the technical feasibility and commercial viability of the project had been established. Accordingly, the Company reclassified capitalized costs associated with the Elk Gold Project from exploration and evaluation assets to mineral property within property and equipment. Costs related to development work are capitalized in property and equipment as mineral property.

During the nine-month period ended October 31, 2022, the Company capitalized $4,245,106 of stripping costs to mineral property.

During the nine-month period ended October 31, 2022, the Company recorded $737,165 in BC Mineral Exploration Tax Credits ("BCMETC") as a reduction to the mineral property. During the nine-month period ended October 31, 2022, the Company also recorded a reduction of $283,316 to its BCMETC receivable to capitalized mineral property as a result of prior year periods income tax returns being reassessed.

Indicators of impairment

As a single asset business, the Company's market capitalization is directly related to the Elk Gold Mine's performance. Management of the Company completed an impairment indicator assessment and concluded that an impairment indicator existed at July 31, 2022 as the Company's market capitalization fell below the carrying value of net assets. Accordingly, the Company estimated the recoverable amount of the cash generating unit ("CGU") and compared it to the carrying value of the CGU. Upon completion of the Company's impairment assessment, it was determined that the Elk Gold Property CGU was not impaired.

Key assumptions in impairment assessment and sensitivity analysis

The projected cash flows used in impairment testing are significantly impacted by changes in assumptions, including: a) gold price, b) production volumes, c) operating costs and capital expenditures, d) gold grades and e) the discount rate. The Company's impairment testing of property and equipment and near-mine exploration and evaluation assets incorporates the following key assumptions:

a. Gold price

Forecast gold prices are based on analyst consensus estimates as follows:

	2022	2023	2024	2025+
Gold (US$ per Oz)	1,800	1,800	1,700	1,700

b. Production volumes

Estimated production volumes and timing are based on life-of-mine plans and internal management forecasts and consider the long-term development plans and expectations for the mine based on the preliminary economic assessment. Production volumes are dependent on several variables, including the amount of recoverable resources, production and other cost estimates, future capital expenditures and exploration potential.

c. Operating costs and capital expenditures

Operating costs and capital expenditures are based on the most recent preliminary economic assessment, adjusted as needed for current operating results and costs. Operating cost and capital expenditure assumptions are continuously subjected to review.

d. Gold grades

Projected gold grades are based on the technical report published in January 2022.

The Company performed a sensitivity analysis of key assumptions as follows:

- a 50% decrease in the gold grade would not result in an impairment
- a 10% decrease in the short and long-term gold price would not result in an impairment
- a 10% decrease in gold recoveries would not result in an impairment
- a 10% increase in operating costs and capital expenditures would not result in an impairment
- a 5% increase in the real after-tax discount rate would not result in an impairment

The Company completed an assessment at October 31, 2022 and did not identify any additional impairment indicators.

EXPLORATION AND EVALUATION ASSETS

The following table summarizes the cumulative costs capitalized as exploration and evaluation assets at October 31, 2022 and January 31, 2022 by their nature:

Elk Gold Property	October 31, 2022	January 31, 2022
Property acquisition costs:		
Balance, beginning	$ -	$ 6,248,405
Transfer to property and equipment	-	(6,248,405)
Property acquisition costs, ending	-	-
Exploration and evaluation costs:		
Balance, beginning	5,730,013	3,633,154
Costs incurred during the period:		
Aircraft	-	27,083
Assaying	143,804	380,505
Camp operations	362,056	423,366
Consulting	63,880	491,295
Drilling	1,754,812	3,362,404
Depletion and amortization	31,899	34,797
Geological	436,598	2,031,538
Maintenance	401,782	881,557
Share-based payments	37,523	399,158
Travel and accommodation	203,985	104,859
	3,436,339	8,136,562
Other items:		
Transfer to property and equipment	-	(6,039,703)
Exploration and evaluation costs, ending	9,166,352	5,730,013
Total	**$ 9,166,352**	**$ 5,730,013**

The remaining exploration and evaluation asset balance as at October 31, 2022 and January 31, 2022 relates to ongoing exploration programs outside of the mine development zone.

