

**GOLDSEEK RESOURCES INC.**  
**MANAGEMENT DISCUSSION & ANALYSIS**  
**FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2022**

**Introduction**

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The following Management's Discussion & Analysis ("MD&A") of Goldseek Resources Inc. ("Goldseek" or the "Company") for the three and six months ended December 31, 2022 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual Management's Discussion & Analysis ("Annual MD&A") for the fiscal year ended June 30, 2022. This MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This MD&A has been prepared as of February 28, 2023, in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Annual MD&A, audited consolidated financial statements of the Company for the years ended June 30, 2022 and 2021, together with the notes thereto, and unaudited condensed interim consolidated financial statements of the Company for the three and six months ended December 31, 2022, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Goldseek common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from the offices of the Company or from [www.sedar.com](http://www.sedar.com).

**Caution Regarding Forward Looking Statements**

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This MD&A contains forward-looking statements. Forward-looking statements are projections of events, revenues, income, future economic performance or management's plans and objectives for future operations. In some cases, you can identify forward-looking statements by the use of terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. Examples of forward-looking statements made in this MD&A include statements about the Company's business plans; the costs and timing of its developments; its future investments and allocation of capital resources; success of acquiring an asset or business; requirements for additional capital. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including: general economic and business conditions, our lack of operating history; conclusions or economic evaluations; changes in project parameters as plans continue to be refined; failure of any asset or business acquired to operate as anticipated; delays in financing or incompleteness of business or asset acquisition, any of which may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

While these forward-looking statements and any assumptions upon which they are based are made in good faith and reflect our current judgment regarding the direction of the Company's business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Except as required by applicable law, including the securities laws of Canada, the Company does not intend to update any of the forward-looking statements to conform these statements to actual results.

## Corporate History

The Company was incorporated under the British Columbia Business Corporations Act on September 21, 2018. The principal business of the Company is to explore, evaluate and then acquire mineral properties.

On February 14, 2020, the Company filed a non-offering prospectus and became a reporting issuer in the provinces of British Columbia and Ontario.

The Company's common shares commenced trading on the Canadian Securities Exchange on March 9, 2020 under the stock symbol "GSK".

The principal business office of the Company is located at 1231 Huron Street, London, Ontario Canada, N5Y 4L1.

## Description of Business

The Company is engaged in the acquisition, exploration and development of mineral property interests.

Exploration and evaluation costs incurred during the six months ended December 31, 2022 were as follows:

	Bonanza (\$)	Horizon (\$)	Quevillon West (\$)	Southern Arm (\$)	Val D'Or North (\$)	Beschefer (\$)	Total (\$)
Balance, June 30, 2022	1,053,290	594,210	62,409	123,620	149,963	2,160,576	4,144,068
Exploration:							
Consulting	7,500	15,394	Nil	5,000	5,000	4,000	36,894
Drilling	Nil	Nil	Nil	Nil	Nil	21,009	21,009
Geochemistry	Nil	66,371	Nil	Nil	Nil	Nil	66,371
<b>Balance, December 31, 2022</b>	<b>1,060,790</b>	<b>675,975</b>	<b>62,409</b>	<b>128,620</b>	<b>154,963</b>	<b>2,185,585</b>	<b>4,268,342</b>

## Bonanza Property

The Bonanza Property is comprised of 92 claims totaling 5,212 hectares. The Bonanza Property is located near the Municipality of Senneterre, in the Province of Québec.

On October 11, 2018, the Company signed a purchase agreement with Delford Investments Inc., Jonathon Deluce, Bradel Properties Ltd. (a shareholder of the Company) and Delinks Holdings Ltd. (a shareholder of the Company) (collectively, the "Bonanza Sellers") to purchase the property, including surface rights, mineral rights and personal property and permits associated with the Bonanza Property. In terms of the agreement, the Company issued 6,000,000 shares to satisfy the acquisition of a 100% interest in the property, subject to NSR. The Bonanza sellers have retained an undivided royalty equal to a 3.0% of the Net Smelter Returns in respect to any production from the Bonanza Property.

## Horizon Property

The Horizon Property is comprised of 171 claims totaling 2,421 hectares. The Horizon Property is located roughly 40 kilometres east of Marathon, Ontario and 55 kilometres west of White River, Ontario situated in the Wabikoba Lake area of Ontario.

Under the terms of two option agreements, dated February 22, 2019, Goldseek earned a 100% interest, net of NSR, in the claims by issuing 3,650,000 shares of Company to the vendors. The vendors involved in each option agreement will retain a 3.0% net smelter royalty (the "NSR").

The Company acquired 100% interest in the Horizon North-West property on July 21, 2020. The property is subject to a 3.0% NSR. Pursuant to the definitive agreement, the Company issued 40,000 shares valued at \$16,200. The Company can purchase half of the NSR royalty at any time for \$1,500,000 from the legacy royalty holders.

### **Quevillon West Property**

On May 28, 2020, the Company acquired the Quevillon West Property by direct staking. The Quevillon West Property is comprised of 257 claims totaling 13,591 hectares. The Quevillon West Property is located near the Municipality of Lebel-Sur Quevillon, in the Province of Québec. On June 26, 2020, the Company added an extension to the Quevillon West Property, increasing the total size to 497 claims.

### **Southern Arm Property**

On April 22, 2020, the Company acquired the Southern Arm Property, consisting of 62 claims, by direct staking. On May 26, 2020, the Company acquired additional 8 claims from Midland Exploration Inc. ("Midland"). The agreement for the property acquisition is as follows:

- The 8 claims were acquired through an exchange of properties agreement with Midland whereby the Company exchanged its Quevillon North Property. The Company granted to Midland a 2% NSR on the Property with a 1% buyback option for \$1 million. Midland agreed to assume the 2% NSR payable on the Quevillon North property as described below:
- The Quevillon North property was acquired by the Company on May 12, 2020. Pursuant to a definitive agreement, the Company acquired 100% interest, subject to a 2% NSR, in the Quevillon North property from two vendors which owned the property as to 50% each, and one vendor was a company controlled by the CEO of the Company. The terms of the purchase were as follows:
  - Upon CSE acceptance, pay \$1,000 in cash (paid) and issue 15,000 shares of the (issued with fair value of \$4,500); and
  - The Company can purchase 1% (or 1/2) of the NSR at any time for \$1 million. The royalty was agreed to be assumed by Midland under the terms of the exchange of properties agreement.

### **Val D'Or North Property**

In November 2020, the Company acquired the Val D'Or North Property, consisting of 143 claims, through direct staking.

In February 2022, the Company updated its exploration targets after receiving the 2021 survey results and completing an updated interpretation. See the February 15, 2022 news release for details.

### **Beschefer Property**

In February 2021, the Company entered into an option agreement to acquire 100% of the Beschefer Property from Wallbridge Mining Company Limited. Pursuant to the terms of the option agreement, the Company can exercise the option to acquire the property by:

- Incurring \$3,000,000 in exploration expenditures as follows:
  - \$500,000 on or before the first anniversary (incurred);

- \$1,250,000 accumulated total on or before the second anniversary (incurred); and
- \$3,000,000 accumulated total on or before the fourth anniversary.
- Issuing 4,283,672 common shares of the Company as follows:
  - 750,000 common shares following the execution of the agreement (issued);
  - 750,000 common shares on the first anniversary (issued);
  - 750,000 common shares on the second anniversary; and
  - 2,033,672 common shares on the fourth anniversary.

The Beschefer property is subject to a 1% and a 2% NSR on any future commercial production.

In October-November 2021, the Company announced the results from the maiden 5,000 metre drill program at the Beschefer Property. Drill highlights include:

- 4.92 g/t gold over 28.65 metres, including 11.39 g/t gold over 9.1 metre;
- 2.17 g/t gold over 13.2 metres, including 3.9 g/t gold over 5.6 metres, in the Central Shallow Zone;
- 2.01 g/t gold over 13.0 metres in an up-dip east Zone Extension hole; and
- 0.96 g/t gold over 19.9 metres, including 1.56 g/t gold over 7.0 metres.

In February 2022, the Company began a 4,000 metre drill program. In April 2022, the Company announced the results from the first 5 drill holes, including:

- 3.18 g/t gold over 12.08 metres, including 7.24 g/t gold over 2.65 metres in BE-22-21, which successfully extends the East Zone to the west;
- 3.2 g/t gold over 9.05 metres in BE-22-20 on the eastern strike extent of the Central Shallow Zone.

See the April 6, 2022 news release for details.

## **Overall Performance**

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The Company is an exploration stage issuer engaged in the business of acquisition, exploration and, if warranted, development of mineral properties. As such, the Company has not had any revenues since inception. The Company does not expect to generate any revenues in the foreseeable future. The Company expects to continue to incur expenses as work is performed to explore and develop its mineral property.

The Company is in the process of exploring its mineral properties and has not yet determined whether the mineral property contain reserves that are economically recoverable. The Company's future performance is largely tied to the outcome of future exploration and the overall financial markets.

The recoverability of minerals from the Company's mineral property is dependent upon, among other things, the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to continue to explore and develop its property, and upon future profitable production. Uncertainty in credit markets has led to increased difficulties in raising and borrowing funds. As a result, the Company may have difficulties raising equity financing for the purposes of exploration and development of the Company's mineral property, without diluting the interests of current shareholders of the Company.

## **Results of Operations**

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### **Three Months Ended December 31, 2022 Compared with Three Months Ended December 31, 2021**

The Company's net loss totaled \$27,762 during the three months ended December 31, 2022, with basic and diluted loss per share of \$0.00, compared a net loss of \$39,732 with basic and diluted loss per share of \$0.00 for the three months ended December 31, 2021. The decrease in net loss was principally due to:

- Investor relations decreased to \$5,000 for the three months ended December 31, 2022 (2021 - \$46,361) due to decreased marketing.
- Reversal of flow-through premium decreased to \$1,847 for the three months ended December 31, 2022 (2021 - \$30,849). Reversal of flow-through premium is related to the reduction of the premium on flow-through shares based on qualifying exploration expenditures incurred during the period.

### **Six Months Ended December 31, 2022 Compared with Six Months Ended December 31, 2021**

The Company's net loss totaled \$67,709 during the six months ended December 31, 2022, with basic and diluted loss per share of \$0.00, compared a net income of \$19,563 with basic and diluted income per share of \$0.00 for the six months ended December 31, 2021. The increase in net loss was principally due to:

- Investor relations decreased to \$20,625 for the six months ended December 31, 2022 (2021 - \$66,986) due to decreased marketing.
- Reversal of flow-through premium decreased to \$1,847 for the six months ended December 31, 2022 (2021 - \$137,873). Reversal of flow-through premium is related to the reduction of the premium on flow-through shares based on qualifying exploration expenditures incurred during the period.

### **Liquidity and Capital Resources**

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As at December 31, 2022, the Company had working capital of \$895,913 (June 30, 2022 - \$343,896).

On November 29, 2022, the Company issued 3,757,143 non-flow-through common shares at \$0.035 per share for gross proceeds of \$131,500 and 17,500,000 Quebec flow-through shares at \$0.04 per flow-through share for gross proceeds of \$700,000. The Company recorded a flow-through liability premium of \$87,500 at the time of the financing. The Company did not incur any share issuance cost.

The Company is always assessing its opportunities in this regard and will decide its course of action as its needs arise. In order to meet the Company's current and future plans for its mineral property interests, as well as meet its administrative overhead, for the near term, the Company will be required to complete a financing. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or under terms favourable to the Company. See "Risk Factors" and "Caution Regarding Forward-Looking Statements".

### **Off-Balance Sheet Arrangements**

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The Company did not enter into any off-balance sheet arrangements as at December 31, 2022 or as of the date of this report.

### **Related Party Transactions**

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- (i) During the three and six months ended December 31, 2022, the Company incurred consulting fees of \$4,750 and \$9,500, respectively (three and six months ended December 31, 2021 - \$nil and \$4,688, respectively) and consulting fees included in exploration and evaluation assets of \$14,000 and \$28,000, respectively (three and six months ended December 31, 2021 - \$18,751 and \$32,813, respectively) to a company controlled by the CEO.
- (ii) During the three and six months ended December 31, 2022, the Company paid professional fees and general and administrative of \$12,338 and \$21,970, respectively (three and six months ended December 31, 2021 - \$9,856 and \$20,885, respectively) to Marrelli Support Services Inc., DSA Corporate Services Inc. and DSA Filing Services Limited, together known as the "Marrelli Group", for

Eric Myung, an employee of Marrelli Group, to act as the Chief Financial Officer of the Company, bookkeeping services, regulatory filing services, and corporate secretarial services.

As at December 31, 2022, \$4,834 was owed to the Marrelli Group (June 30, 2022 - \$1,243) and this amount was recorded in accounts payable and accrued liabilities.

## **Commitments**

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In connection with the flow-through share financings in November 2022, the Company is committed to incur qualifying Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) of a total of \$700,000 by December 31, 2023. If the Company does not incur the required qualifying expenditures, it will be required to indemnify the holders of the flow-through shares for any tax and other costs payable by them as a result of the Company not making the required expenditures.

As at December 31, 2022, the Company is required to incur \$685,000 of qualifying exploration expenditures.

## **Subsequent Event**

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On February 6, 2023, the Company entered into an agreement to acquire 100% interest in 6 additional claims to the Beschefer Property, subject to a 2% NSR. Pursuant to the agreement, the Company is to pay \$5,000 in cash and issue 600,000 common shares upon CSE approval.

## **Proposed Transactions**

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As of the date of this report, there were no proposed transactions.

## **Financial Risks**

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The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

### **Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposures to credit risks are on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada.

As most of the Company's cash is held by a bank, there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution, as determined by rating agencies.

### **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign currency exchange rates, commodity prices, interest rates and liquidity. A discussion of the Company's primary market risk exposures, and how those exposures are currently managed, follows:

#### Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's financial assets and liabilities and operating costs are principally denominated in Canadian dollars. The Company has no US dollar hedging program due to

its exposure to financial gain or loss as a result of foreign exchange movements against the Canadian dollar.

#### Commodity price risk

Commodity prices, and in particular gold spot prices, fluctuate and are affected by factors outside of the Company's control. The current and expected future spot prices have a significant impact on the market sentiment for investment in mineral exploration companies and may impact the Company's ability to raise equity financing for its ongoing working capital requirements.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk is minimal as there are no outstanding loans or interest-bearing debts. The Company has not entered into any interest rate swaps or other active interest rate management programs at this time.

#### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. As at December 31, 2022, the Company has a working capital of \$895,913 (June 30, 2022 - \$343,896). The Company's ability to continue as a going concern is dependent on management's ability to raise additional funding through future debt or equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

### **Capital Management**

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The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders.

The Company considers the items included in shareholders' equity as capital. 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 its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders. The Company is not exposed to externally imposed capital requirements. There have been no changes to the Company's capital management during the periods ended December 31, 2022 and 2021.

### **Economic Conditions**

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Due to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- Global gold prices;
- Demand for gold and the ability to carry out mineral exploration;
- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labour availability and supply lines;
- Availability of government supplies, such as water and electricity;
- Purchasing power of the Canadian dollar; and
- Ability to obtain funding.

At the date of this MD&A, the Canadian federal government and the provincial government of Ontario and Quebec have not introduced measures that have directly impeded the operational activities of the

Company. Management believes the current situation has not impacted management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

## **Outlook**

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The resource sector is currently experiencing a broad-based downturn as a result of the significant risk of a global recession brought about by record inflation and rapidly rising interest rates. In this environment investment in the junior resource sector is greatly impaired. The value of the gold and other metals are also volatile and could decline further. The Company is mindful of the current market environment and is managing accordingly. See "Risk Factors".

Although there can be no assurance that additional funding will be available to the Company, management believes that its projects are delivering positive results and should attract investment under normal market condition. Hence, management believes it is likely to obtain additional funding for its projects in due course.

## **Risk Factors**

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An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's Annual MD&A for the fiscal year ended June 30, 2022 and filed under the Company's issuer profile on [www.sedar.com](http://www.sedar.com).

## **Additional Information**

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Additional information related to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).