ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

Year Ended December 31, 2019 Compared to Year Ended December 31, 2018

	Twelve Months Ended	
	12/31/19	**12/31/18**
Revenue	$0	$0
Operating expenses		
General and administrative	1,293,208	263,990
Lease expense	16,000	16,000
Exploration, evaluation and project expense	215,014	197,731
Total operating expenses	1,524,222	477,721
Net operating loss	(1,524,222)	(477,721)
Interest expense	(71,702)	(58,366)
Net loss	$(1,595,924)	$(536,087)

We are still in the exploration stage and have no revenues to date.

We incurred professional fees comprised of (1) accounting fees for annual audit and consulting for a total of $87,000 in 2019 compared to $60,000 in 2018, (2) legal fees for review of quarterly filings, prospectus for Canadian listing and general services for a total of $92,000 in 2019 and $7,000 in 2018 and (3) marketing and corporate services of $692,000 in 2019 compared to $20,000 spent in 2018. The 2019 marketing and corporate services includes (i) 900,000 common shares the Company issued valued at $0.09 per share for a non-cash transaction valued at $81,000; (ii) 900,000 common shares the Company issued valued at $0.14 per share for a non-cash transaction valued at $126,000; (iii) 1,800,000 common shares the Company issued valued at $0.11 per share for a non-cash transaction valued at $198,000; and (iv) marketing services of $287,000 to various marketing consultants as it related to the Canadian stock listing process. There was payroll expense of approximately $196,000 and $129,000 for 2019 and 2018, respectively, with an $85,000 stock bonus issued in 2019.

On October 3, 2019, the Board of Directors approved a stock compensation distribution to board members Alan Lindsay, Chairman; Kjeld Thygesen, board member; and David Beling, CEO, President and board member. On October 10, 2019, there were 500,000 shares of common stock issued to each for a total of 1,500,000 shares with a fair market value of $0.17 per share determined by the closing price of the Company's common stock as of October 10, 2019 for a non-cash transaction valued at $255,000.

As of December 31, 2019, and December 31, 2018, the Company has a related party payable with David Beling, CEO and President, of $635,775 and $578,764, respectively. This amount at December 31, 2019 consists of $213,450 of expense reports plus interest of $150,940 and salary of $191,666 plus interest of $79,719. Interest is accrued at a rate of 1% per month. This resulted in $72,000 of interest expense in 2019 versus $58,000 in 2018.

Exploration, evaluation and project expense costs included professional consulting services for a total of approximately $243,000 in 2019 compared to $197,000 in 2018. Included in the expense is continued payments for lab testing and project review, in addition to filing fees with the US Bureau of Land Management and Nye County totaled $43,000 in 2019.

The lease expense relates to payments on a 30-year lease executed on July 1, 2017 with Lunar Landing.

Liquidity and Capital Resources

To continue as a going concern, the Company will need to raise additional funds and attain profitable operations. The Company has no committed sources of capital and additional funding may not be available on terms acceptable to the Company, or at all.

On January 16, 2020, the Company entered into subscription agreements ("Subscription Agreements") pursuant to which the Company sold an aggregate of 15,384,615 Units (the "Units") with gross proceeds to the Company of CAD$2,000,000 to certain accredited investors. The proceeds from this offering will be used for general corporate purposes.

Each Unit was sold for a purchase price of CAD$0.13 per Unit and consisted of one share of the Company's common stock and a two year warrant to purchase fifty percent (50% or one-half warrant) of the number of Units purchased in the offering at a per share exercise price of CAD$0.20. In connection with the offering, the Company issued an aggregate of 15,384,615 shares of its common stock.

The Company paid a total of CAD$118,918 for finder's fees on subscriptions under the Offering, together with 914,750 share purchase warrants (the "Finder Warrants"). Each Finder Warrant entitles the holder to acquire one share of common stock at an exercise price of CAD$0.20 per share for a period of 24 months from the date of issuance.

On October 29, 2014, Rocky Mountain Minerals Corp. a wholly owned subsidiary of the Company, entered into an Option Agreement (the "Option") with Mojave Gold Mining Corporation ("Mojave"). Mojave holds and possesses the purchase rights to 100% of 12 patented mining claims located in Nye County, Nevada. This property is contiguous to the Company's Bullfrog Project and covers approximately 156 acres, including the northeast half of the Montgomery-Shoshone (M-S) pit mined by Barrick Gold in the 1990's.

Mojave granted to RMM the sole and immediate working right and option with respect to the property until the 10th anniversary of the closing date, to earn a 100% interest in and to the property free and clear of all charges encumbrances and claims, save and except a sliding scale Net smelter return (or NSR) royalty.

In order to maintain in force, the working right and Option granted to it, and to exercise the Option, RMM granted Mojave 750,000 shares of common stock and paid $16,000. In addition, to exercise the option, RMM must pay to Mojave a total of $190,000 over the next 10 years. For reference, Barrick Bullfrog Inc. ("Barrick") terminated a lease on these patents after they ceased operations in late 1999.