FINANCIAL PERFORMANCE

Summary of Quarterly Results

The following table summarizes the financial results of operations for the eight most recent fiscal quarters:

	Oct. 31, 2022 (Q3)	Jul. 31, 2022 (Q2)	Apr. 30, 2022 (Q1)	Jan. 31, 2022 (Q4)	Oct. 31, 2021 (Q3)	Jul. 31, 2021 (Q2)	Apr. 30, 2021 (Q1)	Jan. 31, 2021 (Q4)
	$		$	$	$	$	$	$
Revenue	2,091,371	968,860	3,706,423	-	-	-	-	-
Gross profit (loss)	(843,245)	(1,178,035)	925,420	-	-	-	-	-
Total other operating expenses	(1,181,094)	(1,261,818)	(1,072,871)	(1,881,379)	(2,463,793)	(4,714,932)	(2,511,504)	(750,974)
Other items	(85,679)	(118,133)	(90,365)	(192,424)	(206,861)	(143,510)	(300,890)	(5,097,005)
Loss and comprehensive loss	(2,110,018)	(2,557,986)	(237,816)	(2,073,803)	(2,670,654)	(4,858,442)	(2,812,394)	(5,847,979)
Basic and diluted loss per common share	(0.02)	(0.03)	(0.00)	(0.03)	(0.04)	(0.08)	(0.05)	(0.08)

On December 23, 2020, the Company completed the RTO. During the three and nine-month periods ended October 31, 2022, the Company recognized revenue from the sale of crushed ore.

RESULTS OF OPERATIONS

	Three months ended October 31, 2022	Three months ended October 31, 2021	Nine months ended October 31, 2022	Nine months ended October 31, 2021
Revenue	$ 2,091,371	$ -	$ 6,766,654	$ -
Cost of sales	(2,934,616)	-	(7,862,514)	-
Gross loss	(843,245)	-	(1,095,860)	-
Other operating expenses				
Management, director and consulting fees	505,125	541,302	991,671	1,458,002
General and administration	43,970	42,679	144,563	72,688
Investor relations	38,088	72,262	156,768	126,084
Marketing	156,260	535,085	430,296	2,788,662
Other expense	132,000	-	132,000	-
Professional fees	122,432	78,892	339,722	210,657
Regulatory and transfer agent fees	6,854	6,717	73,183	73,818
Share-based payments	175,103	1,182,090	1,245,115	4,940,485
Travel	1,262	4,766	2,465	19,833
Total other operating expenses	(1,181,094)	(2,463,793)	(3,515,783)	(9,690,229)
Loss from operations	(2,024,339)	(2,463,793)	(4,611,643)	(9,690,229)
Other Items				
Other income	33,627	-	33,627	-
Finance income	4,019	42	12,347	286
Finance expense	(115,306)	(206,903)	(493,761)	(727,720)
Accretion expense	(8,019)	-	(24,056)	-
Recovery of flow-through share premium	-	-	177,666	76,173
Total other items	(85,679)	(206,861)	(294,177)	(651,261)
Loss before income tax	**(2,110,018)**	(2,670,654)	**(4,905,820)**	(10,341,490)
Income and mining tax expense	-	-	-	-
Loss and comprehensive loss	**$ (2,110,018)**	**$ (2,670,654)**	**$ (4,905,820)**	**$ (10,341,490)**

Three-month period ended October 31, 2022

For the three-month period ended October 31, 2022, the net loss was $2,110,018 compared to $2,670,654 for the three-month period ended October 31, 2021.

