

Management's Discussion and Analysis

For the quarter ended: March 31, 2021

Date of report: May 31, 2021

This management's discussion and analysis of the consolidated financial condition and results of operation ("MD&A") of GoldSpot Discoveries Corp. ("GoldSpot" or the "Company") should be read in conjunction with GoldSpot's unaudited interim condensed consolidated financial statements and notes thereto as at and for the three months ended March 31, 2021 and the annual audited consolidated financial statements and notes thereto as at and for the year ended December 31, 2020. The same accounting policies and methods of computation were followed in the preparation of the interim condensed financial statements as were followed in the preparation and described in Note 3 of the annual financial statements as at and for the year ended December 31, 2020.

Unless indicated otherwise, all financial data in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All dollar amounts in this MD&A are reported in Canadian dollars unless otherwise indicated.

Caution Regarding Forward-Looking Information

Certain information contained in this MD&A constitutes forward-looking information, which is information relating to future events or the Company's future performance and which is inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information contained in this MD&A includes, but is not limited to the Company's anticipated investment activities and results and financing activities, the Company's future working capital requirements, the impact of changes in accounting policies and other factors on the Company's operating results, and the performance of global capital markets and interest rates, the exposure of its financial instruments to various risks and its ability to manage those risks, and the Company's ability to use tax resource pools and loss carry-forwards.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. Some of the risks and other factors which could cause results to differ materially from those expressed

in the forward-looking information contained in this MD&A include, but are not limited to: risks relating to the Company's ability to raise capital in order to fund obligations as they become due, the Company's ability to generate taxable income from operations, the strength of the Canadian, U.S. and other economies, foreign exchange fluctuations, political and economic conditions in the countries in which the Company's customers are located, and other risks included elsewhere in this MD&A under the heading "Other Risks".

Readers are cautioned that the foregoing lists of factors are not exhaustive. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. The forward-looking information contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

During Q1 of 2020, there was a global outbreak of the 2019 novel corona virus ("COVID-19") (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the true extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, the Company anticipates this outbreak may cause reduced sales/customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which will negatively impact the Company's business and financial condition. To mitigate the current and potential fallout should the outbreak should last an extended period, GoldSpot has already implemented certain procedures and actions, including cost cutting measures and cancelling the attendance of certain conferences.

Overview of Business

Nature of the Business:

GoldSpot Discoveries Corp. was incorporated under the *Canada Business Corporations Act* on May 1, 2017. On February 8, 2019, the Company completed a transaction with GoldSpot Discoveries Inc. ("GDI"), a private company continued under the *Business Corporations Act* (Ontario), which constituted a reverse takeover by GDI and changed its name to "GoldSpot Discoveries Corp." Because GDI is considered the accounting acquirer, the audited financial statements as at and for the year ended December 31, 2019 are a continuation of the financial statements of GDI, adjusted to reflect the legal capital of the Company. On February 21, 2019, the Company commenced trading on the TSX Venture Exchange ("TSXV") under the symbol "SPOT" and on May 12, 2021, the Company's shares commenced trading on the OTCQX Best Market under the symbol "SPOFF". The Company's head office is at 69 Yonge Street, Suite 1010, Toronto, ON, M5E 1K3.

GoldSpot is a technology services company in mineral exploration. GoldSpot is a leading team of expert scientists who merge geoscience and data science to deliver bespoke solutions that transform the mineral discovery process. In the race to make discoveries, GoldSpot produces Smart Targets and advanced geological modelling that saves time, reduces costs and provides accurate results.

Technology developed by GoldSpot is actively being used by producers and junior explorers. With its clients, GoldSpot develops and improves on current technology to make economical and more efficient discoveries.

Principal Business:

GoldSpot is a technology company that uses artificial intelligence (“AI”) and traditional domain expertise to assist in discovering new mineral deposits for its clients. GoldSpot’s consultancy remains an integral part of operations, working with producers provides revenue to offset general office expenses and research and development. However, GoldSpot’s mandate has now evolved to include explorers. The use of machine learning allows the Company to find attractive explorers and valuable royalties earlier in the exploration process. GoldSpot makes strategic investments in these junior companies and can acquire royalties, while giving the issuer access to its geology and data science team. GoldSpot is building a basket of equities and royalties, allowing investors that invest in GoldSpot to gain exposure to AI-driven mining assets.

While the resource markets have been especially challenging, the consulting revenue stream accompanied by investing revenue will allow investors to experience the upside of a resource market by AI-driven equity and royalty assets. Furthermore, GoldSpot’s expertise in AI and machine learning allows it to enter exploration partnerships with both industry and academic institutions.

Summary

- For the three months ended March 31, 2021, the Company has net income of \$5,703,187 (basic earnings per share of \$0.06) as compared to \$59,437 (basic earnings per share of \$0.00) for the three months ended March 31, 2020;
- The Company’s consulting revenue continues to grow, increasing by 92% to \$1,799,803 for the three months ended March 31, 2021 as compared to \$938,620 for the three months ended March 31, 2020;
- As at March 31, 2021, the Company has cash and cash equivalents, due from brokers, investments and equity investments of \$28,186,598 as compared to \$22,288,150 as at December 31, 2020.
- In January 2021, the Company’s majority owned subsidiary, XCorp AI Ltd. completed a transaction with Golden Planet Mining Corp. (“GPM”) pursuant to the transaction, (i) Goldspot and each of the other shareholders of XCorp exchanged their common shares of XCorp on the basis of 1.6999431 common shares of GPM for each one XCorp share held; and (ii) XCorp became a wholly owned subsidiary of GPM. As a result, the Company recognized a realized gain of \$7,659,798 on the disposition of XCorp.
- In January 2021, the Company announced that it has deployed its proprietary inversion process, MinusOne, on Northstar Gold Corp.’s (CSE: NSG) Miller gold project. This inversion, along with machine learning work, has aided Northstar to identify known lithologies. MinusOne, GoldSpot’s inversion technology, will invert geophysical data using a deterministic and stochastic inversion method. With this technology, GoldSpot’s team also applies a stochastic clustering method to provide probabilistic framework that helps to analyze uncertainty. MinusOne is one of the latest

inventions from GoldSpot's research and development team, which routinely brings cutting-edge computer science and mathematical methods to solve practical exploration problems.

