

HIGHWAY 50 GOLD CORP.

Management's Discussion and Analysis

For the nine months ended September 30, 2021

The following Management Discussion and Analysis (“MD&A”) of Highway 50 Gold Corp. (the “Company” or “Highway 50”) has been prepared by management, in accordance with the requirements of National Instrument 51-102 (“NI 51-102”) as of November 29, 2021 and should be read in conjunction with the condensed consolidated interim financial statements for the nine months ended September 30, 2021 and the related notes contained therein which have been prepared under International Financial Reporting Standards (“IFRS”). The following should also be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2020 and all other disclosure documents of the Company. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. The Company is presently a “Venture Issuer” as defined in NI 51-102. Additional information relevant to the Company’s activities can be found on SEDAR at www.sedar.com and the Company’s website at www.highway50gold.com.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

DESCRIPTION OF BUSINESS AND OVERVIEW

Highway 50 Gold Corp. is an exploration stage company engaged principally in the acquisition and exploration of exploration and evaluation assets. The Company’s activities have focused on exploration in British Columbia and Nevada, USA. The recovery of the Company’s investment in its exploration and evaluation assets is dependent upon the discovery of economically recoverable mineral reserves and the ability to raise sufficient capital to finance this operation. The ultimate outcome of these operations cannot presently be determined because they are contingent on future matters.

Significant Events from January 1, 2021 to the Date of this Report.

- In January 2021, Paul Reynolds was appointed and will serve as an independent director of the Company. The Company granted Mr. Reynolds options to purchase an aggregate of 200,000 common shares at a price of \$0.38 per share for a period of up to five years.
- In April 2021, the Company granted 460,000 stock options to directors, officers, employees and consultants at a price of \$0.35 per share for a five-year period.
- In July 2021, the Company closed a non-brokered private placement and issued 2,644,836 units at \$0.35 for gross proceeds of \$925,693. Each unit consists of one common share of the company and one-half of one warrant. Each warrant entitles the holder to purchase an additional common share at an exercise price of \$0.45 until July 29, 2023. In connection with the offering, the Company issued an aggregate of 112,825 finders' warrants with the same terms.
- In September 2021, the Company extended the term of 1,182,455 warrants originally expiring on September 21, 2021 by one year to September 21, 2022.

MINERAL PROPERTY REVIEW

This review has been prepared by the Company’s geologic staff under the supervision of Gordon P. Leask, P.Eng., President, CEO and Director of the Company, and a Qualified Person (“QP”) as defined by National Instrument 43-101 (Standards of Disclosure for Mineral Projects).

The Company currently owns, or has the right to acquire an interest in, four primary projects; the Gold Knob property, the Golden Brew property and the Johnson Canyon property, all located in Nevada, and the Monroe Property, located in BC.

Gold Knob Property

The Gold Knob project comprises 687 unpatented claims located 80 km southwest of Winnemucca, Nevada near Lyle Hot Springs in Pershing County. These claims cover the projected southern 80% of the Gold Knob lower-plate window where a shallow bedrock bench extends for more than 2 km outboard from the western flank of the East Range. The Gold Knob lower-plate window hosts numerous occurrences of Carlin-type gold mineralization in both upper- and lower-plate rocks with grab assays up to 100 g/t (3 oz/ton) gold. Structurally, the window sits at the projected intersection of the Northern Nevada Rift central, the northern flank of the Caetano Trough and the southernmost projection of the Getchell Trend.

Previous drilling in the vicinity of Lyle Hot Springs established shallow bedrock and highly anomalous gold in a recent hot springs sinter deposit (0.014 oz/ton Au over 29 feet) with the highest assay being 0.082 oz/ton Au over 3 feet. Gravity and magnetic surveys have been executed over most of the property. Several interesting geophysical features resulted from this work and CSAMT surveys are recommended.

Various drill programs in the immediate vicinity of the Gold Knob showing intersected erratic gold values with the best being 17 m at 0.583 g/t Au in lower-plate marble in GK-2, and 12 m of 0.725 g/t Au just under the Roberts Mountains Thrust in BV-3. Large areas of prospective geology remain undrilled under shallow pediment cover outboard of the Gold Knob exposure.

In November 2020, the Company entered into an agreement to purchase a 100% interest in the initial 278 Gold Knob claims (the “Gold Knob Agreement”) by paying US\$100,000 and the issuance of 200,000 common shares of the Company. There is a 3% net smelter return reserved to the vendor, of which up to 2% can be purchased by the Company for US\$1,000,000 per percentage point.

