PROSPER GOLD CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED OCTOBER 31, 2020

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 year ended October 31, 2020 is derived from, and should be read in conjunction with, Prosper Gold's audited financial statements for the year ended October 31, 2020, as publicly filed on Sedar at www.sedar.com.

The Company prepared the audited financial statements and note disclosures for the year ended October 31, 2020 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.

On September 8, 2020, the Company completed the consolidation of the common shares in the capital of the Company at a ratio of 10 pre-consolidation common shares for 1 post-consolidation common share (the "consolidated shares"). The consolidated shares began trading on a consolidated basis under the existing trading symbol at market open on September 8, 2020. The share consolidation reduced the number of the Company's outstanding common shares from 80,558,916 common shares to 8,055,891 common shares. As a result of the share consolidation, all information involving the Company's share capital, outstanding stock options and warrants prior to September 8, 2020 have been adjusted with a basis of 10 to 1 along with proportionate adjustments made to the exercise prices of the outstanding options and warrants.

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 16 of this MD&A.

This MD&A has been prepared using information as of February 25, 2021 and approved by the Board on February 25, 2021.

1.1 BUSINESS OVERVIEW

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

PROJECTS

RED LAKE PROJECTS

In August 2020 Prosper Gold optioned, staked, and purchased over 16,000 hectares of mineral claims and leases in Red Lake, Ontario. The claims include the Golden Sidewalk and Skinner projects, with the consolidated land position now termed the Golden Sidewalk Project. The Company completed geological, geophysical and geochemical surveys on certain areas of the Golden Sidewalk Project in the 2020 fiscal period.

Golden Sidewalk

Gold was first discovered on this property in 1926. The discovery was called the "Golden Sidewalk" on the early maps, where it was described as a white granular quartz vein 11 feet (3.35 m) wide where exposed and was observed to contain an abundance of coarse gold. The Bathurst Mine was developed in 1929 with a 61 m shaft and two levels with about 900 m of drifting and cross cuts. A total of 149 oz of gold and 50 oz of silver were produced in 1929 and the Bathurst Mine saw intermittent production until 1937.

High-grade gold samples have been collected in a northeast trending area about 1,500 m long near the Bathurst Mine. In September of 2004, Sabina Gold and Silver Corp. ("Sabina") prospected the property and discovered two new gold zones. Grab sampling returned extremely high gold grades, approximately 800 m southwest of the Bathurst Mine, from what has been called the "Joe Vein". The Joe Vein was traced for about 30 meters before disappearing under overburden and swamp. The Joe Vein channel sampling returned assay intercepts of up to 73.09 g/t gold (2.35 oz/t gold) over 2.4 m on surface and remains open at both ends. Assays returned from grab samples ran as high as 3,742.55 g/t gold (109.17 oz/t gold).

Twenty-three holes totaling 2,472 m were drilled in March 2008. Drilling intersected gold mineralization in the primary target "Bathurst Mine Horizon" and discovered a second horizon with high-grade gold mineralization, including 45.96 g/t gold (1.34 oz/t gold) over 1.70 m 420 m west of the Bathurst Mine. The diamond drilling of the "Bathurst Mine Horizon" and the new "Upper Bathurst Mine Horizon" confirmed the presence of multiple gold bearing structures with further potential along strike and at depth.

Skinner Project

The Skinner project is adjacent to and south of the Golden Sidewalk. Gold was discovered there by Thomas Dunkin in 1926. Dunkin Gold Mines was incorporated in 1928 and a 271 foot (83 m) shaft was sunk to follow-up on the high-grade gold veining observed on surface. No production was reported. Other high-grade gold occurrences on the claims include the Dunkin II (grab samples up to 73 g/t gold) and Vihonen (grab samples up to 182 g/t gold).

In 1993, the Geological Survey of Canada released results from a basal till sampling program performed in the Red Lake area (*Open File 2583, 1993 by D.R. Sharpe*). Follow-up work traced the survey findings up ice towards magnetic anomalies located at or near the Balmer/Confederation Assemblage contact. The gold grains are less rounded and mechanically worn (more pristine), which can reflect a local source. In summer and fall 2003, Teck carried out extensive exploration including a detailed airborne magnetometer survey, aerial photography, geological mapping and rock sampling, rock geochemical survey, and till sampling.

Teck's till sampling identified many samples with pristine gold grains in a down-ice dispersal zone measuring 5 km wide by 3 km long concentrated along a regional unconformity. More detailed till sampling and a reconnaissance induced polarization ("IP") survey were recommended to define follow-up drill targets.