- In January 2021, the Company announced that it had identified for its client, Exploits Discovery Corp. (CSE: NFLD), secondary faults parallel to the mineralized Appleton fault, which hosts New Found Gold Corp.'s discovery hole, on its Mount Peyton project. Through Goldspot's historical compilation, reinterpretation and data analysis techniques, Exploits has identified a secondary parallel structure approximately 3.5 kilometres west of New Found Gold's Keats discovery zone on its Appleton fault. This newly identified northeast-southwest-trending structure, termed the Schooner fault, lies coincident with Torq Resources Inc.'s 2017 till program, in which Torq Resources reported anomalous gold till results in close proximity to the interpreted zone. The Schooner fault is recommended by Goldspot for additional follow-up work, including geophysics, prospecting and trenching.
- In February 2021, the Company announced that it has been engaged by Fortuna Silver Mines Inc. (TSX: FVI) to create exploration prospectivity maps and 3-D targets for one of its mines. GoldSpot will process, integrate and interpret underground and exploration drilling data in the region, using its proprietary combination of geoscience, data analytics and artificial intelligence algorithms. The work program will include data quality assurance/quality control and compilation; geochemical interpretations; geophysical interpretations and inversions; 3-D data treatment and modelling; and conventional and machine learning target generation. The objective of GoldSpot's engagement will be to assist with exploration targeting on both a local scale and a regional scale.
- In March 2021, the Company announced that it has identified several gold targets at Stelmine Canada Ltd.'s (TSXV: STH) Courcy project in Quebec. Goldspot was mandated by Stelmine to conduct a targeting study at its flagship project located in the eastern Opinaca basin, 100 kilometres west of Fermont, Quebec-Labrador. Goldspot identified 28 drill-ready targets, each classified by priority, using its proprietary expertise following favourable geological modelling and gold prediction results. Goldspot's smart targeting approach used artificial intelligence combined with traditional geological expertise to update the geological and metallogenic understanding of the project and eventually identify potential targets. Six high-priority targets were identified for drilling exploration. Twenty-two moderate-priority targets were determined and require field investigation prior to drilling.
- In March 2021, the Company announced that it has been engaged by Granite Creek Copper Ltd. (TSXV: GCX) to apply its proprietary machine learning technology and geoscience expertise on Granite Creek's Carmacks and Carmacks North project, located in the high-grade Minto copper district of Canada's Yukon. Goldspot will work closely with Granite Creek's technical team to analyze geological, geochemical and geophysical data covering the company's advanced and early-stage targets, including targeting for the 2021 drill campaign slated to commence in early May.
- In April 2021, the Company announced that it has been engaged by Tru Precious Metals Corp. (TSXV: TRU) to apply its proprietary machine learning technology and geoscience expertise on Tru's Golden Rose and Twillite gold projects, located in the prolific Central Newfoundland gold belt. Goldspot will bring its proven artificial intelligence (AI) expertise that has led to important mineral discoveries in the province to Tru's exploration projects.
- In April 2021, the Company announced that it has been engaged by Nevada King Gold Corp. (TSXV: NKG) to assist in drill targeting on Nevada King's extensive landholdings along the prolific Battle Mountain trend, Nevada. Goldspot has a large, collaborative team of geoscientists and data

scientists focused on maximizing the chances of discovery by extracting the most out of all available data utilizing Goldspot's proprietary machine-learning technology and geoscience expertise.

- In April 2021, the Company announced that it intends to effect a normal course issuer bid through the facilities of the TSX Venture Exchange. Goldspot may, during the 12-month period commencing on May 4, 2021, and ending May 3, 2022, purchase on the TSX Venture Exchange up to 4,736,243 common shares in total, representing approximately 5% of the common shares of Goldspot currently issued and outstanding as of April 28, 2021. The price which Goldspot will pay for any such common shares will be the market price at the time of acquisition. The actual number of common shares which may be purchased and the timing of any such purchases will be determined by Goldspot.
- On May 12, 2021, Goldspot 's common shares started trading on the OTCQX Best Market, a U.S. market operated by OTC Markets Group in New York, under the new ticker symbol "SPOFF". Goldspot's common shares will continue to trade on the TSX Venture Exchange under the symbol "SPOT".
- In May 2021, the Company announced that it and Sterling Metals Corp. (TSXV: SAG) have released the results of a property-wide comprehensive data review, compilation and target generation using traditional geological and machine learning methods. The results of this exercise identified 33 drill targets, ranked in order of priority with 18 identified as the highest priority targets. On the back of this target generation study, Sterling Metals has announced it will initiate a fully-funded 7,500 metre drilling program beginning in June for which contracts have been signed with both drillers and a geological consultancy group.
- In May 2021, the Company announced that it has entered into an agreement with Canaccord Genuity Corp. who has agreed to a bought deal of 12,500,000 common shares at a price of \$0.80 per share for aggregate proceeds of \$10,000,000, subject to an increase by up to an additional 15% pursuant to an over-allotment option. The offering is expected to close during the first week of June 2021, and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Venture Exchange.

Equity investment in Golden Planet Mining Corp. ("GPM")

On August 14, 2020, the Company incorporated a wholly-owned subsidiary, XCorp AI Ltd. ("XCorp") to acquire certain exploration and evaluation assets. XCorp was formed as an initiative between the Company and Hanging Wall Metals Inc. ("Hanging Wall"), a private exploration company, and it holds an option to acquire a 100% interest in the Rider Block Project (located in central British Columbia, Canada) pursuant to an option agreement dated October 9, 2020 with Hanging Wall.

GoldSpot had invested an aggregate of \$475,001 in XCorp, and as at December 31, 2020 held approximately 80.7% of the outstanding shares of XCorp. During the year ended December 31, 2020, XCorp also completed a private placement in the amount of \$25,000 for 500,000 common shares. In addition, XCorp issued 1,765,000 common shares to acquire the Rider Block Project. Such shares issued were measured at \$88,250 based on the fair value of common shares of XCorp issued. As at December 31, 2020, Hanging Wall and Envision Geoscience Inc. ("Envision") held approximately 15.0% and 4.3%, respectively, of the outstanding shares of XCorp. Envision is a private company controlled by Shawn Hood, who is the Chief Technology Officer of the Company.

In order to earn its interest in the Rider Block project, XCorp is required to (i) make cash payments aggregating \$240,000 over two years, (ii) incur aggregate exploration expenditures of \$3,000,000 on the property over three years, (iii) issue shares aggregating 15% of the issued and outstanding shares of XCorp (which have been issued) and (iv) issue stock options to acquire such number of shares of XCorp as are equal to 3% of the outstanding shares of XCorp after giving effect to an initial minimum financing of \$2,500,000.

On December 14, 2020, the Company entered into a definitive agreement ("Definitive Agreement") with Golden Planet Mining Corp., a private mining exploration company. Pursuant to the Definitive Agreement (i) GoldSpot and each of the other shareholders of XCorp will exchange their common shares of XCorp ("XCorp Shares") on the basis of 1.6999431 common shares of GPM ("GPM Shares") for each one XCorp Share held; and (ii) XCorp will become a wholly-owned subsidiary of GPM. GPM holds 146,000 ha of prospective property located south-east of La Ronge, Saskatchewan. As a result, the results for XCorp for the year ended December 31, 2020 were reclassified as a loss from discontinued operations in the consolidated statements of income and comprehensive income. The assets and liabilities have been classified as assets held for sale and liabilities of assets held for sale, respectively, in the consolidated statement of financial position as at December 31, 2020.

On January 1, 2021, the Company completed a transaction of its majority owned subsidiary, XCorp with GPM (the "Transaction"). Pursuant to the Transaction, (i) GoldSpot and each of the other shareholders of XCorp. exchanged their common shares of XCorp ("XCorp Shares") on the basis of 1.6999431 common shares of GPM ("GPM Shares") for each one (1) XCorp Share held; and (ii) XCorp became a wholly-owned subsidiary of GPM.

Pursuant to the Transaction, an aggregate of 1,547,850 stock options of GPM were issued to Hanging Wall in full satisfaction of the option requirement, each exercisable to acquire one GPM Share at an exercise price of \$0.50 for a period of 5 years (the "GPM Options"). Contemporaneously with the closing of the Transaction, GPM closed a concurrent non-brokered private placement financing pursuant to which it issued an aggregate of 8,095,000 GPM Shares at \$0.50 per share and 3,500,000 "flow-through" GPM Shares at \$0.68 per share to raise aggregate gross proceeds of \$6,427,500. Immediately following the Transaction, GoldSpot holds an aggregate of 16,149,629 GPM Shares representing 31.3% of all issued and outstanding GPM Shares on a non-diluted basis (or 30.4% on a fully diluted basis assuming exercise of the GPM Options). For the three months ended March 31, 2021, included in the interim condensed consolidated statement of income and comprehensive income is realized gains from disposition of subsidiary of \$7,659,798, relating to the Transaction.