Major variances are as follows:

i) The Company incurred a gross loss of $843,245 partially due to the following factors: (i) lower than expected gold grades achieved as ore losses and dilution were higher than anticipated and (ii) lack of ore delivery in August 2022 due to the continued implementation of a revised pit design which maintains a larger minimum mining width.

ii) A decrease in marketing expenses of $378,825 for the quarter ended October 31, 2022 primarily related to decreased digital marketing and advertising campaigns.

iii) An increase in other expense of $132,000 related to an EMLI order, which is discussed in the section “Elk Gold Project” of this MD&A .

iv) A decrease in share-based payments of $1,006,987 for the quarter ended October 31, 2022 primarily related to the vesting of restricted share units, performance share units and stock options that occurred in the comparative period.

v) A decrease in finance expense of $91,597 for the quarter ended October 31, 2022 primarily related to reduced accretion on the promissory note dated May 16, 2019 with Equinox due to a reduction of the loan principal from the second installment that was paid on May 16, 2022.

Nine-month period ended October 31, 2022

For the nine-month period ended October 31, 2022, the net loss was $4,905,820 compared to $10,341,490 for the nine-month period ended October 31, 2021.

Major variances are as follows:

i) The Company incurred a gross loss of $1,095,860 partially due to the following factors: (i) lower than expected gold grades achieved as ore losses and dilution were higher than anticipated, (ii) increased costs of in-fill drilling activities to verify and improve the accuracy of the grade control model, (iii) lower production rates due to in-fill drilling activities and activities related to optimization of ore control design, and (iv) implementation of a revised pit design which maintains a larger minimum mining width.
ii) A decrease in management, director and consulting fees of $466,331 for the period ended October 31, 2022 mainly due to: (i) a share bonus issued to the officers of the Company during the nine-month period ended October 31, 2021, and (ii) lower corporate advisory services recorded in the current period.
iii) A decrease in marketing expenses of $2,358,366 for the period ended October 31, 2022 primarily related to decreased digital marketing and advertising campaigns.
iv) An increase in other expense of $132,000 related to an EMLI order, which is discussed in the section "Elk Gold Project" of this MD&A .
v) An increase in professional fees of $129,065 for the period ended October 31, 2022 mainly due to higher accruals for audit and tax related services recorded in the current period.
vi) A decrease in share-based payments of $3,695,370 for the period ended October 31, 2022 primarily related to the vesting of restricted share units, performance share units and stock options that occurred in the prior period.
vii) A decrease in finance expense of $233,959 for the period ended October 31, 2022 primarily related to reduced accretion on the promissory note dated May 16, 2019 with Equinox due to a reduction of the loan principal from the first and second installments paid on May 17, 2021 and May 16, 2022.
viii) An increase in recovery of flow-through share premium of $101,493 for the Company's exploration activities during the nine-month period ended October 31, 2022.

LIQUIDITY AND CAPITAL RESOURCES AND GOING CONCERN

As at October 31, 2022, the Company had a cash balance of $5,209,162 (January 31, 2022 – $2,557,764) and working capital of $1,959,183 (January 31, 2022 – deficit of $1,191,637).

During the nine-month period ended October 31, 2022, the Company incurred a loss of $4,905,820 and as at October 31 2022 had an accumulated deficit of $26,469,055.

On April 21, 2022, the Company closed a bought deal public offering of 14,800,000 units for $1.25 per unit raising gross proceeds of $18,500,000. Each unit consisted of one common share and one-half of a share purchase warrant. The Company issued a total of 14,800,000 common shares, 7,400,000 warrants exercisable until April 21, 2024 for $1.75 and 660,000 broker warrants exercisable until October 21, 2023 for $1.25.

On May 16, 2022, the Company made the second installment payment of $3,000,000 to Equinox.

During the nine-month period ended October 31, 2022, 658,027 warrants were exercised for gross proceeds of $784,168 and 196,000 stock options were exercised for gross proceeds of $144,000.