After completion of geophysical, geological and geochemical surveys in the fiscal 2020 period, the Company has outlined a large, highly prospective target now named the Golden Corridor. The target area is defined as a west-northwest to west-trending structural corridor in proximity to a regional-scale fault that is also an unconformable contact between two lithologic assemblages. The Golden Corridor exhibits favourable multi-parameter geophysical signatures and is supported by a 3,300 m by 500 m pristine gold grain-in-till anomaly. Given the prospectivity and potential for a large gold system, the Golden Corridor is now the Company's primary focus of exploration at the Golden Sidewalk Project.

The Option Agreement (See the company's August 10th, 2020 News Release) calls for the Company to pay $50,000 cash, issue up to 1,500,000 Prosper Gold shares and for work expenditures totaling $2,600,000 over 4 years in order to earn a 100% interest.

<u>GALAHAD, WYDEE & MATACHEWAN PROJECTS</u>

Wydee & Galahad

In 2016, Prosper Gold 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 February 2021, the Company has allowed the option to lapse. In addition, Prosper Gold also acquired a 100% interest in 13 mineral claims and 9 mineral leases contiguous to the optioned ground (the Galahad).

The Company completed 4 diamond drill holes totaling 1,021 m at the Wydee Project in January and February of 2020. The focus of the 2020 drilling program was to follow up on positive results achieved in 2017 at the Arcuate target. The Arcuate target is characterized as quartz vein hosted gold mineralization spatially associated with the contact between a syenite body and the surrounding mafic volcanics.

No exploration activities were completed at the Galahad Project in the 2020 fiscal period.

Matachewan

Exploration at the Matachewan Project in the fiscal 2020 period was limited to core re-logging and maintenance activities.

<u>THE STAR</u>

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 Otso Gold Corp. (formerly Firesteel Resources Inc.).

No exploration activities were completed at the Star Project in the 2020 fiscal period.

1.3 SELECTED ANNUAL FINANCIAL INFORMATION

The Company's financial statements and the financial information set out below are prepared in accordance with IFRS as issued by the IASB. The Company's significant accounting policies are disclosed in note 3 to the Company's audited financial statements for the year ended October 31, 2020. The Company's functional and reporting currency is the Canadian dollar.

Statement of Financial Position Selected Information	**October 31, 2020**	October 31, 2019	October 31, 2018
Total current assets	**$ 2,514,463**	$ 580,032	$ 67,362
Total non-current assets	**1,042,074**	835,872	948,799
Total assets	**$ 3,556,537**	$ 1,415,904	$ 1,016,161
Total current liabilities	**$ 290,190**	$ 223,745	$ 531,330
Total non-current liabilities	**40,000**	-	-
Total liabilities	**330,190**	223,745	531,330
Total equity	**3,226,347**	1,192,159	484,831
Total liabilities and shareholders' equity	**$ 3,556,537**	$ 1,415,904	$ 1,016,161

Total current assets are comprised of cash, amounts receivable and prepaid expenses and deposit.

Current assets increased by $1,934,431 for the 2020 fiscal year compared to 2019 fiscal year. The increase is due to the increase in cash of $1,820,833, increase of $43,208 in amounts receivable and the increase in prepaid and deposits of $70,390. The increase in cash is due to the October 2020 private placement completed with a gross proceed of $3,020,001 offset by share issue costs of $141,890 and payment of operational and exploration expenditures incurred. The increase in amounts receivable is from an outstanding amount invoiced to a third party for supplies consumed by them that were stored at the Star property. Lastly, the prepaid expenses and deposits also increased due to the increase in prepaid amounts paid for insurance and deposit to the Company's credit card account near the end of the 2020 fiscal year.

Total non-current assets consist of reclamation deposits, furniture, computers, camp equipment, vehicle and the acquisition costs of mineral properties.

The total non-current assets in current fiscal year increased by $206,202 compared to the 2019 fiscal year. The increase is due to the increase of $29,000 for reclamation deposit, the net increase of $4,603 for equipment and the increase of $289,191 for mineral properties, offset by the $116,592 for the impairment of the Matachewan and Wydee claims in the Alexandria Option Agreement. During the 2020 fiscal year, the Company posted an additional $29,000 letter of credit in favor of the British Columbia Ministry of Energy and Mines for the Star Property. The Company also purchased computer equipment for $1,998 and field equipment for $8,861, offset by the amortization of $6,256 recorded for the year. Mineral properties had a net increase of $172,599. The increase is due mainly to the option payments, share issuances and purchases for the Golden Sidewalk project, with the offset for the recording of the impairment of the Matachewan and Wydee claims mentioned above.