An associate is an entity over which the Company has significant influence and is not a subsidiary or joint venture. Significant influence is presumed to exist when the Company has the power to be actively involved and influential in financial and operating policy decisions of the associate. The Company accounts for its investment in an associate using the equity method. Under the equity method, the Company's investment in an associate is initially recognized at cost and subsequently increased or decreased to recognize the Company's share of profit and loss of the associate and for impairment losses after the initial recognition date.

The Company's share of comprehensive earnings or losses of associates are recognized in net income and comprehensive income during the period. Distributions received from an associate are accounted for as a reduction in the carrying amount of the Company's investment.

The Company is considered to have significant influence over GPM due to the percentage of its equity interest in GPM.

The following is a summary of the Company's investment in GPM:

	GPM
Equity investment as at December 31, 2020	\$ -
Share exchange of XCorp for GPM (at fair value)	8,074,815
GoldSpot's share of loss	(291,245)
Equity investment as at March 31, 2021	\$ 7,783,570

As at March 31, 2021, the fair value of the equity investment in GPM is \$8,074,815 which is based on the last transaction share price. Such fair value is categorized as level 3 within the fair value hierarchy. The Company anticipates that further GPM financings or share issuances for exploration and evaluation assets will dilute its holdings in GPM below 20%, whereby the Company will be able to fair value its investment in GPM.

Results of Operations

The Company's selected quarterly results for the most recently completed interim financial periods are as follows:

	Quarter ended			
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Consulting income	\$ 1,799,803	\$ 1,708,101	\$ 1,586,121	\$ 937,202
Net investment gains (losses)	(2,082,455)	5,786,078	2,924,514	3,193,711
Operating, general and administrative	(1,568,092)	(1,511,712)	(1,542,105)	(1,284,230)
Loss from equity investment	(291,245)	-	-	-
Net income (loss) from operations	(1,956,611)	4,577,723	2,962,300	2,840,204
Realized gains from disposition of subsidiary	7,659,798	-	-	-
Net income and comprehensive income for the period	5,703,187	4,503,438	2,962,300	2,840,204
Earnings per common share based on net income for the period – basic and diluted	0.06	0.05	0.03	0.03
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
Consulting income	\$ 938,620	\$ 646,594	\$ 750,911	\$ 399,673
Net investment gains (losses)	368,763	158,524	(13,625)	658,000
Operating, general and administrative	(1,250,799)	(1,341,207)	(1,186,885)	(1,145,027)
Impairment of intangible assets	-	-	(927,378)	-
Net income (loss) and comprehensive income (loss) for the period	59,437	(543,370)	(1,362,253)	(74,013)
Earnings (loss) per common share based on net income (loss) for the period – basic and diluted	0.00	(0.01)	(0.01)	(0.00)

Three months ended March 31, 2021 and 2020

For the three months ended March 31, 2021, the Company recorded consulting income of \$1,799,803 as compared to \$938,620 for the three months ended March 31, 2020, an increase of 92%. The Company continues to attract new customers with six new consulting income customers during the three months ended March 31, 2021 (three months ended March 31, 2020 – eight new consulting income customers). The average length of a service contract is typically between 6 to 18 months, and the Company's customers are generally from junior mining exploration issuers, however, the Company currently has four customers who are senior mining companies. The contracts are typically on a project-to-project basis, thus junior mining exploration contracts are generally non-reoccurring. However, the Company has been reengaged several times by the same junior mining exploration company when more data is collected and GoldSpot's services are required. For senior mining companies, the Company has a track record of being reengaged by the same company for different mines. Thus, senior mining companies with more assets provide longer-term relationships and thus longer revenue streams. For the three months ended March 31, 2021, 15% (\$267,262) of the total consulting income was from reoccurring customers (three months ended March 31, 2020 – \$nil). The Company's consulting revenue continues to be greater than its operating, general and administrative expenses. While this operating metric is appealing, the Company plans on investing significantly in accelerating the development of key technologies to eventually monetize it as a software. The Company believes this will contribute greatly to its revenue and sustainability in the longer-term.

For the three months ended March 31, 2021, the Company reported net investment losses of \$2,082,455 as compared to net investment gains of \$368,763 for the three months ended March 31, 2020, primarily related to the unrealized losses on investments. For the three months ended March 31, 2021, the Company's net investment losses included a net change in unrealized losses on investments of \$2,413,788 offset by realized gains on disposition of investments of \$331,333. In the prior year quarter, the net investment gains was a result of the net change in unrealized gains on investments of \$401,763 offset by realized losses on investments of \$33,000. The write-down on investments in the current quarter was on a majority of the Company's junior mining public investees, due to the downturn in the prices of junior mining stocks. For the three months ended March 31, 2021, the net unrealized losses of \$2,413,788, included a unrealized losses of \$1,108,150 on the Company's warrant holdings offset by unrealized gains on the Company's investment in New Found Gold Corp (see Related party transaction section).

The Company has investments in some of its customers. The Company does not have a firm policy regarding (i) the extent of its investments in its customers; (ii) the percentage of issued and outstanding shares that it may acquire in any given customer; or (iii) the timing of disposition of any of its investments. The Company does not seek to acquire any particular level of ownership in order to exert influence over any of its investees, and treats such holdings as passive investments. The Company may opt to hold, decrease or increase its position in any investee company at any time based upon market forces, management's assessment of the investment in question and the funding needs of the Company. The value of any particular investee company will be effected by its operations and general market fluctuations, each of which are beyond the control of the Company. Accordingly, the value of the Company's investments could increase or decrease at any time, and the Company may not realize upon any unrealized gains which it has reported, depending upon the nature and timing of its disposal of any such investments. See also the Investments section and Investment Risks section elsewhere in this MD&A.

For the three months ended March 31, 2021, the Company reported other income of \$1,496 as compared to \$11,521 for the three months ended March 31, 2020. Other income consisted of interest income earned on the Company's cash and money market deposits. In the prior year quarter, the

money market deposits and interest rate earned on the deposit was higher earning greater interest income.

Included in operating, general, and administrative expenses for the three months ended March 31 are the following:

	2021	2020
Salaries and consulting fees	\$ 1,117,113	\$ 717,818
Other employee benefits	81,344	71,173
Stock-based compensation expense	79,518	97,220
Software licensing fees	66,252	103,911
Professional fees	46,416	35,910
Other office and general	43,567	29,709
Directors' fees	41,500	45,000
Depreciation	29,968	22,854
Shareholder relations and filing fees	28,234	50,734
Operating lease payments	14,196	23,702
Transaction costs	12,320	9,061
Travel and promotion	9,386	78,177
Foreign exchange gain	(1,722)	(34,470)
	\$ 1,568,092	\$ 1,250,799

For the three months ended March 31, 2021, the Company had operating, general and administrative expenses of \$1,568,092 as compared to \$1,250,799 for the three months ended March 31, 2020 primarily due to an increase in operating activities. The Company continues to recruit additional employees and consultants for its consulting services and research and development divisions. The Company expects a continued increase in salaries and consulting fees due to an increase in hiring to support the increase in number of clients and revenue. These increases were offset by a decrease in shareholder relations and filing fees and travel and promotion due to a decrease in the number of conferences the Company attended.

For the three months ended March 31, 2021, the Company had recorded finance expenses of \$10,241 as compared to \$8,668 for the three months ended March 31, 2020. The finance expenses relate to lease liabilities and the amount is the difference between lease payments and the net present value that has been accrued in accordance with the new accounting policy for leases.

