



Gold Mountain Mining Corp.

MANAGEMENT DISCUSSION & ANALYSIS

THREE MONTHS ENDED APRIL 30, 2023 AND 2022



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MANAGEMENT DISCUSSION & ANALYSIS

This Management Discussion and Analysis (“MD&A”) of Gold Mountain Mining Corp. (the “Company” or “Gold Mountain”) contains information that management believes is relevant to an assessment and understanding of the Company’s consolidated financial position and the results of its consolidated operations for the three months ended April 30, 2023 and 2022. This MD&A should be read in conjunction with the unaudited interim consolidated financial statements for the three months ended April 30, 2023 and 2022, which are prepared in condensed format in accordance with International Financial Reporting Standards (“IFRS”) as applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34, *Interim Reporting*. This MD&A should also be read in conjunction with the Company’s audited consolidated financial statements for the years ended January 31, 2023 and 2022, which are prepared in accordance with IFRS. This MD&A was prepared and reflects information as of June 13, 2023.

Additional information including this MD&A, the unaudited condensed interim consolidated financial statements for the three months ended April 30, 2023 and 2022, the audited consolidated financial statements for the years ended January 31, 2023 and 2022, press releases, and other corporate filings are available on SEDAR, www.sedar.com, and on the Company’s website, www.gold-mountain.ca.

This MD&A contains certain non-IFRS measures. The Company believes that these measures, in addition to information prepared in accordance with IFRS, provides investors with useful information to assist in their evaluation of the Company’s performance and ability to generate cash flow from its operations. While these measures are intended to provide additional information, they should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS, as they do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers. For further information, refer to the section *Non-IFRS Measures* within this MD&A.

This MD&A contains forward-looking statements and should be read in conjunction with the risk factors outlined in the *Risks and Uncertainties* and *Forward-Looking Statements* sections. This MD&A provides management’s analysis of historical financial and operating results and provides estimates of the Company’s future financial and operating performance based on information currently available. Actual results will vary from estimates and variances may be significant. Readers should be aware that historical results are not necessarily indicative of future performance.

The following additional abbreviations may be used within this MD&A: Gold (“Au”); Silver (“Ag”); Troy Ounces (“oz”); Grams per Tonne (“g/t”); Tonnes (“t”); Hectares (“ha”); Kilometres (“km”) and Metres (“m”). In addition, throughout this MD&A, the reporting periods for the three months ended April 30, 2023 and 2022 are abbreviated to Q1 2024 and Q1 2023, respectively. All amounts are in Canadian Dollars (“\$”), unless otherwise stated. References denoted as “US \$” are to the United States Dollar.

CORPORATE OVERVIEW AND BUSINESS

Gold Mountain is a gold (and silver) mining, mine development, and exploration company. Its flagship property is the Elk Gold Mine (“Elk Mine”) located in British Columbia, Canada, which began revenue generating mining operations during the year ended January 31, 2023.

The Company was incorporated under the Business Corporations Act of British Columbia on November 5, 2018. The registered head office and principal address of the Company is 1285 West Pender Street, Suite 1000, Vancouver, British Columbia, Canada, V6E 4B1. The Company’s common shares trade on the Toronto Stock Exchange under the symbol “GMTN”, on the Frankfurt Stock Exchange under the ticker “5XFA” and on the OTCQB Venture Market under the stock symbol “GMTNF”.

The Elk Mine is in south central British Columbia, Canada, approximately 325-km northeast of Vancouver and 55-km west of Okanagan Lake, midway between the cities of Merritt and West Kelowna and hosts a number of known mineralized zones which the Company continues to investigate, develop, and mine. The project consists of 32 contiguous mineral claims covering 22,152-ha and two mining leases covering 646-ha. The mining leases expire in September 2023 and November 2023, however, the mining leases may be maintained by paying total yearly rental payments and providing an annual reclamation report that is acceptable to the Ministry of Energy, Mines, and Low Carbon Innovation (the “Ministry” or “EMLI”). The Company intends to maintain the mining leases in good standing. All mineral claims are scheduled to expire on September 30, 2025, however, the claims may be maintained beyond their current expiry date by maintaining minimum work commitments on the property. Surface rights are currently held by the provincial government of British Columbia.

Additional information on the Elk Mine, including a description of the project, operational activities, and other relevant information is provided throughout this MD&A.



SUMMARY RESULTS AND HIGHLIGHTS

Summary Operational Results

		Q1 2024	Q1 2023
Ore mined	(t)	8,504	15,063
Waste mined	(t)	406,702	379,855
Total mined	(t)	415,206	394,918
Ore delivered	(t)	7,794	14,304
Average ore grade delivered - gold	(g/t)	8.34	4.24
Strip ratio	waste/ore	47.8	25.2
Gold ounces sold	(oz)	1,798	1,898

Summary Financial Results

		Q1 2024	Q1 2023
Revenue		\$ 4,168,376	\$ 3,706,423
Cost of sales		(2,576,000)	(2,781,003)
Mine operating income		1,592,376	925,420
Net income (loss) and comprehensive income (loss)		960,609	(237,816)
Net income (loss) per share – basic and diluted		0.01	(0.00)
Adjusted EBITDA ¹		\$ 1,305,716	\$ 518,930
Average realized gold price ¹ (\$/oz)		\$ 2,298	\$ 1,930
Total Cash Costs ¹ per ounce sold (\$/oz)		\$ 1,304	\$ 1,379

Q1 2024 Highlights

- Gold sales of 1,798 oz from 7,794 tonnes delivered grading at an average of 8.34 g/t
- Quarterly record revenue of \$4,168,376 at an average realized gold price¹ of \$2,298 per ounce of gold sold
- Mine operating income of \$1,592,376
- Net income of \$960,609, or \$0.01 per share (basic) compared to a loss of \$237,816, or \$0.00 per share (basic)
- Adjusted EBITDA¹ of \$1,305,716
- Total Cash Costs¹ per ounce sold of \$1,304 (a decrease of 5.4% from the prior period)

¹ This is a non-IFRS financial measure, for further information refer to *Non-IFRS Measures* section in this MD&A.