During 2019 fiscal year, current assets increased by $512,670 compared to fiscal 2018 due to the completion of 3 private placements totalling $1,600,000. The Company used $1,001,901 of the cash raised for operating and exploration activities, $26,881 for mineral property acquisition and $75,392 for costs in connection of the 3 private placements. The amounts receivable in 2019 include GST receivable accumulated for expenses in exploration activities. The GST receivable balance increased in the 2019 fiscal year by $29,341 compared to 2018 due to the increase in exploration activities in the last quarter in 2019 compared to the 2018 fiscal year. The prepaid expenses and deposits balance decreased by $12,497 at the end of the 2019 fiscal year compared to the 2018 fiscal year due to the decrease in the amounts of prepaid promotion expenses that were fully amortized during the 2019 fiscal year.

Non-current assets at the end of 2019 decreased by $112,927 compared to 2018. The company recorded amortization of equipment of $6,904 and no additions during 2019. The decrease in mineral properties in the 2019 fiscal year of $106,023 compared to 2018 fiscal year is due to the write-off of $158,404 of costs for mineral properties that the Company no longer is pursuing, offset by the acquisition of mineral properties of $26,881 in cash and $25,500 issued in shares.

Current liabilities at the end of the 2020 fiscal year increased by $66,445. The increase is due to the legal and transfer agent costs of $9,135 for the Company's private placement that closed on October 14, 2020 and the increase in exploration expenditures of $41,982 for geological work and $4,951 for advertising expense due at the 2020 year-end compared to the end of the 2019 fiscal year. There is also an increase in accrued audit fees of $5,900 and an increase for accruals of salary and fees to management of $4,423 for salary owing to the COO up to October 31, 2020 and the accrual of fees for work performed by the CFO for the year end.

Current liabilities at the end of the 2019 fiscal year decreased by $307,585 compared to the 2018 fiscal year mainly due to the write off of accrued management fees to the CEO, CFO and fees to the VP of Explorations totalling $470,625.

Due to the world-wide pandemic the Covid-19 virus during the 2020 fiscal year, the Company applied for a subsidy loan of $40,000 through the Company's bank that is guaranteed by the Federal government. The loan payable is interest free and due for repayment by December 31, 2022.

Total equity consists of share capital, reserves and deficit. Increase in share capital is due to the share issuances for private placements and mineral property options, offset by share issue costs. The increase in reserves is due to the recording of the fair value of stock options vested, the fair value of warrants issued to unit holders and brokers for private placements, offset by the forfeiture of stock options by the departure of employees and officers of the Company. Deficit changes are due to the net loss for the year offset by the forfeiture of unvested stock options.

Total equity increased by $2,034,188 at the end of 2020 compared to 2019.

Share capital increased by $2,965,389 in 2020 compared to 2019. The increase in share capital is due to the proceed from the private placement of $3,020,001 offset by share issue costs of $171,862 and the issuance of shares for mineral property option payments with a fair value of $117,250. The increase in reserves of $56,548 for the 2020 fiscal year compared to 2019 is due to the stock option expense of $49,773, the recording of the fair value $29,972 for broker warrants for private placement, offset by the forfeiture of stock options for $23,197. The net increase in deficit of $987,749 is from the net loss of $1,010,946 for the 2020 fiscal year, offset by the forfeiture of $23,197 for stock options.

The equity increased by $707,328 at the end of 2019 compared to 2018.

The share capital in 2019 increased by $1,428,806 at the end of the year compared to the 2018 balance. This is due to private placements proceeds of $1,502,083 recorded, fair value of shares issued for mineral properties of $25,500, offset by share issue costs of $98,777. The increase in reserves of $260,165 in 2019 compared to 2018 is due to the recording of share-based payment expenses of $147,030, the fair value of broker warrants of $23,385 for private placements and $89,750 for the allocation of fair value of warrants for the private placement units based on market value of the Company's share price and the unit price in the offerings. The increase in deficit of $981,643 is due to the loss incurred during the 2019 fiscal year.

Statement of Comprehensive Loss – Selected Information		**Year ended October 31, 2020**		Year ended October 31, 2019		Year ended October 31, 2018
Expenses						
Exploration and property investigation expenditures	**$**	**501,423**	$	773,738	$	462,578
General administration (recovery)		**346,674**		(85,474)		486,982
Share-based payments		**49,773**		147,030		110,268
		897,870		835,294		1,059,828
Other income and loss						
Interest income		**(3,516)**		(3,888)		(2,332)
Other income		**-**		(8,167)		-
Write-off of mineral properties		**116,592**		158,404		229,096
Net loss and comprehensive loss	**$**	**1,010,946**	$	981,643	$	1,286,592
Basic and diluted loss per share	**$**	**0.12**	$	0.16	$	0.24

Exploration and property investigation expenditures are costs incurred for the Star Property in British Columbia and the Ontario Projects in Ontario.

During the 2020 fiscal year, the Company exploration costs were incurred for the Golden Sidewalk and Matachewan Projects in Ontario. There were less exploration expenses of $272,315 in 2020 compared to 2019 due to the smaller budget for the Matachewan Project for work performed in 2020 and the commencement of the Golden Sidewalk Project in the last quarter of the 2020 fiscal year.