For the three months ended March 31, 2021, the Company recorded a loss from its equity investment of \$291,245 (\$nil for the prior year quarter since the Company did not own any equity investments). See Equity investment in Golden Planet Mining Corp. ("GPM") Section elsewhere in this MD&A.

For the three months ended March 31, 2021, the Company had recorded a deferred tax recovery of \$194,123 as compared to \$nil for the three months ended March 31, 2020. The deferred tax recovery for the current period related to a reversal of net deferred tax liabilities primary due to the Company's unrealized losses on its investments for the three months ended March 31, 2021.

As previously discussed, the Company recorded realized gains on disposition of subsidiary of \$7,659,798 for the three months ended March 31, 2021. The Company recorded the realized gains upon the share exchange of XCorp shares for GPM shares.

Net income and comprehensive income for the three months ended March 31, 2021, was \$5,703,187 (\$0.06 per basic share) as compared to \$59,437 (\$0.00 per basic share) for the three months March 31, 2020.

Cash Flows

Three months ended March 31, 2021 and 2020

During the three months ended March 31, 2021, the Company used cash of \$263,733 in operating activities as compared to generating cash of \$13,922 for the three months ended March 31, 2020. For the three months ended March 31, 2021, the Company had significant non-cash items relating to net investment gains, loss from equity investment, stock-based compensation expenses, and deferred tax recovery.

During the three months ended March 31, 2021, the Company used cash of \$27,535 in financing activities as compared to \$16,400 during the three months ended March 31, 2020. During the three months ended March 31, 2021 and 2020, the Company used cash for principal payments of lease liabilities.

During the three months ended March 31, 2021, net cash generated in investing activities was \$8,410 as compared to cash used of \$513,091 during the three months ended March 31, 2020. During the three months ended March 31, 2021, the Company purchased investments totalling \$766,900 (three months ended March 31, 2020 - \$1,020,360) and received proceeds on disposition of investments totalling \$787,052 (three months ended March 31, 2020 - \$508,568). The Company's investment activities are expected to increase when there is available cash resources as its consulting business grows. During the three months ended March 31, 2021, the Company also purchased property and equipment (primarily computer equipment) totalling \$11,742 as compared to \$1,299 during the three months ended March 31, 2020.

For the three months ended March 31, 2021, the Company had a net decrease in cash and cash equivalents of \$282,858 as compared to \$515,569 for the three months ended March 31, 2020. As a result, the Company had a cash and cash equivalents balance of \$4,184,319 as at March 31, 2021 as compared to \$4,246,644 as at March 31, 2020.

Investments

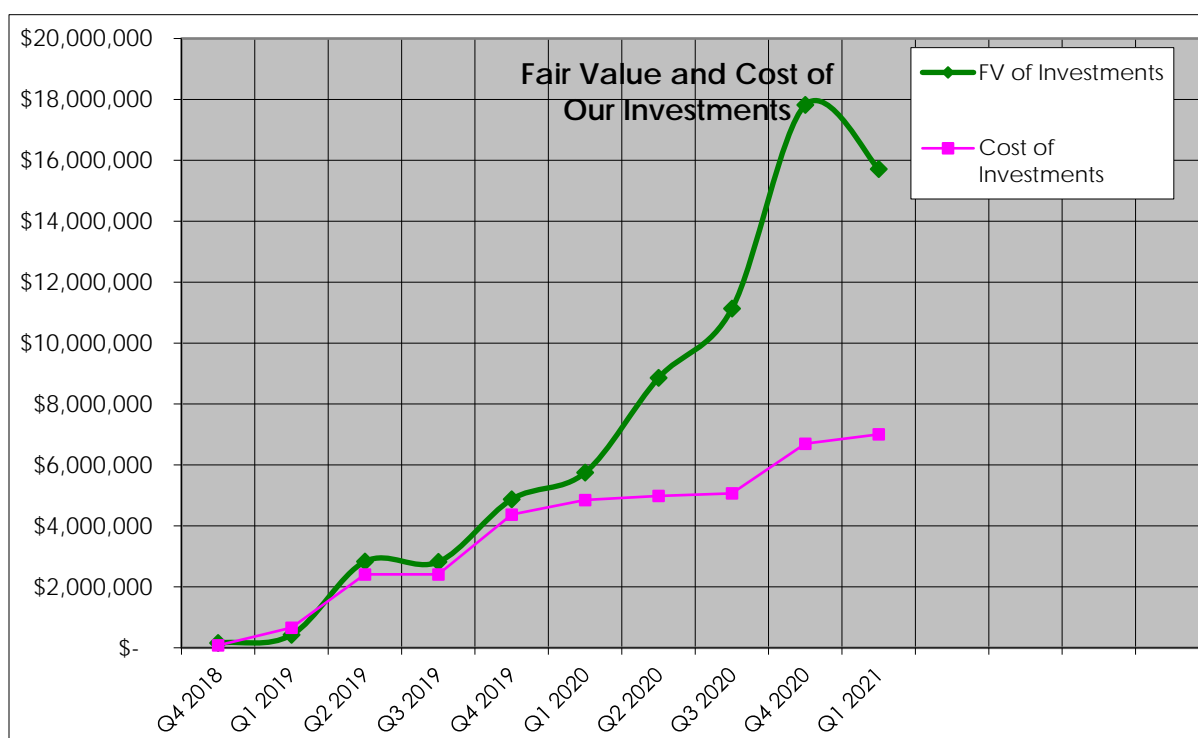
The fair value and cost of investments are as at March 31, 2021 and December 31, 2020 as follows:

	Fair Value ⁽¹⁾	Cost
March 31, 2021	\$ 15,718,366	\$ 7,007,994
December 31, 2020	\$ 17,820,973	\$ 6,696,813

⁽¹⁾ As at March 31, 2021, included in the fair value is warrants with a fair value of \$1,886,547 (December 31, 2020 - \$2,788,842), valued in accordance with the Company's accounting policy for warrants.

As at March 31, 2021, the fair value of investments exceeded original cost by \$8,710,372 as compared to \$11,124,160 as at December 31, 2020. The decrease for the three months end March 31, 2021 was primarily due to the net change in unrealized losses on investment of \$2,413,788 for the current period.

Following chart shows the fair value and cost of our investments over the last ten quarters:



The fair value of the Company's investments as reflected in its interim condensed consolidated financial statements and calculated in accordance with IFRS and its accounting policies may differ from the actual proceeds of disposition that would be realized by the Company. For example, the amounts at which the Company's publicly-traded investments could be disposed of currently may differ from fair values based on market quotes, as the value at which significant ownership positions are sold is often different than the quoted market price due to a variety of factors such as premiums paid for large blocks or discounts due to illiquidity.

As at March 31, 2021, total investments included securities of 2 private companies with a fair value totalling \$666,600 (4.2% of total fair value of the Company's investments; cost of \$476,600). As at December 31, 2020, total investments included securities of 3 private companies with a fair value totalling \$1,150,625 (6.5% of total fair value of the Company's investments; cost of \$976,756). The fair value was determined in accordance with the Company's accounting policy for private company investments. The amounts at which the Company's private company investments could be disposed of currently may differ significantly from their carrying values since there is no active market to dispose of these investments.

In addition, as at March 31, 2021, the Company has an equity investment in GPM totalling \$7,783,570 (fair value of \$8,074,815), as previously discussed.

Segmented information

Reportable segments are defined as components of an enterprise about which separate financial information is available, that are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

The Company has a single reportable geographic segment, Canada, and all of the Company's property and equipment are located in Canada.

The internal reporting provided to the management of the Company's assets, liabilities, and performance is consistently with the measurement and recognition principles of IFRS. There were no changes in the reportable segments during the three months ended March 31, 2021.

Liquidity and Capital Resources

Statement of financial position highlights	March 31, 2021	December 31, 2020
Cash and cash equivalents	\$ 4,184,319	\$ 4,467,177
Due from brokers	500,343	-
Accounts receivable, net of expected credit losses	620,752	486,320
Investments, at fair value	15,718,366	17,820,973
Equity investment	7,783,570	-
Assets held for sale	-	525,429
Total assets	29,304,864	23,727,167
Deferred revenue	3,289,005	3,119,439
Liabilities held for sale	-	11,463
Deferred tax liabilities	1,205,123	1,399,246
Total liabilities	5,230,987	5,337,046
Share capital and contributed surplus	14,505,689	14,426,171
Retained earnings	9,568,188	3,865,001
Non-controlling interest	-	98,949

As at March 31, 2021, the Company's cash position decreased to \$4,184,319 as compared to \$4,467,177 as at December 31, 2020. As at March 31, 2021, total liabilities decreased by \$106,059 to \$5,230,987 as compared to \$5,337,046 as at December 31, 2020, primarily due to a decrease in sales tax payable (the amount recorded as at December 31, 2020 was filed with the government and paid) and a recovery of deferred tax liabilities. The deferred tax liabilities as at March 31, 2021 and December 31, 2020 relates to the potential tax payable on the Company's unrealized gains on its investments and equity investment.

The Company's cash and cash equivalents, due from brokers and investments as at March 31, 2021 is sufficient to meet the Company's current liabilities. The Company continues to have no long-term debt (other than non-current lease liabilities) and is well positioned to meet its operating expenditure obligations as they become due and to fund its investing division.

In February 2018, the Company signed a lease for new premises in Montreal, Quebec, which started on March 1, 2018 for annual payments of approximately \$96,000 in the first year; \$98,400 in the second year; \$100,860 in the third year; \$103,380 in the fourth year; and \$105,960 in the fifth year, plus applicable taxes until February 28, 2023.

In November 2020, the Company signed a lease for premises in Toronto, Ontario which started December 1, 2020 for annual payments of \$42,900 plus operating costs and applicable taxes until April 30, 2024.

Related Party transactions:

All transactions with related parties have occurred in the normal course of operations.

- (a) During the three months ended March 31, 2021 and 2020, key management personnel are defined as those individuals having authority and responsibility for planning, directing, and controlling the activities of the Company. GoldSpot considers Denis Laviolette, its Executive Chairman and President ("EC&P"), Vincent Dube-Bourgeois, its Chief Executive Officer ("CEO"), Binh Quach, its Chief Financial Officer and Corporate Secretary ("CFO"), Cejay Kim, its Chief Business Officer, and Shawn Hood, its Chief Technology Officer (who was appointed on July 15, 2020) to be its key management personnel, in addition to its board of directors.

Compensation of key management is included in the interim condensed consolidated statements of income and comprehensive income:

	Three Months ended March 31,	
	2021	2020
Salaries and consulting fees	\$ 187,500	\$ 129,000
Directors fees	41,500	45,000
Stock-based compensation expense	53,050	58,239
Employee benefits	3,583	2,910
	\$ 285,633	\$ 235,149

- (b) On July 15, 2020, the Company granted 2,250,000 options to directors and officers of the Company, exercisable at \$0.18 per share and expiring on July 15, 2025.
- (c) In October 2020, Envision acquired 500,000 shares of XCorp at a cost of \$25,000. Envision is a private company controlled by the Chief Technology Officer of the Company.
- (d) During the three months ended March 31, 2021, the Company recorded consulting revenue of \$99,340 (three months ended March 31, 2020 - \$4,500) from New Found Gold Corp ("NFGC"), a mineral exploration company trading on the TSX Venture Exchange under the symbol "NFG". As at March 31, 2021, the Company also has an investment in NFGC with a fair value of \$7,181,225 (December 31, 2020 - \$6,877,079). The Company's EC&P is also a director and President of NFGC.
- (e) During the three months ended March 31, 2021, the Company recorded consulting revenue of \$119,603 (three months ended March 31, 2020 - \$nil) from Golden Planet Mining Corp. As at March 31, 2021, the Company also has an equity investment in GPM with a fair value of \$8,074,815 (December 31, 2020 - \$nil). The Company's EC&P is also a director and CEO of GPM. Also, the Company CTO is the Chief Operations Officer of GPM.
- (f) As at March 31, 2021, included in accounts payable and accrued liabilities is \$11,500 (December 31, 2020 - \$nil) in directors fees payable to a director of the Company.
- (g) As at March 31, 2021, included in accounts payable and accrued liabilities is \$nil (December 31, 2020 - \$3,874) due to the Chief Business Officer, relating to reimbursement of expenses.

Off-Balance Sheet Arrangements

In January 2019, the Company entered into a Mineral Interest Purchase Agreement (the "Agreement") with a wholly-owned subsidiary of Triple Flag Mining Finance Bermuda Ltd. ("Triple Flag"), a company that focuses on financing and investing in the mining sector. In connection with the Agreement, Triple Flag has acquired 50% of certain mineral interests held or to be acquired by GoldSpot, and certain rights with respect to future mineral interests that are acquired by GoldSpot, for cash consideration of \$100,000, which was included in other income in the statement of loss and comprehensive loss for the year ended December 31, 2019. The Company also has net smelter royalties agreements with various junior mining companies in connection with service contracts with them.

As at March 31, 2021, there were no other off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of GoldSpot.

Management of Capital

There were no changes in the Company's approach to capital management during the three months ended March 31, 2021. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may borrow from its shareholders or raise additional funds. The Company considers its capital to include total equity which amounts to \$24,073,877 on March 31, 2021 (December 31, 2020 – \$18,291,172). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders.

Since inception, the Company has not declared any cash dividends to its shareholders as part of its capital management program. The Company's current capital resources are sufficient to discharge its current liabilities as at March 31, 2021.

Financial Instruments and Financial Risk Management

Financial instruments

The carrying amounts of due from brokers, accounts receivable, net of ECL, accounts payable and accrued liabilities, and current lease liabilities approximate their fair value due to their short periods to maturity.

Financial risk management

The Company has exposure to credit risk, market risk, liquidity risk, and currency risk associated with its financial assets and liabilities.

There were no significant or material changes to the Company's risk management during the three months ended March 31, 2021. A discussion of the Company's use of financial instruments and other associated risks is as follows:

(a) Credit risk:

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. Financial instruments, which potentially subject the Company to concentrations of credit risk, consist of cash and cash equivalents, due from brokers and accounts receivable. All funds in cash are held in financial institutions that have a credit rating above AA and the Company believes the risk of loss to be remote.

The Company has accounts receivable from mining and exploration companies. The Company's credit risk arises from the possibility that a counterparty, which owes the Company money, is unable or unwilling to meet its obligations in accordance with the terms and conditions in the contracts with the Company, which would result in a financial loss to the Company. These specific mining and exploration companies may be affected by economic factors and government factors, which may impact accounts receivable. Management does not believe that a single industry or geographic region represents significant credit risk. This risk is mitigated through established credit management techniques, including monitoring counterparty creditworthiness, setting exposure limits and monitoring exposure against these customer credit limits.

The maximum exposure to credit risk is the carrying amount of the Company's cash and cash equivalents, due from brokers and accounts receivable, net of ECLs which total \$5,305,414 as at March 31, 2021 (December 31, 2020 - \$4,953,497).

An aging of accounts receivable, net of expected credit losses are as follows as at March 31, 2021 and December 31, 2020:

	March 31, 2021	December 31, 2020
Accounts receivable aging:		
0-30 days	\$ 489,723	\$ 325,890
31-60 days	88,654	144,716
61-90 days	42,375	-
Greater than 90 days	55,528	71,242
	\$ 676,280	\$ 541,848
Expected credit loss provision	(55,528)	(55,528)
Accounts receivable, net of expected credit losses	\$ 620,752	\$ 486,320

The movement in the expected credit loss provision can be reconciled as follows as at March 31, 2021 and December 31, 2020:

	March 31, 2021	December 31, 2020
Expected credit loss provision:		
Expected credit loss provision, beginning balance	\$ (55,528)	\$ (50,850)
Net provision used (recorded) during the period	-	(4,678)
Expected credit loss provision, ending balance	\$ (55,528)	\$ (55,528)

The following default rates are used to calculate the expected credit loss provision on accounts receivable as at March 31, 2021:

	Total	0-30 days	31-60 days	61-90 days	Greater than 90 days
Default rates		-%	-%	-%	100%
Accounts receivable	\$ 676,280	\$ 489,723	\$ 88,654	\$ 42,375	\$ 55,528
Expected credit loss provisions	\$ 55,528	\$ -	\$ -	\$ -	\$ 55,528

The following default rates are used to calculate the expected credit loss provision on accounts receivable as at December 31, 2020:

	Total	0-30 days	31-60 days	61-90 days	Greater than 90 days
Default rates		-%	-%	-%	78%
Accounts receivable	\$ 541,848	\$ 325,890	\$ 144,716	\$ -	\$ 71,242
Expected credit loss provisions	\$ 55,528	\$ -	\$ -	\$ -	\$ 55,528

The Company does not have collateral to any of its receivable balances.

During the year ended December 31, 2020, the Canadian federal government made certain government support programs available to eligible entities as part of its COVID-19 economic response plan. During the three months ended March 31, 2021, the Company did not apply for support under CEWS. During the year ended December 31, 2020, the Company had applied and received support under the CEWS. Each applicant's eligibility for these programs is subject to validation and detailed verification by the federal government. Due to nature of the eligibility requirements and related calculations, it is possible that the eligibility requirements may not be considered to be met upon validation, and as such the benefits received may be repayable. During the three months ended March 31, 2021 and 2020, the Company did not receive any wage subsidies.

(b) Market risk:

Market risk is the risk that the fair value of future cash flows from the Company's financial instruments will significantly fluctuate because of changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices.

Additionally, the Company adjusts its investments to fair value at the end of each reporting period. This process could result in significant write-downs of the Company's investments over one or more reporting periods, particularly during periods of overall market instability, which would have a significant unfavourable effect on the Company's financial position.

There were no changes in the way the Company manages market risk during the three months ended March 31, 2021.

The following table shows the estimated sensitivity of the Company's after-tax net income for the three months ended March 31, 2021 from a change in the fair value price of the Company's investments with all other variables held constant as at March 31, 2021:

Percentage of change in closing trade price	Increase in after-tax net income from % increase in closing trade price	Decrease in after-tax net income from % decrease in closing trade price
2%	\$ 272,714	\$ (272,714)
4%	545,427	(545,427)
6%	818,141	(818,141)
8%	1,090,855	(1,090,855)
10%	1,363,568	(1,363,568)

The following table shows the estimated sensitivity of the Company's after-tax net income for the three months ended March 31, 2020 from a change in the fair value price of the Company's investments with all other variables held constant as at March 31, 2020:

Percentage of change in closing trade price	Increase in after-tax net income from % increase in closing trade price	Decrease in after-tax net income from % decrease in closing trade price
2%	\$ 99,809	\$ (99,809)
4%	199,617	(199,617)
6%	299,426	(299,426)
8%	399,235	(399,235)
10%	499,043	(499,043)

(c) Liquidity risk:

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due. The Company's management is responsible for reviewing liquidity resources to ensure funds are available to meet financial obligations as they become due, as well as ensuring funds exist to support business strategies and operating growth.

There were no changes to the way that the Company manages liquidity risk during the three months ended March 31, 2021. The Company's accounts payable and accrued liabilities are due within less than 1 year as at March 31, 2021 and December 31, 2020. The Company's cash and cash equivalents balance is sufficient to meet the Company's current liabilities.

The following table shows the Company's liabilities and potential due dates related to liquidity risk as at March 31, 2021:

Liabilities and obligations	Payments due by period				
	Total	Less than 1 year	1 – 3 years	4 – 5 years	Non-cash payable
Accounts payable and accrued liabilities	\$ 442,585	\$ 442,585	\$ -	\$ -	\$ -
Sales tax payable	29,991	29,991	-	-	-
Deferred revenue	3,289,005	-	-	-	3,289,005
Deferred tax liabilities	1,205,123	-	-	-	1,205,123
Office lease payments	264,283	105,668	158,615	-	-
	\$ 5,230,987	\$ 578,244	\$ 158,615	\$ -	\$ 4,494,128

The following table shows the Company's liabilities and potential due dates related to liquidity risk as at December 31, 2020:

Liabilities and obligations	Payments due by period				Non-cash payable
	Total	Less than 1 year	1 – 3 years	4 – 5 years	
Accounts payable and accrued liabilities	\$ 302,299	\$ 302,299	\$ -	\$ -	\$ -
Sales tax payable	223,022	223,022	-	-	-
Deferred revenue	3,119,439	-	-	-	3,119,439
Liabilities held for sale	11,463	11,463	-	-	-
Deferred tax liabilities	1,399,246	-	-	-	1,399,246
Office lease payments	281,577	101,390	180,187	-	-
	\$ 5,337,046	\$ 638,174	\$ 180,187	\$ -	\$ 4,518,685

The following table shows the Company's source of liquidity by assets as at March 31, 2021:

Assets	Liquidity by period				Non-liquid assets
	Total	Less than 1 year	1 – 3 years	After 4 years	
Cash and cash equivalents	\$ 4,184,319	\$ 4,184,319	\$ -	\$ -	\$ -
Due from brokers	500,343	500,343	-	-	-
Accounts receivable, net of ECLs	620,752	620,752	-	-	-
Investments, at fair value	15,718,366	15,718,366	-	-	-
Equity investments	7,783,570	-	-	-	7,783,570
Prepays	175,380	-	-	-	175,380
Property and equipment	322,134	-	-	-	322,134
	\$ 29,304,864	\$ 21,023,780	\$ -	\$ -	\$ 8,281,084

The following table shows the Company's source of liquidity by assets as at December 31, 2020:

Assets	Liquidity by period				Non-liquid assets
	Total	Less than 1 year	1 – 3 years	After 4 years	
Cash and cash equivalents	\$ 4,467,177	\$ 4,467,177	\$ -	\$ -	\$ -
Accounts receivable, net of ECLs	486,320	486,320	-	-	-
Investments, at fair value	17,820,973	17,820,973	-	-	-
Prepays	86,908	-	-	-	86,908
Assets held for sale	525,429	525,429	-	-	-
Property and equipment	340,360	-	-	-	340,360
	\$ 23,727,167	\$ 23,299,899	\$ -	\$ -	\$ 427,268

(d) Currency risk:

Currency risk is the risk of loss from the Canadian dollar depreciating when it fluctuates against other foreign currencies. The Company presently holds funds in Canadian dollars but some of its receivables are denominated in U.S. dollars. The Company does not engage in any hedging activities to mitigate its foreign exchange risk. A change in the foreign exchange rate of the Canadian dollar versus another currency may increase or decrease the value of the Company's financial instruments.

As at March 31, 2021, the Company had \$608,525 (US\$488,367) in cash and accounts receivable (March 31, 2020 - \$403,350 (US\$284,310)) and had the Canadian dollar strengthened or declined by 5% in relation to the U.S. dollar, with all other variables held constant, net income and comprehensive income for the three months ended March 31, 2021 would have decreased or increased, respectively, by approximately \$24,418 (three months ended March 31, 2020 - \$14,215). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

Other Risks

The Company's financial condition, results of operation and business are subject to certain risks, which may negatively affect them. Certain of these risks are described below in addition to elsewhere in this MD&A.

(a) Cash flows from consulting income:

The Company currently generates revenue and cash flows from its consulting services. The availability of these sources of funds and the Company's ability to maintain a network and attract additional customers will depend on a number of factors, many of which are outside of the Company's control. The Company's contracts are generally short-term and the Company is actively seeking to diversify its customer base with longer-term contracts, the inability to attract additional customers will result in a material adverse effect on the business and may adversely affect revenues going forward.

(b) Dependence on management and key personnel:

GoldSpot's future growth and its ability to develop, depend, to a significant extent, on its ability to attract and retain highly qualified staff. GoldSpot relies on a limited number of key employees, consultants and members of senior management, and there is no assurance that the Company will be able to retain such personnel. The loss of one or more key employees, consultants or members of senior management, if such persons are not replaced, could have a material adverse effect on GoldSpot's business, financial condition and prospects. To operate successfully and manage its potential future growth, GoldSpot must attract and retain highly qualified engineering, managerial and financial staff. Competition for its personnel can be intense, and the Company cannot ensure that it will be able to bring in and retain highly skilled technical, financial and management staff in the future. In addition, the Company may be obligated to increase the compensation paid to current or new staff, which could substantially increase operating expenses.

(c) Technological changes:

The Company's consulting services and investing divisions operate in business segments that are entirely dependent on technology and the internet. As such, technological change will impact the ability of the Company to expand and grow its business and will affect the costs and expenses incurred by the Company, including capital requirements. The Company's products and services rely heavily on third-party software. There is a risk that new technologies and standards may render the Company's software applications obsolete. The Company may be required to invest significant capital in new technology and software development to remain competitive.

(d) Investment risks:

Through its investing division, the Company will acquire securities of public and private companies from time to time, which are primarily junior or small-cap companies. Poor investment performance could impair revenues and growth. The market values of the securities can experience significant fluctuations in the short and long term due to factors beyond the Company's control. Market value can be reflective of the actual or anticipated operating results of the companies and/or the general market conditions in a specific sector as a whole, such as fluctuations in commodity prices and global political and economic conditions. The Company's investments will be carried at fair value, and unrealized gains/losses on the securities and realized losses on the securities sold could have a material adverse impact on the Company's operating results. There is no assurance that GoldSpot will be able to achieve or maintain any particular level investment return, which may have a material adverse impact on its ability to attract investors. Furthermore, the junior mining space tends to be more volatile than the general market indices. This volatility combined with negative or poor performance could combine to lead to a reduction in investor interest.

(e) Private issuers and illiquid securities:

The Company invests in securities of private issuers. Investments in private issuers cannot be resold without a prospectus, an available exemption or an appropriate ruling under relevant securities legislation and there may not be any market for such securities. These limitations may impair the Company's ability to react quickly to market conditions or negotiate the most favourable terms for exiting such investments. Investments in private issuers may offer relatively high potential returns, but will also be subject to a relatively high degree of risk. There can be no assurance that a public market will develop for any of the Company's private company investments or that the Company will otherwise be able to realize a return on such investments. The Company also invests in illiquid securities of public issuers. A considerable period of time may elapse between the time a decision is made to sell such securities and the time the Company is able to do so, and the value of such securities could decline during such period. Illiquid investments are subject to various risks, particularly the risk that the Company will be unable to realize the Company's investment objectives by sale or other disposition at attractive prices or otherwise be unable to complete any exit strategy. In some cases, the Company may be prohibited by contract or by law from selling such securities for a period of time or otherwise be restricted from disposing of such securities. Furthermore, the types of investments made may require a substantial length of time to liquidate.

(f) COVID-19 (coronavirus):

GoldSpot's employees, contractors and suppliers could be affected by contagious diseases, including COVID-19, that could result in a reduction in our workforce due to illness or quarantine, transportation and travel restrictions, and other factors beyond our control specifically, the restrictions put in place by the Canadian, provincial and municipal governments regarding isolation/quarantine orders. While the extent of the impact is unknown and cannot be predicted with confidence, these and other factors could negatively affect the Company's business and financial condition. In March 2020, the Company implemented certain procedures and actions, including social distancing as mandated by government authorities and cost cutting measures by laying off a minimal number of staff but maintaining sufficient staff to continue normal operations and sales. In May 2020, as a result of additional sales and the sales in the Company's pipeline, the Company has recalled a majority of the staff which were temporarily laid off in March 2020.

Significant Accounting Policies

Refer to Note 2 of the Notes to the consolidated financial statements as at and for year ended December 31, 2020, for details of the Company's basis of preparation of the interim condensed consolidated financial statements.

Refer to Note 3 of the Notes to the consolidated financial statements as at and for the year ended December 31, 2020, for details of the Company's accounting policies.

In addition, the Company's equity investment accounting policy is as follows:

The Company holds an equity investment in an associate. An associate is an entity over which the Company has significant influence and is neither a controlled subsidiary nor a jointly controlled entity. The Company has significant influence when it has the power to participate in the financial and operating policy decisions of the associate but does not have control or joint control over those policies.

The Company accounts for equity investments using the equity method. Under the equity method, the Company's investment in an associate is initially recognized at cost and is subsequently increased or decreased to recognize the Company's share of earnings or losses of the associate, and for impairment losses after the initial recognition date. The Company's share of an associate's losses that are in excess of its investment in the associate are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. The Company's share of earnings or losses of associates are recognized through net income or loss during the period. Cash distributions received from an associate are accounted for as a reduction in the carrying amount of the Company's investment in the associate.

At the end of each reporting period, the Company assesses whether there is any objective evidence that an investment in an associate is impaired. Objective evidence includes observable data indicating that there is a measurable decrease in the estimated future cash flows of the associate's operations. When there is objective evidence that an investment in an associate is impaired, the carrying amount of such investment is compared to its recoverable amount, being the greater of its fair value less costs of disposal and value in use (i.e, present value of its future cash flows). If the recoverable amount of an investment in an associate is less than its carrying amount, then an impairment loss is recognized in that period. When an impairment loss reverses in a subsequent period, the carrying amount of the investment in an associate is increased to the revised estimate of the recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had an impairment loss not been previously recognized. A reversal of an impairment loss is recognized through net income or loss in the period in which the reversal occurs.

The Company holds a 31.3% interest in Golden Planet Mining Corp, has representation on its board and has shared management. Golden Planet Mining Corp has a December 31 year end, which is the same year end as the Company.

Critical Accounting Estimates

The preparation of the interim condensed consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements

and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Critical accounting estimates used in the preparation of the Company's interim condensed consolidated financial statements include the Company's provision for expected credit losses, valuation of privately-held companies, estimate of recoverable fair value on exploration and evaluation assets, the valuation related to the Company's deferred tax assets ("DTA"), the valuation of stock-based compensation expense and the valuation of unlisted warrants of investees.

