



**Management's Discussion and Analysis  
For the Year Ended December 31, 2020**

**Prepared by:  
Gold X Mining Corp.  
(formerly Sandspring Resources Ltd.)**

# Gold X Mining Corp. (formerly Sandspring Resources Ltd.)

Management's Discussion and Analysis

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## Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Gold X Mining Corp. (formerly Sandspring Resources Ltd.) and its subsidiaries (collectively the "Company" or "Gold X") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2020. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended December 31, 2020, and the related notes thereto. Information contained herein is presented as at April 6, 2021 unless otherwise indicated. Further information about the Company and its operations is available on Gold X's website at [www.goldxmining.com](http://www.goldxmining.com) or on the System for Electronic Document Analysis and Retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com).

The Company's outstanding common shares are listed on the TSX Venture Exchange (the "TSXV") under the symbol "GLDX-V".

This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. Results are reported in Canadian dollars, unless otherwise noted.

## Company Overview

Corporate Developments. The Company was incorporated pursuant to the provisions of the *Business Corporations Act* (Alberta) on September 20, 2006 and continued into the province of British Columbia in November 2019. The Company announced the completion of the acquisition (the "Acquisition") of 100% of the issued and outstanding shares of GoldHeart Investment Holdings Ltd. ("GoldHeart"). GoldHeart, through its wholly-owned subsidiary ETK Inc. ("ETK"), holds certain mineral and prospecting interests in an area within the Republic of Guyana, South America that the Company refers to as the Toroparu Property.

The Company's goal is to provide superior returns to its shareholders by (i) focusing on the exploration and development of its mineral and prospecting interests in the Toroparu Project, located within the Toroparu Property (the "Toroparu Project"), and (ii) evaluating, and acquiring if appropriate, other mineral opportunities.

In accordance with the approval by Shareholders at the Company's AGM on November 5, 2019, Articles of Continuation were filed in the province of British Columbia on November 29, 2019. As approved by the Board of Directors, on November 29, 2019, the Company changed its name to Gold X Mining Corp. and implemented a share consolidation on an 8 to 1 basis. All share amounts presented within this MD&A has been amended to reflect this share consolidation.

In October 2019, the Company appointed Bassam Moubarak as director and CFO of the Company and Harry Pokrandt and David Constable resigned. The Company also appointed a Strategic Advisory Board consisting of Paul Matysek and Brian Paes-Braga to assist the Board and management with corporate and shareholder value creation. In March 2020, Paul Matysek was appointed as CEO and Chairman of the board, while Rich Munson was appointed President. The Company also reorganized its Board of Directors and appointed Mr. Brian O'Neill, while Rich Munson, Greg Barnes, Gordon Keep and David Laing resigned. In June 2020, the Company appointed Robert Friedland as non-executive chairman. As at the date of this MD&A, the Company's Board of Directors is comprised of Mr. Paul Matysek, Chairman, Mr. Robert Friedland, non-

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executive Chairman, Mr. Bassam Moubarak, Mr. Suresh Beharry, Mr. Federico Restrepo-Solano, Mr. Lombardo Paredes-Arena and Mr. Brian O'Neill.

At December 31, 2020, the Company had working capital of \$10,179,845 (December 31, 2019: \$6,201,370), an accumulated deficit of \$192,909,339 (December 31, 2019: \$171,457,498), incurred losses for the year ended December 31, 2020 amounting to \$21,451,841 (2019: \$18,909,847), and used cash in operating activities during the year ended December 31, 2020 of \$10,002,035 (2019: \$7,439,854). Although the Company has been successful in the past obtaining financing, there is no assurance that it will be able to obtain adequate financing or that such financing will be on terms that are acceptable to the Company. As at December 31, 2020, management determined the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

In December 2019, the Company completed a debenture financing for US\$20,000,000 where the proceeds were used in March 2020 to complete the final purchase of the Toroparu Project (see Toroparu Project for more detail).

In July 2020, the Company retired its US\$20,000,000 convertible debenture through issuing 8,479,368 common shares to satisfy the conversion of the US\$20,000,000 principal amount. The Company settled accrued interest of \$1,478,384 by issuing 455,253 common shares.

In April 2020, the Company completed a private placement of 2,631,579 units ("Units") at a price of \$0.95 per Unit for gross proceeds of \$2,499,999. Each Unit consists of one common share of the Company and one warrant ("Warrant") entitling the holder to purchase one share at \$1.30 until April 9, 2023. The Warrants are subject to an acceleration clause whereby the warrant must be exercised within 30 days should the share price trade at \$2.25 or higher for ten consecutive trading days, after completion of the four month hold period.

In August 2020, the Company sold its 100% interest in the Chicharron property (by sale of certain subsidiaries) for proceeds of \$1,000,000. The Chicharron project was written down to \$nil value as at December 31, 2019.

Subsequent to December 31, 2020, the Company received proceeds of \$1,584,558 from the exercise of 608,836 warrants, and \$549,500 from the exercise of 256,250 stock options.

The majority of the Company's efforts to date have been focused on exploring and advancing the Toroparu Project, located within the Toroparu Property. Through extensive exploration work, including more than 190,000 meters of drilling, the Company delineated the main Toroparu Pit, Southeast Pit and Sona Hill satellite deposits that are included in the June 2019 Preliminary Economic Assessment study (the "2019 PEA") that presented the results of a rescoping study of the Toroparu Project following the 2013 pre-feasibility study (the "2013 PFS").

In March 2021, the Company entered in an arrangement agreement with Gran Colombia Gold Corporation ("Gran Colombia") whereby Gran Colombia will acquire all of the issued and outstanding common shares of the Company. See Subsequent Event note below.

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### **Subsequent Event**

The Company and Gran Colombia entered into a definitive arrangement agreement dated March 14, 2021 (the "Agreement") pursuant to which Gran Colombia will acquire all of the issued and outstanding common shares of the Company (the "Gold X Shares") not already owned by Gran Colombia by way of a statutory plan of arrangement (the "Arrangement") under the Business Corporations Act (British Columbia).

Under the terms of the Agreement, all of the issued and outstanding Gold X Shares will be acquired by Gran Colombia in exchange for Gran Colombia common shares (the "Gran Colombia Shares") on the basis of 0.6948 of a Gran Colombia Share for each Gold X Share (the "Exchange Ratio"). The Exchange Ratio implies consideration of \$4.10 per Gold X Share based on the 20-day volume weighted average price of the Gran Colombia Shares on the Toronto Stock Exchange as of the market close on March 12, 2021 (the "Value Date") for total consideration of approximately \$315 million on a 100% and fully diluted in-the-money basis. The Exchange Ratio represents a premium of 39% based on the closing price of the Gold X Shares on the TSX Venture Exchange (the "TSXV") on the Value Date and a 44% premium based on the 20-day volume weighted average price of the Gold X Shares ending on the Value Date.

Completion of the Arrangement is subject to shareholder approval, receipt of court and stock exchange approvals, the approval of a simple majority of the shareholders of Gran Colombia to the issuance of the Gran Colombia Shares and other customary closing conditions for transactions of this nature.

The Agreement provides for, among other things, non-solicitation covenants, with "fiduciary out" provisions that allow the Company to consider and accept a superior proposal, subject to a "right to match period" in favour of Gran Colombia. The Agreement also provides for a termination fee of \$5.5 million to be paid by the Company to Gran Colombia if the Agreement is terminated in certain specified circumstances and a reverse termination fee of \$5.5 million to be paid by Gran Colombia to the Company if the Agreement is terminated in certain specified circumstances. Gran Colombia and the Company have also agreed to a reciprocal expense reimbursement of \$1 million payable if the Agreement is terminated in certain circumstances.

The companies are working towards closing the transaction in late May to early June 2021.

### **Wheaton Agreement**

In November 2013, the Company entered into a precious metals purchase agreement (the "Wheaton PMPA") with Silver Wheaton (Caymans) Ltd., who subsequently changed its name to Wheaton Precious Metals (Caymans) Ltd. ("Wheaton"). Under the Wheaton PMPA, Wheaton can elect to pay the Company incremental up-front cash payments totaling US\$148.5 million for 10% of the payable gold production from the Company's Toroparu Project.

In addition, Wheaton can elect to make continuing payments to the Company of the lesser of the market price and US\$400 per payable ounce of gold delivered to Wheaton over the life of the Toroparu Project, subject to a 1% annual increase starting after the third three months of production. The Company has received an initial draw down of US\$13.5 million of the cash payment, to be used primarily for advancement of the final feasibility study for the Toroparu Project.