During the 2019 fiscal year, the Company conducted exploration at the Currie and Matachewan properties in Ontario and had an increase $311,160 in exploration expenditures compared to 2018.

During the 2018 fiscal year, the Company conducted a small exploration program at the Egan property in Ontario.

General administration includes general and administrative expenses such as amortization, advertising and promotion, bank charges, insurance, office rent and supplies; management salaries and fees, professional fees and transfer agent, listing and filing fees.

The general administration expenses increased by $432,148 in 2020 compared to 2019. For 2019, the general administrative expense is a recovery due to the write-off of management fees to the CEO, CFO and VP of Explorations totalling $301,250.

The share-based payments decrease in 2020 by $97,257 compared to 2019 due to less stock options outstanding not vested and no stock options granted in 2020.

The increase in shared-based payment expense of $36,762 in 2019 compared to 2018 is due to 240,000 stock options granted in 2019 versus 80,000 stock options granted in 2018.

Finance income is interest paid by the bank on the Company's reclamation deposit from 0.15% to 1.25% interest. The interest rate provided on the deposit balance is subject to the change in the interest rate during the period.

Other income recorded in 2019 is from the premium liability from the issuance of flow-through shares.

The Company wrote off $116,592 for the Matachewan and Wydee mineral property costs in 2020 compared to the write-off of mineral property costs of $158,404 for the Egan and Currie properties in 2019 and $229,096 for the Ashley property in 2018.

1.4 SUMMARY OF QUARTERLY INFORMATION

The following is the selected financial information for the Company's most recent eight quarters ended October 31, 2020:

Quarter ended	Total revenue	Net loss and comprehensive loss	Net loss per share (basic and diluted)	Total assets
	$	$	$	$
Q4/20 – October 31, 2020	-	(550,629)	(0.06)	3,556,537
Q3/20 – July 31, 2020	-	(110,558)	(0.01)	995,482
Q2/20 – April 30, 2020	-	(233,796)	(0.03)	1,042,813
Q1/20 – January 31, 2020	-	(115,963)	(0.02)	1,273,437
Q4/19 – October 31, 2019	-	(91,043)	(0.01)	1,415,904
Q3/19 – July 31, 2019	-	(146,053)	(0.02)	950,712
Q2/19 – April 30, 2019	-	(324,054)	(0.05)	999,775
Q1/19 – January 31, 2019	-	(420,493)	(0.07)	1,242,286

The Company continues to incur a decrease in net loss and comprehensive loss and total assets in the second and third quarters of 2019 due to the decrease in exploration activities for both periods. The total assets also decrease at the end of these two quarters due to the use of cash for general operation expenses.

During the last quarter of the 2019 fiscal year, the Company wrote off mineral property acquisition costs of $87,895 for the Egan and Currie properties. The Company also wrote off $161,250 in geological consultant fees for the VP of Explorations and $301,250 in management fees for the CEO, CFO and the VP of Explorations.

The increase in total assets during the last quarter of 2019 is due to the completion of a private placement for $1,000,000.

During the first quarter of 2020, the increase in net loss compared to the last quarter of 2019 is due to the increase in travel and accommodation expenses for the CEO and the COO for their attendance in conferences. The total assets also decreased due to the usage of cash for the Company's exploration activities and operations.

During the second quarter of 2020, the increase in net loss compared to the first quarter of 2020 is due to the drilling activities during the quarter. The total assets continue to decrease due to the usage of funds for the exploration and operation activities.

In the third quarter of 2020, the Company continued with exploration activities. The decrease in net loss is due to no drilling activities conducted in the period. The Company received a $40,000 loan from the Canada Emergency Business Account during the quarter, which contributed to the smaller decrease in total assets compared to the previous quarter.

The net loss increased in the last quarter of 2020 due to the commence of work for the Golden Sidewalk Project and the impairment of the Matachewan and Wydee mineral property costs. The increase in total assets is due to the increase in cash from the private placement of $3,020,001 that was completed in October 2020.

1.5 RESULTS OF OPERATIONS

The Company recorded a net loss and comprehensive loss of $1,010,946 and $981,643 for the year ended October 31, 2020 and October 31, 2019 respectively. The increase in net loss of $29,303 in the current year ended October 31, 2020 compared to the year ended October 31, 2019 is due to the decrease in exploration activities of $272,315, a decrease of $97,257 in share-based payments, the impairment of $116,592 for mineral properties versus a write-off of $158,404 in 2019 and no amounts recorded for other income in 2020 versus $8,167 in 2019, and a decrease in interest income of $372. The increase in 2020 is also attributable to the increase of the following: $70,810 for general and administrative expenses, increase of $318,025 in management salaries and fees, increase of $26,812 in professional fees and an increase of $16,501 in transfer agent, listing and filing fees compared to the 2019 fiscal year.