On March 23, 2015, RMM the 100% owned subsidiary of the Company entered into a Mineral Lease and Option to Purchase Agreement with Barrick Bullfrog involving patented mining claims, unpatented mining claims, and mill site claims ("Properties") located approximately four miles west of Beatty, Nevada. These Properties are strategically located adjacent to the Company's Bullfrog Gold Project and include two patents that cover the southwest half of the Montgomery-Shoshone (M-S) open pit gold mine. In October 2014 the Company optioned the northeast half of the M-S pit and now controls the entire pit.

On May 21, 2019 the Barrick Agreement was amended whereby work commitments for the fifth anniversary and the total of $1.5 million were extended to September 23, 2020. The final work commitment has been accounted at $561,762.

On October 29, 2014, RMM entered into an Option Agreement (the "Option") with Mojave Gold Mining Corporation ("Mojave"). Mojave holds and possesses the purchase rights to 100% of 12 patented mining claims located in Nye County, Nevada. This property is contiguous to the Company's Bullfrog Project and covers approximately 156 acres, including the northeast half of the Montgomery-Shoshone (M-S) pit mined by Barrick Gold in the 1990's.

Mojave granted to RMM the sole and immediate working right and option with respect to the property until the 10th anniversary of the closing date, to earn a 100% interest in and to the property free and clear of all charges encumbrances and claims, save and except a sliding scale Net Smelter Return (or NSR) royalty.

To maintain in force, the working right and Option granted to it, and to exercise the Option, RMM granted Mojave 750,000 shares of common stock and paid $16,000 in October 2014. In addition, to exercise the option, RMM must pay to Mojave a total of $190,000 over the next 10 years of which the Company has paid $80,000. Future payments due as follows:

Due Date	**Amount**
October 2020	$25,000
October 2021	$25,000
October 2022	$30,000
October 2023	$30,000

On July 1, 2017, RMM entered a 30-year Mineral Lease (the "Lunar Lease") with Lunar Landing, LLC. ("Lunar"), the owner of 24 patented mining claims situated in the Bullfrog Mining District, Nye County, Nevada. RMM shall expend as minimum work commitments of $50,000 per year until a cumulative of $500,000 of expense has been incurred. RMM paid Lunar $26,000 on the Effective Date and makes lease payments on the following schedule:

Years Ending December 31	**Annual Lease Payment ($)**
2018-2022	16,000
2023-2027	21,000
2028-2032	25,000
2033-2037	30,000
2038-2042	40,000
2043-2047	45,000

In August 2018 and December 2018, the Company staked and recorded an additional 46 unpatented claims, for a total of 134 claims staked by the Company.

In March 2019, the Company completed the final closing of a $1,127,400 private placement of equity. The subscriptions were priced at $0.05 per unit, which consisted of one share of the Company's common stock and a two-year warrant to purchase a one-half share at a price of $0.10 per share. The initial closing of $835,000 was completed on February 11, 2019.

We will need to raise additional funding though financing transactions, which may include the issuance of equity or debt securities, obtaining credit facilities, or other financing mechanisms. Such additional financing may not be available on terms acceptable to us, or at all. Furthermore, if we issue additional equity or debt securities, stockholders may experience additional dilution or the new equity securities may have rights, preferences or privileges senior to those of existing holders of our common stock.

The consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities and commitments in the normal course of business. In the event that we are unable to continue as a going concern, we may be unable to realize the carrying value of our assets and to meet our obligations as they become due. To continue as a going concern, we will need to raise additional capital. However, we have no commitment from any party to provide additional capital and there is no assurance that such funding will be available when needed, or if available, that its terms will be favorable or acceptable to us.

If we are unable to raise additional financing, we may have to substantially reduce or cease operations.

Off Balance Sheet Arrangements

We do not engage in any activities involving variable interest entities or off-balance sheet arrangements.

Critical Accounting Policies and Use of Estimates

Stock based compensation is measured at grant date, based on the fair value of the award, and is recognized as an expense over the employee's requisite service period. We estimate the fair value of each stock option as of the date of grant using the Black-Scholes pricing model. The Company determines the expected life based on historical experience with similar awards, giving consideration to the contractual terms, vesting schedules and post-vesting forfeitures. The Company uses the risk-free interest rate on the implied yield currently available on U.S. Treasury issues with an equivalent remaining term approximately equal to the expected life of the award. The Company has never paid any cash dividends on its common stock and does not anticipate paying any cash dividends in the foreseeable future.

Mineral property exploration costs are expensed as incurred until such time as economic reserves are quantified. To date, the Company has not established any proven or probable reserves on its mineral properties. Costs of lease, exploration, carrying and retaining unproven mineral lease properties are expensed as incurred. The Company has chosen to expense all mineral exploration costs as incurred given that it is still in the exploration stage. Once the Company has identified proven and probable reserves in its investigation of its properties and upon development of a plan for operating a mine, it would enter the development stage and capitalize future costs until production is established. When a property reaches the production stage, the related capitalized costs will be amortized over the estimated life of the probable-proven reserves. When the Company has capitalized mineral properties, these properties will be periodically assessed for impairment of value and any diminution in value. To date, the Company has not established the commercial feasibility of any exploration prospects; therefore, all exploration costs are being expensed. Costs of property acquisitions are being capitalized, and a required payment of $20,000 was made in 2018 to Mojave Gold Mining Corporation ("Mojave") as part of the Option to Purchase Agreement ("Option").