Golden Brew Property

The Golden Brew project (“Golden Brew”) comprises 167 wholly owned claims prospective for Carlin-style gold mineralization. The property has only been superficially explored by previous owners, including eight shallow drill holes totaling 2,885 feet completed in 1989. To date, gold mineralization at Golden Brew consists of a zone of gold bearing jasperoid measuring 2,500 feet long and up to 200 feet wide, hosted in thin bedded platy Cambrian-aged carbonates. Wherever sampled, the jasperoid is anomalous in all Carlin-type gold deposit pathfinder elements, with gold grades ranging from anomalous to 4 grams/tonne. This zone is exposed on the western slope of the Toiyabe Mountain range and is truncated on the west by a north-south trending range front fault. West of the range front fault is an area of gravel cover where the company conducted gravity and CSAMT geophysical surveys. These surveys were designed to locate the gold bearing structure within the favourable host rocks at reasonable exploration depths beneath the gravel cover. The geophysical program was successful in locating an uplifted horst block with the potential gold bearing structure extending through it.

In August 2019, the Company announced the results of 2,280 metres of RC drilling completed in 3 holes at Golden Brew by former optionee, Regulus Resources Inc. Bedrock depths varied from 451 m to 577 m with the redox zone varying from 167 m to 207 m below the gravel contact. The most encouraging result from this drilling program was the intersection (25 metres) of Carlin-type mineralization in vertical drill hole GBR-19-10 at a depth of 700 m to 725 m. The mineralized zone assayed up to 163 ppb gold (80x background) and 475 ppm arsenic (20x background) within decalcified thin-bedded silty limestones. Together with three previous holes, GBR-19-10 constitutes a cluster of four RC holes located at the south-east corner of the Golden Brew horst block which exhibit weak Carlin-type mineralization over an area of 580 metres by 300 metres. The strongest levels of gold encountered to date in the horst are in GBR-19-10 at the northwest edge of the drill hole cluster. A coincident magnetic low and gravity low is noted 600 metres to the northwest of GBR-19-10 at a major structural intersection.

Golden Brew Drill Hole Location Information						
	UTM Coordinates		Elevation	Orientation		Total Depth
<i>Hole Name</i>	<i>E (m)</i>	<i>N (m)</i>	<i>metres</i>	<i>azimuth</i>	<i>inclination</i>	<i>metres</i>
GBR 19-10	479485	4341863	2,036		-90	762
GBR 19-11	479956	4342033	2,060		-90	762
GBR 19-12	479485	4341863	2,051	90	-60	765

Pursuant to the termination of a mining lease agreement with Genesis Gold Corporation (“Genesis”) in the prior year, 27 claims and a portion of 28 claims are subject to a 0.5% net smelter returns royalty payable to Genesis.

A compelling drill target remains to be tested 600 m northwest of the existing drill pattern. The impetus for this drilling is the intersection of three crustal structures. This intersection is manifested by a geophysical response (gravity low/magnetic low). The Company is seeking a third party farm-out Golden Brew to undertake this drilling.

Johnson Canyon Property

The Johnson Canyon property comprises 186 claims which cover the projected intersection of the northern flank of the Eastgate Trough and the Northern Nevada Rift Central which is essentially coincident with the northwest corner of the Quito lower-plate window under pediment cover outboard of the Toiyabe Mountain range. The northern portion of the Company's former Porter Canyon project has been merged with the Johnson Canyon claims and will be referred to as the Johnson Canyon project going forward.

The geology of the western edge of the Quito window is dominated by an open shallowly plunging north-westerly trending breached anticline which is cored by the Roberts Mountains Formation and capped by upper-plate Valmy Formation. The window is host to the former operating Quito Mine, a Carlin-type deposit which produced approximately 175,000 ounces of gold from a 400,000 ounce gold resource.

Previous drilling along the west side of the window intersected a probable *lag* deposit in colluvium which grades 65 feet at 0.1 g/t gold, 144 ppm arsenic and 65 ppm antimony in a heterogeneous gravel pediment. Subsequent follow-up prospecting in the colluvium surrounding the drill hole returned numerous mineralized boulders characterized as rusty brecciated upper-plate Valmy Formation, decalcified thin-bedded limestones, and jasperoids. These boulders assayed up to 3.7 g/t gold with highly anomalous arsenic, antimony,

mercury and thallium. Additional sampling of this area during September 2020 returned a further twenty-five samples with elevated gold (to 102 ppb), arsenic (to 4,734 ppm), antimony (to 2,000 ppm), mercury (to 16 ppm) and thallium (to 5 ppm). The pediment being sampled exhibits evidence of high-energy reworking immediately south of a recent quarternary fault scarp. The region north of the fault appears undisturbed. Five profiles of CSAMT over the area corroborate the helenogenous nature of the pediment bench in the vicinity of the sampled area.