The following table provides a breakdown of exploration expenditures on the Ontario Projects incurred during the year ended October 31, 2020:

	Year ended October 31, 2020	**Accumulated-to-date - October 31, 2020**
Airborne survey	**$ 121,791**	**$ 517,291**
Assay and analysis	**33,829**	**585,042**
Camp accommodations	**13,087**	**123,793**
Drilling	**96,361**	**1,886,927**
Equipment rentals	**5,256**	**67,167**
Field costs	**26,111**	**259,022**

Geological	**84,399**	**518,677**
Property rentals	**25,143**	**176,333**
Salaries and benefits	**108,175**	**933,379**
Staking and mining rent	**1,013**	**62,286**
Transportation and freight	**11,182**	**69,475**
Travel and accommodations	**3,726**	**82,009**
Total	**$ 530,073**	**$ 5,281,401**

The Company began exploration on the Ontario Projects 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 year ended October 31, 2020 due to no drilling programs conducted during the period. The expenditures for the year ended October 31, 2020 consist of $2,400 for storage of equipment, $4,950 for geological reports and a recovery of field costs of $36,000 for an invoice to a unrelated Company for the sale of field supplies.

The following table provides a breakdown of general administration costs incurred during the year ended October 31, 2020 and 2019:

General administration costs (recovery):	**Year ended October 31, 2020**	Year ended October 31, 2019
General and administrative	**$ 185,325**	$ 114,515
Management salaries and fees (recovery)	**84,231**	(233,794)
Professional fees	**47,556**	20,744
Transfer agent, listing and filing fees	**29,562**	13,061
	$ 346,674	$ (85,474)

The increase in general and administrative expenses in 2020 is mainly due to Company's expenditure of $67,882 in 2020 for marketing expenses and the cost for web site hosting fees to promote the Company for potential investors.

Management salaries and fees during 2020 consist of salary to the Chief Operating Officer and fees to the Chief Financial Officer only. During 2019, the Company wrote off amounts owing to the CEO, CFO and the VP of Explorations for management fees accrued since 2018.

The increase in professional fees of is due to the legal costs incurred in 2020 for the Company's share consolidation from 10:1 in September 2020 and the increase in accrual for audit fees.

The increase in transfer agent, listing and filing fees is attributable to the cost incur for the transfer agent fee and filing fees for the Company's share consolidation in September.

1.6 LIQUIDITY

The Company's main source of funding has been the issuance of equity securities for cash through private placements. During the last quarter, the Company completed a private placement of $3,020,001 for 5,490,910 units at $0.55 per unit. In addition, the Company received $40,000 from a loan through the Canada Emergency Business Account. The loan is interest free until December 31, 2022 and interest of 5% per annum thereafter until the due date of December 31, 2025.

The Company's continuing operations are dependent on the ability of the Company to obtain the necessary financing to continue to explore the Ontario Projects, 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 year ended October 31, 2020, cash flow used for operating activities was $894,703 mainly due to exploration costs for the Ontario Projects, general and administrative costs including salaries, marketing, costs for the AGM and the 10:1 share consolidation. 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 October 31, 2020, the Company had cash of $2,346,449 which will be sufficient to meet current liabilities of $290,190 due within one year. The working capital of the Company at October 31, 2020 is $2,224,273.

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 year, 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 October 14, 2020, the Company completed a private placement of $3,020,001 for the issuance of 5,490,910 units at $0.55 per unit. Each unit contains one common share and one share purchase warrant for one common share at $0.85 expiring in 24 months. Share issue costs of $171,862 were incurred with 114,398 broker warrants issued with a fair value of $29,972 included in the share issue costs.

At October 31, 2020, 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 $3,226,347 and loan payable of $40,000 as at October 31, 2020 compared to $1,192,159 as at October 31, 2019. The increase is due to the private placement of $3,020,001 net of share issue costs of $171,862, the issuance of shares for mineral properties for $117,250, the recording of $49,773 in share-based payments and offset by the net loss of $1,010,946 for the 2020 fiscal year.

Subsequent to the October 31, 2020 year end, the Company completed a non-brokered private placement of 6,111,111 units at $0.90 per unit for $5,500,000. Each unit consists of one common share and one-half of one share purchase warrant exercisable at $1.35 for 24 months. In connection with the offering, finder's fees totaling approximately $134,385 in cash were paid and 149,316 common share purchase finder warrants were issued. Each finder warrant is non-transferable and exercisable for one common share for a period of 24 months following closing of the offering at an exercise price equal to $1.35.

