

GSP RESOURCE CORP.

Management Discussion and Analysis For the fiscal year ended May 31, 2020

DISCLAIMER FOR FORWARD-LOOKING INFORMATION

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of May 31, 2020. These assumptions, which include, management's current expectations, estimates and assumptions about the global economic environment may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) inability to locate and identify potential business acquisitions, (3) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (4) other factors beyond our control. There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. Unless otherwise required by applicable securities laws, the Issuer disclaims any obligation to update any forward-looking statements, whether as a result of new events, circumstances and information, future events or results or otherwise. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

All capitalized terms not defined herein have the meanings ascribed to them in the long form prospectus of the Company (the "Prospectus").

1.1 – Date and Basis of Discussion & Analysis

This management discussion and analysis ("MD&A") is dated as of September 25, 2020 and should be read in conjunction with the audited financial statements of GSP Resource Corp for the years ended May 31, 2020 and May 31, 2019. The May 31, 2020 and 2019 Financial Statements are prepared in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), have been omitted or condensed. Unless expressly stated otherwise, all financial information is presented in Canadian dollars.

The financial statements were approved by the Board of Directors of the Company on September 25, 2020.

1.2 – Overall Performance

Nature of Business

GSP Resource Corp. ("GSP" or the "Company") was incorporated as "GSP Resource Corp." under the Business Corporations Act (British Columbia) on February 19, 2018.

The Company's principal business activity is the exploration of mineral properties. The Company currently conducts substantially all of its operations in Canada in one business segment.

The head office and principal address of the Company is located at 1610 – 777 Dunsmuir Street, Vancouver, B.C., V7Y 1K4.

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1.2 – Overall Performance (continued)

On February 23, 2018, the Company entered into the Olivine Option Agreement with Platinum Belt Resources Inc., the Optionor, to acquire a 100% interest in 25 mineral claims comprising the Olivine Property located in the Similkameen Mining Division in the Province of British Columbia. The Olivine Property is the sole property of the Company.

On January 30, 2020, the Company signed an option agreement to acquire 100% of the Alwin copper-gold-silver project located in the Similkameen Mining Division, British Columbia.

The Company has never generated revenue or positive cash flows from operations. For the fiscal year ended May 31, 2020, the Company reported a net loss of \$(269,592), cash used in operating activities of \$300,665, and an accumulated deficit of \$(523,451). For the fiscal year ended May 31, 2019, the Company reported a net loss of \$(225,587), cash used in operating activities of \$117,751, and an accumulated deficit of \$(253,859). The Company's ability to continue its operations as intended are dependent on its ability to obtain necessary financing and raise capital sufficient to cover its operating costs.

Operations during the fiscal year ended May 31, 2020 were primarily related to obtaining the necessary financing, as well as conducting the initial exploration programs on the Olivine and the Alwin Properties. During the period the Company incurred exploration and evaluation assets expenditures in the amount of \$306,782 (2019 - \$241,992). See "Exploration and Evaluation Assets".

The Company has a history of no operating earnings. The Company had a negative operating cash flow in its most recently completed financial year and will continue to for the foreseeable future.

An investment in a natural resource company involves a significant degree of risk. The degree of risk increases substantially where the company's properties are in the exploration stage as opposed to the development stage. The mineral exploration and mining business is competitive in all of its phases.

In the event that the Company's exploration program is successful, the Company will require additional financing in order to further develop the Company's property. The Company may not have enough funds to carry out its Phase II exploration program on the Olivine Property and additional financings may be required.

The property of the Company does not contain any known body of commercial ore. The marketability of natural resources which may be acquired or discovered by the Company will be affected by numerous factors beyond control of the Company. The grade of any ore ultimately mined from a mineral deposit may differ from that produced from drilling results. Mining operations generally involve a high degree of risk.

There is a degree of uncertainty attributable to the calculation of reserves, resources and corresponding grades being dedicated to future production.

See "RISK FACTORS AND UNCERTAINTIES".

Financing

During the period from Incorporation on February 19, 2018 to May 31, 2018 the Company issued 6,550,000 common shares for net proceeds in the amount of \$364,250.

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1.2 – Overall Performance (continued)

On November 29, 2018, the Company completed an Initial Public Offering (“IPO”, “Offering”), whereby the Company issued an aggregate of 2,776,500 Common Shares of the Company (the “Shares”) at a price of \$0.20 per Share for gross proceeds of \$555,300 and 1,000,000 flow-through Common Shares of the Company (the “FT Shares”) at a price of \$0.25 per FT Share for gross proceeds of \$250,000.

On November 4, 2019, the Company completed an oversubscribed non-brokered private placement offering by issuance of 1,120,000 flow-through units (“FT Units”) at a price of \$0.15 per FT Unit for gross proceeds of \$168,000. Each FT Unit consists of one common share in the capital of the Company issued on a “CEE flow-through” basis pursuant to the Income Tax Act (Canada) and one transferable non-flow through common share purchase warrant (“Warrant”). Each whole warrant entitles the holder to purchase one non flow-through common share of the Company exercisable at a price of \$0.20 for a period of 24 months from the date of issuance subject to an acceleration clause.

On November 26, 2019, the Company issued 12,705 common shares pursuant to the exercise of agent warrants at a price of \$0.20 per common share for gross proceeds of \$2,541. The fair value of the agent warrants issued was calculated using the Black-Scholes Option Pricing Model was \$3,950.

On May 21, 2020, the Company issued 2,729,837 units pursuant to a private placement at a price of \$0.15 per unit for gross proceeds of \$409,475. Each unit is comprised of one common share and one-half of one transferable common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.20 per share on or before May 21, 2022. The Company paid an aggregate cash finder’s fees of \$12,147 and issued 80,979 non-transferable finder warrants to certain brokers on a portion of the private placement. The finder warrants have the same terms as the share purchase warrants.

See “Share Capital” and “Subsequent Events”.

Exploration and evaluation Assets

Alwin Property, Kamloops Mining Division, British Columbia

On January 30, 2020, the Company entered into an option agreement to acquire a 100% interest in 9 mining claims located in the Similkameen Mining District of British Columbia. To acquire the 100% interest, the Company must make cash payments of \$250,000 (of which \$25,000 is paid as of May 31, 2020), issue 4,500,000 of the Company’s common shares (of which 200,000 are issued as of May 31, 2020) as follows:

Date	Cash	Shares
Upon receipt of TSX Venture Exchange approval of the Option Agreement (the “Approval Date”) (paid and issued)	\$ 25,000	200,000
On or before 1 st Anniversary of the Approval Date	\$ 25,000	200,000
On or before 2 nd Anniversary of the Approval Date	\$ 25,000	300,000
On or before 3 rd Anniversary of the Approval Date	\$ 50,000	400,000
On or before 4 th Anniversary of the Approval Date	\$ 50,000	500,000
On or before 5 th Anniversary of the Approval Date	\$ 75,000	900,000
On or before the earlier of a bankable feasibility study and the 8 th Anniversary of the Approval Date	\$ -	2,000,000
	<u>\$ 250,000</u>	<u>4,500,000</u>

During the term of the option, the Company is required to keep the claims in good standing.

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1.2- Overall Performance (continued)

These claims are also subject to a 1.8% Gross Smelter Return (“GSR”) Royalty to the Optionors. The Company has the option to repurchase 0.8% GSR Royalty for \$1,500,000, leaving the Optionors with a 1% GSR Royalty.

Olivine Mountain Property, Similkameen Mining Division, British Columbia

On February 23, 2018 (as amended October 17, 2019 and further amended December 24, 2019), the Company entered into an option agreement to acquire a 100% interest in 25 mining claims located in the Similkameen Mining District of British Columbia. To acquire the 100% interest, the Company must make cash payments of \$80,000 (of which \$55,000 is paid as of May 31, 2020), issue 275,000 of the Company’s common shares (of which 275,000 are issued as of May 31, 2020) and incur aggregate minimum exploration expenditure of \$300,000 on the Olivine Property (all of which has been cumulatively expended as of May 31, 2020) as follows:

Date	Cash	Shares	Minimum Exploration Expenditures
Within 10 days after execution and delivery of the Agreement (paid)	\$ 15,000	-	-
Within 10 days of the “Listing Date” (November 29, 2018), which is five days after the date of the final TSXV bulletin approving the listing of the Company’s Common Shares and the acceptance by the TSXV of the Option Agreement. (paid and issued)	\$ 20,000	200,000	-
Six-month anniversary of the Listing Date (paid)	\$ 20,000	-	-
Fifteenth-month anniversary of the Listing Date (issued and incurred)	-	75,000	\$100,000
Twenty-fourth month anniversary of the Listing Date (incurred)	-	-	\$200,000
Thirtieth month anniversary of the Listing Date	\$ 25,000	-	-
	<u>\$ 105,000</u>	<u>275,000</u>	<u>\$300,000</u>

During the term of the option, the Company is required to keep the claims in good standing

These claims are also subject to a 2% Net Smelter Return (“NSR”) Royalty payable commencing from the date upon which the Property is put into commercial production, 100% of which can be acquired at a purchase price of \$1,00,000 for each one-half (50%) of the NSR Royalty, leaving the Optionor with no NSR Royalty after payment of \$2,000,000.

Agreement with Full Metal Minerals Ltd.

The Company entered into a letter agreement pursuant to which Full Metal Mineral Ltd has the option to earn a 60% interest in the Company’s Olivine Mountain Property. The Company holds an option in good standing to acquire 100% right, title, and interest in and to the Property. The option may be exercised by Full Metal (i) incurring exploration expenditures of \$500,000 including a minimum \$75,000 within 12 months following the date upon which the Agreement is accepted by the TSX Venture Exchange. (ii) making cash payment totaling \$500,000 (\$80,000 within 12 months of the acceptance date; and (iii) issuing 250,000 common shares of Full Metal (70,000 within 12 months of the acceptance date), over the four-year Option term (Also see Subsequent Events)

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For the fiscal year ended May 31, 2020**

1.2 – Overall Performance (continued)

Expenditures related to the properties can be summarized as follows:

	May 31, 2018	Additions	May 31, 2019	Additions	May 31, 2020
			\$	\$	\$
Acquisition costs – additions during the year					
Alwin Project					
Property option payments - cash	-	-	-	25,000	25,000
Property option payments - shares	-	-	-	38,000	38,000
	-	-	-	63,000	63,000
Olivine Property					
Property option payments - cash	15,000	40,000	55,000	-	55,000
Property option payments - shares	-	35,000	35,000	14,250	49,250
Other claims - cash	-	991	991	-	991
	15,000	75,991	90,991	14,250	105,241
	15,000	75,991	90,991	77,250	168,241
Exploration costs – additions during the year					
Alwin Project					
Geological consulting	-	-	-	5,694	5,694
Travel, supplies and field expenses	-	-	-	1,203	1,203
	-	-	-	6,897	6,897
Olivine Property					
Airborne geophysical survey	85,000	-	85,000	-	85,000
Assessment report	-	6,554	6,564	2,000	8,554
Core cutting	-	-	-	8,050	8,050
Drilling	-	-	-	122,683	122,683
Fieldwork	1,000	6,609	7,609	-	7,609
Geological consulting	-	5,006	5,006	14,233	19,239
Geological survey	-	1,375	1,375	-	1,375
Laboratory analysis	-	46,396	46,396	20,806	67,202
Mobilization	-	-	-	8,467	8,467
Permitting	-	-	-	3,550	3,550
Project management (Note 6)	14,532	13,577	28,109	-	28,109
Road clearing	-	-	-	1,000	1,000
Soil sampling	-	36,315	36,315	-	36,315
Technical report	10,634	13,158	23,792	-	23,792
Travel, supplies and field expenses	250	37,011	37,251	41,846	79,097
	111,416	166,001	277,417	222,635	500,052
	111,416	166,001	277,417	229,532	506,949
Balance, end of year	126,416	241,992	368,408	306,782	675,190

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1.3 – Selected Annual Information

As at	May 31, 2020	May 31, 2019	May 31, 2018
	\$	\$	\$
Current Assets	609,223	551,913	250,023
Deferred finance costs	-	-	3,655
Exploration and Evaluation Assets	675,190	368,408	126,416
Reclamation bond	12,105	-	-
Total Assets	1,296,518	920,321	380,104
Current Liabilities	14,007	24,260	18,749
Deferred tax liability	-	-	25,377
Total liabilities	14,007	24,260	44,126
Shareholders' Capital	1,563,451	953,801	364,250
Reserves	242,511	196,119	-
Deficit	(523,451)	(253,859)	(28,272)
Shareholders' Equity	1,282,511	896,061	335,978
Total Liabilities and Shareholders' Equity	1,296,518	920,321	380,104

1.4 – Results of Operations

	Three Months Ended May 31, 2020	Three Months Ended May 31, 2019	Year Ended May 31, 2020	Year Ended May 31, 2019
	\$	\$	\$	\$
General and administrative expenses				
Advertising	8,865	-	11,365	-
Business consulting	10,000	-	20,000	3,000
Insurance	1,000	1,000	4,000	1,482
Management fees	19,000	15,000	64,000	30,000
News releases	1,200	-	6,088	2,488
Office and miscellaneous	2,673	2,285	11,051	7,404
Professional fees	11,521	6,391	67,509	31,176
Regulatory and transfer agent fees	9,603	1,300	36,929	1,628
Rent	3,000	4,500	16,500	6,000
Shareholder information	9,919	-	12,420	-
Stock based compensation	7,623	16,183	35,922	162,607
Travel and promotion	59	1,231	3,308	2,542
Website	2,338	-	4,760	3,000
Loss before income taxes	86,801	47,890	293,852	251,327
Deferred tax recovery	-	(37,741)	(24,260)	(25,740)
Net loss and comprehensive loss	86,801	10,149	269,592	225,587

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1.4 – Results of Operations (continued)

Operations during the years ended May 31, 2020 and 2019 were primarily related to obtaining the necessary financing, as well as conducting the initial exploration programs on the Olivine and Alwin Properties. Please see disclosure under “Exploration and Evaluation Assets”.

For the year ended May 31, 2020, the Company incurred operating expenses of \$293,852 (2019 - \$251,327).

Advertising expenses incurred in the year amounted to \$11,365 (2019 - \$Nil).

The Company incurred business consulting fees in the amount of \$20,000 (2019 - \$3,000) including \$5,000 to Jordan Trimble (a Director of the Company) for corporate development and strategic planning (See “Related Party Transactions”).

The Company acquired Director and Officer Liability Insurance during the year and expensed \$4,000 (2019 - \$1,482) to operations.

The Company incurred management fees paid to Simon Dyakowski, the Company’s Chief Executive Officer, of \$40,000 (2019 - \$18,000) and management fees in the amount of \$24,000 (2019 - \$12,000) paid to Max Investments Inc, a company controlled by Christopher Dyakowski, a Director and Chairman of the Board. (See “Related Party Transactions”).

Fees paid to a service provider for news releases during the period amounted to \$6,088 (2019 - \$2,488).

Office and miscellaneous expenditures were incurred for bank fees and interest, general office and telephone expenses in the amount of \$11,051 (2019 - \$7,404) in connection with the maintenance of its office.

Professional fees of \$67,509 (2019 - \$31,176) included \$ 22,684 (2019 - \$10,700) incurred for audit and related services in connection with the Company’s annual audit, fees for legal and corporate services of \$22,825 (2019 - \$5,476) and fees paid to the Company’s Chief Financial Officer for services rendered to the Company in the amount of \$22,000 (2019 - \$15,000).

Regulatory fees paid to maintain the Company’s listing on the TSX Venture Exchange amounted to \$20,899 (2019 - \$1,628) and fees paid for transfer agent fees amounted to \$16,030 (2019 - \$Nil).

The Company entered into a monthly office rent agreement commencing February 1, 2019 at a rate of \$1,500 per month (amended to \$750 per month effective April 1, 2020). Rent incurred during the fiscal year ended May 31, 2020 was \$16,500 (2019 - \$6,000).

The Company incurred \$12,420 (2019 - \$Nil) for the dissemination of information to shareholders.

Stock based compensation is associated with the vesting of benefits upon the granting of incentive stock options to officers’ directors and consultants in accordance with the Company’s stock option plan. The Company accrues stock-based payments over vesting periods associated with each grant. Stock based compensation recorded in the Company’s accounts during the fiscal year ended May 31, 2020 was \$35,922 (2019 - \$162,607). (See “Stock Options”).

During the year the Company incurred \$3,308 (2019 - \$2,542) for travel and promotion.

Fees paid for the maintenance of the Company’s website were \$4,760 (2019 - \$3,000).

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1.4 – Results of Operations (continued)

During the fiscal years ended May 31, 2020 and 2019 provisions for deferred income taxes were provided for temporary timing differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax values. During the fiscal year ended May 31, 2020 the Company recovered \$24,260 (2019 – \$25,740) for provisions for deferred income taxes that were provided for temporary timing differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax values.

1.5 – Summary of Quarterly Results (Unaudited)

The following table sets out selected quarterly information for the eight most recent quarters:

Fiscal quarters ended in Fiscal year ended May 31, 2020	May 31, 2020	February 29, 2020	November 30, 2019	August 31, 2019
	\$	\$	\$	\$
Sales or Revenue	-	-	-	-
Income (loss)	(86,801)	(68,734)	(72,287)	(41,770)
Income (loss) per common share (Basic and Diluted)	(0.01)	(0.01)	(0.01)	(0.00)
Fiscal quarters ended in Fiscal year ended May 31, 2019	May 31, 2019	February 28, 2019	November 30, 2018	August 31, 2018
	\$	\$	\$	\$
Sales or Revenue	-	-	-	-
Income (loss)	(10,149)	(32,373)	(170,822)	(12,243)
Income (loss) per common share (Basic and Diluted)	(0.00)	(0.00)	(0.03)	(0.00)

1.6 – Liquidity

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of May 31, 2020, the Company had a cash balance of \$524,187 (2019 - \$523,619) to settle due to related parties, accounts payable and accrued liabilities of \$14,007 (2019 - \$Nil). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

During the fiscal year ended May 31, 2020, cash used in operating activities was \$300,665 (2019 - \$117,751), cash used in investing activities was \$266,637 (2019 - \$219,433), cash derived from financing activities was \$567,870 (2019 - \$616,351).

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1.6 – Liquidity (cont'd...)

Shareholder's equity as of May 31, 2020 was \$1,282,511 (2019 - \$896,061). The Company will need to raise additional sources of funding to maintain operations at the currently level. During the fiscal year ended May 31, 2020 the Company raised \$567,879 net of share issuance costs through the issue of common shares. \$168,000 of which was raised pursuant to the issuance of flow-through shares, \$397,328 pursuant to a unit offering and \$2,541 pursuant to the exercise of warrants (see "Share Capital"). During the fiscal year ended May 31, 2019 the Company raised \$616,351 net of share issue costs pursuant to an Initial Public Offering that closed on November 29, 2018 (see "Share Capital"). Although the Company has been successful in the past in rising the necessary funding to continue operations, there can be no certainty it will be able to do so in the future.

The Company is committed to expenditures pursuant to the Olivine and Alwin Property agreements. See "Exploration and Evaluation Assets".

1.7 – Capital Resources

The capital resources of the Company as of May 31, 2020 are primarily its cash of \$524,187 (2019 - \$523,619). The Company has raised sufficient funds to conduct any anticipated operating expenses, to conduct exploration programs or for future acquisitions. The Company will require additional financing to fund future projects. The Company anticipates funding future expenditures additional equity subscriptions, such as private placements or through the exercise of warrants and options. In light of the continually changing financial markets, there is no assurance that funding by equity subscriptions will be possible at the times required or for the amounts desired or that it can be obtained on terms acceptable to the Company and its shareholders.

If additional funds are raised through the issuance of equity securities, the percentage ownership of current shareholders will be reduced, and such equity securities may have rights, preferences, or privileges senior to those of the holders of the Company's Common Shares.

1.8 – Off Balance Sheet Arrangements

As of May 31, 2020, there were no off-balance sheet arrangements to which the Company was committed.

1.9 – Transactions with Related Parties

During the year ended May 31, 2020, the Company had the following related party transactions and balances:

- (a) On December 1, 2018, the Company entered into a consulting agreement, with Max Investments Inc. (a company controlled by Christopher Dyakowski, a Director and Chairman of the Board) to provide management services for \$2,000 per month. During the year ended May 31, 2020 the Company paid \$24,000 (2019 - \$12,000) to Max Investments Inc.
- The Company paid \$Nil (2019 - \$155,489) to Max Investments Inc.. for project management services and other exploration expenditures related to the Olivine Mountain Property. Such amounts are included in Exploration and Evaluation Assets.
- Included in due to related parties as at May 31, 2020 is \$937 (May 31, 2019 - \$Nil) due to Christopher Dyakowski for expenses incurred on behalf of the Company.

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1.9 – Transactions with Related Parties (cont'd...)

- (b) On December 1, 2018 as amended April 1, 2020), the Company entered a consulting agreement (the "CEO Agreement") with Simon Dyakowski, the Company's Chief Executive Officer to provide management services for \$3,000 per month (amended to \$5,000 commencing April 1, 2020). During the fiscal year ended May 31, 2020 the Company paid management fees in the amount of \$40,000 (2019 - \$18,000) to the Company's Chief Executive Officer.
- (c) Included in professional fees is \$22,000 (2019 - \$15,000) and included in share issue costs is \$Nil (2019 - \$7,500) paid during the fiscal year ended May 31, 2020 to the Company's Chief Financial Officer (Kenneth Phillippe) for services rendered to the Company.
- (d) During the year ended May 31, 2019, the Company granted 800,000 options to its directors and officers (see below).
- (e) Included in business development is a consulting fee in the amount of \$5,000 (2019-\$nil) paid to Jordan Trimble, a director of the Company.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

During the fiscal year ended May 31, 2019 the Company granted 900,000 incentive stock options to directors, officers and consultants and expensed \$162,607 to operations as stock-based compensation... Stock based compensation allocable to directors and officers accounted for 800,000 of those options is as follows:

Directors and officers	Position	# of options	Stock based compensation
Simon Dyakowski	CEO & Director	300,000	\$ 52,513
Christopher Dyakowski	Director	200,000	35,009
Kenneth Phillippe	CFO	100,000	17,504
Jordan Trimble	Director	100,000	17,504
Justin Kates	Director	<u>100,000</u>	<u>17,504</u>
		800,000	\$ 140,034

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

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1.10 – Fiscal Quarter ended May 31, 2020

Operations during the fiscal quarter ended May 31, 2020 were primarily related to obtaining the necessary financing, as well as the conducting of initial exploration programs on its mineral properties. The Company had submitted an application for a permit from the British Columbia Ministry of Energy, Mines and Petroleum Resources to commence drilling at the Alwin Mine Copper-Silver-Gold Project. The Company announced on August 24, 2020 it had received the permit. Please see disclosure under “Exploration and Evaluation Assets”.

Operating expenses for the three months ended May 31, 2020 amounted to \$86,801 (2019 - \$47,890) of which \$7,623 (2019 - \$16,183) related to the non-cash provision for stock-based compensation and the remaining \$79,178 (2019 - \$31,707) related to overhead expenditures and expenditures incurred to maintain the Company’s listing on the TSX Venture Exchange.

Advertising expenses incurred in the period amounted to \$8,865 (2019 - \$Nil).

The Company incurred business consulting fees in the amount of \$10,000 (2019 - \$Nil).

The Company acquired Director and Officer Liability Insurance during the period and expensed \$1,000 (2019 - \$1,000) to operations.

The Company incurred management fees (\$3,000 monthly as amended on April 1, 2020 to \$5,000 monthly) payable to Simon Dyakowski, the Company’s Chief Executive Officer, in the amount of \$13,000 (2019 - \$9,000) and management fees in the amount of \$6,000 (2019 - \$6,000) payable to Max Investments Inc., a company controlled by Christopher Dyakowski, a Director and Chairman of the Board.

Fees incurred to a service provider for news releases during the period amounted to \$1,200 (2019 - \$Nil).

Office and miscellaneous expenditures were incurred for bank fees and interest, general office and telephone expenses in the amount of \$2,673 (2019 - \$2,284) in connection with the maintenance of its office.

Professional fees of \$11,521 (2019 - \$6,391) included fees for legal and corporate services of \$6,521 (2019 - \$1,391) and fees paid to the Company’s Chief Financial Officer for services rendered to the Company in the amount of \$5,000 (2019 - \$5,000).

Regulatory fees paid to maintain the Company’s listing on the TSX Venture Exchange amounted to \$6,854 (2019 - \$1,300) and fees paid for transfer agent fees amounted to \$2,749 (2019 - \$Nil).

The Company entered into a monthly office rent agreement commencing February 1, 2019 at a rate of \$1,500 per month (amended to \$750 per month effective April 1, 2020). Rent incurred during the fiscal quarter ended May 31, 2020 was \$3,000 (2019 - \$4,500)

The Company incurred \$9,919 (2019 - \$Nil) for the dissemination of information to shareholders

Stock based compensation is associated with the vesting of benefits upon the granting of incentive stock options to officers’ directors and consultants in accordance with the Company’s stock option plan. The Company accrues stock-based payments over vesting periods associated with each grant. Stock based compensation recorded in the Company’s accounts during the fiscal quarter ended May 31, 2020 was \$7,623 (2019 - \$16,183). (See “Stock Options”).

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1.10 – Fiscal Quarter ended May 31, 2020 (cont'd...)

During the period the Company incurred \$59 (2019 - \$1,231) for travel and promotion.

Fees paid for the maintenance of the Company's website were \$2,338 (2019 - \$Nil).

During the fiscal years ended May 31, 2020 and 2019 provisions for deferred income taxes were provided for temporary timing differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax values. During the fiscal quarter ended May 31, 2020 the Company recovered \$Nil (2019 – \$37,741) for provisions for deferred income taxes that were provided for temporary timing differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax values

1.11 – Proposed Transactions

The Company has no pending or proposed transactions as of May 31, 2020 other than as noted herein.

1.12 – Critical Accounting Estimates

The Company has outlined the basis of its critical accounting estimates in Note 3 of the May 31, 2020 Financial Statements.

1.13 – Changes in Accounting Policies

Adoption of new accounting standards

The Company adopted the following new accounting standard and interpretation:

IFRS 9 Financial Instruments (Amendments)

In October 2017, the International Accounting Standards Board (IASB) issued amendments to IFRS 9 *Financial Instruments*, incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in November 2017, to address the classification of certain prepayable financial assets.

The amendments clarify that a financial asset that would otherwise have contractual cash flows that are solely payments of principal and interest but do not meet that condition only as a result of a prepayment feature with negative compensation may be eligible to be measured at either amortized cost or fair value through other comprehensive income. This classification is subject to the assessment of the business model in which the particular financial asset is held as well as consideration of whether certain eligibility conditions are met.

The amendments are adopted on June 1, 2019. The adoption of this standard did not have material impact on the Company's financial statements or disclosures.

IFRS 16 Leases (New)

In January 2016, the International Accounting Standards Board (IASB) issued a new International Financial Reporting Standard (IFRS) on lease accounting which was incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in June 2016. IFRS 16 supersedes IAS 17 *Leases*, IFRIC 4 *Determining Whether an Arrangement Contains a Lease*, SIC-15 *Operating Leases - Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

**Management Discussion and Analysis
For the fiscal year ended May 31, 2020**

1.13 – Changes in Accounting Policies (cont'd...)

IFRS 16 introduces a single lessee accounting model that requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Lease assets and liabilities are initially recognized on a present value basis and subsequently, similarly to other non-financial assets and financial liabilities, respectively. The lessor accounting requirements are substantially unchanged and, accordingly, continue to require classification and measurement as either operating or finance leases. The new standard also introduces detailed disclosure requirements for both the lessee and lessor.

The amendments are adopted on June 1, 2019. The adoption did not have any impact on the Company's financial statements or disclosures.

IFRIC 23 Uncertainty over Income Tax Treatments (New)

In June 2017, the International Accounting Standards Board (IASB) issued a new International Financial Reporting Interpretations Committee (IFRIC) interpretation, incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in September 2017, to specify how to reflect the effects of uncertainty in accounting for income taxes. IAS 12 *Income Taxes* provides requirements on the recognition and measurement of current or deferred income tax liabilities and assets. However, it does not provide a specific requirement for the accounting for income tax when the application of tax law to a particular transaction or circumstance is uncertain. As a result, the interpretation aims to reduce the diversity in how entities recognise and measure a tax liability or tax asset when there is uncertainty over income tax treatments.

The amendments are adopted on June 1, 2019. The adoption did not have any impact on the Company's financial statements or disclosures.

Conceptual Framework for Financial Reporting (Amendment)

In March 2018, the International Accounting Standards Board (IASB) issued the revised Conceptual Framework for Financial Reporting, incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in October 2018. This revised Conceptual Framework replaces the previous version of the Conceptual Framework issued in 2010. The Conceptual Framework assists entities in developing accounting policies when no IFRS Standard applies to a particular transaction and helps stakeholders to more broadly and better understand the standards.

The revised Conceptual Framework includes the following clarifications and updates:

- A new chapter on measurement;
- Guidance on reporting financial performance;
- Improved definitions and guidance, particularly for the definition of a liability; and,
- Clarifications in important areas such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

The amendments are effective for annual periods beginning on or after January 1, 2020. The Company has not early adopted this standard and does not expect it to have a material impact on the Company's financial statements.

**Management Discussion and Analysis
For the fiscal year ended May 31, 2020**

1.13 – Changes in Accounting Policies (cont'd...)

IFRS 7 Financial Instruments: Disclosure (Amendment)

In September 2019, the International Accounting Standards Board (IASB) issued amendments to IFRS 7 *Financial Instruments: Disclosures*, which were incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in November 2019. The amendments to IFRS 7 arise as a result of amendments made to IAS 39 *Financial Instruments: Recognition and Measurement* and IFRS 9 *Financial Instruments* to provide temporary relief from applying specific hedge accounting requirements that could have resulted in the discontinuation of hedge accounting solely due to the uncertainty arising from interest rate benchmark reform. Accordingly, IFRS 7 has been amended to provide specific disclosure requirements regarding uncertainty arising from interest rate benchmark reform, which include:

- Significant interest rate benchmarks to which the entity's hedging relationships are exposed.
- The extent of the risk exposure the entity manages that is directly affected by the interest rate benchmark reform.
- How the entity is managing the process to transition to alternative benchmark rates.
- A description of significant assumptions or judgments the entity made.
- The nominal amount of the hedging instruments in those hedging relationships.

The amendments are effective for annual periods beginning on or after January 1, 2020. The Company has not early adopted this standard and does not expect it to have a material impact on the Company's financial statements.

IFRS 9 Financial Instruments (Amendments)

In September 2019, the International Accounting Standards Board (IASB) issued amendments to IFRS 9 *Financial Instruments*, which were incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in November 2019. The amendments provide temporary relief from applying specific hedge accounting requirements that could have resulted in the discontinuation of hedge accounting solely due to the uncertainty arising from interest rate benchmark reform.

The amendments are effective for annual periods beginning on or after January 1, 2020. Earlier application is permitted.

IAS 1 Presentation of Financial Statements (Amendment) and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment)

In October 2018, the International Accounting Standards Board (IASB) issued amendments to IAS 1 and IAS 8 which were incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in February 2019. The amendments clarify the definition of material and how it should be applied, as well as align the definition of material across IFRS standards and other publications. The amended definition of material states:

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The Company has not early adopted this standard and does not expect it to have a material impact on the Company's financial statements.

**Management Discussion and Analysis
For the fiscal year ended May 31, 2020**

1.13 – Changes in Accounting Policies (cont'd...)

IAS 39 Financial Instruments: Recognition and Measurement (Amendment)

In September 2019, the International Accounting Standards Board (IASB) issued amendments to IAS 39 *Financial Instruments: Recognition and Measurement*, which were incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in November 2019. The AcSB incorporated the amendments to IAS 39 into both the (when IFRS 9 application is deferred) version and the (when IFRS 9 is applied) version.

The amendments provide temporary relief from applying specific hedge accounting requirements that could have resulted in the discontinuation of hedge accounting solely due to the uncertainty arising from interest rate benchmark reform.

The amendments are effective for annual periods beginning on or after January 1, 2020. The Company has not early adopted this standard and does not expect it to have a material impact on the Company's financial statements.

1.14 – Financial Instruments and Other Instruments

Fair value of financial instruments

The Company applied the following fair value hierarchy which prioritizes the inputs used in the valuation methodologies in measuring fair value into three levels:

The three levels are defined as follows:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – inputs to valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Company's financial instruments are cash, accounts payable and accrued liabilities and due to related parties. All these financial instruments are carried on the statements of financial position at amortized cost. The fair values of these financial instruments approximate their carrying value due to their short-term nature.

The Company's financial instruments are exposed to certain financial risks, including liquidity risk, credit risk and interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they become due. Refer to Note 1 for further details related to the ability of the Company to continue as a going concern.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at May 31, 2020, the Company had a cash balance of \$524,187 (2019 - \$523,619) to settle amounts due to related parties, accounts payable and accrued liabilities of \$14,007 (2019 - \$Nil). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

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Management Discussion and Analysis For the fiscal year ended May 31, 2020

1.14 – Financial Instruments and Other Instruments (cont'd...)

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Company is exposed to credit-related losses in the event of non-performance by the counterparties. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date.

Cash is held with reputable banks in Canada. The long-term credit rating of these banks, as determined by Standard and Poor's, was A+.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. An immaterial amount of interest rate exposure exists in respect of cash balances on the statement of financial position. As a result, the Company is not exposed to material cash flow interest rate risk on its cash balances.

1.15 – Other MD&A Requirements

Share Capital

Disclosure of Outstanding Share Data

- a) Authorized: Unlimited common shares without par value
- b) Issued and outstanding:

As at May 31, 2020, 14,739,042 (May 31, 2019 – 10,601,500) common shares with no par value were issued and outstanding.

	Issue Price	Number of Shares	Proceeds
	\$		\$
Incorporation	-	-	-
Private placement	0.005	1,850,000	9,250
Private Placement – flow through	0.05	2,300,000	115,000
Private Placement	0.10	2,400,000	240,000
Total as at May 31, 2018		6,550,000	364,250
Initial Public Offering	0.20	2,776,500	555,300
Initial Public Offering - flow through	0.25	1,000,000	250,000
Flow through premium	-	-	(50,000)
Share issue costs	-	75,000	(200,749)
Issued for Olivine Mountain Property	0.175	200,000	35,000
Total as at May 31, 2019		10,601,500	953,801

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Management Discussion and Analysis For the fiscal year ended May 31, 2020

1.15 – Other MD&A Requirements (cont'd...)

Share Capital (cont'd...)

	Issue Price	Number of Shares	Proceeds
Total as at May 31, 2019		10,601,500	953,801
Flow-through units issued for cash	0.15	1,120,000	168,000
Shares issued per exercise of warrants	0.20	12,705	3,950
Shares issued pursuant to unit offering	0.15	2,729,837	388,329
Issued for Olivine Mountain Property	0.19	75,000	14,250
Issued for Alwin Project	0.19	200,000	38,000
Total as at May 31, 2020		14,739,042	1,563,451

Share transactions subsequent to fiscal year end (see “Subsequent Events”)

	Issue Price	Number of Shares	Proceeds
	\$		\$
Total as at May 31, 2020		14,739,042	1,563,451
Shares issued per exercise of warrants	0.20	835,365	167,073
Private placement	0.30	1,333,334	400,000
Total as at reporting date		16,907,741	2,130,524

During fiscal year ended May 31, 2020 the Company issued common shares of the Company as follows:

- On November 4, 2019, the Company completed an oversubscribed non-brokered private placement offering by issuance of 1,120,000 flow-through units (“FT Unites”) at a price of \$0.15 per FT Unit for gross proceeds of \$168,000. Each FT Unit consists of one common share in the capital of the Company issued on a “CEE flow-through” basis pursuant to the Income Tax Act (Canada) and one transferable non-flow through common share purchase warrant (“Warrant”). Each whole warrant entitles the holder to purchase one non flow-through common share of the Company exercisable at a price of \$0.20 for a period of 24 months from the date of issuance subject to an acceleration clause. The units issued were issued at a price lower than the market trading price on their respective issuance date. Accordingly, \$nil was allocated to reserves or flow-through share premium liability as fair value for the warrants under the residual value method.
- On November 26, 2019, the Company issued 12,705 common shares pursuant to the exercise of agent warrants at a price of \$0.20 per common share for gross proceeds of \$2,541. The fair value of the agent warrants issued was calculated using the Black-Scholes Option Pricing Model was \$3,950.
- On February 11, 2020, the Company issued 200,000 common shares pursuant to the option agreement of the Alwin Project at a fair value of \$0.19 per common share.
- On February 11, 2020, the Company issued 75,000 common shares pursuant to the option agreement of the Olivine Mountain Property at a fair value of \$0.19 per common share.

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Management Discussion and Analysis For the fiscal year ended May 31, 2020

1.15 – Other MD&A Requirements (cont'd...)

Share Capital (cont'd...)

- On May 21, 2020, the Company issued 2,729,837 units pursuant to a private placement at a price of \$0.15 per unit for gross proceeds of \$409,475. Each unit is comprised of one common share and one-half of one transferable common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.20 per share on or before May 21, 2022. The Company paid an aggregate cash finder's fees of \$12,147 and issued 80,979 non-transferable finder warrants to certain brokers on a portion of the private placement. The finder warrants have the same terms as the share purchase warrants.

During the year ended May 31, 2019, the Company issued common shares of the Company as follow:

- On November 29, 2018, the Company completed an Initial Public Offering ("IPO", "Offering"), whereby the Company issued an aggregate of 2,776,500 Shares of the Company at a price of \$0.20 per Share for gross proceeds of \$555,300 and 1,000,000 flow-through common shares of the Company (the "FT Shares") at a price of \$0.25 per FT Share for gross proceeds of \$250,000. Each FT Share is a Share of the Company that qualifies as a "flow-through share" within the meaning of the Tax Act.

The Company paid the agent a cash commission of \$64,424, a corporate finance fee of \$15,000, and issued 75,000 common shares. Upon the closing of IPO, the Company also issued 302,120 warrants to the agent at fair value of \$33,512. Remaining share issue costs of \$113,190 were incurred for legal, accounting and filing fees associated with the IPO.

- On February 12, 2019, the Company issued 200,000 common shares pursuant to the option agreement of the Olivine Mountain Property at a fair value of \$0.175 per common share.

c) Escrow Shares

As at May 31, 2020 the Company has 2,947,500 (2019 - 4,912,500) common shares held in escrow. Common shares held in escrow are released as follows:

- 10% were released on the date the Company's securities were listed on a Canadian exchange (655,000 released on November 29, 2018); and
- 15% (982,500 common shares) released every six months thereafter, subject to acceleration provisions provided for in National Policy 46-201 – *Escrow for Initial Public Offerings*.

d) Flow-through shares

On November 29, 2018, the Company completed an initial public offering of its shares and issued 1,000,000 common shares on a flow-through basis at a price of \$0.25 per share for gross proceeds of \$250,000 (see Note 5b) and recognized a premium liability on flow-through shares of \$50,000.

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Management Discussion and Analysis For the fiscal year ended May 31, 2020

1.15 – Other MD&A Requirements (cont'd...)

Share Capital (cont'd...)

The Company incurred and renounced \$80,000 as of December 31, 2018 and the remaining \$170,000 was renounced under look-back rule effective on December 31, 2018. As at May 31, 2020, the Company has incurred additional qualified expenditures of \$170,000 (May 31, 2019 - \$49,000). The Company has \$nil (May 31, 2019 - \$121,000) unspent flow-through proceeds. As of May 31, 2019, the expenditures resulted in a \$25,740 reversal of the flow-through share premium liability and the flow-through share premium liability is \$24,260. The additional expenditures incurred during the fiscal year ended May 31, 2020 resulted in the reversal of the remaining \$24,260 flow-through share premium liability which has been recorded as deferred tax recovery.

On November 4, 2019, the Company issued 1,120,000 common shares on a flow-through basis at a price of \$0.15 per share for gross proceeds of \$168,000 (see Note 6b). The Company renounced \$103,443 of the expenditures incurred and renounce the balance of \$64,557 unspent funds under the look-back rules as of December 31, 2019. As of May 31, 2020, the Company has incurred approximately \$108,000 of qualified expenditures. The Company has approximately \$60,000 unspent flow-through proceeds.

e) Warrants

The following is a summary of warrant transactions for the years ended May 31, 2020 and 2019:

	May 31, 2020		May 31, 2019	
	Number of warrants	Weighted average exercise price \$	Number of warrants	Weighted average exercise price \$
Warrants outstanding, beginning of the year	302,120	0.20	-	-
Agent warrants issued and exercisable on or before November 29, 2020	-	-	302,120	0.20
Agent warrants exercised during year	(12,705)	0.20	-	-
Warrants issued pursuant to flow-through unit offering and exercisable on or before November 4, 2021	1,120,000	0.20	-	-
Finder warrants issued and exercisable on or before May 21, 2022	80,979	0.20	-	-
Warrants issued pursuant to private placement and exercisable on or before May 21, 2022	1,364,920	0.20	-	-
Warrants outstanding, end of the year	2,855,314	0.20	302,120	0.20

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Management Discussion and Analysis For the fiscal year ended May 31, 2020

1.15 – Other MD&A Requirements (cont'd...)

Share Capital (cont'd...)

* Acceleration clause: if after four months from the date of issue, the closing price of the common shares of the Company on any stock exchange or quotation system on which the common shares are then listed or quoted is equal to or greater than \$0.40 for a period of ten (10) consecutive trading days at any time prior to the Expiry Time, the Company will have the right to accelerate the Expiry Time of the Warrants by giving notice to the holder of the Warrants by news release or other form of notice permitted by the certificate representing the Warrants that the Warrants will expire at 4:30 p.m. Vancouver time) on a date that is not less than fifteen (15) days from the date notice is given.

Warrants outstanding and exercisable as at May 31, 2020 are as follow

Number of warrants outstanding	Exercise price per option	Years to expiry	Expiry date
	\$		
289,415	0.20	0.50	November 29, 2020
1,120,000	0.20	1.43	November 4, 2021
1,445,899	0.20	1.97	May 21, 2022
2,855,314	0.20	1.61	

As at May 31, 2020, the warrants have a weighted average remaining life of 1.61 years (May 31, 2019 – 1.50 years).

Warrants transactions subsequent to fiscal year end (see “Subsequent Events”)

	Number of warrants	Weighted average exercise price
		\$
Warrants outstanding, May 31, 2020	2,855,314	0.20
Warrants exercised during the period	(835,365)	0.20
Warrants outstanding, at reporting date	2,019,949	0.20

For the year ended May 31, 2019, the fair value of 302,120 agent's warrant granted was calculated using Black-Sholes option pricing model for a cumulative total of \$33,512, which was recorded against contributed surplus. On November 26, 2019, 12,705 of the agent warrants were exercised. As at May 31, 2020, there is 289,415 agent warrants outstanding and exercisable. The following assumptions were used in the Black-Sholes model to determine the fair value of the warrants granted were as follows:

Risk-free interest rate	2.19%
Expected dividend yield	-
Expected volatility	105.50%
Expected terms in years	2 years

GSP RESOURCE CORP.

Management Discussion and Analysis For the fiscal year ended May 31, 2020

1.15 – Other MD&A Requirements (cont'd...)

Share Capital (cont'd...)

The fair value of 80,979 finder warrant granted was calculated using Black-Sholes option pricing model for a cumulative total of \$11,879, which was recorded against contributed surplus. The following assumptions were used in the Black-Sholes model to determine the fair value of the warrants granted were as follows:

Risk-free interest rate	0.30%
Expected dividend yield	-
Expected volatility	156.87%
Expected terms in years	2 years

f) Stock options

The Company's Plan allows the directors to grant stock options to directors, officers, employees and consultants to purchase up to a total of 10% of the issued and outstanding common shares, provided that stock options in favour of any one individual may not exceed 5% of the issued and outstanding common shares, calculated at the date of the grant. No more than an aggregate of 2% of the issued shares of the Company, calculated at the date the option is granted, may be granted to all employees, and no more than an aggregate of 2% may be granted to all employees and/or consultants conducting investor relates activities. No stock option granted under the Plan is transferable by the optionee other than by will or the laws of descent and distribution, and each stock option is exercisable during the lifetime of the optionee only by such optionee.

The exercise price of all stock options granted under the Plan must not be less than the Discounted Market Price (the last closing price of the listed shares before the date of the grant less the applicable discount), and the maximum term of each stock option may not exceed ten years. Vesting is provided at the discretion of the directors and once vested; options are exercisable at any time.

Stock options outstanding and exercisable as at May 31, 2020 are as follow

Number of options outstanding	Number of options exercisable	Exercise price per option	Years to expiry	to Expiry date
		\$		
900,000	900,000	0.20	3.50	November 29, 2023
50,000	50,000	0.20	4.35	October 4, 2024
100,000	100,000	0.20	4.42	October 30, 2024
75,000	75,000	0.20	4.79	January 29, 2025
1,125,000	1,125,000	0.20	3.70	

As at May 31, 2020, the options have a weighted average remaining life of 3.70 years (May 31, 2019 – 4.53 years).

GSP RESOURCE CORP.

Management Discussion and Analysis For the fiscal year ended May 31, 2020

1.15 – Other MD&A Requirements (cont'd...)

Share Capital (cont'd...)

The following is a summary of agents' and finder warrant transactions for the years ended May 31, 2020 and 2019:

	May 31, 2020		May 31, 2019	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning year	975,000	0.20	-	-
Granted and expiring on or before November 29, 2024	-	-	900,000	0.20
Granted and expiring on or before April 11, 2024	-	-	75,000	0.20
Cancelled and expired during fiscal 2020	(75,000)	0.20	-	-
Granted and expiring on or before October 4, 2024	50,000	0.20	-	-
Granted and expiring on or before October 30, 2024	100,000	0.20	-	-
Granted and expiring on or before January 29, 2025	75,000	0.20	-	-
Options outstanding, end of year	1,125,000	0.20	975,000	0.20

As at May 31, 2020, the warrants have a weighted average remaining life of 3.70 years (May 31, 2019 – 4.53 years).

Options issued subsequent to fiscal year end (see “Subsequent Events”)

	Number of options	Weighted average exercise price
Options outstanding, May 31, 2020	1,125,000	\$0.20
Granted and expiring on or before August 17, 2025	490,000	\$0.32
Options outstanding, end of reporting date	1,615,000	\$0.24

On November 29, 2018, the Company granted 900,000 incentive stock options to directors, officers, and consultants, vesting immediately and expire on or before November 29, 2023 at a price of \$0.20 per share. The fair value of the options granted was calculated using Black-Scholes option pricing model for a cumulative total of \$157,538, which was recorded as stock-based compensation expense in the statement of loss and comprehensive loss.

GSP RESOURCE CORP.

Management Discussion and Analysis For the fiscal year ended May 31, 2020

1.15 – Other MD&A Requirements (cont'd...)

Share Capital (cont'd...)

On April 11, 2019 the Company granted 75,000 incentive stock options to a consultant, exercisable on or before April 11, 2024 at a price of \$0.20 per share. 25% vested immediately and 25% vests every three months thereafter. The fair value of the options granted was calculated using Black-Scholes option pricing model. The Company recorded \$5,069 as stock-based compensation expense in the statements of loss and comprehensive loss. As of May 31, 2019 – 18,750 options were exercisable. As of May 31, 2020, all 75,000 of these options have been cancelled.

On October 30, 2019, the Company granted 100,000 incentive stock options to a consultant, exercisable on or before October 30, 2024 at a price of \$0.20 per share. 50% vested immediately and 50% vested on January 30, 2020.

On January 29, 2020, the Company granted 75,000 incentive stock options to a consultant, vesting immediately and exercisable on or before January 29, 2025 at a price of \$0.20 per share.

The following assumptions were used in the Black-Scholes model to determine the fair value of the options granted during the year ended May 31, 2020 and 2019:

	May 31, 2020	May 31, 2019
Risk-free interest rate	1.32% to 1.46%	1.36% to 2.23%
Expected dividend yield	-	-
Expected Volatility	153.62% to 158.13%	129.40% to 134.70%
Expected terms in years	5 years	5 years

During the year ended May 31, 2020 the Company recorded stock-based compensation in the amount of \$35,922 (2019 - \$162,607).

1.16 – Subsequent events

The Company entered into an amended letter agreement with] Full Metal Mineral Ltd. to extend the acceptance date of the agreement to August 28, 2020, provided that so long as Full Metal is using commercially reasonable efforts to obtain such acceptance, Full Metal may elect to extend the termination date for up to two 30 day periods. See “Olivine Property”.

On July 30, 2020, the Company issued 1,333,334 common shares pursuant to a private placement at \$0.30 per share for gross proceeds in the amount of \$400,000.

On August 17, 2020, the Company granted 490,000 incentive stock options to directors, officers and consultants, vesting immediately and exercisable on or before August 17, 2025 at a price of \$0.32 per share.

Subsequent to May 31, 2020 the Company issued an additional 835,365 common shares pursuant to the exercise of warrants at \$0.20 per share for proceeds in the amount of \$167,073.

1.17 – Commitments

See “Exploration and Evaluation Assets” and “Related Party Transactions”.

GSP RESOURCE CORP.

Management Discussion and Analysis For the fiscal year ended May 31, 2020

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS OR IPO VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE AND JUNIOR ISSUERS

See “1.2 – Overall Performance – Olivine Mountain Property and Alwin Property” for a breakdown of the material components of exploration and evaluation assets expenditures.

See “1.4 – Results of Operations” for a breakdown of the material components of general and administrative expenditures.

RISK FACTORS AND UNCERTAINTIES

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties, currently in British Columbia, Canada. Due to the nature of the Company’s business and the present stage of exploration of its mineral properties (which are primarily early stage exploration properties with no known resources or reserves), many risk factors will apply. The risks described below are not the only ones facing the Company. Additional risks not presently known to the Company may also impair the business operations.

Going Concern and 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. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, 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.

Insufficient Financial Resources

The Company does not presently have sufficient financial resources to meet obligations when they become due, undertake by itself the acquisition, exploration and development of all of its planned acquisition, exploration and development programs. Future property acquisitions and 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, short or long term borrowings or other means. There is 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.

General Economic Conditions

The recent events in global financial markets have had a profound impact on the global economy. 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. These factors could have a material adverse effect on the Company’s financial condition and results of operations.

Share Price Volatility

There can be no assurance that an active trading market in our securities will be established and sustained. The market price for our securities could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of our peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of our Company. The stock market has from time to time experienced extreme price and volume fluctuations, particularly in the mining sector, which have often been unrelated to the operating performance of particular companies.

**Management Discussion and Analysis
For the fiscal year ended May 31, 2020**

Dependence on 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 mineral properties; (ii) the ability to produce minerals from any mineral 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. 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.

Government Regulation

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to prospecting, development, production, environmental protection, mining taxes, labor standards, property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Competition

The Company's business of the acquisition, exploration and development of mineral properties is intensely competitive. The Company may be at a competitive disadvantage in acquiring additional mining properties because it must compete with other individuals and companies, many of which have greater financial resources, operational experience and technical capabilities than the Company. Increased competition could adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future.

Fluctuation of Metal Prices

Even if commercial quantities of mineral deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the metals produced. 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.

Title Matters

Although the Company has taken steps to verify the title to the mineral properties in which it has or has a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to mineral properties may be subject to unregistered prior agreements or transfers and may also be affected by undetected defects or the rights of indigenous peoples. Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties for which titles have been issued are in good standing.

Uncertainty of Resource Estimates/Reserve

Unless otherwise indicated, mineralization figures presented in the Company's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time are based upon estimates made by Company personnel and independent geologists. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable.

**Management Discussion and Analysis
For the fiscal year ended May 31, 2020**

Limited Experience

The Company has very limited experience in placing mineral resource properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that the Company will have available to it the necessary expertise when and if it places its resource properties into production.

Speculative Business

Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. The marketability of natural resources that 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. There is no known resource, and there are no known reserves, on any of the Company's properties.

Permits and Licenses

The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out its projects, on reasonable terms or at all. Delays, or a failure to obtain such licenses and permits, or a failure to comply with the terms of any such licenses and permits that the Company does obtain, could have a material adverse effect on the Company.

Dilution to the Company's Existing Shareholders

The Company will require additional equity financing to be raised in the future. The Company may issue securities at 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.