In April 2015, the Company and Wheaton amended the Wheaton PMPA to include a silver stream under which Wheaton can elect to pay the Company incremental up-front cash payments totaling US\$5.0 million

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for 50% of the payable silver production from the Toroparu Project. In addition, Wheaton will make ongoing payments to the Company of the lesser of the market price and US\$3.90 per payable ounce of silver delivered to Wheaton over the life of the Toroparu Project, subject to a 1% annual increase starting on the fourth anniversary of production. The Company received an initial draw down of US\$2.0 million of the cash payment in four equal installments over the course of 2015, with the remaining US\$3.0 million payable in installments during construction of the Toroparu Project.

As noted in the 2019 PEA, the Company has completed and delivered to Wheaton the Company's estimates of potential payments from Wheaton for the rescoped Toroparu Project as presented in the 2019 PEA due to changes in the initial capital expenditures for the Toroparu Project. Wheaton has not approved the Company's estimates as of the date of this MD&A.

Under the terms of the Wheaton PMPA, as amended, the Company is required to complete a final feasibility study (the "Feasibility Report") for its Toroparu Project before December 31, 2021, upon receipt of which Wheaton can elect to proceed and make payments, in amounts to be agreed upon by the Company and Wheaton, to finance construction of the Toroparu Project, or Wheaton can elect to terminate the PMPA.

The Company's ability to finance construction of the Toroparu Project may be dependent on whether Wheaton elects to proceed after completion of the Feasibility Report or the Company secures alternative funding for the construction. There are no assurances that Wheaton will elect to fund construction of the Toroparu Project, or that the Company will be successful in securing alternative financing if available, on terms acceptable to the Company.

### **Toroparu Project Review and Outlook**

In May 2013, the Company completed the 2013 PFS for the Toroparu Project. The 2013 PFS outlined the design of an open-pit mine producing more than 200,000 ounces of gold annually over an initial 16 year mine life. The 2013 PFS also estimated proven and probable gold reserves for the Toroparu Project using a 0.3 grams gold per ton ("g/t") cut-off grade, and metal pricing of US\$1,400/oz gold and \$3.25/lb copper.

In a press release dated September 26, 2018, available on the Company's website and on SEDAR, the Company announced an updated Mineral Resource Estimate (2018 MRE) for the Toroparu Project. Highlights of the 2018 MRE include an increase of 459,000 ounces of the Measured resource and 60,000 ounces of the Inferred gold resource as compared to the Company's previous Mineral Resource Estimate provided in the 2013 PFS. The 2018 MRE was completed by SRK, the same group that prepared the previous Mineral Resource Estimate. The 2018 MRE was done at a 0.30 g/t cutoff at a \$1,350 per ounce gold price.

In June 2019, the Company issued a press release (the "June 2019 Press Release") announcing the completion of a rescoping study for the Toroparu Project. The Toroparu Project was re-scoped to (i) include the Sona Hill satellite deposit, (ii) adopt a modification of the Project's processing strategy to start with gold-only production from a carbon-in-leach circuit ("CIL") for the initial ten years, followed by an expansion of the Project in year 11 to add flotation processing capacity and (iii) include the effects of the Wheaton PMPA. The 2019 PEA summarizes the results of the re-scoping at base case metal prices of US \$1,300 gold (Au), \$16.00 silver (Ag), \$3.00 copper (Cu). The 2019 PEA Report, dated as of July 18, 2019, is available on the Company's website and SEDAR.

The 2019 PEA Report documentation of mining production quantities supersedes and replaces the 2013 PFS Statement of Mineral Reserves ("2013 PFS Report"). The 2019 PEA Report is based on exploitation of

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measured, indicated and inferred mineral resources while the 2013 PFS is based on the exploitation of proven and probable mineral reserves. Inferred resources from the Mineral Resource Estimate identified in the Company's September 26, 2018 press release comprise 5% of the resources used in the production schedule reported in the 2019 PEA Report.

Key aspects and findings from the 2019 PEA Report include:

- 4.5 million ozs Au production, with 3.64 million ozs produced in Au doré bars, over 24-year life of mine ("LoM") – up from 3.7 million ozs from the 2013 PFS
  - 1.476 million ozs (mozs) Au Doré over 10-Year Initial Phase
  - 2.148 million ozs Au Doré and 876,000 ozs Au in concentrate produced at 217,000 ozs/year during 14-Year Second Phase
- \$1.25 Billion After-Tax Free Cash Flow (with Wheaton PMPA)
  - \$378 million Pre-Production Capex – down from \$501 Million in the 2013 PFS
  - \$272 million Pre-production financing required with Wheaton PMPA
  - \$232 million Phase 2 expansion financed from internal cash flow
  - Payback Period 2.92 years
- Project Global Gold Resource: 7.353 Million ozs M&I; 3.150 Million ozs Inferred<sup>1</sup>

Project economic results from the 2019 PEA Report Base, with and without the Wheaton PMPA<sup>2</sup>, Downside, and Upside Sensitivity Cases are presented in Table 1. The Toroparu Project, with Wheaton's participation, generates an 18.16% after tax IRR at a \$1,250/oz Au price, 24.2% at \$1,400/oz of Au, and 27.68% at \$1,500/oz of Au, indicating that project returns are both robust at historic Au prices and positively leveraged to higher Au prices.

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<sup>1</sup> The Company press released an updated Mineral Resource Estimate on September 26, 2018. This Press Release can be found at [www.goldxmining.com](http://www.goldxmining.com) and [www.sedar.com](http://www.sedar.com).

<sup>2</sup> Wheaton and the Company have agreed to extend the due date for delivery of the Feasibility Report in prior years and the Feasibility Report is now due on or before December 31, 2021. Wheaton can elect, in its sole discretion, to proceed or terminate the Wheaton PMPA after the Company has delivered the Feasibility Report to Wheaton. Accordingly, to reflect the potential of Wheaton electing not to proceed, the economic parameters of the model's base case without the Wheaton PMPA are set forth in Table 1.

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Table 1: Project Economics Metric	Base Case		Sensitivity to Gold Price		
	w/o PMPA	w/ PMPA	w/ PMPA	w/ PMPA	w/ PMPA
<b>Gold Price (incl \$16/oz Ag &amp; \$3.00/Lb Cu)</b>	<b>\$1,300 /oz</b>		<b>\$1,250 /oz</b>	<b>\$1,400 /oz</b>	<b>\$1,500 /oz</b>
LoM (Years)	24	24	24	24	24
Gold Production (koz)	4,516	4,516	4,516	4,516	4,516
Payable Gold (koz)	4,488	4,488	4,488	4,488	4,488
Payable Silver (koz)	4,460	4,460	4,460	4,460	4,460
Payable Copper (klb)	124,730	124,730	124,730	124,730	124,730
After-Tax FCF	\$1,389 M	\$1,251 M	\$1,121 M	\$1,511 M	\$1,771 M
After-Tax IRR	16.56%	20.25%	18.16%	24.20%	27.68%
After-Tax Payback (yr)	3.67	2.92	3.27	2.34	2.02
After-Tax NPV (5%)	\$519 M	\$495 M	\$428 M	\$628 M	\$760 M
Payback (years)	3.67	2.92	3.27	2.34	2.02
<b>Capital Requirements</b>					
Initial Capital (US\$M)	\$360 M	\$360 M	\$360 M	\$360 M	\$360 M
Capitalized Pre-Stripping	\$18 M	\$18 M	\$18 M	\$18 M	\$18 M
Wheaton Finance	\$0 M	\$(106) M	\$(106) M	\$(106) M	\$(106) M
<b>Net Financing Requirement*</b>	<b>\$378 M</b>	<b>\$272 M</b>	<b>\$272 M</b>	<b>\$272 M</b>	<b>\$272 M</b>
Sustaining Capital (US\$M)	\$614 M	\$614 M	\$614 M	\$614 M	\$614 M
<b>Cost Structure</b>					
Direct Operating Costs	(\$541.16)	(\$541.16)	(\$541.16)	(\$541.16)	(\$541.16)
Indirect Costs	(\$109.55)	(\$102.02)	(\$98.43)	(\$109.20)	(\$116.38)
<b>Total Cash Op Costs</b>	<b>(\$650.71)</b>	<b>(\$643.18)</b>	<b>(\$639.59)</b>	<b>(\$650.36)</b>	<b>(\$657.54)</b>
Sustaining Capex	(\$136.75)	(\$136.75)	(\$136.75)	(\$136.75)	(\$136.75)
Corporate G&A + Exploration (\$6m/y)	(\$32.08)	(\$32.08)	(\$32.08)	(\$32.08)	(\$32.08)
<b>Total AISC</b>	<b>(\$819.55)</b>	<b>(\$812.01)</b>	<b>(\$808.42)</b>	<b>(\$819.20)</b>	<b>(\$826.38)</b>

\* See the June 2019 Press Release for additional details on the PEA including the buildup of the net financing requirement.

