

GOLDSHORE RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED MARCH 31, 2021

In Canadian Dollars

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For the year ended March 31, 2021

INTRODUCTION

This management's discussion and analysis ("MD&A") is management's interpretation of the financial condition and results of operations of Goldshore Resources Inc. (the "Company" or "Goldshore Resources") for the year ended March 31, 2021. This MD&A should be read in conjunction with the audited consolidated financial statements of the Company and the notes thereto for the years ended March 31, 2021 and 2020, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This MD&A complements and supplements, but does not form part of, the Company's annual financial statements.

This MD&A contains forward-looking statements. Statements regarding the adequacy of cash resources to carry out the Company's exploration programs or the need for future financing are forward-looking statements. All forward-looking statements, including those not specifically identified herein, are made subject to cautionary language included in this MD&A. Readers are advised to refer to the cautionary language when reading any forward-looking statements.

All dollar amounts contained herein are expressed in Canadian dollars unless otherwise indicated. This MD&A has been prepared as of July 29, 2021.

DESCRIPTION AND OVERVIEW OF BUSINESS

Goldshore Resources was incorporated under the *Business Corporations Act* (British Columbia) on April 30, 2009. The Company's shares are listed for trading on the NEX branch of the TSX Venture Exchange under the symbol SMG.H. Subsequent to March 31, 2021, on June 4, 2021 the Company began trading on the TSX-V under the symbol GSHR.

Goldshore Resources is a mineral exploration company focused on the acquisition and evaluation of precious metal mineral properties in Canada. The Company had one wholly owned subsidiary – Bear Mountain Gold Mines Ltd. ("Bear Mountain" or "BMGM"), a British Columbia company – which was spun-out to shareholders during the year ended March 31, 2020. As at March 31, 2021, the Company did not hold title to, or an interest in, any mineral exploration properties.

On April 3, 2020, the Company announced that it would not be proceeding with the previously announced acquisition of claims in the Urban-Barry Gold Camp area in Quebec, share consolidation and private placement financing. For further details, refer to the Company's February 26, 2021 news release on the Company's profile on www.sedar.com.

On August 4, 2020, the Company completed a share consolidation of 1 new share for every 2 outstanding shares and on May 27, 2021, the Company completed a share consolidation of 1 new share for every 6 outstanding shares. All share and per share amounts in this MD&A have been retroactively restated to reflect these consolidations.

On August 4, 2020, the Company closed a private placement of 2,777,778 shares at a price of \$0.36 per share for gross proceeds of \$1,000,000.

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Selected Annual Information

	Years ended March 31,		
	2021	2020	2019
	\$	\$	\$
Total revenues	-	-	-
Loss for the year	(166,801)	(39,867)	(207,794)
Basic and diluted loss per share	\$0.06	\$0.04	\$0.04
Total assets	10,678,507	21,615	190,963
Total long term liabilities	-	-	-
Cash dividends declared per share	\$0.00	\$0.00	\$0.00

RESULTS OF OPERATIONS - QUARTER

The Company posted a loss of \$46,655 for the three months ended March 31, 2021 (2020 - loss of \$5,678). The main components of this were regulatory fees of \$21,662 (2020 - \$500), general and administrative fees of \$16,145 (2020 - \$Nil), and professional fees of \$8,781 (2020 - \$160). The increase in loss of \$40,977 recorded during the period is due to the increased activity during the quarter.

RESULTS OF OPERATIONS – YEAR TO DATE

For the year ended March 31, 2021, the Company posted a loss of \$166,801 (2020 - \$39,867). The main components of this loss were professional fees of \$95,846 (2020 - \$59,968), regulatory fees of \$37,372 (2020 - \$17,668), and general and administrative fees of \$33,292 (2020 - \$169). The increase in loss of \$126,934 recorded during the year is due to increased activity during the year.

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

	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20
Financial Results								
Net income (loss) for period	(46,655)	(35,663)	(73,393)	(11,090)	(5,678)	38,627	(56,649)	(16,167)
Per share	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.00)	\$0.00
Balance Sheet Data								
Cash	374,231	432,937	329,693	2,333	5,882	10,901	50,382	161,691
Total assets	10,678,507	432,937	471,234	18,234	21,615	26,634	64,237	190,546
Shareholder's equity (deficit)	668,658	412,857	448,520	(478,087)	(466,997)	(439,478)	(478,105)	(716,287)

LIQUIDITY AND CAPITAL RESOURCES

Goldshore Resources has no operations that generate cash flows and the Company's future financial success will depend on the discovery of one or more economic mineral deposits. This process can take years, can consume significant resources and is largely based on factors that are beyond the control of the Company's management.