COMPANY OUTLOOK

In May 2023, Gold Mountain completed the final payment to Sandbox Royalties Corp. (under the original purchase agreement) discharging all obligations owed relating to the Company's purchase of the Elk Mine. The Company now owns the Elk Mine, fully unencumbered by any liens, security, or collateral.

The Company looks to continue to improve the accuracy of grade forecasting, generate a greater understanding of the ore body through additional in-fill drilling programs, improve drilling and blasting designs, and improve sampling techniques and scale ore mining operations to the Elk Mine's Phase 1 production profile of 70,000 tonnes of ore per year. The Company continues to also evaluate approaches to mine more efficiently and more selectivity with geology and operations working together to optimize vein exposure and reduce excess dilution helping lead to higher overall average grades mined. The Company anticipates continuing to see improvements in accuracy of grade forecasting and increased consistency in mining operations.

In addition to the above mine optimization programs, the Company continues to work with the respective governing bodies to obtain the necessary permits for the expansion of mining operations from the current 70,000 tonnes permitted to 324,000 tonnes per year, as contemplated in the 2021 PEA (further discussed in the section *Elk Gold Mine*). A majority of the proposed expansion of the Elk Mine involves transitioning to underground mining in the future. To do so, the Company must rehabilitate the historic underground decline that was developed by previous owners, and is currently flooded, and additionally develop new underground infrastructure. The Company has begun early engagement with surrounding Indigenous Communities to proactively address any community concerns. The Company is aware of and acknowledges each respective Indigenous Nation's decision-making process that will continue independently from the federal and provincial regulatory regimes. Timing and analysis of the underground development is currently ongoing.



Gold Mountain was encouraged by the results of its metallurgical test work program completed in calendar 2022, which indicated the potential for including a gravity concentration process into the production assaying procedure. Following the initial test work, the Company has completed a 6-week trial program in collaboration with New Gold Inc. ("New Gold") whereby production assays samples from the Elk Mine are being assayed by the gravity concentration process in parallel to the existing production assay procedure to better understand the variances between the two methods and confirm if the newly proposed method more accurately represents all of the potential nuggets present in the Elk Mine ore. The results of the 6-week test period continue to demonstrate that the gravity assay process improves the accuracy of the assay procedure and the Company is currently working with New Gold on next steps with the goal of revising the sampling and assaying standard operating procedures to optimize results.

The Company continues to evaluate all current and historic geological information, which will contribute to the Company's updated resource estimate and preliminary economic assessment anticipated to be completed prior to the end of calendar 2023.

ELK MINE

Completion of Acquisition

On May 16, 2023, the Company made its final \$3,000,000 property payment to Sandbox Royalties Corp. ("Sandbox") discharging all obligations owed relating to the Company's purchase of the Elk Mine. The Company acquired the Elk Mine for total consideration of \$10,000,000 from Equinox Gold Corp. ("Equinox") for a \$1,000,000 cash deposit and a \$9,000,000 interest-free promissory note (the "Note"). Equinox assigned its interest in the Note to Sandbox in May 2022. The Note was secured over Gold Mountain's interest in the Elk Mine. Pursuant to the terms on the Note, the Company made payments of \$3,000,000 in May 2021, 2022, and 2023.

Royalties

Production from the Elk Mine is subject to a 2% net smelter return ("NSR") royalty held by Star Royalties Ltd. A further 1% NSR royalty is payable to Don Agur on production from the Agur Option block, which is outside any of the currently identified mineralized zones.

Subsequent to April 30, 2023, the Company entered into a royalty purchase agreement with Silver Crown Royalties Inc. ("SCR") for a percentage of the Company's aggregate gross proceeds of silver. The details of this agreement are outlined in the section *Subsequent Events* in this MD&A.

Permitting and Reclamation

The Company currently maintains a number of key permits which allow mining and exploration at the Elk Mine including the Mine Permit M-199 ("M-199 Permit"), the Effluent Discharge Permit #106262, as well as the Exploration Permit M-4-387. Of note, M-199 currently allows for production of up to 70,000 tonnes per annum for the life of the mine (currently contemplated for 11 years). Gold Mountain will require additional permitting amendments to M-199 to increase total mining to approximately 324,000 tonnes per annum, as part of the mine's expansion plans in the future. The Company intends to move forward with the necessary permit amendments and is aware and acknowledges each respective Indigenous Nation's decision-making process will continue independently from the Province of British Columbia's regulatory regime.

There have been no significant changes to the permits held (nor the requirement to post reclamation security under the M-199 Permit) by the Company since the Company's most recently completed year end, January 31, 2023. For further information regarding bonding required, refer to the Company's MD&A for the year ended January 31, 2023.

Preliminary Economic Assessment and Resource Estimates

In November 2021, the Company filed an amended National Instrument ("NI") 43-101 compliant independent Technical Report and Preliminary Economic Assessment (the "2021 PEA") for the Elk Gold Project titled "National Instrument 43-101 Technical Report Updated Preliminary Assessment on the Elk Gold Project, Merritt, British Columbia, Canada" prepared by Robert G. Wilson, P. Geo, Greg Z. Mosher, P. Geo, Antonio Loschiavo, P. Eng., and Andre De Ruijter, P. Eng, each an independent "Qualified Person" as defined in NI 43-101, with an effective date of May 14, 2021, a report date of August 26, 2021 and an amended date of November 4, 2021.

The 2021 PEA contemplates producing an initial amount of crushed ore containing approximately 19,000 ounces of gold per year and increasing crushed ore production to contain approximately 64,000 ounces of annual gold production by Year 4. The pre and post-tax net present value ("NPV") (5% discount) are \$395 million and \$231 million, respectively using a gold price of US \$1,600 per ounce. The 2021 PEA assumes that for the life of mine, the mineralized material from the Elk Mine will be mined



by the Company's contract mining partner, Nhwelmen-Lake LLP ("Nhwelmen") and then delivered to New Gold's New Afton Mine ("New Afton") located approximately 130-km from the Elk Mine. Other key assumptions include a life of mine of 11 years, with total metal production of 582,080 ounces, an average life of mine gold head grade of 6.98 g/t, a life of mine strip ratio of 20.2 : 1, and gold recovery rates of 92%. The table below summarizes the resource estimate at the Elk Mine used in the 2021 PEA:

Classification	Tonnes	AuEq (g/t)	Au Capped (g/t)	Ag Capped (g/t)	AuEq (Oz)
Measured	196,000	9.9	9.8	9.9	63,000
Indicated	3,148,000	5.8	5.7	11.2	589,000
Measured + Indicated	3,344,000	6.1	5.9	11.1	652,000
Inferred	1,029,000	4.8	4.7	10.9	159,000

Notes:

- 1) CIM definitions were followed for classification of Mineral Resources.
- 2) Mineral Resources are not Mineral Reserves and have not demonstrated economic viability.
- 3) Results are presented in-situ and undiluted.
- 4) Mineral resources are reported at a cut-off grade of 0.3 g/t Au for pit-constrained resources and 3.0 g/t for underground resources.
- 5) The number of tonnes and metal ounces are rounded to the nearest thousand.
- 6) The Resource Estimate includes both gold and silver assays. The formula used to combine the metals is:
 $AuEq = ((Au_Cap * 55.81 * 0.96) + (Ag_Cap * 0.76 * 0.86)) / (55.81 * 0.96)$
- 7) The Resource Estimate is effective as of May 1, 2021.

The 2021 PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the 2021 PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. For additional information, key assumptions, parameters, and sensitivities used to estimate the mineral resources and the 2021 PEA, refer to the full document available under the Company's profile at www.sedar.com.

Updated Resource Estimate

In January 2022, the Company filed an updated NI 43-101 compliant independent Technical Report for the Elk Gold Project titled "National Instrument 43-101 Technical Report and Resource Update on the Elk Gold Project, Merritt, British Columbia, Canada" prepared by L. John Peters, P. Geo, Gregory Z. Mosher, P. Geo, and Marinus Andre De Ruijter, P. Eng, each an independent "Qualified Person" as defined in NI 43-101, with an effective date of December 7, 2021, and a report date of January 21, 2022 (the "Technical Report").

The latest NI 43-101 included a 24% increase in Measured and Indicated resources from the estimates in the 2021 PEA. The table below summarizes the last published resource estimate at the Elk Mine:

Classification	Tonnes	AuEq (g/t)	Au Capped (g/t)	Ag Capped (g/t)	AuEq (Oz)
Measured	169,000	10.4	10.3	10.9	56,000
Indicated	4,190,000	5.6	5.4	11.0	750,000
Measured + Indicated	4,359,000	5.8	5.6	11.0	806,000
Inferred	1,497,000	5.4	5.3	14.4	262,000

Notes:

- 1) CIM definitions were followed for classification of Mineral Resources.
- 2) Mineral Resources are not Mineral Reserves and have not demonstrated economic viability.
- 3) Results are presented in-situ and undiluted.
- 4) Mineral resources are reported at a cut-off grade of 0.3 g/t AuEq for pit-constrained resources and 3.0 g/t AuEq for underground resources.
- 5) The number of tonnes and metal ounces are rounded to the nearest thousand.
- 6) The Resource Estimate includes both gold and silver assays. The formula used to combine the metals is:
 $AuEq = ((Au_Cap * 53.20 * 0.96) + (Ag_Cap * 0.67 * 0.86)) / (53.20 * 0.96)$
- 7) The Resource Estimate is effective as of October 21, 2021.

For additional information, key assumptions, parameters, and sensitivities used to estimate the updated mineral resources and other information, refer to the full Technical Report available under the Company's profile at www.sedar.com.

Early-Stage Mine Operations

Development and construction activities commenced at the Elk Mine in June 2021 and in February 2022, the Company delivered its first ore to New Afton. Mined ore is being crushed, sampled, and assayed prior to being delivered to New Afton in accordance with the terms of the Ore Purchase Agreement, which specifies the sale will be recognized upon delivery of the crushed ore.

The Company based its production decision at the Elk Mine on a preliminary economic assessment and not on a feasibility study or pre-feasibility study of mineral reserves demonstrating economic and technical viability. The Company did not complete a feasibility study or pre-feasibility study in connection with its production decision due to, among other factors, the



ability to move ahead to development and production based on comparatively low initial capital costs due to foregoing the need to construct a processing facility and the Company's knowledge of the resource base. As a result, there is increased uncertainty and there are multiple technical and economic risks of failure which are associated with this production decision. These risks, among others, include the inclusion of inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves.

Furthermore, there are risks associated with areas that are analyzed in more detail in a pre-feasibility and feasibility study, such as applying economic analysis to resources and reserves, more detailed metallurgy and a number of specialized studies in areas such as mining and recovery methods, market analysis, and environmental and community impacts. There is no assurance given all of the known and potentially unknown risks associated with the Elk Mine that the Company will be able to profitably carry-on mining operations. In addition, there is no assurance that production will be profitable or that continued exploration of the Elk Mine will demonstrate adequate additional mineralization which can be mined economically, such that mining operations on the Elk Mine may not be sustainable beyond currently estimated resources or in the medium to long term or at all.

EXTERNAL PERFORMANCE DRIVERS AND RISKS

Price of Gold

The price of gold is a significant factor in determining the Company's profitability, financial performance, and cash flow from operations. The price of gold is subject to volatile price fluctuations and can be affected by numerous macroeconomic conditions, including supply and demand, the value of the US dollar, interest rates, and global economic and geopolitical issues. Despite the volatility, management considers the gold price outlook for the remainder of 2023 and longer-term to be favorable and is committed to being an unhedged seller of its ore materials. Key drivers of the price of gold continue to be linked to the global economic slowdown, inflation, recent banking failures in the United States, and monetary policy concerns, and the uncertainties surrounding international supply chain disruptions.

As of April 30, 2023, the price of gold closed at \$2,689/oz, up 4.8% from the closing price on January 31, 2023 of \$2,567/oz. The average spot gold price for Q1 2024 was \$2,604/oz (Q1 2023 - \$2,427/oz). Gold prices have remained strong and the Company expects this to continue based on precious metals analyst forecasts as the global economy slows and interest rates begin to stabilize.

Key Operating Agreements

The Company has two significant operating agreements in place that are critical to its operations. Firstly, on January 19, 2021, the Company entered into a mining contract with Nhwelmen (a majority-owned First Nations mining contractor) for full service mining services at the Elk Mine. Secondly, on January 26, 2021, the Company strategically partnered with New Gold to sell all of its mined ore under an Ore purchase Agreement. There have been no significant changes to these agreements since the Company's most recently completed year end, January 31, 2023. For further details, refer to the Company's MD&A for the year ended January 31, 2023.