### Toroparu Drilling Program

The Company commenced a drilling program at the Toroparu Project in October 2020. See the press release dated October 20, 2020. The drill program was initiated as a result of a complete review of the geologic models and near pit resource potential of the Toroparu Project that had been commissioned by the Company earlier in 2020.

For the review, the Company drew on a combination of High Power Exploration Inc. ("HPX"), and HPX's consultants, the Nordmin Group of Companies Ltd. ("Nordmin") to review the existing data and design a resource expansion and definition drill program. The Chairman of the Company, Robert Friedland, is the Founder, Chairman and CEO of HPX, a private mineral exploration company.

The goal of the 12,000 meter drill program was twofold: (1) expand and upgrade existing resources and (2) test newly discovered structurally controlled high-grade mineralized shoots within the areas of the Toroparu Project referred to as the Toroparu Main Zone and Toroparu NW Zone.

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The existing resource portion of the drill program was anticipated to be 7,000 meters of diamond drilling to expand and upgrade the existing resources through:

- An infill diamond drilling program targeting near-surface gold mineralization in saprolite (oxide) and fresh rock (sulphide) within the Toroparu NW Zone. The Toroparu NW Zone hosts gold mineralization over a 2.0 km strike-length extending from the Toroparu Main Zone to the Northwest.
- A step-out diamond drill program targeting 600m of potential strike-length extension of near-surface gold mineralization further to the Northwest of historical drill results.
- Upgrade drilling within the Toroparu Main Zone targeting the potential re-classification of Inferred Mineral Resources to Indicated and higher confidence levels for exploitation within the first 10 years of the open-pit mine life.

The test portion of the program was anticipated to be 5,000 meters of diamond drilling to target the continuity of grade within high-grade mineralized structures that had been identified by HPX and Nordmin.

The drilling program was completed in December of 2020 with a total of 10,166 meters having been drilled.

After review by HPX, Nordmin and Management, of all of the assay results from the drilling, the Company commenced a Phase Two drilling program in early February of 2021. The Company expects to drill approximately 10,000 meters at drill locations identified by HPX and Nordmin.

The Company announced the results of the 2020 drilling in a press release dated February 23, 2021. As the press release noted, the highlights of the 2020 drilling included:

- Assay results from the 2020 High-Grade Definition Drill Program returned significant gold concentrations within multiple high-grade sub-vertical structures predictively modelled by HPX and Nordmin using historical drill data.
- The gold grades range from 3.1 g/t to 31.0 g/t and have a length weighted average grade of 7.1 g/t (uncut) over 24 intervals highlighted in this release. Of particular note, the primary sub-vertical mineralized structures within the Toroparu Main Zone demonstrate continuity both in width and up to 200 m in strike and dip and have not been tested to depth.
- These high-grade structures lie within and below the latest Toroparu Main Resource Pit, and extend up to 2.5 kilometers (km) along strike into the Toroparu NW Zone. Collectively, structures such as these are often considered favourable to shallow bulk and selective underground mining methods.
- Examples of underground mines with similar structural and grade profiles include Jacobina/Yamana with average head grade of 2.8 g/t <https://www.yamana.com/English/portfolio/producing-mines/jacobina/default.aspx>; Timmins West /Pan American Silver with ~3.05 g/t Au head grade <https://www.panamericansilver.com/assets/Reserves-Resources/Pan-American-Silver-resources-and-reserves-end-June-2020.pdf>; and Red Lake/Evolution Mining with avg. head grade of ~7.0 g/t Au <https://evolutionmining.com.au/wp-content/uploads/2020/12/Red-Lake-fact-sheet-FY21.pdf>

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On March 22, 2021, the Company issued a press release presenting an update on the ongoing geologic model update work being done by Nordmin. As noted in the press release, key points of the ongoing modeling work include:

- Modelling of 2020 drill results identified high-grade pipe structures at the intersections of newly identified east-west oriented sub-vertical structures and the previously disclosed northwest – southeast oriented structures over the extent of the 3 km strike-length of the Toroparu Main and NW Zones.
- These high-grade structural pipes occur in a repetitive pattern across the gold mineralized Toroparu Trend significantly increasing the possibility that Toroparu is amenable to shallow bulk and selective underground mining methods.
- The high-grade mineralized pipes, range in grade from ~5 g/t to more than 20 g/t of gold over potentially mineable widths, often surrounded by a lower grade (~0.5-5.0 gpt Au) halo of mineralized material. Drilling to date has shown the higher-grade structures demonstrate continuity up to 100 meters vertically.

It is anticipated that the 2021 Phase Two drilling program will be completed in mid-April of 2021. Once all the results have been received and analyzed by management, the Company anticipates that a new open pit resource estimate and a maiden resource estimate for the higher-grade mineral domains that may be amenable to underground mining will be published. Various mine engineering studies will then be conducted on open pit, underground and hybrid open pit or underground production alternatives. The studies are expected to lead to a technical report reporting the optimal mine alternatives.

### **Toroparu Project Acquisition and Agreements**

#### Property Description and Location

The Toroparu Project is located in the Upper Puruni River Area, Region 7 of northwestern Guyana, South America. The Toroparu Project is currently comprised of three main deposits: the Toroparu Main (the "Main Deposit") the Toroparu SouthEast deposit (the "Southeast Deposit"), and the Sona Hill Deposit. The Main Deposit and SouthEast Deposit are adjacent to each other and are located near the property Main Camp and the Sona Hill Deposit is located approximately 5 km to the southeast of the Main Camp.

The Toroparu Project is located within the Mazaruni Mining District, which is one of six mining districts in Guyana. This mining district is in turn located within Region 7 of Guyana, the Cuyuni – Mazaruni Region which is one of ten administrative regions within the Country of Guyana.

Mineral tenures in Guyana allow for four scales of operation. These include Small Scale claim licenses of 460 m x 245 m or a river claim consisting of one mile of a navigable river. Prospecting Permits Medium Scale ("PPMS's) and Mining Permits ("MP's") cover between 150 to 1,200 acres each and are restricted to ownership by Guyanese. However, foreigners may enter into joint venture arrangements whereby the two parties jointly develop the property. Prospecting Licenses ("PL's") covering between 500 and 12,800 acres are granted to local or foreign companies. Large areas for geological surveys are granted as Permission for Geological and Geophysical Surveys with the objective of applying for PL's over favorable ground.

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The Toroparu Project is the Company's primary resource properties, and is held and operated through ETK, the Company's wholly-owned subsidiary.

At closing in of the initial acquisition in 2009 the Toroparu Project covered an area of 242,691 acres (98,214 ha). Following systematic surface and sub-surface exploration (geophysical, geochemical, and drilling) from 2011 to 2014 the property holdings were modified to focus on permits within the Puruni Shear Corridor, a regional geologic structure that can be traced for more than 150 km within the Puruni volcano-sedimentary belt into producing gold fields in Venezuela, and that hosts the Toroparu Main Deposit, the Southeast Pit, and the Sona Hill Deposits.

In 2015, the Company acquired rights to 25,605 acres (10,361 ha) within the Otomung concession extending the exploration area 25 km to northwest of the Toroparu Deposit within the Puruni Shear Corridor. A regional geochemical survey of the Otomung concession permits identified Au anomalous features that indicate the potential for new mineralized systems. These features have not been fully explored.

In June 2016, as a second step in the land restructuring, the Company finalized the surrender of 138,162 acres (55,912 ha) of property that was not deemed to be prospective for large scale mineral resources.

ETK currently has four positions of claim ownership in the Upper Puruni Area: seven Small Scale claims, 88 PPMS's, 24 MP's and two contiguous PL's that collectively cover an area of 131,134 acres or 53,149 ha. The Company will consider further land adjustments as additional exploration work is completed.

### Location of Mineral Deposits

The Main Deposit and SouthEast Deposits are located on property that was subject to the Alphonso Joint Venture, described below. The Sona Hill Deposit is located on property that is subject to the Godette Joint Venture, described below.

### The Alphonso Joint Venture

The Alphonso Joint Venture was originally entered into in 1999 and was amended and restated in its entirety in 2008. References to the Alphonso Joint Venture are to include the Amended and Restated Agreement as it has been amended through the date of this MD&A. In March 2020, the Company exercised its purchase option and acquired 100% of the property subject to the Alphonso Joint Venture Agreement (see below for further details).

Mr. Alphonso has retained the right to conduct alluvial mining activities on all lands subject to the original Alphonso Joint Venture.