The following table summarizes cash inflows and outflows for the periods shown:

	Nine months ended October 31, 2022	Nine months ended October 31, 2021
Cash flow provided by (used in):		
Operating activities	$ (3,300,777)	$ (6,049,039)
Investing activities	(9,049,126)	(7,402,343)
Financing activities	15,001,301	20,551,936
Increase in cash	**$ 2,651,398**	**$ 7,100,554**

Cash flows used in operating activities can vary significantly from period to period as a result of the Company's working capital requirements, which are dependent on the level of operations. The Company commenced delivery of crushed ore to the New Afton mine in February 2022 and has experienced operational challenges during initial ramp-up.

Cash flows used in investing activities can vary depending on the nature of the transactions occurring during the period. During the nine-month period ended October 31, 2022, most investing activities related to exploration and evaluation expenditures and mineral property expenditures.

Cash flows provided by financing activities for the nine-month period ended October 31, 2022 resulted from the issuance of shares from the bought-deal public offering and the exercise of warrants and stock options, partially offset by the second installment payment of $3,000,000 to Equinox.

Going concern

As at October 31, 2022, the Company had working capital of $1,959,183 and for the nine months ended October 31, 2022, the Company incurred a loss of $4,905,820 and used cash of $3,300,777 for operating activities, $9,049,126 for investing activities and received $15,001,301 of cash from financing activities.

The ongoing operations and capital expenditures of the Elk Gold Property are dependent on the Company's ability to generate sufficient cash flow from production, which is subject to operational effectiveness, achieving targeted production levels and the price of gold or ability to raise additional financing. In the nine months ended October 31, 2022, the Company has experienced challenges during commissioning with respect to both grade control and sampling processes, which has resulted in lower than forecast ore production during initial ramp-up. To continue operations at the Elk Gold Property, and to be able to make the $3,000,000 promissory note payment due in May 2023, the Company will need to improve operational performance and will likely require additional equity or debt financing. Management intends to fund operating costs over the next twelve months with cash generated from operations and equity or debt financings. While the Company has been successful at raising funds in the past, there can be no assurance that it will be able to do so in the future. These condensed interim consolidated financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

See Note 1 of the Company's condensed interim consolidated financial statements for the three and nine-month periods ended October 31, 2022 for further information.

RELATED PARTY TRANSACTIONS

Transactions

The Company has identified the CEO and President (Mr. Kevin Smith), Vice President Permitting (Mr. Ronald Woo), CFO (Mr. Braydon Hobbs), COO (Mr. Grant Carlson) and General Counsel and Corporate Secretary (Mr. Alex Bayer) and the Company's directors as its key management personnel. During the three and nine-month periods ended October 31, 2022 and 2021, the following amounts were incurred for key management personnel of the Company:

	Three months ended October 31, 2022	Three months ended October 31, 2021	Nine months ended October 31, 2022	Nine months ended October 31, 2021
Management, director and consulting fees	$ 467,875	$ 405,010	$ 868,125	$ 913,476
Share-based payments	197,259	1,212,269	709,422	2,401,049
Total compensation	**$ 665,134**	**$ 1,617,279**	**$ 1,577,547**	**$ 3,314,525**

Included in the management, director and consulting fees for the nine-month period ended October 31, 2021 was 230,000 bonus shares issued to officers of the Company with a fair value of $289,800.

During the nine-month period ended October 31, 2022, the Company converted 540,000 vested PSUs and 163,750 of vested RSUs (nine-month period ended October 31, 2021 – 865,500 of vested PSUs and 155,000 of vested RSUs) into common shares and issued them to the directors and officers of the Company.

Balances

The following amounts due to related parties are unpaid director and management fees and expense reimbursements included in trade payables and accrued liabilities. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

	October 31, 2022	January 31, 2022
Related party liabilities:		
CEO and President [(1)]	$ 116,449	$ 156,570
VP - Permitting [(3)]	76,857	67,333
COO [(2)]	97,055	76,570
CFO [(3)]	-	44,000
General Counsel and Corporate Secretary [(4)]	-	157,725
Directors [(5)]	22,200	9,000
Former director of subsidiary [(5)]	15,217	6,217
	$ 327,778	**$ 517,415**

(1) Related party liabilities include management fees and expense reimbursements.
(2) Related party liabilities include management and director fees and expense reimbursements.
(3) Related party liabilities for management fees and director fees.
(4) Related party liabilities for management fees.
(5) Related party liabilities include director fees.