COMMUNITY ENGAGEMENT

Over the past number of years, Gold Mountain has made a concerted effort to build strong relationships with communities that are affected by the development of the Elk Mine. The Company looks forward to continued collaboration with all Indigenous Nations that have interests in the Company's flagship project. The Company also wishes to communicate that there is no time limit on direct engagement and consultation between the Company and each respective Indigenous Nation. The Company acknowledges each respective Indigenous Nation's decision-making process will continue independently from the Province of British Columbia.

On June 3, 2021, the Company announced that it successfully executed three memorandums of understanding with surrounding Indigenous communities, establishing a process for ongoing engagement towards social and economic collaboration.

One of the conditions in the Company's Mine Permit is the establishment of the Elk Gold Life of Mine Committee made up of representatives of Indigenous communities around the Elk Mine and certain British Columbia provincial agencies. During the three months ended April 30, 2023, the Company held one Life of Mine Committee meeting and one meeting of the Life of Mine Committee Technical Sub-Committee meeting which were attended by representatives of certain Indigenous Communities and provincial agencies. Local community engagement and discussions are continuous and ongoing.



ELK MINE OPERATIONS

Development and construction activities commenced at the Elk Mine in June 2021 and in February 2022, the Company delivered its first ore to New Afton. Mined ore is being crushed, sampled and assayed prior to being delivered to New Afton, in accordance with the terms of the ore purchase agreement, which specified the sale will be recognized upon delivery of the crushed ore. The Company currently utilizes and maintains a crusher and sample plant on site, with all ore placed as run-of-mine directly on the ore stockpile.

During Q1 2024, the Company mined a total of 8,504 tonnes of ore and 406,702 tonnes of waste, all of which came from the Siwash North Pit. The average ore grade delivered was 8.34 g/t gold, resulting in total gold ounces sold of 1,798 and a strip ratio of 47.8. During Q1 2023, the Company mined a total of 15,063 tonnes of ore and 379,855 tonnes of waste from the Siwash North Pit. The average ore grade delivered was 4.24 g/t gold, resulting in total gold ounces sold of 1,898 and a strip ratio of 25.2. The higher strip ratio in Q1 2024 was also the result of completing a number of push backs and dealing with oversized boulders during this process for pit development.

Gold Mountain continues to confirm the continuity and high-grade nature of the veins within the Elk Mine resource. During the year ended January 31, 2023, the Company implemented a number of initiatives which have provided a better understanding of the ore body. These initiatives include hiring industry experts that have experience mining narrow-vein deposits, implementing a robust in-fill drill program and reviewing sampling techniques.

The in-fill drill program gold assay results to date, support the resource drill hole assays used to build the resource block model and have allowed the Company to improve its short-term grade control modeling. The Company has engaged external consultants with expertise in development and evaluation of sampling processes to assist the Company in achieving a better level of confidence in its production sample gold assays which drive the Company's revenues. Lastly, the results of the 6-week test period continue to demonstrate that the gravity assay process improves the accuracy of the assay procedure, and the Company is currently working with New Gold on next steps with the goal of revising the sampling and assaying standard operating procedures to optimize results.

CONSOLIDATED FINANCIAL RESULTS

The following is a summary of the significant components of the Company's net income (loss) summarized for the three months ended April 30, 2023 and 2022:

	Q1 2024	Q1 2023
Revenue	\$ 4,168,376	\$ 3,706,423
Cost of sales	(2,576,000)	(2,781,003)
Mine operating income	1,592,376	925,420
Other operating expenses		
Management, director, and consulting fees	(190,633)	(183,625)
Professional fees	(150,518)	(119,730)
Marketing and investor relations	(70,281)	(132,730)
General, administration, and travel	(47,673)	(52,579)
Regulatory and transfer agent fees	(26,798)	(41,402)
Share-based payments	(19,536)	(542,805)
Other items		
Finance income	14,672	3,198
Finance and accretion expense	(141,000)	(219,779)
Recovery of flow-through share premium	-	126,216
Income (loss) before income tax	960,609	(237,816)
Income and mining tax expense	-	-
Net income (loss) and comprehensive income (loss)	\$ 960,609	\$ (237,816)

For Q1 2024, the Company recorded net income and comprehensive income of \$960,609 compared to a net loss and comprehensive loss of \$237,816 for Q1 2023.



During Q1 2024, the Company generated revenue of \$4,168,376 from the sale and crushing of ore tonnes containing a total of 1,798 ounces of gold derived from the Elk Mine at an average realized gold price¹ of \$2,298 per ounce sold. This compares favorably to Q1 2023, when the Company generated \$3,706,423 in revenue from the sale and crushing of ore tonnes containing a total of 1,898 ounces of gold sold at an average realized gold price¹ of \$1,930 per ounce sold. Gold delivered in Q1 2024 was 5.3% lower than Q1 2023, however, total revenues were 12.5% higher because of a 19.1% increase in average realized gold price¹ period over period.

Total cost of sales for Q1 2024 was \$2,576,000 compared to \$2,781,003 for Q1 2023, or 7.4% lower. The Company mined less ore in Q1 2024 (8,504 tonnes) compared to Q1 2023 (15,063 tonnes) and 7.1% more waste tonnes in Q1 2024 compared to Q1 2023 (406,702 tonnes compared to 379,855 tonnes, respectively) resulting in a larger strip ratio of 47.8 in Q1 2024 compared to 25.2 in Q1 2023. This increase in stripping ratio resulted in \$1,951,707 of costs being capitalized to mineral property assets during Q1 2024. Operations were lifted by a significant increase to overall average ore grade of 8.34 g/t gold, 96.7% higher than the Q1 2023 average of 4.24 g/t gold, which helped alleviate the reduction in ore mined quarter over quarter. Waste stripping in Q1 2024 included required push backs for pit development which resulted in larger waste tonnes.

The Company was able to achieve an increase in gold grade with improved accuracy of the grade control model, ore control designs, and revised pit designs which maintained a larger minimum mining width. The Company also continues to transition certain responsibilities previously completed by its mining contractor in house in an attempt to reduce overhead costs, such as purchasing fuel and drilling and blasting services directly from the suppliers and purchasing new equipment (a crusher and light towers) to replace rental units.