The Alphonso Joint Venture provided that ETK would commence commercial production, defined as production of 50,000 ounces of Au per year, beginning on January 1, 2013 or, in lieu thereof, pay Mr. Alphonso an annual sum of the Guyana dollar equivalent of US\$250,000 until commercial production has commenced. The Company has made all annual payments from January 2013 through December 31, 2019.

The Alphonso Joint Venture further provided that in the event ETK has not achieved commercial production by January 1, 2020, Mr. Alphonso may declare a default under the terms of the agreement. As part of the

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agreement, the Company had the right to purchase (the "Purchase") Mr. Alphonso's entire interest in the Upper Puruni Agreement for US\$20 million.

In December 2019, the Company completed a non-brokered private placement offering (the "Offering") of US\$20,000,000 principal amount, 10% secured convertible debentures due thirty-six months from the closing date of the Offering (the "Debentures"). The proceeds were held in escrow until they were used in March 2020 to fund the Purchase.

The outstanding amount of each Debenture was convertible, in whole or in part, at the option of holder into that number of Gold X common shares (the "Common Shares") equal to the quotient of such amount converted to Canadian dollars using the daily representative rate of exchange as published by the Bank of Canada on the business day prior to conversion divided by CAD\$3.20 (the "Conversion Price"), subject to customary adjustments. The interest on the Debentures will be compounded semi-annually and payable annually. Interest is payable in shares at the option of the holder at the current market price (being the weighted average of the trading price on the TSX Venture Exchange per Common Share for the 20 trading days prior to such payment of interest). If the holder does not elect to receive interest in shares then the Company has the right to settle the interest payment in cash or defer payment, with interest to maturity.

Wheaton subscribed for Debentures in the principal amount of US\$10,000,000 (CAD\$13,059,000). Gran Colombia Gold Corp. ("Gran Colombia") subscribed for Debentures in the principal amount of US\$5,000,000 (CAD\$6,529,500). The remaining Debentures in the aggregate principal amount of US\$5,000,000 (CAD\$6,529,500) were subscribed to by other investors.

In March 2020, the Company completed the final purchase for Mr. Alphonso's entire interest and his underlying rights (other than the right to continue alluvial mining) and paid US\$20 million to Mr. Alphonso.

In July 2020, the Company settled the full principal amount of the Debenture and related accrued interest. See Company Overview above.

### Godette Joint Venture Agreement

The Company, through its wholly-owned subsidiary ETK, has rights to three MPs pursuant to the Godette Joint Venture Agreement (the "Godette Agreement"). ETK has sole operatorship and sole decision-making discretion in all matters pertaining to gold exploration on the lands subject to the Godette Agreement. ETK also has the sole and exclusive right to sell all gold, other precious metals or gemstones it may recover from the properties.

The Sona Hill Deposit is located on the Godette property.

ETK purchased 100% of the Godettes' interest in the Godette Agreement for the sum of US\$300,000.

The Godette Heirs remain the registered owner of the Godette mining permits. However, under the Godette Agreement, the Godette Heirs have irrevocably contributed and committed all of their right, title and interest in the Godette mining permits for the benefit of ETK and the ETK-Godette Venture and have granted ETK the exclusive right to conduct the ETK-Godette Operations, subject to the rights described above. Further, the Godette Heirs have agreed that during the term of the Godette Agreement, the Godette Heirs will not deal or attempt to deal with any right, title or interest in the Godette mining permits or in their interest in the

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Godette Agreement in any way that would or might affect the right of ETK to conduct the ETK-Godette Operations on the lands subject to the Godette mining permits.

ETK holds an irrevocable power of attorney from the Godette Heirs providing ETK, with among other powers, the right to take any action that the Government of Guyana may require to issue a Large Scale Mining License covering the three Godette MP's.

### B.M. Mining Agreement

In September 2015, ETK entered into an agreement (the "B.M. Mining Agreement") with Bryan Stephens, d/b/a B.M. Mining, to acquire the right to explore 25,605 acres of property in the Otomung River area (the "Otomung Block") which is located immediately adjacent to the northwestern boundary of ETK's current property block in the Toroparu Project area.

Under the terms of the final B.M. Mining Agreement, ETK has the option to extend the B.M. Mining Agreement annually by making certain payments to B.M. Mining as described in the B.M. Mining Agreement.

Based on a review of the results of the exploration work done by the Company on the Otomung Block, the Company elected not to continue with the B.M. Mining Agreement and did not make the annual payment that was due in 2020.

### Rentals and Royalties

The Company executed a mineral agreement with the Government of Guyana (the "Mineral Agreement") that stipulates a royalty of 8% on gold (1.5% on copper) produced from its mineral claims payable in cash or in kind to the Government of Guyana.

Mineral claims are also subject to annual rentals. The rental rates for each of the MPs are US\$1.00 per acre per annum. Rental rates for PLs are US\$0.50 per acre for the first year, US\$0.60 per acre for the second year, and US\$1.00 per acre for the third year. The PL's held by the Company issued in October 2013 were set to expire on February 21, 2020. Due to the level of work completed by the Company on the PL's and the demonstration by the Company that potentially valuable mineralization was present on the PL's, the Guyana Geology and Mines Commission recommended that the Company apply for reissuance of the PL's. The Company applied for reissuance on February 14, 2020.

An application fee of US\$100 and a work performance bond equal to 10% of the approved budget is also required. Rentals on the claims controlled by ETK are payable annually by the expiry date of each claim.

### Environmental Liabilities

The Toroparu Project is not the subject of any known environmental liabilities.

### Toroparu Project Permits

ETK has all the necessary permits and permissions currently required to conduct its exploration work and medium-scale mining and gravity recovery of gold and other minerals on the Toroparu Project. In addition, the project has its Environmental Authorization, Mineral Agreement and Fiscal Stability Agreement in place.

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The Company has also signed a Memorandum of Understanding with the Guyana Government giving the Company exclusive rights to develop the Kurupung Hydro Project, approximately 50 km south of the Toroparu Project. Optimizing the project's power supply by building the proposed run-of-river hydroelectric facility could significantly reduce the project's life-of-mine operating costs. The Memorandum of Understanding is effective through December 31, 2021.

### Exploration Expenditures

The following table sets forth a breakdown of material components of the Company's exploration expenditures for the years ended December 31, 2020 and 2019.

	Years Ended	
	December 31, 2020	December 31, 2019
Chicharron Project exploration costs		
Camp expenses	\$ 31,476	\$ 66,838
Consulting	42,465	133,060
Drilling	-	428,031
Engineering studies	-	5,843
Lab fees	-	940
Office and administrative costs	5,255	10,689
Salaries and benefits	103,137	161,084
Travel and accommodation	-	1,690
<b>Total Chicharron Project exploration costs</b>	<b>\$ 182,333</b>	<b>\$ 808,175</b>
Toroparu Project exploration costs		
Camp expenses	\$ 1,086,272	\$ 629,051
Consulting	703,462	204,891
Drilling	1,016,947	-
Engineering studies	441,306	1,079,024
Lab fees	205,511	145,205
Office and administrative costs	130,090	98,646
Salaries and benefits	370,571	372,524
Stock-based compensation	-	25,362
Travel and accommodation	333,017	163,036
Production commitment fees	-	300,685
Prospecting licenses	258,992	183,522
<b>Total Toroparu Project exploration costs</b>	<b>\$ 4,546,168</b>	<b>\$ 3,201,946</b>
<b>Total exploration costs</b>	<b>\$ 4,728,501</b>	<b>\$ 4,010,121</b>

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### Summary of Quarterly Results

The selected quarterly financial information prepared in accordance with IFRS for the past eight financial quarters is outlined below.

