

**Management Discussion and Analysis
For the three months ended August 31, 2021**

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 August 31, 2021. 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.

1.1 – Date and Basis of Discussion & Analysis

This management discussion and analysis ("MD&A") is dated as of October 26 2021 and should be read in conjunction with the unaudited interim financial statements of GSP Resources Corp for the three months ended August 31, 2021 and the audited financial statements of GSP Resource Corp for the years ended May 31, 2021 and May 31, 2020. The condensed interim financial statements are prepared in compliance with International Financial Reporting Standard 34 – *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations

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 October 26 2021

GSP RESOURCE CORP.

Management Discussion and Analysis For the three months ended August 31, 2021

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.

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.

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 three months ended August 31, 2021 the Company reported a net loss of \$(116,749), cash used in operating activities of \$85,809, and an accumulated deficit of \$(1,134,530). For the fiscal year ended May 31, 2021, the Company reported a net loss of \$(494,330), cash used in operating activities of \$375,302, and an accumulated deficit of \$(1,017,781). 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 three months ended August 31, 2021 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 three months ended August 31, 2021, the Company incurred exploration and evaluation assets expenditures in the amount of \$436,473 (2020 - \$8,943). 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.

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1.2 – Overall Performance (continued)

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

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.

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. Each unit consists of one common share and one common share purchase warrant. Each Warrant entitles the holder to purchase one common share of the Company at a price of \$0.45 per share on or before July 30, 2023.

On November 16, 2020 the Company issued 1,375,000 common shares pursuant to a private placement at \$0.40 per unit for gross proceeds in the amount of \$550,000. Each unit consists of one flow-through common share and one-half of one transferable nonflow-through common share purchase warrant. Each whole Warrant entitles the holder to purchase one common share of the Company at a price of \$0.50 per share on or before November 16, 2022. The 687,500 warrants were fair valued at \$41,250. In connection with the closing of the Private Placement, the Company paid aggregate cash finder fees of \$29,750 and issued 96,250 non-transferable finders warrants at a value of \$20,000 to certain brokers, having the same terms as the Warrants. The units issued were issued at a price lower than the market trading price on the 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 January 19, 2021, the Company issued 200,000 common shares pursuant to the option agreement of the Alwin Project at a fair value of \$0.30 per common share.

During the fiscal year ended May 31, 2021 the Company issued an additional 1,199,898 common shares pursuant to the exercise of warrants at \$0.20 per share for proceeds in the amount of \$239,980. The fair value of the shares issued pursuant to the exercise of finder and agent warrants was calculated using the Black-Scholes Option Pricing Model was \$34,390.

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1.2 – Overall Performance (cont'd...)

Financing (cont'd...)

On July 14, 2021 the Company issued 999,999 units at a price of \$0.35 per unit for gross proceeds of \$350,000 as a first tranche of a flow-through share financing, and recognized a flow-through share premium of \$37,850. On August 24, 2021, the Company issued an additional 300,000 units as a second tranche. Each unit consists of one flow-through common share and one-half of one transferable common share purchase warrant. Each whole warrant entitles the holder to purchase one non-flow-through common share of the Company at a price of \$0.50 per share for a period of three years. The 649,999 warrants were fair valued at \$93,150 The Company paid cash finders fees in the amount of \$21,700 and issued 61,999 non-transferable finder's warrants at a value of \$8,950 to certain brokers, having the same terms as the warrants.

On June 7, 2021, the Company issued an additional 30,167 common shares pursuant to the exercise of warrants at \$0.20 per share for proceeds in the amount of \$6,033.

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 \$50,000 is paid), issue 4,500,000 of the Company's common shares (of which 400,000 are issued) 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. 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.

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Management Discussion and Analysis For the three months ended August 31, 2021

1.2 – Overall Performance (cont'd....)

Exploration and evaluation Assets (cont'd...)