The increase in capital subsequent to the year ended October 31, 2020 also included proceeds of $362,638 for the exercise of warrants by shareholders and brokers.

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 are made at normal market prices and on normal commercial terms.

a) Key management compensation includes $139,636 and share-based payments totaled $45,243 for the year ended October 31, 2020.
b) At October 31, 2020, accounts payable and accrued liabilities include $131,250 due to the Company owned by the VP of Exploration. In addition, $7,885 and $385 is due to COO for accrued salary and expense reimbursement respectively. Lastly, $8,000 has been accrued in management fees for the CFO for the period end October 31, 2020.

1.10 FOURTH QUARTER

Statement of Financial Position Selected Information		**October 31, 2020**		July 31, 2020
Total current assets	**$**	**2,514,463**	$	112,965
Total non-current assets		**1,042,074**		882,517
Total assets	**$**	**3,556,537**	$	995,482
Total current liabilities	**$**	**290,190**	$	172,482
Total non-current liabilities		**40,000**		40,000
Total liabilities		**330,190**		212,482
Total equity		**3,226,347**		783,000
Total liabilities and shareholders' equity	**$**	**3,556,537**	$	995,482

The increase in current assets of $2,401,498 for the quarter is mainly due to the increase in cash for the private placement that was completed in October 2020, the increase in GST receivable due to increase in exploration activities and the increase in prepaid expense and deposits due to the amount paid for the renewal of liability and Directors and Officers insurance.

The increase in non-current assets is due to the additional letter of credit of $29,000 paid to the Ministry of Energy and Mines of British Columbia for the Star Property and the capitalized amount for mineral property option payments and share issuance including $248,980 for the Golden Sidewalk Project, less the impairment of $116, 592 for the Matachewan and Wydee properties.

The increase in current liabilities is due to the vendor payable at year end for exploration activities and the legal and transfer agent fees for the private placement.

The total equity increased mainly due to the completion of the private placement for gross proceeds of $3,020,001.

Statement of Comprehensive Loss – Selected Information		**3 months ended October 31, 2020**		3 months ended October 31, 2019
Expenses				
Exploration and property investigation expenditures	**$**	**294,098**	$	226,754
General administration (recovery)		**134,540**		(240,696)
Share-based payments		**5,539**		26,605
		434,177		12,663
Other (income) and loss				
Interest income		**(140)**		(1,348)
Other income		**-**		(8,167)
Write-off of mineral properties		**116,592**		87,895

Net loss and comprehensive loss	**$**	**550,629**	$	91,043
Basic and diluted loss per share	**$**	**0.06**	$	0.01

General administration expense is a recovery for the last quarter of 2019 due to the write-off of $301,250 for management fees accrued for the CEO, CFO and the VP of Exploration.

The share-based payments decrease in the last quarter of 2020 due to less stock options outstanding that are not vested in 2020 and there were no stock options granted in the 2020 fiscal year versus 2,400,000 options granted in 2019.

1.11 PROPOSED TRANSACTIONS

There are no proposed transactions currently in progress for the Company.

1.12 CRITICAL ACCOUNTING ESTIMATES

There have been no changes in critical accounting estimates for the year ended October 31, 2020.

Refer to Note 2 of the audited financial statements for the year ended October 31, 2020.

1.13 CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies for the year ended October 31, 2020 for the Company.

The following is the accounting standard that is effective beginning in current year:

IFRS 16 *Leases*

The Company adopted IFRS 16 Leases (“IFRS 16”) on November 1, 2019. All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, from the perspective of the lessee, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 Leases and, instead, introduces a single lessee accounting model. When applying that model, a lessee is required to recognize assets and liabilities. A lessor continues to classify its leases as operating leases or finance leases, and accounts for those two types of leases differently. The Company does not have any leases and accordingly, there was no impact to the Company’s financial statements as a result of adopting this new standard.

1.14 FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company’s financial instruments consist of cash, amounts receivable other than GST receivable, deposit, reclamation deposit, accounts payable and accrued liabilities and loan payable. 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 and loan payable 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 deposits 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 October 31, 2020, the Company had accounts payable and accrued liabilities of $290,190 due within one year, and cash of $2,346,449.

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 of 0.15%. 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 October 31, 2020, the Company's monetary assets and liabilities are primarily denominated in Canadian dollars.

1.15 OTHER MD&A REQUIREMENTS

a) Disclosure of Outstanding Share Data

	Number Outstanding – Post-Consolidation
At the date of this MD&A	
Common Shares	**20,336,162**
Stock Options	**2,004,000**
Warrants	**10,404,929**

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.

1.16 RISK FACTORS

The risk factors associated with the principal business of the Company are outlined in details below for the year ended October 31, 2020. 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.