For the foreseeable future the Company will continue to rely upon its ability to raise financing through the sale of equity. This will be dependent on the Company identifying suitable projects that will attract investors. Which will also require a general positive investor sentiment, which in turn will be influenced by a positive climate for precious metals exploration, a Company's track record and the experience and calibre of the Company's management, as well as global economic outlook.

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There is no assurance that the Company will be able to access equity funding at the times and in the amounts required to meet the Company's obligations and fund activities.

As at March 31, 2021, the Company's current assets exceeded its current liabilities by \$668,658 (March 31, 2020 – deficiency of \$466,997) and had an accumulated deficit of \$9,274,267 (March 31, 2020 - \$9,107,466). The Company currently has no active business and no source of revenue.

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time, and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods, including the possible impact on future financing opportunities.

RELATED PARTY TRANSACTIONS

Key management personnel is considered to include the Company's directors and officers. For the three and twelve months ended March 31, 2021 and 2020, the Company incurred the following transactions with related parties:

	For the three months ended		For the year ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	\$	\$	\$	\$
Accounting and compliance services	-	1,600	33,726	14,700
Consulting services	16,800	-	21,300	-
Total	16,800	1,600	55,026	14,700

At March 31, 2021, the Company owed \$3,150 (March 31, 2020 - \$6,000) in respect of services provided to and payments made on behalf of the Company. These amounts are unsecured, non-interest-bearing and have no specific terms of repayment. These transactions occurred in the normal course of business and were measured at the exchange amount, which was the amount of consideration agreed upon between the related parties.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not enter into any off-balance sheet arrangements during the year ended March 31, 2021.

COMMITMENTS

The Company has not entered into any material contractual commitments as of the date of this MD&A.

PROPOSED TRANSACTIONS

On January 25, 2021, amended and restated on February 16, 2021, the Company signed an amalgamation agreement contemplating a reverse takeover transaction with a company formerly named Goldshore Resources Inc. ("Former Goldshore") and its wholly-owned subsidiary (the "Amalgamation"). Pursuant to the Amalgamation, all Former Goldshore common shares were to be exchanged for common shares of the Company on a one-for-one basis and Former Goldshore and its subsidiary were to be amalgamated, with the resulting entity to continue as a wholly owned subsidiary of the Company.

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On February 26, 2021 the Company and Former Goldshore completed its brokered private placement offerings, pursuant to which Former Goldshore issued an aggregate of 23,076,924 subscription receipts at a price of \$0.65 per subscription receipt and the Company issued an aggregate of 13,333,335 flow-through subscription receipts at a price of \$0.75 per flow-through subscription receipt, for combined aggregate proceeds of \$25,000,002. The gross proceeds will be held in escrow pending satisfaction of certain conditions ("Escrow Release Conditions"), including the closing of the amalgamation with Former Goldshore, and receiving conditional approval for the resulting issuer shares being listed on the TSX-V.

In connection with the offerings, the agents are entitled to a cash fee equal to 6% of the aggregate gross proceeds of the offerings (4% for president's list subscribers) and were issued such number of compensation options equal to 6% of the number of offered securities sold under the offerings (4% for president's list subscribers). Each compensation option issued by Former Goldshore is exercisable for one Goldshore Resources share for a period of two years from the satisfaction of the escrow release conditions (the "Expiry Date") at a price of \$0.65 per Goldshore Resources share. Each compensation option issued by the Company is exercisable for one share of the Company until the expiry date at a price of \$0.75 per share of the Company.

On June 1, 2021, the Company completed the previously announced reverse takeover transaction with a company formerly named Goldshore Resources Inc. ("Former Goldshore") and commenced trading on the TSX-V on June 4, 2021 under the ticker symbol "GSHR".