Three Months Ended	Net Loss \$	Basic and Diluted Loss Per Share \$
Dec 31, 2020	(4,841,023)	(0.09)
Sep 30, 2020	(2,133,772)	(0.04)
Jun 30, 2020	(13,754,680)	(0.37)
Mar 31, 2020	(722,366)	(0.02)
Dec 31, 2019	(13,662,682)	(0.39)
Sep 30, 2019	(1,447,708)	(0.05)
Jun 30, 2019	(1,404,718)	(0.05)
Mar 31, 2019	(2,394,739)	(0.09)

### Selected Annual Financial Information

	Year ended December 31, 2020	Year ended December 31, 2019	Year ended December 31, 2018
Net Loss	\$ (21,451,841)	\$ (18,909,847)	\$ (10,185,196)
Net loss per share basic and diluted	\$ (0.49)	\$ (0.63)	\$ (0.49)

	As at December 31, 2020	As at December 31, 2019	As at December 31, 2018
Mineral properties under exploration	\$ 53,035,454	\$ 25,061,071	\$ 34,295,548
Total assets	\$ 64,102,652	\$ 58,905,377	\$ 37,881,768
Current liabilities	\$ 803,695	\$ 1,500,684	\$ 1,455,981

### Results of Operations

#### Year ended December 31, 2020, compared with year ended December 31, 2019

The Company's net loss totaled \$21,451,841 for the year ended December 31, 2020, with basic and diluted loss per share of \$0.49. This compares with a net loss of \$18,909,847 with basic and diluted loss per share of \$0.63 for the year ended December 31, 2019. The increase in net loss of \$2,541,994 was due to:

- Administrative expenses for the year ended December 31, 2020 increased \$67,193 as compared to the year ended December 31, 2019. The increase is due to increased activity during the current year.
- Consulting expenses for the year ended December 31, 2020 increased \$2,902,615 as compared to the year ended December 31, 2019. The increase is due to increased bonuses and management fees paid in the current period. See related party note. The increase was also due to consulting expenses paid to review a potential business combination with Gran Colombia in May 2020, which was terminated.

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- Exploration expenses for the year ended December 31, 2020 increased \$718,380 as compared to the year ended December 31, 2019 due to increased activity in the Toroparu Project in Q4 of the current year. See exploration expenditures note.
- Salary and employee benefits for the year ended December 31, 2020 increased \$99,366 as compared to the year ended December 31, 2019. The increase is primarily due to severance payments made to administrative staff in the current year.
- There was an increase of \$3,322,777 in stock-based compensation during the year ended December 31, 2020 as compared to the year ended December 31, 2019, due to stock options granted in the current year.
- The impact of the fair value adjustment to convertible debentures of \$5,143,381 recognized during the current year, as the convertible debentures were retired in July 2020 through issuing 8,479,368 common shares to satisfy the conversion of the US\$20,000,000 principal amount, and issuing 455,253 common shares to settle accrued interest of \$1,478,384. Interest accrual on the convertible debentures of \$1,478,384 was recognized up till the settlement of the convertible debentures during the current year.
- Impairment of mineral property for the year ended December 31, 2020 decreased \$9,264,027 as compared to the year ended December 31, 2019, as the Chicharron project in Antioquia, Colombia was written down from \$9,264,027 to \$nil at December 31, 2019.

The increase in loss was partially offset by:

- There was an increase of \$513,459 in foreign exchange gain during the year ended December 31, 2020 as compared to the year ended December 31, 2019.
- Investor relations and marketing for the year ended December 31, 2020 decreased \$228,131 as compared to the year ended December 31, 2019, due to increased spending in marketing campaigns in the prior year.
- Regulatory and transfer agent for the year ended December 31, 2020 decreased \$90,703 as compared to the year ended December 31, 2019, due to increased TSXV filing fees in the prior year.
- Impairment of mineral property for the year ended December 31, 2020 decreased \$9,264,027 as compared to the year ended December 31, 2019, as the Chicharron project in Antioquia, Colombia was written down from \$9,264,027 to \$nil at December 31, 2019.
- Gain on sale of subsidiary of \$1,000,821 was recognized in the current year for the sale of the Company's interest in Arcadian and Argentum for proceeds of \$1,000,000 in August 2020.

#### Three months ended December 31, 2020, compared with three months ended December 31, 2019

The Company's net loss totaled \$4,841,023 for the three months ended December 31, 2020, with basic and diluted loss per share of \$0.09. This compares with a net loss of \$13,662,682 with basic and diluted loss per

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share of \$0.39 for the three months ended December 31, 2019. The decrease in net loss of \$8,821,659 was due to:

- Investor relations and marketing for the three months ended December 31, 2020 decreased \$435,129 as compared to the three months ended December 31, 2019, due to increased spending in marketing campaigns in the prior period.
- Professional fees for the three months ended December 31, 2020 decreased \$240,815 as compared to the three months ended December 31, 2019, due to increased legal fees in the prior period.
- Regulatory and transfer agent for the three months ended December 31, 2020 decreased \$67,631 as compared to the three months ended December 31, 2019, due to increased TSXV filing fees in the prior period.
- Salary and employee benefits for the three months ended December 31, 2020 decreased \$63,025 as compared to the three months ended December 31, 2019. The decrease is primarily due to less administrative support staff in the current period.
- There was a decrease of \$548,002 in stock-based compensation during the three months ended December 31, 2020 as compared to the three months ended December 31, 2019. Stock-based compensation in the current period is due to the vesting of stock options granted in Q2-20.
- Impairment of mineral property for the three months ended December 31, 2020 decreased \$9,264,027 as compared to the three months ended December 31, 2019, as the Chicharron project in Antioquia, Colombia was written down from \$9,264,027 to \$nil at December 31, 2019.

The decrease in loss was partially offset by:

- Consulting expenses for the three months ended December 31, 2020 increased \$135,049 as compared to the three months ended December 31, 2019. The increase is due to increased management fees paid in the current period. See related party note.
- Exploration expenses for the three months ended December 31, 2020 increased \$1,695,956 as compared to the three months ended December 31, 2019 due to increased activity in the Toroparu Project in Q4 of the current year. See exploration expenditures note.

#### **Deferred Management Compensation**

During the year ended December 31, 2020, the Company settled the full obligation owing to management in cash of US\$457,038 pertaining to management compensation and severance amounts owed in connection with a corporate restructuring that occurred in the fourth quarter of 2014. At December 31, 2020, the Company has \$nil obligation (December 31, 2019: \$593,601) related to this.

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## **Liquidity and Capital Resources**

There is no assurance that equity, or any other form of capital, will be available to the Company in the amounts or at the times desired by the Company, or on terms that are acceptable to the Company. See "Risk Factors" below and "Note 1 to the Annual Financial Statements for going concern discussion".

At December 31, 2020, the Company had working capital of \$10,179,845 (December 31, 2019: \$6,201,370), an accumulated deficit of \$192,909,339 (December 31, 2019: \$171,457,498), incurred losses during the year ended December 31, 2020 amounting to \$21,451,841 (2019: \$18,909,847), and used cash in operating activities during the year ended December 31, 2020 of \$10,002,035 (2019: \$7,439,854). Although the Company has been successful in the past obtaining financing, there is no assurance that it will be able to obtain adequate financing or that such financing will be on terms that are acceptable to the Company. As at December 31, 2020, management determined the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

The Company's liquidity and ability to access capital resources fluctuates based on the trends identified under the heading "Trends". Apart from these and the risk factors noted under the heading "Risk Factors" below, management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's liquidity and capital resources.

The Company does not have significant credit or interest rate risk. Accounts payable and accrued liabilities are short-term and non-interest bearing. The Company's credit risk with financial instruments is minimal as excess cash is invested with major Canadian chartered banks in guaranteed investment certificates.

## **Trends**

The Company anticipates that it will continue to experience net losses as a result of operating costs and ongoing exploration and evaluation of the Toroparu Project until such time as revenue-generating activities are commenced. The Company's future financial performance is dependent on many external factors. Both the price of, and the market for, gold is volatile, difficult to predict, and subject to changes in domestic and international political, social, and economic environments. Circumstances and events such as current economic conditions and ongoing volatility in the capital markets could materially affect the future financial performance of the Company.

## **Contingencies**

The Company's mining and exploration activities are subject to various government laws and regulations relating to environmental protection. As at December 31, 2020, the Company does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future and anticipates that such obligations will arise only when mine development commences.

## **Off-Balance Sheet Arrangements**

As of the date of this MD&A, the Company has no material off-balance sheet arrangements.

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### **Commitments**

Under the terms of the Wheaton PMPA, Wheaton may purchase 10% of the gold produced from the Company's Toroparu Project in exchange for funding of US\$148.5 million and 50% of the silver produced from the Company's Toroparu Project in exchange for funding of US\$5 million, for a total commitment from Wheaton of US\$153.5 million which amount may change under the Toroparu Project rescoping as detailed in the 2019 PEA. Up-front payments of US\$15.5 million have already been received, with the remainder to be paid out in installments during project construction. In addition, Wheaton will make ongoing payments to the Company of the lesser of the market price and US\$400 per payable ounce of gold delivered to Wheaton over the life of the Toroparu Project, subject to a 1% annual increase starting after the third three months of production. With regard to silver production, Wheaton will make ongoing payments to the Company of the lesser of the market price and US\$3.90 per payable ounce of silver delivered to Wheaton over the life of the Toroparu Project, subject to a 1% annual increase starting on the fourth anniversary of production.

In November 2011, the Company executed a mineral agreement with the Government of Guyana that stipulates a royalty of 8% on gold (1.5% on copper) produced from its mineral claims payable in cash or in kind to the Government of Guyana. Mineral claims are also subject to annual rentals, as previously described. An in-kind royalty of 6% was payable to Mr. Alphonso on all gold and other mineral production from the claims subject to the Alphonso Joint Venture. With the closing of the Purchase, as discussed above, the in-kind royalty payment to Mr. Alphonso is extinguished.

The Company has certain commitments to maintain its rights under the B.M. Mining Agreement consisting of annual payments in 2019 of US\$90,000 increasing to US\$100,000 in 2020 and onwards. By agreement dated November 23, 2019, the annual payment due under the B.M. Mining Agreement was reduced to US\$35,000, which was paid in December 2019.

### **Share Capital**

The Company is authorized to issue an unlimited number of common shares.

As of the date of this MD&A, the Company had 53,897,538 common shares outstanding on a non-diluted basis. The Company also had 6,283,900 stock options and 16,826,715 common share purchase warrants outstanding, which are exercisable to acquire one common share of the Company.

### **Proposed Transactions**

See Subsequent Event note.

### **Related Party Transactions**

As at December 31, 2020, Gran Colombia owned 18.05% on an undiluted basis of the Company, excluding the impact of warrants. In March 2021, the Company entered into the Agreement with Gran Colombia.

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The Company's transactions below include related party transactions not disclosed elsewhere in this MD&A and are in the normal course of business and all amounts due to related parties are non-interest bearing and payable on demand.

- a) Included in accounts payable and accrued liabilities is \$2,028 (December 31, 2019: \$31,615) due to officers and directors of the Company.

	December 31, 2020	December 31, 2019
Richard A. Munson, President	\$ 2,028	\$ 31,615
	\$ 2,028	\$ 31,615

- b) Remuneration of directors and key management of the Company was as follows:

	For the years ended	
	December 31, 2020	December 31, 2019
Salaries, consulting fees and benefits		
Richard A. Munson, President	\$ 214,640	\$ 209,106
P. Greg Barnes, Vice President	191,164	181,785
Paul Matysek, CEO	1,010,479	-
Bassam Moubarak, CFO	1,266,242	-
Brian T. O'Neill, Director	8,125	-
Suresh Beharry, Director	8,125	-
Total salaries, consulting fees and benefits	2,698,775	390,891
Stock-based compensation		
Richard A. Munson, President	64,449	190,212
P. Greg Barnes, Vice President	64,449	105,674
Paul Matysek, CEO	1,270,448	-
Bassam Moubarak, CFO	677,345	507,233
Robert Friedland, Non-executive Chairman	2,700,982	-
Brian T. O'Neill, Director	19,377	-
Suresh Beharry, Director	-	73,972
Lombardo Paredes, Director	-	73,972
Federico Restrepo, Director	-	73,972
David Laing, Former Director	-	73,972
Gordon Keep, Former Director	-	73,972
Total stock-based compensation	4,797,050	1,172,979
Total remuneration	\$ 7,495,825	\$ 1,563,870

The Company's Directors elected to waive fees for 2018-2020.

### Financial Instruments

The Company's activities potentially expose it to a variety of financial risks including credit risk, liquidity risk, and currency risk.

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### Credit Risk

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligation. Financial instruments that potentially subject the Company to credit risk consist of cash and restricted cash. The maximum credit risk represented by the Company's financial assets is represented by their carrying amounts. The Company holds its cash and restricted cash with reputable financial institutions, from which management believes the risk of loss to be minimal.

### Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. The Company generates cash primarily through its financing activities. At December 31, 2020, the Company had cash of \$10,374,816 (December 31, 2019: \$7,348,813) to settle current liabilities of \$803,695 (December 31, 2019: \$1,500,684). The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

### Currency Risk

The Company's functional currency is the Canadian dollar and major purchases including acquisitions and financings are generally transacted in Canadian dollars. The Company funds certain operations, exploration and administrative expenses in Guyana and Colombia on a cash call basis using U.S. dollar currency and maintains U.S. dollar, Guyanese dollar and Colombian peso bank accounts. The Company is subject to gains and losses from fluctuations in the U.S. dollar, Guyanese dollar, and Colombian peso against the Canadian dollar.

The following table summarizes, in Canadian dollar equivalents, the Company's major foreign currency exposures to the U.S. dollar as at December 31, 2020. The Company manages its U.S. dollar currency risk by maintaining resources in its U.S. dollar bank accounts sufficient to meet its U.S. dollar operational requirements. The Company's exposure to the currency risk of Guyanese dollars and Colombian pesos is not material.

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	December 31, 2020	
Assets	\$	1,702,351
Liabilities		(133,438)
	\$	1,568,913

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The table below summarizes a sensitivity analysis for significant unsettled currency risk exposure with respect to the Company's financial instruments as at December 31, 2020 with all other variables held constant.

	Sensitivity Analysis, Change in USD	Increase (Decrease) in Net Income
Decrease in Net Income	-1%	\$ (15,689)
Increase in Net Income	1%	\$ 15,689

### Management of Capital

The Company manages its capital to ensure that funds are available or are scheduled to be raised to provide adequate funds to carry out the Company's planned exploration programs and to meet its ongoing administrative costs. The Company considers its capital to be total shareholders' equity (managed capital) which, at December 31, 2020, totaled \$46,358,157 (December 31, 2019: \$14,438,076).

This capital management is achieved by the Board of Directors' review and acceptance of exploration budgets that are achievable using existing resources and the timely matching and release of the next stage of expenditures with the resources made available from private placements or other fundraising.

The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2020.

### Changes in Accounting Policies

There were no current or upcoming accounting standards that will have a material impact on the Company's financial statements and disclosure.

### Disclosure of Internal Controls

Management has established processes to provide sufficient knowledge to support representations that it has exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements, and (ii) the consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted

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under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with the issuer's GAAP.

## Technical Disclosure

Certain information set out herein is based on the 2019 PEA Technical Report which was prepared by SRK with an effective date of July 18, 2019, entitled "Preliminary Economic Assessment Report Toroparu Gold Project Upper Puruni River Area, Guyana".

## Cautionary Note Regarding Forward-looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the potential of the Company's properties to contain copper and gold deposits that can be profitably extracted; the Company's ability to meet its working capital needs at the current level for the 12-month period ending December 31, 2020; the plans, costs, timing and capital for future exploration and development of the Company's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations; management's outlook regarding future trends; sensitivity analysis on financial instruments, which may vary from amounts disclosed; market prices and price volatility for gold, silver and copper; and general business and economic conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. These risks, uncertainties and other factors include, but are not limited to, price volatility, changes in debt and equity markets, timing and availability of external financing on acceptable terms, the uncertainties involved in interpreting geological data, uncertainty regarding the Company confirming title to its properties, the possibility that future exploration results will not be consistent with the Company's expectations, increases in costs, environmental compliance and changes in environmental and other local legislation and regulation, interest rate and exchange rate fluctuations, changes in economic and political conditions and other risks involved in the mining industry, as well as those risk factors listed in the "Risk Factors" section below. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to, assumptions about the availability of financing for the Company's exploration and

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development activities; operating and exploration costs; the Company's ability to retain and attract skilled staff; timing of the receipt of regulatory and governmental approvals for exploration projects and other operations; market competition; and general business and economic conditions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

### **Risk Factors**

The operations of the Company are speculative due to the high-risk nature of its business. In addition to information set out elsewhere in this MD&A, the factors set forth below could materially affect the Company's financial condition and/or future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

#### Limited Operating History and History of Losses

The Company has not commenced commercial mining operations and is not currently generating cash flows from operations, and there can be no assurances that it will generate positive cash flows from operations in the future.

#### No History of Mineral Production

The mineral reserves contained in this MD&A are estimated quantities of proven and probable mineral reserves that can be mined legally and economically, and processed by extracting their mineral content under current conditions and conditions anticipated in the future. The mineral resources contained in this MD&A are estimated quantities of measured, indicated and inferred mineral resources. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources estimated will be converted into mineral reserves. Furthermore, the quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category. There is no assurance that commercial quantities of metals and minerals will be discovered at the Toroparu Project or any future properties, nor is there any assurance that the exploration programs of the Company thereon will yield any positive results. Even if commercial quantities of metals and minerals are discovered, there can be no assurance that any property of the Company will ever be brought to a stage where mineral resources can profitably be produced thereon. Factors which may limit the ability of the Company to produce mineral resources from its properties include, but are not limited to, the price of the mineral resources which are currently being explored for, availability of additional capital and financing, the actual costs of bringing properties into production, and the nature of any mineral deposits.