Ongoing Need for Financing

As the Company has limited financial resources, its ability to continue acquisition, exploration and development activities may be reliant on its continued attractiveness to equity and/or debt investors. The Company has incurred operating losses as it continues to expend funds to explore and develop the Star Project and any other properties it may acquire. Even if its financial resources are sufficient to fund its exploration and development programs, which will allow the Company to arrive at conclusions regarding commercial viability of the resources and reserves in the Property, there is no guarantee that the Company will be able to develop them in a profitable manner. The Company's ability to arrange financing in the future will depend in part upon prevailing capital market conditions, as well as the Company's business success. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company, and failure to raise such capital could result in the Company forfeiting its interest in the Property, missing certain acquisition opportunities or going out of business.

Volatile Stock Price

The price of the Company shares is expected to be highly volatile and will be drastically affected by the success of exploration and test results. The Company cannot predict the results of its exploration activities expected to take place in the future. The results of these tests will inevitably affect the Company's decisions related to further exploration and/or production at any of the Property or other properties that the Company may explore in the future and will likely trigger major changes in the trading price of the Company shares.

Exploration, Development and Production Risks

There are inherent risks and speculation due to the expected nature of the Company's involvement in the evaluation, acquisition, exploration and if warranted, development and production of metals. Mineral exploration involves a high degree of risk and there is no assurance that expenditures made on future exploration by the Company will result in discoveries of commercial grade and/or quantities. While the Company have or will develop a limited number of specific identified exploration or development prospects within the Property, management will continue to evaluate prospects on an ongoing basis in a manner consistent with industry standards. The long-term commercial success of the Company depends on its ability to find, acquire, develop and commercially produce reserves. No assurance can be given that the Company will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. The Company has no history of earnings and will have no producing resource properties to begin with.

Uninsurable Risks from Operations

The Company's involvement in the exploration for and development of natural resource properties may result in the Company becoming subject to liability for certain risks, and in particular unexpected or unusual geological operating conditions including rock bursts, cave ins, fires, floods, earthquakes, pollution, blow-outs, property damage, personal injury or other hazards. Although the Company will obtain insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances be insurable or, in certain circumstances, the Company may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Company. The occurrence of a significant event that the Company is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on the Company's financial position, operations or prospects.

No assurance can be given that insurance to cover the risks to which the Company's activities will be subject will be available at all or at economically feasible premiums. Insurance against environmental risks (including potential for pollution or other hazards as a result of the disposal of waste products occurring from production) is not generally available to the Company or to other companies within the industry. The payment of such liabilities would reduce the funds available to the Company. Should the Company be unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter in to interim compliance measures pending completion of the required remedy.

Prices, Market Conditions and Marketing of Mineral Resources

The Company's ability to fund its exploration and development activities, and possible future profitability, will be directly related to the demand for the mineral resources found on its properties and their related market prices. Mineral prices are determined based on world demand, supply and other factors, all of which are beyond the control of the Company.

The Company must also successfully sell its mineral resources to prospective buyers. The marketability and price of natural resources which may be acquired or discovered by the Company will be affected by numerous factors beyond its control. These factors include market fluctuations, the proximity and capacity of natural resource markets, and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of natural resources and environmental protection. The exact effect of these factors cannot be accurately predicted, but any one or a combination of these factors could result in the Company not receiving an adequate return for shareholders. The Company has limited experience in the marketing of mineral resources.

Mineral Resource Estimates

The Company's future cash flows and earnings will be highly dependent upon the Company discovering and developing mineral resources from its properties. Any mineralization figures or descriptions presented in the Company's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time are and will be based on descriptions and estimates made by the Company's personnel and independent consultants. These descriptions and estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. The Technical Report states that no mineral resource or mineral reserve estimates have been completed for the Property. There can be no assurance that future estimates will be accurate, or reserves, resource or other mineralization figures will be accurate. There can be no assurance that the Company's future exploration and development efforts will result in the discovery of commercial accumulations of natural or mineral resources that the Company can develop at economically feasible costs.

Regulatory Matters

The exploration, development or mining operations carried on by the Company will be subject to government, legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. The exercise of discretion by governmental authorities under existing regulations, the implementation of new regulations or the modification of existing regulations affecting the natural resources industry are beyond the control of the Company and could reduce demand for mineral resources, increase the Company's costs and have a material adverse impact on the Company. Before proceeding with a project, the participants in the project must obtain all required regulatory approvals. Failure to obtain regulatory approvals, or failure to obtain them on a timely basis, could result in delays and abandonment or restructuring of the projects undertaken by the Company and increased costs, all of which could have a material adverse effect on the Company. In addition, the profitability of any mining prospect is affected by the markets for metals which are influenced by many factors including changing production costs, the supply and demand for metals, the rate of inflation, the inventory of metal producing companies, the political environment and changes in industry investment patterns.