Provision for expected credit losses:

The Company performs impairment testing annually for accounts receivable in accordance with IFRS 9. The ECL model requires considerable judgement, including consideration of how changes in economic factors affect ECLs, which are determined on a probability-weighted basis. IFRS 9 outlines a three-stage approach to recognizing ECLs which is intended to reflect the increase in credit risks of a financial instrument based on i) 12-month expected credit losses or ii) lifetime expected credit losses. The Company measures provision for ECLs at an amount equal to lifetime ECLs.

The Company applies the simplified approach to determine ECLs on trade receivables by using a provision matrix based on historical credit loss experiences. The historical results are used to calculate the run rates of default which are then applied over the expected life of the trade receivables, adjusted for forward looking estimates. Management is required to make the judgment whether a receivable balance is collectible based on their relationship with the client and knowledge of the client's financial position. These judgments will affect the reported amounts of accounts receivable and provision for expected credit losses. If the economic conditions of the debtors of the Company were to deteriorate, resulting in an impairment of their ability to make payments, additional provisions might be required.

Accounts receivable, net of expected credit losses consist of the following as at March 31, 2021 and December 31, 2020:

	March 31, 2021	December 31, 2020
Accounts receivable	\$ 676,280	\$ 541,848
Expected credit loss provision	(55,528)	(55,528)
	\$ 620,752	\$ 486,320

Valuation of privately-held investments:

The valuation of these investments ("private investments") requires management to assess the current financial status and prospects of private investments based upon potentially incomplete or unaudited financial information provided by the investee company, on management's general knowledge of the private investment's activities, and on any political or economic events that may impact upon the private investment specifically, and to attempt to quantify the impact of such events on the fair value of the investment. In addition to any events or circumstances that may affect the fair value of a particular private investment, management can consider general market conditions that may affect the fair value either of a specific private investment or of a group, segment or complete portfolio of private investments.

As at March 31, 2021, the Company had two private investees (December 31, 2020 – three private investees), with the following changes in its private investment categorized as level 3 in the financial instrument hierarchy:

	Opening balance at January 1,	Purchases	Transfer to Level 1 or 2	Net unrealized gains	Ending balance
March 31, 2021	\$ 1,150,625	\$ -	\$ (500,156)	\$ 16,131	\$ 666,600
December 31, 2020	\$ 905,000	\$ 1,420,516	\$ (1,270,360)	\$ 95,469	\$ 1,150,625

During the three months ended March 31, 2021, one of the Company's investees (year ended December 31, 2020 – two investees) was transferred from Level 3 to Level 1 when the investee became a reporting issuer and started trading on a recognizable Exchange. The net unrealized gains primarily reflect recent transaction prices.

Deferred tax assets ("DTA") and Deferred tax liabilities ("DTL"):

Deferred tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

DTL are recognized for all taxable temporary differences and DTA are recognized for all temporary deductible differences, carry forward of unused tax credits and unused tax losses. The Company does not record DTA to the extent that it considers it is not more likely than not that temporary deductible differences, the carry forward of unused tax credits and unused tax losses can be utilized.

As at March 31, 2021, the Company recorded a DTL of \$1,205,123 (December 31, 2020 - \$1,399,246) relating to taxable temporary differences associated with the unrealized gains on investments and equity investment.

Stock-based Compensation Expense:

The Company uses the Black-Scholes option pricing model to calculate stock-based compensation expense and the fair value of the warrants and broker warrants issued under the Company's private placements. The model requires six key inputs: i) exercise price; ii) the market price at the date of issue; iii) risk-free interest rate; iv) expected dividend yield; v) expected life; and vi) expected volatility. The first two inputs are facts rather than estimates, while the risk-free interest rate, expected life, expected volatility and expected dividend yield (estimated at 0% based on the Company's history of not paying any dividends) are based on the Company's estimates. A shorter expected life of the option, lower volatility number or higher dividend yield used would result in a decrease in stock-based compensation expense. A longer expected life of the option or a higher volatility number used would result in an increase in stock-based compensation expense. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of stock-based compensation expense. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

During the three months ended March 31, 2021, the Company did not grant any stock options.

On July 15, 2020, the Company granted 2,920,000 stock options to directors, officers, and employees of the Company, exercisable at \$0.18 per share expiring on July 15, 2025. The stock options granted to directors vest as: (i) 25% immediately; (ii) 25% on October 15, 2020; 25% on January 15, 2021;

and 25% on April 15, 2021. The stock options granted to officers and employees vest as: (i) 33.3% immediately; (ii) 33.3% on the first anniversary of the date of grant; and (iii) 33.3% on the second anniversary of the date of grant.

The fair value of the options granted on July 15, 2020 was estimated at the date of grant using the Black-Scholes option valuation model with the following assumptions:

Black-Scholes option valuation model assumptions used (weighted average)	
Expected volatility	131%
Expected dividend yield	0%
Risk-free interest rate	0.35%
Expected option life in years	5 years
Expected forfeiture rate	0%
Fair value per stock option granted on July 15, 2020	\$ 0.154

The expected volatility is based on the historical volatility of comparable companies over the life of the options. The Company has not paid any cash dividends historically and has no plans to pay cash dividends in the foreseeable future. The risk-free interest rate is based on the yield of Canadian Benchmark Bonds with equivalent terms. The expected option life in years represents the period of time that options granted are expected to be outstanding based on the vesting dates.

Valuation of unlisted warrants of investees:

The Company uses the Black-Scholes option pricing model to calculate the fair value of unlisted warrants of public companies if there are sufficient and reliable observable market inputs; if no such market inputs are available, the warrants are valued at intrinsic value. The model requires six key inputs: i) risk free interest rate; ii) exercise price; iii) market price at date of issue; iv) expected dividend yield; v) expected life; and vi) expected volatility. The first four inputs are facts rather than estimates, while the expected life, expected volatility and expected dividend yield (estimated at 0% based on the Company's history of not paying any dividends) are based on the Company's estimates. A shorter expected life of the warrant, lower volatility number or higher dividend yield used would result in a decrease in the fair value of the warrant. A longer expected life of the warrant or a higher volatility number used would result in an increase in the fair value of the warrant. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. As at March 31, 2021, the fair value of unlisted warrants were \$1,886,547 (December 31, 2020 – \$2,788,842).

Outstanding Share Data

Subsequent to March 31, 2021, the Company granted 1,170,000 options to employees and consultants of the Company exercisable at \$0.68 per share expiring on April 27, 2026.

Subsequent to March 31, 2021, 189,741 options were exercised at prices between \$0.18 and \$0.24 per share for total gross proceeds of \$39,738.

As at the date of this MD&A, the number of common shares of the Company outstanding and the number of common shares issuable pursuant to other outstanding securities of GoldSpot are as follows:

	Number of securities outstanding	Number of securities exercisable
Common shares		
Outstanding	94,914,617	94,914,617
Issuable under the exercise of options	8,001,825	3,524,953
Total diluted common shares	102,916,442	98,439,570

Refer to Note 10 of the Notes to the interim condensed consolidated financial statements as at and for the three months ended March 31, 2021, for details of the Company's share capital as at March 31, 2021.

Subsequent to March 31, 2021, the Company announced that it has entered into an agreement with Canaccord Genuity Corp. who has agreed to a bought deal of 12,500,000 common shares at a price of \$0.80 per share for aggregate proceeds of \$10,000,000, subject to an increase by up to an additional 15% pursuant to an over-allotment option. The offering is expected to close during the first week of June 2021, and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Venture Exchange.

Additional Information:

Additional information relating to GoldSpot may be found on the Company's website at www.goldspot.ca and the Company's profile on Sedar at www.sedar.com.