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### Additional Capital

The development of the Company's resource assets, or any future reserves found in them, will require substantial additional future financing. Failure to obtain sufficient financing could result in the delay or indefinite postponement of construction, development or production on any or all such property or even loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company. In addition, any future financing may be dilutive to existing shareholders of the Company.

### Exploration and Mining Risks

Resource exploration and development is a speculative business and involves a high degree of risk. The mineral resources contained in this MD&A are estimated quantities of measured, indicated and inferred mineral resources. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources estimated will be converted into mineral reserves. Furthermore, the quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category. The mineral reserves contained in this MD&A are estimated quantities of proven and probable mineral reserves that can be mined legally and economically, and processed by extracting their mineral content under current conditions and conditions anticipated in the future. There is no certainty that the expenditures to be made by the Company in the exploration of the Toroparu Property will result in discoveries of additional commercial quantities of metals or minerals, or that the Company will be able to profitably extract mineralization. Further, the Company's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of metals and minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken by the Company, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability. Although the Company intends to maintain when reasonable and possible, liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities could exceed policy limits, in which event the Company could incur significant costs that could have a materially adverse effect upon its financial condition. The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, including: (i) the particular attributes of the deposit, such as size, grade and proximity to infrastructure; (ii) metal prices, which are highly cyclical; and (iii) government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The precise effect of these factors cannot be accurately predicted; however, a combination of these factors may result in the Company not receiving an adequate return on invested capital.

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### Resource and Reserve Estimates Are Uncertain

The mineral resources contained in this MD&A are estimated quantities of measured, indicated and inferred mineral resources. The mineral reserves contained in this MD&A are estimated quantities of proven and probable mineral reserves that can be mined legally and economically, and processed by extracting their mineral content under current conditions and conditions anticipated in the future. There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral resource or mineral reserve estimate is a function of, among other things, the quantity and quality of available data, the assumptions made, and judgments used in engineering and geological interpretation. Mineral resource and mineral reserve estimates are also uncertain because they are based on limited sampling and not the entire ore body. In addition, there can be no assurance that gold or copper recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. There is no assurance that the estimated amount of mineral reserves will be recovered, or that it will be recovered at costs that the Company assumed in determining such mineral reserves. As the Company gains more knowledge and understanding of an ore body through on-going exploration and mining activity, the mineral resource and mineral reserve estimates may change significantly, either positively or negatively. In particular, results of drilling, metallurgical testing, production, the evaluation of mine plans and fluctuations in gold or copper prices subsequent to the date of any estimate may require revisions of such estimate. Any material reductions in mineral resource or mineral reserve estimates, or of the Company's ability to extract the mineral reserves, could have a material adverse effect on the Company's results of operations and financial condition.

### Uninsurable Risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labor disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's property interests or the properties of others, delays in mining, monetary losses and possible legal liability. It is not always possible to fully insure against such risks, and the Company may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in an increase in costs and a decline in value of the securities of the Company. It is anticipated that the Company will not be insured against most environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. It is anticipated that the Company will periodically evaluate the cost and coverage of the insurance against certain environmental risks that is available to determine the appropriateness of obtaining such insurance. Without such insurance, and if the Company becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds available to the Company to pay such liabilities and could result in bankruptcy. Should the Company be unable to fund fully the remedial cost of an environmental incident, it could potentially be required to enter into interim compliance measures pending completion of the required remedy.

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### Environmental and Regulatory Risks

All phases of the Company's operations are subject to environmental regulation. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's business, conditions or operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at this time.

Government approvals, licenses and permits are currently and will in the future be required in connection with the operations of the Company. To the extent such approvals are required and not obtained the Company may be curtailed or prohibited from continuing its mining operations or from proceeding with planned exploration or development of mineral properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures, production costs, or reduction in levels of production at producing properties in the future, or require abandonment or delays in development of new mining properties in the future.

### Permits and Licenses

Operations of the Company will require licenses and permits from various governmental authorities. Although the Company believes it currently has all required licenses and permits for its operations as currently conducted, there is no assurance that delays will not occur in connection with obtaining all necessary renewals of such licenses and/or permits for the existing operations or additional licenses and/or permits for all future operations. The Company anticipates that it will be able to obtain in the future all necessary licenses and permits to carry on the activities which it intends to conduct, and intends to comply in all material respects with the terms of such licenses and permits. However, there can be no guarantee that the Company will be able to obtain and maintain, at all times, all necessary licenses and permits required to undertake its proposed exploration and development or to place properties into commercial production and to operate mining facilities thereon. In the event of commercial production, the cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or preclude the economic development of the Toroparu Project.

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### Government Regulation

The mining, processing, development and mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labor standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. Exploration may also be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on future exploration and production, price controls, export controls, currency availability, foreign exchange controls, income taxes, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organizations, limitations on foreign ownership, expropriation of property, ownership of assets, environmental legislation, labor relations, limitations on repatriation of income and return of capital, limitations on mineral exports, high rates of inflation, increased financing costs, and site safety. This may affect both the Company's ability to undertake exploration and development activities in respect of present and future properties in the manner contemplated, as well as its ability to continue to explore, develop and operate those properties in which it has an interest or in respect of which it has obtained exploration and development rights to date. Although the Company believes that its exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail development or future potential production. Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof, could have a substantial adverse impact on the Company.

### Mineral Tenure in Foreign Jurisdictions

There are certain risks associated with the Guyanese and Colombian mineral tenure regimes which are either not present, or are considerably reduced, in mineral tenure regimes in Canada and elsewhere. Such risks include the inability to definitively search government registries for certain underlying small scale claims which may exist within areas, and the potential uncertainty regarding the ability of the holder of a PL or MP or medium scale permit to explore for minerals which are not specifically identified in the relevant license or permit. Also, the Company may not be the registered holder certain of its claims in accordance with the laws in Colombia or Guyana or pursuant to the underlying agreements.

### Territorial Risks

During 2015 the Government of Venezuela made several pronouncements related to the Venezuela-Guyana border that indicated that Venezuela was disputing the agreed border between the two countries. The Venezuela-Guyana border dispute was resolved and agreed upon by all parties under the 1899 Arbitration Agreement and any claims made outside of such agreement violate international law. The matter is currently before the United Nations, however Venezuela's border claim is widely viewed by the international community to be without merit.

If the Toroparu Project were to be encroached upon by the government of Venezuela, the Company would likely be unable to continue operations at Toroparu. Political instability in relation to these or other matters could also have a material adverse impact upon the Company's ability to access suitable financing on acceptable terms.

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Although considered highly unlikely, the possibility that Venezuela may secure control over the land underlying the Company's property interests and the potential expropriation of such assets cannot be ruled out. The occurrence of these uncertainties cannot be accurately predicted and may constrain the Company's ability to secure claim to its mineral properties, and/or impact its inability to operate its properties as permitted or enforce its rights with respect to its property interests. Any such loss, reduction or expropriation of its entitlements would have a material adverse effect upon the Company.

### No Assurance of Title and Title Disputes

Although the Company has received a title opinion from Guyana local counsel in connection with the Toroparu Property, title insurance generally is not available, and the ability of the Company to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. Furthermore, the Company has not conducted surveys of the claims in which it holds interests and, therefore, the precise area and location of such claims may be in doubt or challenged. Accordingly, the Company's properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects which could have a material adverse impact on the Company's business operations, condition and results of operations. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

### Political Risks

All of the Company's current operations are presently conducted in South America and as such, are exposed to various levels of political, economic and other risks and uncertainties present in emerging nations. Such risks and uncertainties vary from country to country and include, but are not limited to: (i) currency exchange rates; (ii) high rates of inflation; (iii) labor unrest; (iv) renegotiation or nullification of existing concessions, licenses, permits and contracts; (v) changes in taxation policies; (vi) restrictions on foreign exchange and changing political conditions; (vii) currency controls; and (viii) governmental regulations that favor or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Future political actions in Guyana and Colombia cannot be predicted and may adversely affect the Company. Changes, if any, in mining or investment policies or shifts in political attitude in the country of Guyana or Colombia may adversely affect the Company's business, results of operations and financial condition. Future operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. The possibility that future governments may adopt substantially different policies, which may extend to the expropriation of assets, cannot be ruled out. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's consolidated business, results of operations and financial condition.

### Infrastructure

Mining, processing, development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supplies are important requirements, which affect capital and operating costs. Unusual or infrequent weather, natural phenomena, sabotage, government or other

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interference in the maintenance or provision of such infrastructure could adversely affect the Company's future operations, financial condition and results of operations.

### Limited Market for Securities

The Company's common shares are currently listed on the TSXV; however, there can be no assurance that an active and liquid market for the common shares will be maintained and an investor may find it difficult to resell securities of the Company.

### Price and Volatility of Public Stock

The market price of the Company's common shares has experienced fluctuations which may not necessarily be related to the financial condition, operating performance, underlying asset values or prospects of the Company. It may be anticipated that any market for the common shares will be subject to market trends generally and the value of the common shares on the TSXV, or such other stock exchange as the common shares may be listed from time to time, may be affected by such volatility.

### Future Sales of Common Shares by Existing Shareholders and Future Issuances of Common Shares or Equity-Related Securities

Sales of a large number of common shares in the public markets, or the potential for such sales, could decrease the trading price of such common shares and could impair the ability of the Company to raise capital through future sales of such common shares.

Any issuance of additional equity securities could dilute the interests of existing shareholders and could substantially decrease the trading price of the common shares. The Company may issue equity securities in the future for a number of reasons, including to finance its operations and business strategy (including in connection with acquisitions, strategic collaborations or other transactions) and to satisfy the Company's obligations upon the exercise of outstanding warrants or options or for other reasons. Sales of a substantial number of common shares or other equity-related securities in the public market (or the perception that such sales may occur) could depress the market price of the common shares and impair the Company's ability to raise capital through the sale of additional equity securities. The Company cannot predict the effect that future sales of the common shares or other equity-related securities would have on the market price of the common shares.

### Commodity Prices

Factors beyond the control of the Company may affect the marketability and price of minerals discovered, if any. Resource prices have fluctuated widely in recent years and months and are affected by numerous factors beyond the control of the Company, including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors cannot be accurately predicted.

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### Global Financial Conditions

Securities of mining and mineral exploration companies, including the common shares of the Company, have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in Canada and globally, and market perceptions of the attractiveness of particular industries. The price of the securities of the Company is also significantly affected by short-term changes in commodity prices, base and precious metal prices or other mineral prices, currency exchange fluctuation and the political environment in the countries in which the Company does business. As of the date of this document, the global economy continues to be in a period of significant economic volatility.

### Litigation

Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Like most companies, the Company is subject to the threat of litigation and may be involved in disputes with other parties in the future which may result in litigation or other proceedings. The results of litigation or any other proceedings cannot be predicted with certainty. If the Company is unable to resolve these disputes favorably, it could have a material adverse effect on the Company's financial position, results of operations or the Company's property development.

### Reliance on Limited Number of Property Interests

The only property interests held by the Company are the Toroparu Property and the interests held in connection with the Alphonso Upper Puruni Agreement, the Godette Agreement and the B.M. Mining Agreement. As a result, unless the Company acquires additional property interests, any adverse developments affecting any of the properties comprising the Toroparu Property could have a material adverse effect upon the Company and could materially and adversely affect the potential mineral resource production, profitability, financial performance and results of operations of the Company.

### Uncertainty of Cost Estimates and Timing of New Projects

The capital expenditure and time required to develop new mines or other projects is considerable and changes in costs and/or construction schedules, can affect project economics. There are a number of factors that can affect costs and construction schedules, including, among others: availability of labor, power, transportation, commodities and infrastructure; changes in input commodity prices and labor costs; fluctuations in currency exchange rates; availability and terms of financing; difficulty of estimating construction costs over a period of years; delays in obtaining environmental or other government permits; weather and severe climate impacts; and potential delays related to social and community issues.

### Competition

Competition in the mineral exploration business is intense and could adversely affect the ability of the Company to suitably develop the properties in which it holds its interests. The Company will be competing with other exploration companies potentially possessing greater financial resources and technical facilities. Accordingly, there is a high degree of competition for desirable mineral leases, suitable prospects for drilling operations and necessary mining equipment, as well as for access to funds. There can be no assurance that necessary funds can be raised by the Company or that any projected work will be completed.

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### Shortages of Critical Parts, Equipment and Skilled Labor May Adversely Affect Operations and Development Projects

The mining industry has been increasingly impacted by increased demand for critical resources such as input commodities, drilling and other equipment and skilled labor. These shortages may cause unanticipated cost increases and delays, thereby impacting operating costs, capital expenditures and production schedules.

### Dependence on Key Personnel

The Company's future success and growth depends in part upon the experience of a number of key management personnel. If for any reason, any one or more of such key personnel do not continue to be active in the Company's management, the operations and business prospects of the Company could be adversely affected.

### Conflicts of Interest

Certain directors of the Company are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company will be required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board of Directors of the Company, any director in a conflict situation will be required to disclose his or her interest and abstain from voting in connection with the matter giving rise to the conflict. In determining whether or not the Company will participate in any project or opportunity, its directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the relevant time.

### Currency

The fair value of, or future cash flows from, the Company's financial instruments will fluctuate based on changes in foreign exchange rates. The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds certain operations, exploration and administrative expenses in Guyana and Colombia on a cash call basis using U.S. dollar currency and maintains U.S. dollar, Guyanese dollar and Colombian peso bank accounts. The Company is subject to gains and losses from fluctuations in the U.S. dollar, Guyanese dollar and Colombian peso against the Canadian dollar.

### Dividend Policy

No dividends on the common shares have been paid by the Company to date. Payment of any future dividends, if any, will be at the discretion of the Company's Board of Directors, after taking into account many factors, including the Company's consolidated operating results, financial condition, and current and anticipated cash needs.

### Cyber Security Threats

Information systems and other technologies, including those related to the Company's financial and operational management, are an integral part of the Company's business activities. Network and information systems-related events, such as computer hackings, cyber-attacks, computer viruses, worms or other

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destructive or disruptive software, process breakdowns, denial of service attacks, malicious social engineering or other malicious activities, or any combination of the foregoing, or power outages, natural disasters, terrorist attacks or other similar events, could result in damage to the Company's property, equipment and data. These events also could result in significant expenditures to repair or replace the damaged property or information systems and/or to protect them from similar events in the future.

Further, any security breaches, such as misappropriation, misuse, leakage, falsification or accidental release or loss of information maintained in the Company's information technology systems, including personnel and other data, could damage its reputation and require the Company to expend significant capital and other resources to remedy any such security breach. Insurance maintained by the Company against losses resulting from any such events or security breaches may not be sufficient to cover any consequent losses or otherwise adequately compensate the Company for any disruptions to its business that may result, and the occurrence of any such events or security breaches could have a material adverse effect on the business of the Company. There can be no assurance that these events and security breaches will not occur in the future or not have an adverse effect on the business of the Company.

### Compliance with Anti-Corruption Laws

The Company is subject to various anti-corruption laws and regulations including but not limited to the Canadian Corruption of Foreign Public Officials Act 1999. In general, these laws prohibit a company and its employees and intermediaries from bribing or making other prohibited payments to foreign officials or other persons to obtain or retain business or gain some other business advantage. The Company's primary operations are located in Guyana and, according to Transparency International, the country of Guyana is perceived as having fairly high levels of corruption relative to the selected sample of countries around the world. The Company cannot predict the nature, scope or effect of future regulatory requirements to which its operations might be subject or the manner in which existing laws might be administered or interpreted. Failure to comply with the applicable legislation and other similar foreign laws could expose the Company and its senior management to civil and/or criminal penalties, other sanctions and remedial measures, legal expenses and reputational damage, all of which could materially and adversely affect the Company's business, financial condition and results of operations. Likewise, any investigation of any potential violations of the applicable anti-corruption legislation by Canadian or foreign authorities could also have an adverse impact on the Company's business, financial condition and results of operations, as well as on the market price of the Common Shares. As a consequence of these legal and regulatory requirements, the Company has instituted policies with regard to the code of business conduct and ethics. There can be no assurance or guarantee that such efforts have been and will be completely effective in ensuring the Company's compliance, and the compliance of its employees, consultants, contractors and other agents, with all applicable anti-corruption laws.

### COVID-19 Impact

The World Health Organization declared COVID-19 to be a pandemic on March 11, 2020. COVID-19 has spread globally, and actions taken in response to COVID-19 have interrupted business activities and supply chains; disrupted travel; contributed to significant volatility in the financial markets, resulting in a general decline in equity prices and lower interest rates; impacted social conditions; and adversely impacted local, regional, national and international economic conditions, as well as the labor market. To date, COVID-19 has not had any significant impact on the Company's operations. However, the Company is actively monitoring and implementing necessary precautions at its exploration sites and offices in response to quarantine directions.

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To the extent possible, the Company expects that its operations will continue to operate during the quarantine period. However, in light of COVID-19, the Company has taken steps to slow down discretionary operating and capital expenditures to preserve its liquidity during this unusual situation.

### **Additional Information**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com), or on the Company's website at [www.goldxmining.com](http://www.goldxmining.com).