Competition

The Company may actively compete for acquisitions, leases, licenses, concessions, claims, skilled industry personnel, equipment and other related interests with a substantial number of other companies, many of which have significantly greater history of operating and financial resources than the Company. The Company's ability to successfully bid on and acquire additional property rights, to participate in opportunities and to identify and enter into commercial arrangements with other parties could be adversely affected by the intensely competitive nature of the mining industry.

Potential Conflicts of Interest

Certain directors or officers of the Company are also directors, officers, shareholders and/or Promoters of other reporting and non-reporting issuers, including those engaged in the business of acquiring, developing and exploiting mineral resource properties. Such associations may give rise to conflicts of interest from time to time. The directors and officers of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

Title to Properties, Investments in Properties

There can be no certainty that an unforeseen defect in the chain of title in the Company’s mineral properties will not arise to defeat the claim of the Company which could result in a reduction of any future revenue received by the Company. The possibility exists that title to the Property, or other properties of the Company, might be defective because of errors or omissions in the chain of title, including defects in conveyances and defects in locating or maintaining such claims or concessions. No assurances can be given that there are not title defects or other interests conflicting with the mining claims and interests subject to the Options, and the Property may be subject to prior unregistered liens, agreements or transfers, native land claims or other undetected title defects. As well, the Company may be required by its exploration and production contracts to make regular ongoing investments on its properties and perform minimum exploration work in order to maintain its exploration and production contracts and to be eligible for further extensions. If the Company is unable to meet those minimum requirements, it may impede the extension of its contracts. The Company's properties will have been acquired from third parties and the terms for exploration and investment requirements pursuant to the contracts governing its interest in each property may vary significantly.

There is uncertainty related to unsettled aboriginal rights and title in BC and this may adversely impact the Company's operations and profit.
Native land claims in BC remain the subject of active debate and litigation. There can be no guarantee that the unsettled nature of land claims in BC will not create delays in project approval on the Property or unexpected interruptions in project progress, or result in additional costs to advance the project.

Licensing and Permitting Delays

On February 20, 2014, the Company received a Multi-Year Area Based ("MYAB") Notice of Work permit from the British Columbia government authorizing a five-year exploration program at the Star Property (extended to March 2026). The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out the exploration and development of its projects in a timely manner or at all.

Environmental Legislation

All phases of the mineral resource business present environmental risks and hazards and are subject to environmental laws and regulation pursuant to a variety of governmental authorities. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with operations. The legislation also requires that facility sites and mines be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of tailings or other pollutants into the air, soil or water may give rise to liabilities to third parties and may require the Company to incur costs to remedy such discharge. No assurance can be given that environmental laws, today or in the future, will not result in a curtailment of production or a material increase in the costs of productions, development or exploration activities or otherwise adversely affect the Company's financial condition, results of operations or prospects.

Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays as a result of the need to comply with applicable laws, regulations and permits. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties, such as the Company, engaged in natural resource exploration and development activities may be required to compensate those suffering loss or damage by reason of its activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of natural resource companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or a reduction in levels of production at producing properties or require abandonment or delays in development of new properties.

Reliance on Others and Key Personnel

The success of the Company will be largely dependent upon the performance of its management and key employees, as well as the talents of its outside consultants and suppliers. The Company may not have any “key man” insurance policies, and therefore there is a risk that the death or departure of any one or more members of management or any key employee could have a material adverse effect on the Company. The Company also faces intense competition for qualified personnel and there can be no assurance that the Company will be able to attract and retain the employees, personnel and/or consultants necessary to successfully carry out its activities.

Significant Capital Requirements

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. The discovery of mineral deposits is dependent upon a number of factors. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which relate to particular attributes of the deposit, such as size, grade and proximity to infrastructure, and some of which are more general factors, such as metal prices and government regulations. Most of these factors are beyond the Company's control. In addition, because of these risks, there is no certainty that the expenditures to be made by the Company on the exploration of the Property or other properties that it may acquire, as described herein, will result in the discovery of commercial quantities of ore.

Dilution to Existing Shareholders

The Company may be required to complete additional equity financings raised in the future. The Company may be required to issue securities on less than favorable terms in order to raise sufficient capital to fund its business plan in a timely manner. Any future transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial, to shareholders of the Company.

Dividends

To date, Prosper Gold has not paid any dividends on its outstanding securities and the Company does not expect to do so in the foreseeable future. Any decision to pay dividends on the Company shares will be made by the board of directors.

Covid-19

Since December 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in a widespread health crisis that has affected economies and financial markets around the world resulting in an economic downturn. This outbreak may also cause staff shortages, reduced consumer demand, increased government regulations or interventions, all of which may negatively impact the business, financial condition or results of operations of the Company. The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments.