PROSPER GOLD CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED JULY 31, 2018

1.1 DATE

This management's discussion and analysis ("MD&A") of the financial condition and operating results of Prosper Gold Corp. ("Prosper Gold" or the "Company") for the nine months ended July 31, 2018 is derived from, and should be read in conjunction with, Prosper Gold's unaudited condensed interim financial statements for the period ended July 31, 2018, as publicly filed on Sedar at www.sedar.com.

The Company prepared the unaudited condensed interim financial statements and note disclosures for the period ended July 31, 2018 in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This MD&A complements and supplements, but does not form part of the Company's audited financial statements.

All dollar amounts contained herein are expressed in Canadian dollars unless otherwise stated.

Cautionary Note to Investors Concerning Forward-looking Statements

Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as "plans", "intends", "anticipates", "should", "estimates", "expects", "believes", "indicates", "suggests" and similar expressions.

This MD&A contains forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business, and the economic environment in which it operates. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Examples of specific risks associated with the operations of the Company are set out under "Risk Factors". Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.

All forward-looking statements have been made subject to risk factors summarized on page 10 of this MD&A.

This MD&A has been prepared using information as of September 28, 2018 and approved by the Board on September 28, 2018.

1.2 BUSINESS OVERVIEW

Prosper Gold is an exploration and development company focused on acquiring and advancing mineral prospects in British Columbia and Ontario.

The Company is focused on the Ontario Projects in East Central Ontario and the Star Porphyry Copper Gold Project in northwestern BC.

PROJECTS

GALAHAD, WYDEE & MATACHEWAN PROJECTS

In 2016 Prosper entered into a definitive agreement to acquire the option to earn a 90% interest in the extensive land position surrounding the Ashley Gold Mine and Young Davidson Mine Area in the Cadillac Larder Lake Fault Area in Ontario. In addition Prosper Gold also acquired a 100% interest in 13 mineral claims and 9 mineral leases contiguous to the optioned ground (the Galahad).

3,794.5m were drilled in 7 holes at the Galahad to test the Galer Fault, a steeply dipping deep crustal break. The Galer Fault contains slices of ultramafic rocks, syenite and green carbonate (fuchsite mariposite bearing ferrocarbonate), classic host rocks and alteration seen at many Timmins and Kirkland Lake gold deposits.

THE EGAN

In January 2018 Prosper entered into a definitive agreement to acquire the option to earn a 100% interest in the Egan Gold Discovery near Matheson Ontario. The Egan was exposed during recent logging activity and approximately 8,000 hectares has been staked by local prospectors and Prosper Gold. With the exception of regional geophysical surveys and Ontario Geological Survey (OGS) till sampling in 1984-1987, which identified a 5km train with elevated gold-in-till results, no historic work has been completed in the area. The Egan is a stockwork of quartz veins up to 30cm wide within a 2m or wider alteration zone 16 km south of Kirkland Lake Gold's producing Taylor Gold Mine.

THE CURRIE

In March 2018 Prosper entered into a definitive agreement to acquire the option to earn a 100% interest in the Currie Project. The 2,000 hectare Currie Project, 8 km south of the Destor-Porcupine fault, is underlain by altered volcanic and metasedimentary rocks of the Abitibi greenstone belt. The Currie is 9 km north of Prosper Gold's newly optioned Egan Gold Project. The property hosts the Grindstone Creek occurrence, a Gold-Silver-Zinc zone in massive and semi-massive pyrite-sericite schist (GCZ). The GCZ is trends east-west and is hosted by graphitic phyllite cut by felsic dykes and bounded on the north and south by volcanic rocks.

Diamond drilling at Grindstone Creek has intersected Au and Ag mineralization in a 250 m long northwest trending zone between 100 m and 350 m depth. Locally significant zinc values are associated with the gold values. Targets remain to be tested along strike and down plunge of the historic diamond drill intersections.

THE STAR

The Star Project is an alkalic porphyry copper-gold prospect in northwest BC. Prosper Gold holds a 51% majority interest in the Star Project joint venture pursuant to the Joint Venture Agreement dated September 2, 2016 between the Company and Firesteel Resources Inc.

1.3 SELECTED ANNUAL FINANCIAL INFORMATION

Not required for interim MD&A.

1.4 SUMMARY OF QUARTERLY INFORMATION

The following is selected financial information for the Company's most recent eight quarters ended April 30, 2018:

Quarter ended	Total revenue	Net loss and comprehensive loss	Net loss per share (basic and diluted)	Total assets
	$	$	$	$
Q3/18 – July 31, 2018	-	(236,490)	(0.004)	1,143,155
Q2/18 – April 30, 2018	-	(495,642)	(0.009)	1,285,118
Q1/18 – January 31, 2018	-	(323,104)	(0.007)	1,286,186
Q4/17 – October 31, 2017	-	(430,149)	(0.009)	1,381,792
Q3/17 – July 31, 2017	-	(1,006,187)	(0.021)	1,938,042
Q2/17 – April 30, 2017	-	(461,639)	(0.009)	2,920,782
Q1/17 – January 31, 2017	-	(935,400)	(0.019)	3,058,459
Q4/16 – October 31, 2016	-	(963,024)	(0.022)	2,478,458

The increase in total assets in the first quarter of 2017 compared to the previous quarter is due to the closing of the flow-through unit private placement for net proceeds of $1,528,389. The proceeds were used to continue the exploration work on the Ashley Gold Project which resulted in a net loss for the period of $935,400.

The decrease in net loss in the second quarter of 2017 compared to the first quarter of 2017 is due to the seasonal shut down of camp from mid-December 2016 to mid-April 2017 which reduced the field costs at the Ashley Gold Project.

The increase in net loss and decrease in total assets for 3 months ended July 31, 2017 is due to expenses incurred for exploration activities at the Ashley Gold Project.

During the quarter ended October 31, 2017, the net loss is lower compared to the previous quarter ended July 31, 2017 due to the winding down of the exploration program for the season.

During the quarter ended April 30, 2018, the Company wrote off the Ashley Option for $229,096 which is include in the net loss for the period.

There was a small decrease in total assets due to the private placement of $500,000 completed on February 28, 2018 offset by the write off of $229,096 for the Ashley Option. The Company also made option payments for the Matachewan and Wydee properties and the new additions of the Egan and Currie properties.

1.5 RESULTS OF OPERATIONS

The Company recorded a net loss and comprehensive loss of $1,055,236 and $2,403,224 for the 9 months period ended July 31, 2018 and July 31, 2017 respectively. The decrease in net loss in the current 9 months period ended July 31, 2018 compared to the 9 months ended July 31, 2017 is due to the decrease in exploration expenditures and drilling activities for the current season. During the nine months ended July 31, 2018, the Company signed a definitive agreement for the Egan Option and the additional claims for the property and paid $51,800 to the optionors. In addition, the Company entered into a purchase agreement for the Egan Purchase and paid $6,000 for the signing of the purchase agreement. Total transaction costs of $17,530 has been incurred. Lastly, the Company entered into an option agreement for the Currie Property and paid option payment of $20,000. The Company also completed a non-brokered private placement of 5,000,000 units for $500,000 and incurred share issue costs of $38,328.

The following table provides a breakdown of exploration expenditures on the Ontario Projects incurred during the nine months ended July 31, 2018:

	9 months ended July 31, 2018	**Accumulated-to-date – July 31, 2018**
Airborne survey	**$ -**	**$ 395,500**
Assay and analysis	**57,259**	**452,641**
Camp accommodations	**-**	**110,706**
Drilling	**24,433**	**1,298,480**
Equipment rentals	**-**	**61,851**
Field costs	**26,674**	**183,973**
Geological	**91,255**	**369,623**
Property rentals	**30,636**	**115,948**
Salaries and benefits	**56,860**	**706,122**
Staking	**31,366**	**42,858**
Transportation and freight	**11,780**	**47,681**
Travel and accommodations	**3,669**	**69,191**
Total	**$ 333,932**	**$ 3,854,574**

The Company began exploration on the Ashley Gold Project during May 2016. The airborne survey and soil sampling were completed in July 2016 and the drilling program began shortly thereafter. Field costs include salaries paid to geo-techs, rental costs for accommodations for camp personnel, camp food and supplies and management fees paid to the camp manager. Geological costs include fees paid to geological consultants. Transportation and freight costs include the fuel costs for vehicles and courier charges to camp. Travel and accommodation costs include travel, meals and accommodation costs for management personnel to be on location.

Overall, there were minimal exploration expenditures for the Star Property for the period ended July 31, 2018 and 2017 due to no drilling programs conducted during period. The expenditures for the 9 months ended July 31, 2018 and 2017 consist of $2,550 for storage for equipment for each period.

The following table provides a breakdown of general administration costs incurred during the 9 months ended July 31, 2018 and 2017:

General administration costs:	**9 months ended July 31, 2018**	9 months ended July 31, 2017
General administrative	**$ 194,326**	$ 189,158
Management salaries and fees	**171,606**	185,899
Professional fees	**21,872**	21,895
Transfer agent, listing and filing fees	**10,399**	12,340
	$ 398,203	$ 409,292

General and administrative expenses include administrative salaries, advertising and promotion, amortization of equipment, courier and office expenses, insurance for directors and officers and commercial liability, annual general meeting, rental, and travel and meals expenses.

Management salaries and fees consist of salary to the Chief Operating Officer, the Chief Executive Officer and Chief Financial Officer and the VP of Explorations. The management salaries and fees for the period ended July 31, 2018 were lower due to the change to the CFO salary on an hourly basis rather than a monthly salary amount.

1.6 LIQUIDITY

The Company's main source of funding has been the issuance of equity securities for cash through private placements. The Company's continuing operations are dependent on the ability of the Company to obtain the necessary financing to continue to explore the Ashley Gold Project, the Star Project and any future projects, the existence of economically recoverable mineral reserves from each project and the proceeds of dispositions of its mineral interests.

During the 9 months period ended July 31, 2018, cash flow used for operating activities was $518,122 mainly due to exploration costs for the Ontario Projects, and general and administrative costs including salaries. Management has estimated that the Company will continue to incur expenditures of $250,000 per month for the months when the Company's drilling program is in effect and $75,000 per month during the months where no drilling is conducted.

At July 31, 2018, the Company had cash of $77,692 which will not be sufficient to meet current liabilities of $444,037 due within one year. The working capital deficit of the Company at July 31, 2018 is $252,284.

Additional debt or equity financing will be required to fund additional exploration programs. The Company has a reasonable expectation that additional funds will be available to meet ongoing and future exploration costs. However, there can be no assurance that the Company will continue to obtain additional financial resources on terms suitable to the Company.

General market conditions for junior resource companies have deteriorated and have resulted in depressed equity prices for resource companies, despite fluctuations in commodity prices. Although the Company was able to successfully complete the three private placements for the current and past years, the deterioration in market conditions could potentially increase the cost of obtaining capital or limit the availability of funds in the future. Accordingly, management is actively monitoring the effects of the current economic and financing conditions on the Company and reviewing discretionary spending, capital projects and operating expenditures, and implementing appropriate cash management strategies.

1.7 CAPITAL RESOURCES

On February 28, 2018, the Company completed a non-brokered private placement financing of $500,000 (the “Private Placement”), through the issuance of 5,000,000 units of the Company (the “Units”) at a price of $0.10 per Unit. Each Unit issued under the Private Placement consists of one common share ("Prosper Share") and one common share purchase warrant (a "Warrant") with each Warrant exercisable to acquire one Prosper Share for a period of 24 months at an exercise price equal to $0.15. In connection with the Private Placement and in accordance with the policies of the TSX Venture Exchange, finder's fees totaling $2,500 in cash were paid and 25,000 common share purchase warrants (each, a "Finder Warrant") were issued. Each Finder Warrant is non-transferable and exercisable for one Prosper Share for a period of 24 months following closing at an exercise price equal to $0.15.

At July 31, 2018, there were no externally imposed capital requirements to which the Company is subject and with which the Company has not complied.

The Company’s capital consists of items in shareholders’ equity of $699,117 as at July 31, 2018 compared to $1,137,606 as at October 31, 2017. The decrease is due to the net loss of $1,055,236 for the 9 months ended July 31, 2018, offset by the increase in the net proceeds of $462,899 from the private placement units completed on February 28, 2018, common share issuance of $60,650 for mineral properties, the recording of $93,198 for share-based payments and $4,395 decrease in deficit for share options expired.

1.8 OFF-BALANCE SHEET ARRANGEMENTS

None.

1.9 TRANSACTIONS BETWEEN RELATED PARTIES

The Company's related parties consist of its key management personnel, including its directors and entities controlled by key management personnel. During the normal course of business, the Company enters into transactions with its related parties that are considered to be arm's length transactions and made at normal market prices and on normal commercial terms.

a) Key management compensation expense was $333,379 and share-based payments totaled $89,106 for the nine months ended July 31, 2018.
b) During the 9 month ended July 31, 2018, the Company incurred $42,000 for rental of office and equipment and services to a company owned by a director and officer.
c) At July 31, 2018, accounts payable and accrued liabilities include $358,125 due to companies owned by directors and officers of the Company and $60,865 due to officers of the Company.

1.10 PROPOSED TRANSACTIONS

There are no proposed assets or business acquisitions or dispositions before the board of directors for consideration.

1.11 CRITICAL ACCOUNTING ESTIMATES

There have been no changes in critical accounting estimates for the 9 months ended July 31, 2018. Refer to Note 3 of the audited financial statements for the year ended October 31, 2017.

1.12 CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies for the 9 months period ended July 31, 2018 for the Company.

The following is a summary of accounting standards that are effective in future periods that may have an impact on the Company:

<u>Accounting standard effective November 1, 2018</u>

IFRS 9 *Financial Instruments* addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 *Financial Instruments: Recognition and Measurement* that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial

liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the statement of loss, unless this creates an accounting mismatch.

The Company is currently assessing the impact of the application of IFRS 9 on the Company's financial statements.

Accounting standard effective November 1, 2019

IFRS 16 *Leases*

This new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. The new standard introduces a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease.

The main features of the new standard are as follows:

- An entity identifies as a lease a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
- A lessee recognizes an asset representing the right to use the leased asset, and a liability for its obligation to make lease payments. Exceptions are permitted for short-term leases and leases of low-value assets.
- A lease asset is initially measured at cost, and is then depreciated similarly to property, plant and equipment. A lease liability is initially measured at the present value of the unpaid lease payments.
- A lessee presents interest expense on a lease liability separately from depreciation of a lease asset in the statement of profit or loss and other comprehensive income.
- A lessor continues to classify its leases as operating leases or finance leases, and to account for them accordingly.
- A lessor provides enhanced disclosures about its risk exposure, particularly exposure to residual-value risk.

The new standard supersedes the requirements in IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The Company is currently assessing the impact of the application of IFRS 16 on the Company's financial statements.

1.13 FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash, amounts receivable other than GST receivable, deposit, reclamation deposit and accounts payable and accrued liabilities. The Company's cash, amounts receivable other than GST receivable and deposit are classified as loans and receivables. The Company's reclamation deposit is classified as held-to-maturity. The Company's accounts payable and accrued liabilities are classified as other financial liabilities. The fair values of the Company's cash, amounts receivable other than GST receivable, deposit and accounts payable and accrued liabilities approximate the carrying amounts due to the short-term maturities of these instruments.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Company considers its exposure to credit risk to be low as its cash, deposit and its reclamation deposit are held with a large financial institution with a strong credit rating.

The Company manages liquidity risk by maintaining adequate cash and managing its capital. At July 31, 2018, the Company had accounts payable and accrued liabilities of $444,037 due within one year, and cash of $77,692.

Floating interest earned on the Company's cash balances are considered to be at market interest rate. The deposit earns no interest and was held as a deposit for the Company's corporate credit card. The reclamation deposit earns interest at 0.70%. Assuming that all variables remain constant, a change representing a 1% increase or decrease in interest rate would not have a significant effect for the Company.

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in foreign currency. At July 31, 2018, the Company's monetary assets and liabilities are primarily denominated in Canadian dollars.

1.14 OTHER MD&A REQUIREMENTS

a) Disclosure of Outstanding Share Data

	Number Outstanding
At the date of this MD&A	
Common Shares	**54,692,249**
Stock Options	**4,025,000**
Warrants	**18,046,194**

b) Limitations of Controls and Procedures

The Company's management, including its Chief Executive Officer and Chief Financial Officer, believe that any system of disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Furthermore, 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. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty and breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

1.15 RISK FACTORS

The risk factors associated with the principal business of the Company are outlined in details in the Company's MD&A for the year ended October 31, 2017. Due to the nature of the Company's business and the present stage of exploration of the Property, an investment in the securities of the Company is highly speculative and subject to a number of risks. Briefly, these include the highly speculative nature of the resources industry characterized by the requirement for large capital investments from an early stage and a very small probability of finding economic mineral deposits. In addition to the general risks of mining, there are country-specific risks, including currency, political, social, permitting and legal risk. An investor should carefully consider the risks and the other information that the Company provides on its website or files on Sedar before investing in the Company's common shares, and should not consider an investment in the Company unless the investor is capable of sustaining an economic loss of the entire investment. The Company's actual exploration and operating results may be very different from those expected as at the date of this MD&A.