Mine operating income for Q1 2024 was \$1,592,376 compared to \$925,420 for Q1 2023.

Other operating expenses, before considering share-based payment expenses, for Q1 2024 was \$485,903 compared to \$530,066, or a 8.3% decrease period over period, mostly the result of reduced marketing and investor relations in the current period. The Company also realized a decrease of \$523,269 in share-based payments expense in Q1 2024 compared to Q1 2023, primarily related to the vesting of restricted share units, performance share units, and stock options that occurred in the prior period.

The Company also realized a reduction of finance and accretion expense due to the reduced accretion charges on the Note with Sandbox (formerly Equinox), related to a portion of the Note's repayment. The recovery of flow-through share premium relates to the Company's exploration activities during Q1 2023, whereas the Company had no unused flow-through share premiums to use in Q1 2024.

Property and equipment

For Q1 2024, the Company capitalized a total of \$2,602,555 to mineral property assets compared to \$566,021 in Q1 2023. Most of the addition in Q1 2024 was the result of higher deferred stripping costs totaling \$1,951,707 in Q1 2024, but the Company also incurred costs in Q1 2024 related to construction of the waste rock storage facility settling pond and related mine infrastructure associated with its build. The Company also capitalized \$650,896 (Q1 2023 - \$235,390) associated with the purchase of some key equipment, including a new jaw crusher, radial stacker conveyor, scale and trucks used in operations. During Q1 2024, the Company elected to minimize exploration and evaluation costs to conserve capital, incurring only \$40,504 compared to \$1,539,642 in Q1 2023, when the Company was conducting Phase II of its exploration program at Elk Mine.

¹ This is a non-IFRS financial measure, for further information refer to *Non-IFRS Measures* section in this MD&A.

SUBSEQUENT EVENTS

- a) In May 2023, the Company entered into a royalty purchase agreement with SCR, whereby SCR will receive 90% of the aggregate gross proceeds of silver sold from the Company's Elk Mine. A summary of the key terms and conditions follows.

Gold Mountain received cash of \$2,500,000 and 250,000 units of SCR at a deemed price of \$0.20 per unit, with each unit consisting of one common share in the capital of SCR and one-half of one SCR share purchase warrant exercisable to acquire one additional SCR common share for a period of 24 months from the date of issuance thereof at an exercise price of \$0.40.



Additionally, pursuant to the terms of the royalty purchase agreement, SCR may be required to pay the Company up to eight bonus payments of \$500,000 each, for possible bonus payments totaling \$4,000,000, upon Gold Mountain achieving certain production milestones (“Production Bonuses”). The Production Bonuses are payable in cash while SCR is a private company and in the event SCR becomes a public company, SCR will have the option to pay the Production Bonuses in cash or SCR common shares.

The Production Bonuses are payable on the Company achieving each of the production milestones set forth below:

- Sale of 6,666 contained ounces of silver on an annualized basis (calculated as defined in the agreement);
- Sale of 8,888 contained ounces of silver on an annualized basis;
- Sale of 11,110 contained ounces of silver on an annualized basis;
- Sale of 13,332 contained ounces of silver on an annualized basis;
- Sale of 15,554 contained ounces of silver on an annualized basis;
- Sale of 17,776 contained ounces of silver on an annualized basis;
- Sale of 19,998 contained ounces of silver on an annualized basis; and
- Sale of 22,220 contained ounces of silver on an annualized basis.

The Company is also entitled to certain bonus payments in the event Gold Mountain files an updated technical report which discloses aggregate measured, indicated, and inferred silver ounces contained at the Elk Mine in excess of 2,210,000 ounces, based on the lesser of (i) \$1.00; and (ii) 20% of the then average silver price, in respect of each ounce of silver contained at the Elk Mine disclosed in the updated technical report in excess of 2,210,000 ounces.

The Company retains the right to repurchase 50% of the silver royalty at any time by making a payment in the amount of the purchase price and any bonuses paid to the Company at the time of this election.

- b) On May 16, 2023, Gold Mountain made its final \$3,000,000 property payment to Sandbox, discharging all obligations owed relating to the Company’s original purchase of the Elk Mine (see section *Elk Mine* in this MD&A).
- c) Subsequent to April 30, 2023, 17,500 PSUs were converted to common shares and 50,000 stock options expired unexercised.

LIQUIDITY, CAPITAL RESOURCES AND CAPITAL MANAGEMENT

Capital Management

Gold Mountain defines its capital as both debt and shareholders’ equity. The Company manages its capital structure and makes adjustments, based on the funds available to the Company, in order to support acquisitions, exploration, development and mining operations.

The Board of Directors relies on the expertise of management to sustain future development of the business. As such, the Company expects to rely on cash flows generated from operations at its Elk Mine and the equity/debt markets to fund its activities.

In order to carry out planned exploration, development and operational activities and pay for administrative costs, the Company will need to generate sufficient cash flows from the Elk Mine and/or will need to raise additional funds. The Company will also continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in management’s approach to capital management since the year ended January 31, 2023.



Cash Flows and Balances

As of April 30, 2023, the Company had a cash balance of \$2,911,261 (January 31, 2023 - \$3,203,419) and a working capital deficit of \$1,305,426 (January 31, 2023 – working capital of \$529,166). The following table summarizes cash inflows and outflows for the periods noted:

	Q1 2024	Q1 2023
Cash flow provided by (used in)		
Operating activities	\$ 1,384,051	\$ (612,597)
Investing activities	(1,588,665)	(1,457,739)
Financing activities	(87,544)	18,332,265
Increase (decrease) in cash	\$ (292,158)	\$ 16,261,929

Cash flows used in operating activities can vary significantly from period to period as a result of the Company's working capital requirements, which are dependent on the level of operations. Cash inflows from operating activities were significantly greater than the prior period as a result of positive income from operations in Q1 2024 and the collection of a significant trade receivable balance from January 31, 2023.

Cash flows used in investing activities can vary depending on the nature of the transactions occurring during the period. During Q1 2024, the Company curtailed its exploration activity significantly, expending only \$27,708 compared to \$846,877 in exploration expenditures in the comparable period. The Company incurred cash expenditures of \$1,378,712 in mineral property additions during Q1 2024 (compared to \$402,379 in Q1 2023), mostly as a result of a higher strip ratio in Q1 2024 which resulted in greater deferred stripping costs in the current quarter.

Cash flows provided by financing activities for Q1 2023 resulted from the issuance of shares from the bought-deal private placement (discussed below) and the exercise of 651,926 share purchase warrants and 196,000 stock options, which generated \$927,558 in cash for the Company. There were no significant financing activities for Q1 2024.

Recently Completed Financing

On April 21, 2022, the Company closed a bought deal public offering of 14,800,000 units for \$1.25 per unit raising gross proceeds of \$18,500,000. Each unit consisted of one common share and one-half of a share purchase warrant. The Company issued a total of 14,800,000 common shares, 7,400,000 warrants exercisable until April 21, 2024 for \$1.75 and 660,000 broker warrants exercisable until October 21, 2023 for \$1.25.

The table below sets out the disclosure the Company had previously made about its use of proceeds (other than working capital) from its most recent financing and any variations from planned expenditures.

Financing	Disclosed Use	Actual Use	Variation
April 2022 - \$18,500,000	Development of Elk Mine, repayment of obligations under Equinox Promissory Note (now Sandbox), business development, G&A, and general working capital	Same as disclosed use, with a portion of the proceeds allocated for infill drilling	The Company elected to conduct infill drilling at the Elk Mine

Going Concern

As of April 30, 2023, Gold Mountain had a working capital deficit of \$1,305,426. For Q1 2024, the Company earned net income of \$960,609, received cash from operating activities of \$1,384,051, and used cash of \$1,676,209 for investing and financing activities.

The ongoing operations and capital expenditures of the Elk Mine are dependent on the Company's ability to generate sufficient cash flow from production, which is subject to operational performance, achieving targeted production levels and the price of gold or the Company's ability to raise additional financing. During the year ended January 31, 2023, the Company experienced challenges during commissioning with respect to both grade control and sampling processes, which resulted in lower than forecast ore production during initial ramp-up. To continue operations at the Elk Mine, the Company will need to improve operational performance and may require additional equity, debt or an alternative form of financing. While the Company has been successful at raising funds in the past, there can be no assurance that it will be able to do so in the future. The condensed interim consolidated financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material. Subsequent to April 30, 2023, the Company entered into a silver royalty which generated a \$2,500,000 immediate cash infusion, which facilitated the final property payment of \$3,000,000 to Sandbox, for further details see the *Subsequent Event* section in this MD&A.



See Note 1 of the Company's condensed interim consolidated financial statements for the three months ended April 30, 2023 and 2022 for further information.

OFF-BALANCE SHEET ITEMS

As of April 30, 2023, the Company did not have any off-balance sheet items.

OUTSTANDING SHARE INFORMATION

The following table outlines the issued and outstanding common shares and convertible instruments of the Company as of the date of this MD&A, April 30, 2023 and January 31, 2023. For further information and details concerning outstanding shares and convertible instruments listed below, refer to the condensed interim consolidated financial statements for the three months ended April 30, 2023 and 2022.

As of:	June 13, 2023	April 30, 2023	January 31, 2023
Common shares	88,092,171	88,074,671	87,999,671
Options on common shares	5,136,096	5,136,096	5,081,096
Restricted and performance share units	492,000	509,500	566,500
Share purchase warrants	15,982,170	15,982,170	16,142,796

For details relating to equity-based transactions subsequent to April 30, 2023 refer to the section *Subsequent Events* of the MD&A.

QUARTERLY INFORMATION

	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Gold ounces sold (oz)	1,798	2,056	1,133	557	1,898	-	-	-
Average realized gold price (\$/oz)	2,298	1,982	1,829	1,721	1,930	-	-	-
Total Cash Costs per gold ounce sold (\$/oz)	1,294	1,334	2,442	3,601	1,379	-	-	-
Revenue (\$)	4,168,376	4,141,813	2,091,371	968,860	3,706,423	-	-	-
Income (loss) from mining operations (\$)	1,592,376	1,164,013	(843,245)	(1,178,035)	925,420	-	-	-
Net income (loss) (\$)	960,609	41,412	(2,110,018)	(2,557,986)	(237,816)	(2,073,803)	(2,670,654)	(4,858,442)
Net income (loss) per share – basic (\$)	0.01	(0.00)	(0.02)	(0.03)	(0.00)	(0.03)	(0.04)	(0.08)

The information for Q1 2023 and onward includes the financial and operational results of the Elk Mine following the commencement of commercial operations. Prior to Q1 2023, the Company was in the final stages of permitting, development, and ramping up to initial ore production and expenditures largely related to corporate G&A. Following the commencement of operations of the Elk Mine, the financial results have been impacted directly by the level of gold production for each particular quarter and the average realized gold price. These are the main drivers in the volatility noted in the above quarterly information table.

NON-IFRS MEASURES

The Company has included certain non-IFRS measures in this document, as discussed below. The Company believes that these measures, in addition to conventional measures prepared in accordance with IFRS, provide investors an improved ability to evaluate the underlying performance of the Company. The non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.



Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (“Adjusted EBITDA”)

Adjusted EBITDA excludes the following from net earnings: interest on financial instruments, accretion expense on reclamation liability, taxes, depreciation and amortization of property and equipment, share-based payments and other non-cash expenses. The Company uses this measure internally to evaluate its underlying operating performance for the reporting periods presented and to assist with the planning and forecasting of future operating results. Management believes that Adjusted EBITDA is a useful measure of Gold Mountain’s performance as these adjusting items do not reflect the underlying operating performance of the business and are not necessarily indicative of future operating results.

	Q1 2024	Q1 2023
Net income (loss) and comprehensive income (loss)	\$ 960,609	\$ (237,816)
Deductions:		
Finance income	(14,672)	(3,198)
Recovery of flow-through share premium	-	(126,216)
Addbacks:		
Finance and accretion expense	141,000	219,779
Share-based payments	43,910	550,046
Depletion and depreciation	174,869	116,335
Adjusted EBITDA	\$ 1,305,716	\$ 518,930

Total Cash Costs Per Ounce of Gold Sold and Cost of Sales Per Ounce of Gold Sold

Total cash cost per gold ounce sold is a common financial performance measure in the gold mining industry but has no standard meaning under IFRS. The Company reports total cash costs on a sales basis. We believe that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company’s performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The measure, along with sales, is a key indicator of a Company’s ability to generate operating earnings and cash flow from its mining operations. Costs of sales per gold ounce sold includes depreciation and depletion and share based compensation allocated to production to the cash costs figures.