In conjunction with the close of the transaction, the Company made the following common share issuances:

- 13,333,335 in accordance with the conversion of the Flow-Through Subscription Receipts;
- 30,122,381 to Former Goldshore shareholders in accordance with the reverse takeover;
- 23,076,924 in accordance with the conversion of subscription receipts of Former Goldshore; and
- 30,085,000 in accordance with the acquisition of a 100% interest in the Moss Lake gold project.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The critical judgements and estimates that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements for the year ended March 31, 2021 are as follows:

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

OUTLOOK

As a result of the private placement closed in August 2020, the Company's working capital position has improved significantly. The Company entered into an amalgamation agreement with Former Goldshore on January 26, 2021 which has resulted in the reverse take over of the Company by Former Goldshore. Additionally, the Company has completed a subscription receipt financing as outlined in "Proposed Transactions".

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FINANCIAL AND OTHER INSTRUMENTS

The Company's financial assets and liabilities are classified as follows:

	March 31, 2021	March 31, 2020
Financial assets:		
<i>Fair value through profit or loss</i>		
Cash	\$ 374,231	\$ 5,882
Restricted Cash	9,420,580	-
Financial liabilities:		
<i>Amortized cost</i>		
Accounts payable and accrued liabilities	\$ 9,849	\$ 488,612
Subscriptions received in advance	10,000,000	-

The amount of accounts payable and accrued liabilities, includes amounts due to related parties.

The fair values of the Company's cash, restricted cash and accounts payable and accrued liabilities approximate their carrying amounts due to the short-term nature of these instruments.

The Company's risk exposures arising from financial instruments and the impact on the Company's financial statements are summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. As at March 31, 2021, the Company was exposed to credit risk on its cash. The Company's cash is held with a high credit quality financial institution in Canada and as at March 31, 2021, management considers its exposure to credit risk to be low.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining adequate cash and managing its capital and expenditures.

At March 31, 2021, the Company had cash of \$374,231 (March 31, 2020 - \$5,882), restricted cash of \$9,420,580 (March 31, 2020 - \$Nil) and accounts payable and accrued liabilities of \$9,849 (March 31, 2020 - \$488,612) with contractual maturities of less than one year. The Company had sufficient cash to meet its current liabilities as at March 31, 2021. The Company assessed its liquidity risk as low as at March 31, 2021.

Market risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Company is not exposed to significant currency, interest or other price risk.

OUTSTANDING SHARE DATA

As at the date of this MD&A, the Company had 100,285,296 common shares issued and outstanding, 772,560 Compensation Options outstanding, and no warrants or other securities convertible into common shares outstanding.

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

RISKS AND UNCERTAINTIES

The Company is in the mineral exploration and development business and as such is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business.

Some of the possible risks include the following:

- a) The Company currently has no properties nor producing operations and as a consequence, the Company does not generate any operating income or positive cash flow. Its ability to continue as a going concern is entirely dependent upon the Company's ability to find suitable projects and access public equity markets to raise sufficient capital.
- b) The only source of future funds to source and acquire projects which may become available to the Company is through the sale of equity capital.
- c) Any future equity financings by the Company for the purpose of raising additional capital may result in substantial dilution to the holdings of existing shareholders.
- d) Any future operations of the Company may require added personnel; licenses and permits; and many other potential risks that the Company has no way of determining at this time. As such, there is no assurance that the Company will be successful in obtaining what is required to obtain and operate new activities in the future.
- e) On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time, and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods, including the possible impact on future financing opportunities.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in forward-looking statements.

CAUTION REGARDING FORWARD LOOKING STATEMENTS

Some of the statements contained in this MD&A are forward-looking statements, such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur.

Forward-looking statements may be identified by such terms as "believes", "if", "expects", "estimates", "may", "could", "should", "will", "intends" and similar expressions. Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties.

Although the Company believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Forward-looking information or statements in this MD&A include, but are not limited to, information or statements concerning the Company's expectations for results on the Company's operations; capital costs anticipated; the Company's current financial resources being sufficient to fund operations; and the Company's ability to obtain

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additional funds through the sale of equity.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and other factors including: changes in general economic conditions and conditions in the financial markets; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; technological and operational difficulties encountered in connection with the Company's activities; and other matters discussed in this MD&A.

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on the Company's forward-looking statements. Further information regarding these and other factors, which may cause results to differ materially from those projected in forward-looking statements, are included in the filings by the Company with securities regulatory authorities. The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities law.