COMMITMENTS

On January 26, 2021, Elk Gold Mining entered into an Ore Purchase Agreement ("OPA") with New Gold for a three-year term. Under the terms of the OPA, the Company will deliver up to 70,000 tonnes of ore per annum, approximately 200 tonnes per day, to the mill located at New Gold's New Afton Mine situated 130km from the Elk Gold Property, in Kamloops British Columbia.

The OPA is effective upon the first delivery of ore to the New Afton Mine, which occurred in February 2022.

FINANCIAL INSTRUMENTS

The carrying values of cash, trade and other receivables, excluding GST receivables, accounts payable and accrued liabilities and short-term loans approximate their fair value because of the relatively short-term nature of the instruments and are measured and reported at amortized cost. The promissory note and reclamation deposits are measured and reported at amortized cost using the effective interest rate method. Lease liabilities are measured and reported at amortized cost using the incremental borrowing rate. These estimates are subjective and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumption could significantly affect the estimates.

There are three levels of the fair value hierarchy as follows:

Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
Level 2: Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.
Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The Company risk management objectives and policies are consistent with those disclosed by the Company for the year ended January 31, 2022, with the exception of credit risk pertaining to trade receivables. In the current period the Company has recognized revenue from the sale of crushed ore and the Company has a significant credit risk related to its trade receivables as all of them are owed by one customer. To date, all outstanding amounts have been collected.

The type of risk exposure and the way in which such exposure is managed is summarized as follows:

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. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts at a major bank in Canada. As most of the Company's cash is held by one major bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

The Company also has a significant credit risk related to its trade receivables as all of them are owed by one customer. To date, all outstanding trade receivable amounts have been collected.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company aims to have sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations, its ability to raise equity capital or borrow debt and its holdings of cash. Refer to Note 1 of the Company's consolidated financial statements for the Company's statement on going concern.

Historically, the Company's principal source of funding has been the issuance of common shares for cash. The Company's access to financing is always uncertain. There can be no assurance of continued access to the necessary levels of funding.

The following table sets forth details of the payment profile of financial liabilities based on their undiscounted cash flows:

	Total carrying amount $	Contractual cash flows $	Less than 1 year $	1 to 5 years $	More than 5 years $
Accounts payable and accrued liabilities	2,794,063	2,794,063	2,794,063	-	-
Short-term loans	83,578	84,440	84,440	-	-
Promissory note	2,744,880	3,000,000	3,000,000	-	-
Total	**5,622,521**	**5,878,503**	**5,878,503**	**-**	**-**

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risks.

Foreign exchange risk
The Company and its subsidiaries' functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

RISK AND UNCERTAINTIES

The Company's primary source of revenue is the sale of crushed ore from its Elk Gold Property. The Company has a contract with a single customer, New Gold, for its crushed ore. While the Company does not have any collection issues or disputes with New Gold, any disputes, delays, or unanticipated termination of the agreement could lead to a failure to receive revenue from the Elk Gold Project or collect associated trade receivables.

Natural resources exploration, development and operation involves a number of risks and uncertainties, many of which are beyond the Company's control. These risks and uncertainties include without limitation, the risks discussed elsewhere in this MD&A, those identified in the Company's Annual Information Form for the year ended January 31, 2022 and the Company's disclosure documents as filed in Canada on SEDAR at www.sedar.com. Reader's should carefully consider such risks and uncertainties prior to deciding to invest in the securities of GMTN.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The information provided in this MD&A as referenced from the Company's condensed interim consolidated financial statements for the referenced reporting period is the sole responsibility of management. In the preparation of the information along with related and accompanying statements and estimates contained herein, management uses careful judgment in assessing the values (or future values) of certain assets or liabilities. It is the opinion of management that such estimates are fair and accurate as presented.

USE OF ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

Information about judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in the Company's condensed interim consolidated financial statements are included in Note 3 to the Company's Financial Statements.

RECENT ACCOUNTING PRONOUNCEMENTS

IFRS accounting pronouncements with respect to new standards, interpretations and amendments that are not yet effective as at October 31, 2022, which have not been applied in preparing the Company's consolidated financial statements, are not expected to materially impact the Company's financial position or results of operations (see new IFRS pronouncements described under Note 2 in the Company's consolidated financial statements.

OTHER INFORMATION

Additional information on the Company is available on SEDAR at www.sedar.com.

QUALIFIED PERSON AND INFORMATION CONCERNING ESTIMATES OF MINERAL PROJECTS

All of the scientific and technical information contained in this MD&A has been reviewed and/or approved by Mr. Grant Carlson, P. Eng., a "Qualified Person" within the meaning of National Instrument 43-101 - Standards of Disclosure for Minerals Projects and the Chief Operating Officer of the Company.

USE OF PROCEEDS TABLE

The table below sets out the disclosure the Company has previously made about use of proceeds (other than working capital) from previous financings and any variations:

Financing	Disclosed Use	Actual Use	Variation
June 2020 - $200,000 IPO financing	Identification and evaluation of a qualified transaction	Same as disclosed use	No variation
July 2020 - $520,000 private placement	Identification and evaluation of a qualified transaction	Same as disclosed use	No variation
December 2020 - $4,666,890 financing concurrent with Qualified Transaction	Exploration at the Siwash North Zone and Lake Zone of the Elk Gold Project and general working capital.	Exploration at the Siwash North Zone and general working capital	The Company elected to focus all exploration on the Siwash North Zone in order to expand the resource.
February 2021 - $10,000,700 private placement	Advancement of the Elk Gold Project	Same as disclosed use	No variation
June 2021 - $11,999,999 bought deal private placement	Advancement of the Elk Gold Project (for funds from flow through portion, Canadian Exploration Expenses).	Same as disclosed use	No variation
April 2022 - $18,500,000 bought deal public offering	Development of Elk Gold Project, repayment of obligations under Equinox Promissory Note, business development, general and administrative expenses, and general working capital.	Same as disclosed use with a portion of proceeds allocated for infill drilling	The Company elected to conduct infill drilling at the Elk Gold Property.

NON-IFRS FINANCIAL MEASURES

The Company has included certain non-IFRS measures in this document, as discussed below. The Company believes that these measures, in addition to conventional measures prepared in accordance with IFRS, provide investors an improved ability to evaluate the underlying performance of the Company. The non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

“Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA)” is a non-IFRS financial performance measure. Adjusted EBITDA excludes the following from net earnings: interest on financial instruments, accretion expense on reclamation liability, taxes, depreciation and amortization of property and equipment, share-based payments and other non-cash expenses. The Company uses this measure internally to evaluate our underlying operating performance for the reporting periods presented and to assist with the planning and forecasting of future operating results. We believe that adjusted EBITDA is a useful measure of our performance because these adjusting items do not reflect the underlying operating performance of our business and are not necessarily indicative of future operating results.

“Total cash cost per ounce sold” is a common financial performance measure in the gold mining industry but has no standard meaning under IFRS. The Company reports total cash costs on a sales basis. We believe that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company’s performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The measure, along with sales, is considered to be a key indicator of a Company’s ability to generate operating earnings and cash flow from its mining operations. “Costs of sales per ounce sold” adds depreciation and depletion and share based compensation allocated to production to the cash costs figures.

Total cash costs figures are calculated in accordance with a standard developed by The Gold Institute, which was a worldwide association of suppliers of gold and gold products and included leading North American gold producers. The Gold Institute ceased operations in 2002, but the standard is considered the accepted standard of reporting cash cost of production in North America. Adoption of the standard is voluntary, and the cost measures presented may not be comparable to other similarly titled measure of other companies.

“Total cash costs per ounce” and “cost of sales per ounce” are intended to provide additional information only and do not have any standardized definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The measures are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate the measure differently.

“Average realized price” is a financial measure with no standard meaning under IFRS. Management uses this measure to better understand the price realized in each reporting period for gold sales. Average realized price excludes from revenues unrealized gains and losses, if applicable, on non-hedge derivative contracts. The average realized price is intended to provide additional information only and does not have any standardized definition under IFRS; it should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Other companies may calculate this measure differently.

The following table reconciles non-IFRS measures to the most directly comparable IFRS measure:

		Three months ended October 31, 2022	Nine months ended October 31, 2022
Gold ounces produced	Oz	1,283	3,738
Gold ounces sold (payable)	Oz	1,133	3,588
Revenue	$	2,091,371	6,766,654
Revenue from silver sales		(19,379)	(72,368)
Revenue from crushed ore sales of gold	**$**	**2,071,992**	**6,694,286**
Average realized price	**$**	**1,829**	**1,866**
Adjusted EBITDA			
Loss and comprehensive loss	$	(2,110,018)	(4,905,820)
Less: Recovery of flow-through share premium		-	(177,666)
Less: finance income		(4,019)	(12,347)
Add: other expense		132,000	132,000
Add: finance expense		115,306	493,761
Add: share-based payments		188,039	1,296,185
Add: reclamation provision accretion		8,019	24,056
Add: depletion and depreciation		135,191	344,125
Adjusted EBITDA	**$**	**(1,535,482)**	**(2,805,706)**
Cash costs per ounce sold			
Cost of sales		2,934,616	7,862,514
Depletion and depreciation		(135,191)	(344,125)
Share-based payments		(12,936)	(51,070)
Silver credits		(19,379)	(72,368)
Total cash costs	**$**	**2,767,110**	**7,394,951**
Total cash costs per ounce sold	**$**	**2,442**	**2,061**
Cost of sales per ounce of sold			
Cost of sales	**$**	**2,934,616**	**7,862,514**
Cost of sales per ounce of sold	**$**	**2,590**	**2,191**

SHARE CAPITAL AND OUTSTANDING SHARE DATA

Common shares, stock options, restricted share units, performance share units and share purchase warrants issued and outstanding as at the period-end are described in detail in Note 11 of the condensed interim consolidated financial statements for the three and nine-month periods ended October 31, 2022, which as of December 14, 2022 are as follows:

	Number of shares
Issued and outstanding	**87,893,421**

	Restricted Share Units	Performance Share Units
As at December 14, 2022	**479,000**	**95,000**

Number of outstanding warrants	Exercise price ($)	Expiry date
192,806	0.90	December 23, 2022
160,626	0.97	February 23, 2023
2,790,820	3.15	June 24, 2023
320,612	2.10	June 24, 2023
660,000	1.25	October 23, 2023
1,108,596	1.20	December 23, 2023
3,702,142	1.25	February 23, 2024
7,400,000	1.75	April 21, 2024
16,335,602		

Number of options outstanding	Number of options exercisable	Exercise price ($)	Expiry date
50,000	50,000	2.21	May 31, 2023
325,000	325,000	2.00	August 1, 2023
170,455	170,455	0.10	January 25, 2024
200,000	200,000	2.00	October 25, 2024
1,684,000	1,684,000	0.25	February 1, 2025
314,141	314,141	0.25	July 30, 2025
972,500	972,500	0.90	January 14, 2026
185,000	185,000	1.20	April 9, 2026
1,030,000	257,500	1.25	April 30, 2027
4,931,096	**4,158,596**		