	Q1 2024	Q1 2023
Cost of sales	\$ 2,576,000	\$ 2,781,003
Deductions:		
Depletion and depreciation included in cost of sales	(170,598)	(113,706)
Share-based payments included in cost of sales	(24,374)	(7,241)
Silver credits	(36,689)	(42,655)
Total cash costs	\$ 2,344,339	\$ 2,617,401
Gold ounces sold (oz)	1,798	1,898
Total cash costs per ounce of gold sold	\$ 1,304	\$ 1,379
Cost of sales per ounce of gold sold	\$ 1,433	\$ 1,465



Average Realized Price per Ounce of Gold Sold

Management uses this measure to better understand the price realized in each reporting period for gold sales. Average realized price excludes from revenue any unrealized gains and losses, if applicable, on non-hedge derivative contracts. The average realized price is intended to provide additional information only and does not have any standardized definition under IFRS; it should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Other companies may calculate this measure differently.

	Q1 2024	Q1 2023
Revenue	\$ 4,168,376	\$ 3,706,423
Less: Revenue attributed to silver sales	(36,689)	(42,655)
Revenue from crushed ore sales of gold	\$ 4,131,687	\$ 3,663,768
Divided by: Gold ounces sold (oz)	1,798	1,898
Average realized price per gold ounce sold	\$ 2,298	\$ 1,930

COMMITMENTS AND CONTINGENCIES

Commitments

The Company is committed to a number of obligations under the normal course of operations including capital expenditures commitments and contractual obligations. For additional information concerning scheduled commitments, refer to Notes 18 and 19 of the Company's condensed interim consolidated financial statements for the three months ended April 30, 2023 and 2022.

The Elk Mine is also subject to certain royalties discussed within this MD&A under the sections *Elk Mine and Subsequent Events*.

Contingencies

Various tax and legal matters may be outstanding from time to time. Judgements and assumptions regarding these matters are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations. If management's estimate of future resolution of these matters changes, the Company will recognize the effects of these changes in the consolidated financial statements on the date such changes occur.

During the year ended January 31, 2023, the Company received an order from the Ministry of Energy, Mines and Low Carbon Innovation ("EMLI") to relocate waste rock stored at the Elk Mine's east waste rock storage facility ("EWRSF"). In May 2023, the Company received an updated inspection order from EMLI, which continued to require the relocation of the EWRSF. In response to the orders, Gold Mountain plans to include the permanent storage of material from the EWRSF in its expansion permit amendment application. The Company anticipates the permit expansion amendment process will continue through the year ended January 31, 2024. An administrative penalty could be administered by EMLI as a result of the order.

The estimated costs to mitigate or complete the work ranges from a nominal amount to \$1.6 million. Management applied a probability weighted average methodology to estimate the provision by considering the likelihood of each outcome. The critical judgments made in estimating the provision that create a high degree of estimation uncertainty are (i) estimated costs to mitigate/fulfill the order, and (ii) weighting assigned to each possible outcome.

Based on this assessment, as of January 31, 2023 and April 30, 2023, the Company accrued a provision of \$256,000 associated with estimated costs to be incurred as a result of this issue. The provision will be reviewed at each reporting period as more information becomes available.



RELATED PARTY TRANSACTIONS

In accordance with IFRS standards, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Company has identified the Chief Executive Officer and President, Vice President Permitting, current and former Chief Financial Officer, Chief Operating Officer, and General Counsel, Head of Indigenous Relations and Corporate Secretary, as well as the Company's directors as its key management personnel. All related party transactions were incurred in the normal course of operations and are recorded at the amount agreed upon by the related parties.

During the three months ended April 30, 2023 and 2022, the Company incurred the following amounts for key management personnel:

	Q1 2024	Q1 2023
Management, director and consulting fees	\$ 294,599	\$ 155,125
Share-based payments	31,911	59,188
Total compensation	\$ 326,510	\$ 214,313

During the three months ended April 30, 2023, there were no Performance Share Units ("PSU") or Restricted Share Units ("RSU") converted into common shares of the Company by its key management personnel (three months ended April 30, 2022 – 540,000 of vested PSUs and no vested RSUs were converted to common shares of the Company).

The following amounts due to related parties are unpaid director and management fees and expense reimbursements included in trade payables and accrued liabilities as of April 30, 2023 and January 31, 2023. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

As of:	April 30, 2023	January 31, 2023
Chief Executive Officer and President	\$ 454	\$ 154,944
VP – Permitting	76,857	76,857
Chief Operating Officer	123,799	102,324
Chief Financial Officer	814	-
Directors	13,200	14,506
Former Directors of Subsidiary	24,217	15,217
Total	\$ 239,341	\$ 363,848

RISK FACTORS

The Company's primary source of revenue is the sale of crushed ore from its Elk Mine. The Company has a contract with a single customer, New Gold, for its crushed ore. While the Company does not have any collection issues or disputes with New Gold, any disputes, delays, or unanticipated termination of the agreement could lead to a failure to receive revenue from the Elk Mine or collect associated trade receivables.

Natural resources exploration, development and operation involves a number of risks and uncertainties, many of which are beyond the Company's control. These risks and uncertainties include without limitation, the risks discussed elsewhere in this MD&A, those identified in the Company's Annual Information Form for the year ended January 31, 2023 and the Company's disclosure documents as filed in Canada on SEDAR at www.sedar.com. Readers should carefully consider such risks and uncertainties prior to deciding to invest in the securities of Gold Mountain.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities, disclosure of commitments and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions. Actual results could differ from these estimates.

Information about judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in the Company's audited annual consolidated financial statements are included in Note 3 to the Company's audited consolidated financial statements for the years ended January 31, 2023 and 2022. The critical accounting estimates and



judgements applied for the three months ended April 30, 2023 and 2022 are consistent with those applied and disclosed during the Company's most recently completed year end of January 31, 2023.

RECENT ACCOUNTING PRONOUNCEMENTS AND CHANGES

The Company's accounting policies are outlined in the audited consolidated financial statements for the years ended January 31, 2023 and 2022 in Note 2. The accounting policies and basis of presentation applied in the preparation of the unaudited condensed interim consolidated financial statements for the three months ended April 30, 2023 and 2022 are consistent with those applied and disclosed in the Company's audited annual consolidated financial statements for the years ended January 31, 2023 and 2022, except as noted in Note 2 of the interim condensed consolidated financial statements for the three months ended April 30, 2023 and 2022.

FINANCIAL INSTRUMENTS

Financial instruments disclosures require the Company to provide information about a) the significance of financial instruments for the Company's financial position and performance, and b) the nature and extent of risks arising from financial instruments to which the Company is exposed during the period and at the statement of financial position date, and how the Company manages those risks. Refer to the Company's condensed interim consolidated financial statements for the three months ended April 30, 2023 and 2022, and the audited consolidated financial statements for the years ended January 31, 2023 and 2022 and its related MD&A for a discussion of the factors that affect Gold Mountain.

CONTROLS AND PROCEDURES

In compliance with the Canadian Securities Administrators' Regulation, the Company has filed certificates signed by the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") that, among other things, report on the design of disclosure controls and procedures and the design of internal controls over financial reporting.

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Company's management, including its CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

There were no significant changes in the Company's internal controls over financial reporting during Q1 2024. The Company's management, including the CEO and CFO, believe that any internal controls over financial reporting and disclosure controls and procedures, no matter how well designed, can have inherent limitations. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Therefore, even those systems determined to be effective can provide only reasonable (not absolute) assurance that the objectives of the control system are met and as such, misstatements due to error or fraud may occur and not be detected.

Management, including the CEO and CFO, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures. As of April 30, 2023, the CEO and CFO have each concluded that the Company's disclosure controls and procedures, as defined in NI 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings are effective to achieve the purpose for which they have been designed.

FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" and "forward-looking statements" (collectively "forward-looking statements") within the meaning of applicable Canadian securities legislation. Except for statements of historical fact relating to Gold Mountain, forward-looking information includes, but is not limited to, information with respect to the Company's expected production from, and the further potential of, the Company's properties; the Company's ability to raise additional funds, as required; the future price of minerals, particularly gold; the estimation of mineral resources and mineral reserves; conclusions of economic evaluations; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production, general and administrative and other costs; capital expenditures; success of exploration activities; mining or processing issues; currency rates; government regulation of mining operations; environmental risks; impairment analysis; and outlook, guidance, and other forecasts.



Forward-looking statements are statements that are not historical facts and are generally, although not always, identified by words such as “expect”, “plan”, “anticipate”, “project”, “target”, “potential”, “schedule”, “forecast”, “budget”, “estimate”, “intend” or “believe” and similar expressions or their negative connotations, or that events or conditions “will”, “would”, “may”, “could”, “should” or “might” occur. All such forward-looking statements are based on the opinions and estimates of management as of the date such statements are made.

Forward-looking statements necessarily involve assumptions, risks and uncertainties, certain of which are beyond Gold Mountain’s control, including risks associated with or related to: impacts related to the COVID-19 pandemic; the volatility of metal prices; changes in tax laws; the dangers inherent in exploration, development and mining activities; the uncertainty of reserve and resource estimates; cost or other estimates; actual production, development plans and costs differing materially from the Company’s expectations; the ability to obtain and maintain any necessary permits, consents or authorizations required for mining activities; environmental regulations or hazards and compliance with complex regulations associated with mining activities; the availability of financing and debt activities, including potential restrictions imposed on Gold Mountain’s operations as a result thereof and the ability to generate sufficient cash flows; fluctuations in price and availability of energy and other inputs necessary for mining operations; shortages or cost increases in necessary equipment, supplies and labour; the reliance upon contractors, third parties and joint venture partners; the dependence on key personnel and the ability to attract and retain skilled personnel; the risk of an uninsurable or uninsured loss; adverse climate and weather conditions; litigation risk; competition with other mining companies; community support for Gold Mountain’s operations; failures of information systems or information security threats; continued support and operation of the New Gold facility at New Afton. The list is not exhaustive of the factors that may affect Gold Mountain’s forward-looking statements.

Gold Mountain’s forward-looking statements are based on the applicable assumptions and factors management considers reasonable as of the date hereof, based on the information available to management at such time. These assumptions and factors include, but are not limited to, assumptions and factors related to Gold Mountain’s ability to carry on current and future operations, including: development and exploration activities; the timing, extent, duration and economic viability of such operations, including any mineral resources or reserves identified thereby; the accuracy and reliability of estimates, projections, forecasts, studies and assessments; the availability and cost of inputs; the price and market for outputs, including gold; the timely receipt of necessary approvals or permits, including those related to mine expansion; the ability to meet current and future obligations; the ability to obtain timely financing on reasonable terms when required; the current and future social, economic and political conditions; and other assumptions and factors generally associated with the mining industry.

Gold Mountain’s forward-looking statements are based on the opinions and estimates of management and reflect their current expectations regarding future events and operating performance and speak only as of the date hereof. Gold Mountain does not assume any obligation to update forward-looking statements if circumstances or management’s beliefs, expectations or opinions should change other than as required by applicable securities laws. There can be no assurance that forward-looking statements will prove to be accurate, and actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements. Accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what benefits or liabilities Gold Mountain will derive therefrom. For the reasons set forth above, undue reliance should not be placed on forward-looking statements.

NOTE TO U.S. INVESTORS

This MD&A uses the terms “Measured”, “Indicated” and “Inferred” Resources. U.S. investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them. “Inferred Mineral Resources” have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resources will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred Mineral Resources may not form the basis of feasibility or other economic studies. U.S. investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. U.S. investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists, or is economically or legally mineable.

TECHNICAL INFORMATION

Unless otherwise stated, all of the scientific and technical information contained in this MD&A has been reviewed and approved by Mr. Grant Carlson, P. Eng., a “Qualified Person” within the meaning of National Instrument 43-101 - Standards of Disclosure for Minerals Projects and the Chief Operating Officer of the Company.