Monroe Property

In May 2016, the Company announced it had executed an option agreement with Eagle Putt Ventures Inc. (“Eagle Putt”) to earn an undivided 50% interest in the 1,282 hectare Monroe property (the “Monroe property”) located in the Fort Steele Mining Division, southeast British Columbia. The Monroe property covers an area exhibiting comparable geologic similarities to the Sullivan mine corridor located 40 kilometres to the north. In order to exercise the option (the “Monroe Option”), the Company made a firm commitment to spend an initial \$100,000 in exploration expenditures on the Monroe property in the first year, followed by additional annual optional exploration expenditures totalling \$2.9 million by May 2021. The parties executed an amendment in April 2021 to extend the \$3,000,000 exploration expenditure deadline to May 2022. No other consideration is required to exercise the Monroe Option. The Company will be the operator on the Monroe property during the course of the Monroe Option. Upon exercise of its option to earn a 50% undivided interest in the Property, the Company and Eagle Putt will form a joint venture to further advance the exploration and development of the Monroe property.

The Monroe property is owned 50/50 by Gordon P. Leask, President, Chief Executive Officer and a director of the Company and John M. Leask, a director of the Company, and is held in trust for them by Eagle Putt, a private corporation owned by Gordon Leask. Given the non-arm’s length nature of the transaction, the Company obtained approval to the grant of the Monroe Option by way of written resolution from a majority of the disinterested shareholders of the Company. Messrs. Gordon Leask and John Leask and their associates were excluded from voting on the shareholder resolution to approve the grant of the Monroe Option to the Company.

The Sullivan Mine closed in 2001 after producing 160 million tons of ore yielding over 17 million tons of lead and zinc plus more than 285 million troy ounces of silver. A significant amount of drilling has been completed on the western portion of the Monroe property by former operators including Eagle Putt. The proposed target is in the eastern half of the Property where there has been sparse drilling in widely spaced holes. Impetus for further exploration is a combination of new geophysical surveys coupled with a re-examination of a number of previous drill holes.

In November 2019, the Company completed drilling the Monroe property for the 2019 exploration season. Two diamond drill holes were collared with the objective of offsetting stratiform lead/zinc mineralization and extensive Sullivan Mine style alteration previously discovered. Hole HWY-19-011 was completed to a depth of 1,011.3 metres and did not encounter the expected mineralized horizon at the projected target depth. The decreased level of alteration as well as the lack of host lithologies observed in nearby holes suggests the hole exited the sub-basin that is being tested and is hosting mineralization. With the data received from HWY-19-011 a second hole, HWY-19-012, was attempted with the objective of intersecting the host mineralization horizon between holes HWY-16-001 and HWY-18-007 where highly anomalous mineralization and intense sericite, albite, tourmalinite alteration has been encountered. The hole was lost at a depth of 414 metres in a major fault zone some 300 metres short of the projected target depth and did not test the target horizon.

Outlook

In September 2020, the Company recommenced field work on its Nevada exploration projects with a view to follow-up drilling when the Company has obtained the necessary financing. The Company holds title to three claim areas in Nevada, Golden Brew, Johnson Canyon/Porter Canyon and Gold Knob, that were chosen because of their proximity to deep seated geologic architectures which management believes may host large quantities of gold. Past exploration drilling on Johnson Canyon/Porter Canyon claims identified a probable “lag” gold occurrence which may be similar in character to the Cortez Pediment deposit which was shed off the adjacent Cortez Hills Tier 1 gold mine. The Johnson Canyon project is located along the western edge of the Quito Mine lower-plate window. The northwest corner of this window exhibits geologic elements that are markedly similar to the northwest corner of the Cortez window where the former producing Cortez Mine and currently producing Cortez Hills Mine are located. Initial focus of the upcoming exploration work will be on the Johnson Canyon/Porter Canyon claims where the Company has permitted a pattern of six drill holes at the northwest corner of the Quito Mine window. Impetus for this drilling is previously executed geophysical surveys over the target area including magnetic, gravity and controlled source audio-frequency magnetotellurics. The Company plans to complete geological and geophysical surveys at Gold Knob prior to drilling.

OPERATIONS AND FINANCIAL CONDITION

Summary of Quarterly Results

The following is a summary of certain selected financial information for the most recent eight fiscal quarters comprising the Company’s preceding two fiscal years:

	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
All in \$1,000's except loss per share				
Loss	\$(174)	\$(481)	\$(187)	\$(640)
Loss per share	\$(0.00)	\$(0.01)	\$(0.00)	\$(0.02)
Total assets	\$5,079	\$4,256	\$4,317	\$4,118
Total liabilities	\$1,650	\$1,522	\$1,460	\$1,386
	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
All in \$1,000's except loss per share				
Loss	\$(105)	\$(124)	\$(99)	\$(142)
Loss per share	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)
Total assets	\$3,677	\$3,618	\$3,674	\$3,705
Total liabilities	\$1,055	\$891	\$822	\$756

Results of Operations – For the Nine Months Ended September 30, 2021 Compared to the Nine Months Ended September 30, 2020

During the nine months ended September 30, 2021, loss from operating activities was \$654,314 compared to \$327,275 for the nine months ended September 30, 2020.

- Accounting and audit was \$62,870 for the nine months ended September 30, 2021 compared to \$46,875 for the nine months ended September 30, 2020. The variance is due to increased audit fees and US tax filing in the current period.
- Legal fees was \$21,766 for the nine months ended September 30, 2021 compared to \$3,932 for the nine months ended September 30, 2020. The difference is due to US securities matters in the current period.
- Loan accretion was \$27,972 for the nine months ended September 30, 2021 compared to \$Nil for the nine months ended September 30, 2020. The difference is due to accretion of term loans in the current period.
- Stock-based compensation was \$210,069 for the nine months ended September 30, 2021 compared to \$Nil for the nine months ended September 30, 2020. The variance is due to stock options granted in the current period.

Cash Flow

Operating Activities

Cash outflow from operating activities was \$173,365 for the nine months ended September 30, 2021 compared to \$117,495 for the nine months ended September 30, 2020. The increase is mainly the cumulative result of several variations in the items affecting cash flow from operations discussed above and the change in working capital items.

Investing Activities

Cash outflow from investing activities was \$341,260 for the nine months ended September 30, 2021 compared to \$42,652 for the nine months ended September 30, 2020. The outflows mainly consist of expenditures on the Company's exploration and evaluation assets.

Financing Activities

Cash inflow from financing activities was \$1,141,541 for the nine months ended September 30, 2021 compared to \$88,311 for the nine months ended September 30, 2020. During the period ended September 30, 2021, the Company issued 599,998 shares in relation to the exercise of warrants for proceeds of \$120,000 and issued 650,000 shares in relation to the exercise of stock options for proceeds of \$162,500.

Results of Operations – For the Three Months Ended September 30, 2021 Compared to the Three Months Ended September 30, 2020

During the three months ended September 30, 2021, loss from operating activities was \$174,339 compared to \$104,672 for the three months ended September 30, 2020.

- Loan accretion was \$9,410 for the three months ended September 30, 2021 compared to \$Nil for the three months ended September 30, 2020. The difference is due to accretion of term loans in the current period.
- Legal fees were \$20,574 for the three months ended September 30, 2021 compared to \$2,476 for the three months ended September 30, 2020. The difference is due to US securities matters in the current period in the current period.

- Rent was \$10,659 for the three months ended September 30, 2021 compared to \$4,531 for the three months ended September 30, 2020. The difference is due to increased charges in the current period.

Cash Flow

Operating Activities

Cash outflow from operating activities was \$45,186 for the three months ended September 30, 2021 compared to \$33,872 for the three months ended September 30, 2020. The increase is mainly the cumulative result of several variations in the items affecting cash flow from operations discussed above and the change in working capital items.

Investing Activities

Cash outflow from investing activities was \$176,323 for the three months ended September 30, 2021 compared to \$36,619 for the three months ended September 30, 2020. The outflows mainly consist of expenditures on the Company's exploration and evaluation assets.

Financing Activities

Cash inflow from financing activities was \$869,041 for the three months ended September 30, 2021 compared to \$88,311 for the three months ended September 30, 2020. During the three months ended September 30, 2021, the Company issued 50,000 shares in relation to the exercise of warrants for proceeds of \$10,000 and issued 2,644,836 shares in relation to a private placement for gross proceeds of \$925,693, less share issue costs of \$66,652.

Liquidity and Capital Resources

Cash at September 30, 2021 totaled \$752,884 compared to \$125,968 at December 31, 2020. Working capital deficiency at September 30, 2021 was \$883,482 compared to working capital deficiency of \$56,633 at December 31, 2020. The ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing.

During the period ended September 30, 2021, the Company issued 599,998 shares in relation to the exercise of warrants for proceeds of \$120,000 and issued 650,000 shares in relation to the exercise of stock options for proceeds of \$162,500.

During the period ended September 30, 2021, the Company closed a non-brokered private placement and issued 2,644,836 units at \$0.35 for gross proceeds of \$925,693.

As at the date of this report, the Company has not been able to identify a known body of commercial grade ore on any of its exploration and evaluation assets. The ability of the Company to realize the costs it has incurred to date on these exploration and evaluation assets is dependent upon the Company being able to lever its property interests and cash, by way of exploration activities and option/joint ventures, into assets of greater value.

Related Party Transactions

During the nine months ended September 30, 2021, the Company entered into the following transactions with related parties:

- a) Eagle Putt Ventures Inc. ("Eagle Putt") is a private company controlled by Mr. Gordon P. Leask, a director and officer of the Company. For the nine months ended September 30, 2021, Eagle Putt charged \$90,000 (2020 - \$90,000) which are classified as consulting fees in the consolidated statements of profit or loss. At September 30, 2021, the Company owed \$520,000 (December 31, 2020 - \$436,000) to Eagle Putt. On December 31, 2020, Eagle Putt has agreed to postpone payment of \$436,000 this balance until June 30, 2022.

During the year ended December 31, 2020, the Company received loans of \$228,436 (\$75,000 and US\$116,753) from Eagle Putt. On December 31, 2020, the loans were transferred to a term loan maturing on June 30, 2022, and since it is below the Company's estimated market borrowing rate of 12%, a contribution benefit of \$34,980 was recorded in reserves. During the period ended September 30, 2021, the Company incurred \$16,833 (2020 - \$Nil) in accretion expense relating to this loan.

- b) Rangefront Exploration Corp. ("Rangefront") is a private company controlled by Mr. John M. Leask, a director to the Company. For the nine months ended September 30, 2021, Rangefront charged \$90,000 (2020 - \$90,000) which are classified as consulting fees in the consolidated statements of profit or loss. At September 30, 2021, the Company owed \$520,000 (December 31, 2020 - \$436,000) to Rangefront. On December 31, 2020, Rangefront has agreed to postpone payment of \$436,000 of this balance until June 30, 2022.

During the year ended December 31, 2020, the Company received loans of \$189,320 (US\$143,505) from Rangefront out of which \$35,158 (US\$26,753) had been repaid. On December 31, 2020, the loans were transferred to a term loan maturing on June 30, 2022,

and since it is below the Company's estimated market borrowing rate of 12%, a contribution benefit of \$23,255 was recorded in reserves. During the period ended September 30, 2021, the Company incurred \$11,139 (2020 - \$Nil) in accretion expense relating to this loan.

- c) Megan Cameron-Jones is a director and officer of the Company. For the nine months ended September 30, 2021, Megan Cameron-Jones charged \$45,000 (2020 - \$45,000) for management services which are classified as consulting fees in the consolidated statements of profit or loss. At September 30, 2021, the Company owed \$225,000 (December 31, 2020 - \$183,000) to Megan Cameron-Jones. During the period ended September 30, 2021, Megan Cameron-Jones has agreed to postpone payment of \$183,000 of this balance until June 30, 2022.
- d) Cross Davis & Co. LLP ("Cross Davis") is an accounting firm of which Scott Davis, an officer of the Company, is a partner. For the nine months ended September 30, 2021, Cross Davis charged \$27,000 (2020 - \$27,000) which are classified as accounting fees in the consolidated statements of profit or loss. At September 30, 2021, the Company owed \$Nil (December 31, 2020 - \$Nil) to Cross Davis.

Outstanding Shares, Stock Options and Warrants

As at the date of this report, the Company had the following outstanding:

- 41,608,982 common shares.
- Warrants:

Number of Warrants Outstanding	Exercise Price (\$)	Expiry Date
1,182,455	0.60	September 21, 2022*
1,435,242	0.45	July 29, 2023
<u>2,617,697</u>		

*During the year ended December 31, 2020, the Company extended the term of these warrants for one year from September 21, 2020 to September 21, 2021 and repriced the warrants from \$0.40 to \$0.60. During the period ended September 30, 2021, the Company further extended these warrants to September 21, 2022.

- Stock options:

Number of Options Outstanding	Exercise Price (\$)	Expiry Date	Number of Options Exercisable
700,000	0.25	May 17, 2023	700,000
1,725,000	0.37	November 17, 2025	1,725,000
200,000	0.38	January 4, 2026	200,000
<u>460,000</u>	0.35	April 30, 2026	<u>460,000</u>
<u>3,085,000</u>			<u>3,085,000</u>

Proposed Transactions

The Company is not contemplating any other transactions which have not already been disclosed. The Company continues to look at other property acquisitions and to seek joint venture partners on its properties on a regular basis.

Investor Relations

Investor relations activities are performed by directors and officers of the Company.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangement.

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual reports could differ from management's estimates.

Contingencies

There are no contingent liabilities.

Internal Controls Over Financial Reporting

Changes in Internal Control over Financial Reporting ("ICFR")

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

Other MD&A Requirements

Additional disclosure of the Company's technical reports, material change reports, news releases and other information can be obtained on SEDAR at www.sedar.com.

Disclosure for Venture Issuers without Significant Revenue

A breakdown of the components of the Company's general and administrative expenses is disclosed in the condensed consolidated interim financial statements for the nine months ended September 30, 2021 to which this MD&A relates. A breakdown of the material components of the exploration and evaluation assets of the Company is disclosed in the condensed consolidated interim financial statements for the nine months ended September 30, 2021 to which this MD&A relates.

Management's Responsibility for Financial Statements

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

Financial and Capital Risk Management

Please refer to the September 30, 2021 condensed consolidated interim financial statements on www.sedar.com.

Adoption of New Standards and Interpretations, and Recent Accounting Pronouncements

Please refer to the December 31, 2020 audited consolidated financial statements on www.sedar.com.

Risks and Uncertainties

Annual losses are expected to continue until the Company has an interest in an exploration and evaluation asset that produces revenues. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. The Company's accompanying condensed consolidated interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed consolidated interim financial statements.

Any forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company's operations, actual events may

differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the Company and other factors.

The operations of the Company are speculative due to the high-risk nature of its business which includes the acquisition, financing, exploration, development and operation of mining properties. There are a number of factors that could negatively affect the Company's business and the value of its common shares, including the factors listed below. The following information pertains to the outlook and conditions currently known to the Company that could have a material impact on the financial condition of the Company. Other factors may arise that are not currently foreseen by management of the Company that may present additional risks in the future. Current and prospective security holders of the Company should carefully consider these risk factors, as they could materially affect the Company's future operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

The more significant risks include:

COVID-19

At the time of publication of this MD&A, the COVID-19 pandemic continues to rapidly evolve on a global scale. The unprecedented nature and heightened uncertainty surrounding the pandemic mean that the nature and extent of the risks posed by COVID-19 to Highway 50 cannot be known, quantified or predicted with any certainty. Global phenomena such as COVID-19 increase the risk of significant labour force disruption (including the supply of labour or site/country access) and the potential loss (permanent/temporary) of personnel. COVID-19 has the potential to spread rapidly and place the Company's workforce at risk. The Company believes that it has identified and implemented all reasonable and appropriate steps and precautions to protect its workforce and its operations from the risks and potential adverse impacts of the pandemic. The Company continues to actively monitor the situation and may take additional measures, if and to the extent warranted, as matters develop. There can be no assurance, however, that such steps and measures will be sufficient to fully mitigate all such risks and potential adverse impacts.

Exploration and Development Risk

The Company's properties are in the exploration stage and are without a known body of commercial ore. Exploration for mineral resources involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The risks and uncertainties inherent in exploration activities include but are not limited to: general economic, market and business conditions, the regulatory process and actions, failure to obtain necessary permits and approvals, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events and management's capacity to execute and implement its future plans. Discovery of mineral deposits is dependent upon a number of factors, not the least of which are the technical skills of the exploration personnel involved and the capital required for the programs. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. There is no assurance that the Company's mineral exploration activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that even if commercial quantities of ore are discovered that a new ore body would be developed and brought into commercial production. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which are the particular attributes of the deposit (such as size, grade, metallurgy and proximity to infrastructure and labour), the interpretation of geological data obtained from drilling and sampling, feasibility studies, the cost of water and power; anticipated climatic conditions; cyclical metal prices; fluctuations in inflation and currency exchange rates; higher input commodity and labour costs, commodity prices, government regulations, including regulations relating to prices, taxes, royalties, land tenure and use, allowable production, importing and exporting of minerals, and environmental protection. Most of the above factors are beyond the control of the Company. Development projects will also be subject to the successful completion of final feasibility studies, issuance of necessary permits and other governmental approvals and receipt of adequate financing. The exact effect of these factors cannot be accurately predicted, but the combination of any of these factors may adversely affect the Company's business.

Title Risk

The Company has investigated its right to explore and exploit its properties and, to the best of its knowledge, those rights are in good standing. The results of the Company's investigations should not be construed as a guarantee of title. Other parties may dispute the title to a property, or the property may be subject to prior unregistered agreements or liens and transfers or land claims by aboriginal, native, or indigenous peoples. The title may be affected by undetected encumbrances or defects or governmental actions. The Company has not conducted surveys of all of its properties, and the precise area and location of claims or the properties may be challenged and no assurances can be given that there are no title defects affecting such properties. Any defects in the title to the Company's properties could have a material and adverse effect on the Company.

No assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining authorizations nor that such exploration and mining authorizations will not be challenged or impugned by third parties. Although the Company has not had any problem renewing its licenses in the past there is no guarantee that it will always be able to do so. Inability to renew a license could result in the loss of any project located within that license. The Company is earning an interest in the

Monroe property through an option agreement requiring exploration expenditures and acquisition of title to the properties is completed only when the option conditions have been met. If the Company does not satisfactorily complete these option conditions in the period laid out in the option agreements, the Company's title to the related property will not vest and the Company will have to write down its previously capitalized costs related to that property.

Foreign Operations Risk

The Company conducts exploration activities in foreign countries, including the U.S. This exposes the Company to risks that may not otherwise be experienced if all operations were located in Canada. The risks can include, but are not limited to, civil unrest or war, terrorism, changing political conditions, fluctuations in currency exchange rates, and changes to royalty and tax regimes. Changes in mining or investment policies or shifts in political attitudes may also adversely affect Company's existing assets and operations. Real and perceived political risk may also affect the Company's ability to finance exploration programs and attract joint venture or option partners, and future mine development opportunities.

Numerous countries have introduced changes to mining regimes that reflect increased government control or participation in the mining sector, including, but not limited to, changes of law affecting foreign ownership, mandatory government participation, taxation and royalties, exploration licensing, export duties, and repatriation of income or return of capital. There can be no assurance that industries, which are deemed of national or strategic importance in countries in which the Company has assets, including mineral exploration, will not be nationalized. There is a risk that further government limitations, restrictions or requirements, not presently foreseen, will be implemented. Changes in policy that alter laws regulating the mining industry could have a material adverse effect on the Company. There can be no assurance that the Company's assets in these countries will not be subject to nationalization, requisition or confiscation, whether legitimate or not, by an authority or body.

In addition, in the event of a dispute arising from foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. The Company also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for the Company to accurately predict such developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on the Company.

Metal Price Risk

The Company's portfolios of properties and investments have exposure to predominantly copper, gold, silver and molybdenum. Commodity prices fluctuate widely and are affected by numerous factors beyond the Company's control, such as the sale or purchase of metals by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar, global and regional supply and demand, and the political and economic conditions of major metals-producing and metals-consuming countries throughout the world. The prices of these metals greatly affect the value of the Company, the price of the common shares of the Company and the potential value of its properties and investments. This, in turn, greatly affects its ability to form joint ventures, option agreements and the structure of any joint ventures formed. This is due, at least in part, to the underlying value of the Company's assets at different metals prices.

Commodity prices, and in particular copper prices, may be significantly affected by both demand and supply-side disruptions as a result of COVID-19 and its continuing impact on economies around the world.

Uncertainty of Funding

The exploration and development of mineral properties requires a substantial amount of capital and may depend on the Company's ability to obtain financing through joint ventures, debt financing, equity financing or other means. General market conditions, volatile metals prices, a claim against the Company, a significant disruption to the Company's business, or other factors may make it difficult to secure the necessary financing. There is no assurance that the Company will be successful in obtaining required financing as and when needed on acceptable terms. Failure to obtain any necessary additional financing may result in delaying or indefinite postponement of exploration or development or even a loss of property interest. If the Company needs to raise additional funds, such financing may substantially dilute the interests of shareholders of the Company and reduce the value of their investment.

Recent economic events including US-China trade disputes and the COVID-19 global pandemic have created further uncertainty in global financial and equity markets and may adversely impact the Company's share price and ability to raise capital.

Future Offerings of Debt or Equity Securities

The Company may require additional funds to finance further exploration, development and production activities, or to take advantage of unanticipated opportunities. If the Company raises additional funds by issuing additional equity securities, such financing would dilute the economic and voting rights of the Company's shareholders. Since the Company's capital needs depend on market conditions and other factors beyond its control, it cannot predict or estimate the amount, timing or nature of any such future offering of securities. Thus, holders

of common shares of the Company bear the risk of any future offerings reducing the market price of the common shares and diluting their shareholdings in the Company.

Currency Risk

The Company will transact business in a number of currencies including but not limited to the Canadian Dollar and the US Dollar. Fluctuations in exchange rates may have a significant effect on the cash flows of the Company. Future changes in exchange rates could materially affect the Company's results in either a positive or a negative direction. The Company does not currently engage in foreign currency hedging activities.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Information Systems and Cyber Security

The Company's operations depend on information technology ("IT") systems. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyberattacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations. Although to date the Company has not experienced any material losses relating to cyber attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Negative Operating Cash Flow

The Company is an exploration stage company and has not generated cash flow from operations. The Company is devoting significant resources to the development and acquisition of its properties; however there can be no assurance that it will generate positive cash flow from operations in the future. The Company expects to continue to incur negative consolidated operating cash flow and losses until such time as it achieves commercial production at a particular project. The Company currently has negative cash flow from operating activities.

Competition

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential, as well as the necessary labour and supplies required to develop such properties. The Company competes with other exploration and mining companies, many of which have greater financial resources, operational experience and technical capabilities than the Company, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. The Company may not be able to maintain or acquire attractive mining properties on terms it considers acceptable, or at all. Consequently, its financial condition could be materially adversely affected.

Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, as well as political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company. The Company does not maintain insurance against political risks.

Environmental Risks

It is possible that future regulatory developments, such as increasingly strict environmental protection laws, climate change policies, regulations and enforcement policies, and claims for damages to property and persons resulting from the Issuer's operations, could result

in additional costs and liabilities, restrictions on or suspension of the Issuer's activities and delays in the exploration of and development of its properties.

The physical effects of climate change, which may include extreme weather events, resource shortages, changes in rainfall and storm patterns, water shortages and extreme weather events, may have an adverse effect on our operations. Events or conditions such as flooding or inadequate water supplies could disrupt exploration activities and rehabilitation efforts, could create resource shortages and could damage our property or equipment and increase health and safety risks on our properties. Such events or conditions could also have other adverse effects on our operations, our workforce and on the local communities surrounding our properties, such as an increased risk of food, water scarcity and civil unrest.

Tax

The Company runs its business in different countries and strives to run its business in as tax efficient a manner as possible. The tax systems in certain of these countries are complicated and subject to changes. For this reason, future negative effects on the result of the Company due to changes in tax regulations cannot be excluded. Repatriation of earnings to Canada from other countries may be subject to withholding taxes. The Company has no control over withholding tax rates.

Forward Looking Statements

Cautionary Note – Forward Looking Statements

Certain statements made and information contained herein in the MD&A constitutes "forward-looking information" and forward-looking statements" within the meaning of applicable securities legislation (collectively, "forward-looking information" or "forward-looking statements") concerning the business, operations, financial performance and condition of Highway 50 Gold Corp. The forward-looking information contained in this MD&A is based on information available to the Company as of the date of this MD&A. Except as required under applicable securities legislation, the Company does not intend, and does not assume any obligation, to update this forward-looking information. Generally, any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance, (often, but not always, identified by words or phrases such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "projects", "estimates", "budgets", "scheduled", "forecasts", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events, conditions or results "will", "may", "could", "would", "should", "might" or "will be taken", "will occur" or "will be achieved" or the negative connotations thereof and similar expressions) are not statements of historical fact and may be forward-looking statements.

All statements other than statements of historical fact may be forward-looking statements. Forward-looking information is necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: risks and uncertainties relating to, among other things, the inherent uncertainties regarding mineral resource estimates, cost estimates, changes in commodity prices, currency fluctuation, financings, unanticipated resource grades, infrastructure, results of exploration activities, cost overruns, availability of materials and equipment, timeliness of government approvals, taxation, political risk and related economic risk and unanticipated environmental impact on operations, the impact of COVID-19 on the Company's operations, personnel, ability to finance and outlook, as well as other risks, and uncertainties and other factors, including, without limitation, those referred to in the "Risks and Uncertainties" section of the MD&A, and elsewhere, which may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information.

Forward-looking information is based on certain assumptions that the Company believes are reasonable, including that the current price of and demand for commodities will be sustained or will improve, the supply of commodities will remain stable, that the general business and economic conditions will not change in a material adverse manner, that financing will be available if and when needed on reasonable terms and that the Company will not experience any material labour dispute, accident, or failure of plant or equipment. These factors are not, and should not be construed as being, exhaustive. Although the Company has attempted to identify important factors that would cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. All of the forward-looking information contained in this document is qualified by these cautionary statements. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof. Statements relating to "mineral resources" are deemed to be forward looking information, as they involve the implied assessment, based on certain estimates and assumptions, that the mineral resources described can be profitably produced in the future.

The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR (www.SEDAR.com).