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 February 29, 2020), issue 275,000 of the Company's common shares (of which 275,000 are issued) and incur aggregate minimum exploration expenditure of \$300,000 on the Olivine Property (all of which has been incurred) as follows:

	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), (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 (paid)	\$ 25,000	-	-
	<u>\$ 80,000</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 TSX Venture Exchange accepted for filing an option agreement dated Feb. 24, 2020 (as amended on July 30, 2020, Aug. 28, 2020, Dec. 15, 2020, Feb. 1, 2021, and March 12, 2021), between Full Metal Minerals Ltd. and the Company, whereby Full Metal Minerals Ltd. has been granted an option to acquire 60 per cent of the Company's right, title and interest in and to the Olivine Mountain property in British Columbia for consideration in the amount of \$515,000 in cash (\$65,000 in the first year) and the issuance of 350,000 shares (125,000 shares in the first year) over four years. The exploration expenditures will be \$500,000 over four years (nil in the first year). Full Metal Minerals Ltd. has completed the first cash payment of \$40,000 and issued 100,000 shares to the Company pursuant to the payment schedule in the option agreement.

As at August 31, 2021, the 100,000 common shares of Full Metal Minerals Ltd. are valued at a quoted market price of \$0.20 per share (May 31, 2021 - \$0.43) for a total of \$20,000 (May 31, 2021 - \$43,000). During the three months ended August 31, 2021, the Company recognized an unrealized loss on marketable securities of \$23,000.

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**Management Discussion and Analysis
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1.2 – Overall Performance (cont'd...)

Expenditures related to the properties can be summarized as follows:

	May 31, 2020	Additions	May 31, 2021	Additions	August 31, 2021
	\$	\$	\$	\$	\$
Acquisition costs					
Alwin Project					
Property option payments - cash	25,000	25,000	50,000	-	50,000
Property option payments - shares	38,000	60,000	98,000	-	98,000
	63,000	85,000	148,000	-	148,000
Olivine Property					
Property option payments - cash	55,000	25,000	80,000	-	80,000
Property option payments - shares	49,250	-	49,250	-	49,250
Other claims - cash	991	-	991	-	991
Property option -proceeds from disposition	-	(48,000)	(48,000)	-	(48,000)
	105,241	(23,000)	82,241	-	82,241
	168,241	62,000	230,241	-	230,241
Exploration costs					
Alwin Project					
Drilling	-	356,487	356,487	259,592	616,079
Environmental consulting	-	1,230	1,230	-	1,230
Fieldwork	-	14,500	14,500	6,750	21,250
Geological consulting	5,694	127,137	132,831	76,872	209,703
Laboratory and analysis	-	32,996	32,996	29,058	62,054
Technical consulting	-	30,195	30,195	57,430	87,625
Travel, supplies and field expenses	1,203	24,500	25,703	6,771	32,474
	6,897	587,045	593,942	436,473	1,030,415
Olivine Property					
Airborne geophysical survey	85,000	-	85,000	-	85,000
Assessment report	8,564	-	8,564	-	8,564
Core cutting	8,050	-	8,050	-	8,050
Drilling	122,683	-	122,683	-	122,683
Fieldwork	7,609	-	7,609	-	7,609
Geological consulting	19,239	-	19,239	-	19,239
Geological survey	1,375	-	1,375	-	1,375
Laboratory analysis	67,202	900	68,102	-	68,102
Mobilization	8,467	-	8,467	-	8,467
Permitting	3,550	-	3,550	-	3,550
Project management	28,109	-	28,109	-	28,109
Road clearing	1,000	-	1,000	-	1,000
Soil sampling	36,315	-	36,315	-	36,315
Technical report	23,792	-	23,792	-	23,792
Travel, supplies and field expenses	79,097	-	79,097	-	79,097
	500,052	900	500,952	-	500,952
	506,949	587,945	1,094,894	-	1,531,367
Balance, end of period	675,190	649,945	1,325,135	436,473	1,761,608

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1.3 – Selected Annual Information

As at	May 31, 2021	May 31, 2020	May 31, 2019
	\$	\$	\$
Current Assets	820,067	609,223	551,913
Exploration and Evaluation Assets	1,325,135	675,190	368,408
Reclamation bond	27,000	12,105	-
Total Assets	2,172,202	1,296,518	920,321
Current Liabilities	22,930	14,007	24,260
Total liabilities	22,930	14,007	24,260
Shareholders' Capital	2,756,821	1,563,451	953,801
Reserves	410,232	242,511	196,119
Deficit	(1,017,781)	(523,451)	(253,859)
Shareholders' Equity	2,149,272	1,282,511	896,061
Total Liabilities and Shareholders' Equity	2,172,202	1,296,518	920,321

1.4 – Results of Operations

	Three Months Ended August 31, 2021	Three Months Ended August 31, 2020
	\$	\$
General and administrative expenses		
Business development	-	25,000
Insurance	1,500	1,000
Management fees	30,000	21,000
Office and miscellaneous	1,921	2,626
Professional fees	11,750	6,560
Regulatory and transfer agent fees	5,670	5,667
Rent	3,000	2,500
Shareholder information	35,615	33,544
Stock based compensation	-	130,265
Travel and promotion	4,293	2,334
Website	-	300
Loss before income taxes	93,749	230,796
Unrealized loss on marketable securities	23,000	
Net loss and comprehensive loss for the period	116,749	230,796

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1.4– Results of Operations (cont'd...)

Operations during the three months ended August 31, 2021 and 2020 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 three months ended August 31, 2021, the Company incurred operating expenses of \$116,749 (2020 - \$230,796).

The Company incurred business development and consulting fees in the amount of \$Nil (2020 - \$25,000 including \$5,000 to Tri-ventures Capital Corp, a company controlled by a director of the Company (Jordan Trimble) for corporate development and strategic planning). (See “Related Party Transactions”).

The Company acquired Director and Officer Liability Insurance during the year and expensed \$1,500 (2020 - \$1,000) to operations.

The Company incurred management fees paid to Simon Dyakowski, the Company’s Chief Executive Officer, of \$22,500 (2020 - \$15,000) and management fees in the amount of \$7,500 (2020 - \$6,000) paid to Max Investments Inc, a company controlled by Christopher Dyakowski, a Director and Chairman of the Board. (See “Related Party Transactions”).

Office and miscellaneous expenditures were incurred for bank fees and interest, general office and telephone expenses in the amount of \$1,921 (2020 - \$2,626) in connection with the maintenance of its office.

Professional fees of \$11,750 (2020 - \$6,560) included fees for legal and corporate services of \$7,250 (2020 - \$2,060) and fees paid to the Company’s Chief Financial Officer for services rendered to the Company in the amount of \$4,500 (2020 - \$4,500).

Regulatory fees paid to maintain the Company’s listing on the TSX Venture Exchange amounted to \$5,670 (2020 - \$4,050) and fees paid for transfer agent fees amounted to \$Nil (2020 - \$1,617).

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 and further amended to \$1,000 commencing August 1, 2020). Rent incurred during the three months ended August 31, 2021 was \$3,000 (2020 - \$2,500).

The Company incurred \$35,610 (2020 - \$33,544) for advertising, news releases and 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 three months ended August 31, 2021, was \$Nil (2020 - \$130,265). (See “Stock Options”).

During the three months ended August 31, 2021 the Company incurred \$4,293 (2020 - \$2,334) for business meetings, travel and promotion

Fees incurred for the maintenance of the Company’s website during the three months ended August 31, 2021 was \$Nil (2020 - \$300).

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1.4 – Results of Operations (cont'd...)

During the three months ended August 31, 2021, the Company received marketable securities as consideration for the partial disposition of its mineral interests. See “Olivine Property”. The fair value of those marketable securities at August 31, 2021 was \$20,000 (May 31, 2021 - \$43,000). During the three months ended August 31, 2021, the Company recognized an unrealized loss on marketable securities in the amount of \$23,000.

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, 2022	May 31, 2022 \$	February 28, 2022 \$	November 30, 2021 \$	August 31, 2021 \$
Sales or Revenue				-
Income (loss)				(116,748)
Income (loss) per common share (Basic and Diluted)				(0.01)
Fiscal quarters ended in Fiscal year ended May 31, 2021	May 31, 2021 \$	February 29, 2021 \$	November 30, 2020 \$	August 31, 2020 \$
Sales or Revenue			-	-
Income (loss)	(64,078)	(83,301)	(116,155)	(230,796)
Income (loss) per common share (Basic and Diluted)	(0.00)	(0.01)	(0.01)	(0.01)
Fiscal quarters ended in Fiscal year ended May 31, 2020	May 31, 2020 \$	February 29, 2020 \$	November 30, 2019 \$	
Sales or Revenue	-	-	-	
Income (loss)	(86,801)	(68,734)	(72,287)	
Income (loss) per common share (Basic and Diluted)	(0.01)	(0.00)	(0.01)	

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Management Discussion and Analysis For the three months ended August 31, 2021

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 August 31, 2021, the Company had a cash balance of \$625,430 (May 31, 2021 - \$708,380) to settle due to related parties, accounts payable and accrued liabilities of \$11,982 (May 31, 2021) - \$22,930). 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 three months ended August 31, 2021, cash used in operating activities was \$85,809 (2020 - \$83,046), cash used in investing activities was \$436,474 (2020 - \$23,943), cash derived from financing activities was \$439,333 (2020 - \$421,120).

Shareholder's equity as of August 31, 2021, was \$2,434,006 (May 31, 2021 - \$2,149,272). The Company will need to raise additional sources of funding to maintain operations at the currently level. During the three months ended August 31, 2021, the Company raised \$439,333, net of share issuance costs, through the issue of common shares. \$433,300 of which was raised pursuant to the issuance of flow-through shares, and \$6,033 pursuant to the exercise of warrants (see "Share Capital"). During the three months ended August 31, 2020, the Company raised \$400,000, pursuant to the issuance of private placement units (consisting common shares and warrants), and \$21,280 pursuant to the exercise of warrants (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 August 31, 2021 are primarily its cash of \$625,430 (May 31, 2021 - \$708,380). 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 August 31, 2021, there were no off-balance sheet arrangements to which the Company was committed.

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1.9 – Transactions with Related Parties

During the three months ended August 31, 2021, the Company had the following related party transactions and balances:

- (a) 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 (amended to \$2,500 commencing April 1, 2021).
- The Company paid \$6,750 (2020 - \$Nil) to Max Investments Inc. for fieldwork related to the Alwin Property. Such amounts are included in Exploration and Evaluation Assets..
 - Included in due to related parties as of August 31, 2021 is \$1,321 (May 31, 2021 - \$2,112) due to Christopher Dyakowski for expenses incurred on behalf of the Company.
- (b) The Company entered into 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 and to \$7,500 commencing April 1, 2021). During the three months ended August 31, 2021 the Company paid management fees in the amount of \$22,500 (2020 - \$15,000) to the Company’s Chief Executive Officer.
- Included in due to related parties as of August 31, 2021 is \$Nil (May 31, 2021 - \$2,112) due to Simon Dyakowski for expenses incurred on behalf of the Company.
- (c) Included in professional fees is \$4,500 (2020 - \$4,500) paid or accrued during the three months ended August 31, 2021 to the Company’s Chief Financial Officer (Kenneth Phillippe) for services rendered to the Company.
- Included in accounts payables and accrued liabilities as at August 31, 2021 is \$9,000 (May 31, 2021 - \$9,000).
- (d) During the year ended May 31, 2021, the Company granted 450,000 incentive stock options to its directors and officers, of which \$119,631 was included in the amount of stock-based compensation recorded in the statements of loss and comprehensive loss. (See Stock Options”).
- (e) Included in business development expense is a consulting fee in the amount of \$Nil (2020 - \$5,000) paid to a company controlled by a director of the Company (Jordan Trimble)..

On August 20, 2020, , the Company granted 490,000 incentive stock options to directors, officers and consultants and expensed \$130,265 to operations as stock-based compensation. (See “Stock Options”). Stock based compensation allocable to directors and officers accounted for 450,000 of those options is as follows:

Directors and officers	Position	# of options	Stock based compensation
Simon Dyakowski	CEO & Director	200,000	\$ 53,169
Christopher Dyakowski	Director	100,000	26,585
Kenneth Phillippe	CFO	50,000	13,292
Jordan Trimble	Director	50,000	13,292
Justin Kates	Director	150,000	13,292
		450,000	\$ 119,631

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

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.

1.10 – Fiscal Quarter ended August 31, 2021

Refer to 1.4 – Results of Operations for the fiscal quarter ended August 31, 2021. During the fiscal quarter the Company incurred \$436,473 (2020 - \$8,943) for exploration expenditures. See “Exploration and Evaluation Assets”.

1.11 – Proposed Transactions

The Company has no pending or proposed transactions as of August 31, 2021, 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 August 31, 2021 Financial Statements.

1.13 – Changes in Accounting Policies

Adoption of new accounting standards

The Company adopted the following new accounting standard and interpretation:

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 adopted on June 1, 2020. The adoption did not have any impact on the Company’s financial statements or disclosures.

**Management Discussion and Analysis
For the three months ended August 31, 2021**

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. The amendments are effective for annual periods beginning on or after January 1, 2020. Earlier application is permitted. The amendments are adopted on June 1, 2020. The adoption did not have any impact on the Company's financial statements or disclosures.

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 were adopted on June 1, 2020. The adoption did not have any impact on the Company's financial statements or disclosures.

New accounting standards issued but not yet effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC; however, none have been identified as applicable or consequential to the Company.

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.

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For the three months ended August 31, 2021**

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

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 of the financial statements 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 August 31, 2021, the Company had a cash balance of \$625,430 (May 31, 2021 - \$708,380) to settle amounts due to related parties, accounts payable and accrued liabilities of \$11,922 (May 31, 2021 - \$22,930). 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.

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.

GSP RESOURCE CORP.

Management Discussion and Analysis For the three months ended August 31, 2021

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 August 31, 2021, 20,177,440 (May 31, 2021 – 18,847,274) common shares with no par value were issued and outstanding.

	Number of Shares	Amount
	\$	\$
Total as at May 31, 2020	14,739,042	1,563,451
Shares issued per exercise of warrants	105,602	23,960
Private placement	1,333,334	400,000
Total as of August 31, 2020	16,177,978	1,987,411
Flow-through units issued for cash, net of issuance costs	1,375,000	459,000
Shares issued for mineral property	200,000	60,000
Shares issued per exercise of warrants	1,094,298	250,410
As at May 31, 2021	18,847,274	2,756,821
Flow-through units issued for cash, net of issuance costs	1,299,999	331,200
Flow-through share premium	-	(37,850)
Shares issued per exercise of warrants	30,167	6,033
As at August 31, 2021	20,177,440	3,056,204

During the three months ended August 31, 2021, the Company issued common shares of the Company as follows:

- On July 14, 2021 the Company issued 999,999 units at a price of \$0.35 per unit for gross proceeds of \$350,000 as a first tranche of a flow-through share financing, and recognized a flow-through share premium of \$37,850. On August 24, 2021, the Company issued an additional 300,000 units as a second tranche. Each unit consists of one flow-through common share and one-half of one transferable common share purchase warrant. Each whole warrant entitles the holder to purchase one non-flow-through common share of the Company at a price of \$0.50 per share for a period of three years. The 649,999 warrants were fair valued at \$93,150 The Company paid cash finders fees in the amount of \$21,700 and issued 61,999 non-transferable finder's warrants at a value of \$8,950 to certain brokers, having the same terms as the warrants.
- The Company issued an additional 30,167 common shares pursuant to the exercise of warrants at \$0.20 per share for proceeds in the amount of \$6,033.

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Management Discussion and Analysis For the three months ended August 31, 2021

1.15 – Other MD&A Requirements

Share Capital (cont'd...)

During the year ended May 31, 2021, the Company issued common shares of the Company as follows:

- 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. Each unit consists of one common share and one common share purchase warrant. Each Warrant entitles the holder to purchase one common share of the Company at a price of \$0.45 per share on or before July 30, 2023.
- On November 16, 2020 the Company issued 1,375,000 common shares pursuant to a private placement at \$0.40 per unit for gross proceeds in the amount of \$550,000. Each unit consists of one flow-through common share and one-half of one transferable nonflow-through common share purchase warrant. Each whole Warrant entitles the holder to purchase one common share of the Company at a price of \$0.50 per share on or before November 16, 2022. The 687,500 warrants were fair valued at \$41,250. In connection with the closing of the Private Placement, the Company paid aggregate cash finder fees of \$29,750 and issued 96,250 non-transferable finders warrants at a value of \$20,000 to certain brokers, having the same terms as the Warrants. The units issued were issued at a price lower than the market trading price on the 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 January 19, 2021, the Company issued 200,000 common shares pursuant to the option agreement of the Alwin Project at a fair value of \$0.30 per common share.
- The Company issued an additional 1,199,898 common shares pursuant to the exercise of warrants at \$0.20 per share for proceeds in the amount of \$239,980. The fair value of the shares issued pursuant to the exercise of finder and agent warrants was calculated using the Black-Scholes Option Pricing Model was \$34,390.

c) Escrow Shares

As at August 31, 2021 the Company has 982,500 (May 31, 2021 – 2982,500) 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 4, 2019, the Company issued 1,120,000 common shares on a flow-through basis at a price of \$0.15 per unit for gross proceeds of \$168,000. 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 February 28, 2021, the Company has incurred all \$168,000 of qualified expenditures.

On November 16, 2020, the Company issued 1,375,000 common shares on a flow-through basis at a price of \$0.40 per unit for gross proceeds of \$550,000. The Company renounced the expenditures incurred from these funds and the balance of unspent funds from these funds under the look-back rules

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Management Discussion and Analysis For the three months ended August 31, 2021

1.15 – Other MD&A Requirements

Share Capital (cont'd...)

as of December 31, 2020. As of August 31, 2021, the Company has incurred all \$550,000 of qualified expenditures.

On July 14, 2021, the Company issued 999,999 common shares on a flow-through basis at a price of \$0.35 per share for gross proceeds of \$350,000 and an additional 300,000 shares on August 24, 2021 for gross proceeds of \$105,000. The Company intends to renounce all of the expenditures incurred and renounce the balance of unspent funds under the look-back rules as of December 31, 2021. As of August 31, 2021, the Company has incurred approximately \$5,000 of qualified expenditures leaving approximately \$450,000 of unspent funds to be incurred for qualified expenditures prior to December 31, 2021, or to be incurred for qualified expenditures in the 2022 calendar year under the look-back rule.

e) Warrants

The following is a summary of warrant transactions for the three months ended August 31, 2021 and for the fiscal year ended May 31, 2021:

	Three months ended August 31, 2021		Fiscal year ended May 31, 2021	
	Number of warrants	Weighted average exercise price \$	Number of warrants	Weighted average exercise price \$
Warrants outstanding, beginning of the year	3,772,500	0.35	2,855,314	0.20
Warrants exercised during year	(30,167)	0.20	(893,333)	0.20
Finder warrants exercised during the year	-	-	(17,150)	0.20
Agent warrants exercised during year	-	-	(289,415)	0.20
Warrants issued pursuant to private placement and exercisable on or before July 30, 2023	-	-	1,333,334	0.45
Warrants issued pursuant to flow-through unit offering and exercisable on or before November 16, 2022	-	-	687,500	0.50
Finder warrants issued and exercisable on or before November 16, 2022	-	-	96,250	0.50
Warrants issued pursuant to flow-through unit offering and exercisable on or before July 14, 2024	499,999	0.50	-	-
Finder warrants issued and exercisable on or before July 14, 2024	61,999	0.50	-	-
Warrants issued pursuant to flow-through unit offering and exercisable on or before August 24, 2024	150,000	0.50	-	-
Warrants outstanding, end of the period	4,454,331	0.35	3,772,500	0.35

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Management Discussion and Analysis For the three months ended August 31, 2021

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 of August 31, 2021, are as follow

Number of warrants outstanding	Exercise price per warrant	Years to expiry	Expiry date
	\$		
346,500	0.20	0.18	November 4, 2021
1,278,749	0.20	0.72	May 21, 2022
783,750	0.50	1.21	November 16, 2022
1,333,334	0.45	1.91	July 30, 2023
561,998	0.50	2.87	July 14, 2024
150,000	0.50	2.98	August 24, 2024
4,454,331	0.38	1.47	

As of August 31, 2021, the warrants have a weighted average remaining life of 1.47 years (May 31, 2021 – 1.44 years).

On November 16, 2020, the Company issued 687,500 warrants pursuant to a flow through share unit offering and 96,250 finders warrants. The fair value of 96,250 finder warrants granted was calculated using the Black-Scholes option pricing model for a fair value of \$20,000, which was recorded against contributed surplus. (See “Share Capital”).

On July 30, 2020, the Company issued 1,333,334 warrants pursuant to a unit offering (See “Share Capital”).

On June 7, 2021, the Company issued 30,167 common shares pursuant to the exercise of warrants at \$0.20 per share.

On July 14, 2021, the Company issued 499,999 warrants pursuant to a flow through share unit offering and 61,999 finders warrants (See “Share Capital”). The fair value of 61,999 finder warrants granted was calculated using the Black-Scholes option pricing model for a fair value of \$8,950, which was recorded against contributed surplus.

On August 24, 2021, the Company issued 150,000 warrants pursuant to a flow through share unit offering. (See “Share Capital”).

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Management Discussion and Analysis For the three months ended August 31, 2021

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

Share Capital (cont'd...)

The following assumptions were used in the Black-Scholes model to determine the fair value of the finder warrants granted were as follows:

	Three months ended August 31, 2021	Fiscal year ended May 31, 2021
Risk-free interest rate	0.57-0.64%	027%
Expected dividend yield	-	-
Expected volatility	120.68 - 122.73%	125.54%
Expected terms in years	3 years	2 years

e) 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

The following is a summary of stock option transactions for the three months ended August 31, 2021, and the fiscal year ended May 31, 2021.

	August 31, 2021		May 31, 2021	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Options outstanding, beginning of the year	1,665,000	024	1,125,000	0.20
Granted and exercisable on or before August 17, 2025	-	-	490,000	0.32
Granted and exercisable on or before September 25, 2022	-	-	50,000	0.36
Options outstanding, end of the period	1,665,000	0.24	1,665,000	0.24

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Management Discussion and Analysis For the three months ended August 31, 2021

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

Share Capital (cont'd...)

Stock options outstanding and exercisable as at August 31, 2021 are as follows:

Number of options outstanding	Number of options exercisable	Exercise price per option	Years to expiry	Expiry date
		\$		
50,000	50,000	0.36	1.07	September 25, 2022
900,000	900,000	0.20	2.25	November 29, 2023
50,000	50,000	0.20	3.10	October 4, 2024
100,000	100,000	0.20	3.17	October 30, 2024
75,000	75,000	0.20	3.42	January 29, 2025
490,000	490,000	0.32	3.97	August 17, 2025
1,665,000	1,665,000	0.24	2.85	

As of August 31, 2021, the options have a weighted average remaining life of 2.85 years (May 31, 2021 – 3.10 years).

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.

On October 4, 2019, the Company granted 50,000 incentive stock options to a consultant, exercisable on or before October 4, 2024 at a price of \$0.20 per share. All options vested immediately.

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.

On August 20, 2020, the Company granted 490,000 incentive stock options to directors, officers, and consultants, vesting immediately and expire on or before August 20, 2025 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 \$130,625, which was recorded as stock-based compensation expense in the statement of loss and comprehensive loss.

The following assumptions were used in the Black-Sholes model to determine the fair value of the options granted during the fiscal year ended May 31, 2021:

	May 31, 2021
Risk-free interest rate	0.25%
Expected dividend yield	-
Expected Volatility	115.93% to 158.13%
Expected terms in years	5 years

During the three months ended August 31, 2021, the Company recorded stock-based compensation in the amount of \$Nil (2020 - \$130,265).

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Management Discussion and Analysis For the three months ended August 31, 2021

1.17 – Commitments

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

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.

**Management Discussion and Analysis
For the three months ended August 31, 2021**

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.

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.

GSP RESOURCE CORP.

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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.

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.