

Management's Discussion & Analysis For the Fiscal Quarter Ended September 30, 2020

This Management's Discussion and Analysis of the Operations ("MD&A") of TriStar Gold Inc. ("TriStar" or "the Company") is provided to enable the reader to understand the material changes in the financial condition and operations of the Company for the third fiscal quarter ended September 30, 2020. This MD&A should be read in conjunction with the unaudited condensed consolidated financial statements and notes thereto for the quarter ended September 30, 2020 prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A complements and supplements but does not form part of the Company's unaudited condensed consolidated financial statements.

The financial statements referred above are available for review under the Company's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com, and the Company's website at www.tristargold.com.

This MD&A contains forward-looking statements such as statements regarding the adequacy of cash resources to carry out the Company's exploration programs, managements' expectations for the success or lack thereof of its exploration programs and the Company's need for future financing. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based upon the beliefs, expectations, reasonable investigation and opinions of management as of the date of this report. All forward-looking statements, including those not specifically identified here-in are made subject to the cautionary language beginning on page 19. Readers are advised to refer to the cautionary language when reading any forward-looking statements.

All dollar amounts contained here-in are expressed in United States dollars ("US\$") unless otherwise indicated. The Company's unaudited condensed consolidated financial statements for the quarter ended September 30, 2020 and this MD&A have been prepared by management as of November 24, 2020 and were approved by the Company's Board of Directors as of the same date.

Goals and Objectives for 2020

Tristar's goals for 2020 are to continue development of the Castelo de Sonhos ("CDS") gold project. The majority of the planned infill drill program was completed in April of 2020, but the Company has decided to do some additional infill RC drilling this year and continuing into 2021. In addition, some additional core drilling remains to be done to obtain geotechnical information. The work required for the prefeasibility study ("PFS") and the additional drilling is underway. The Company will periodically provide additional guidance in news releases as to the progress on the exploration program results, the completion of the PFS and the status various permitting activities.

Work to obtain the necessary permits and community and governmental approvals will continue through 2020 and 2021 with terms of reference now accepted by SEMAS (Pará State's environmental and sustainability regulatory agency). This document establishes the requirements for data collection for the Environmental Impact Assessment and for upcoming consultations with nearby communities.

Business Overview and Summary

The Company was incorporated under the British Columbia Business Corporations Act ("BCBCA") under the name of TriStar Gold Inc. on May 21, 2010. TriStar was created to hold certain Brazauro assets as a result of a Plan of Arrangement Agreement between Brazauro Resources Corporation and Eldorado Gold Corporation. The completion of this Arrangement occurred on July 20, 2010. TriStar's primary business focus is the acquisition, exploration and development of precious metal prospects in the Americas, including its current focus on advancing the exploration success of the CDS located in the Tapajós Gold District of Brazil's northerly Pará State.

The Company is subject to regulation by the Federal Mines Department in Brazil and the National Mining Authority ("ANM"). The Company holds exploration licenses for CDS which are subject to requirements to maintain rights over the properties. Currently all claims are in good standing.

Property Information and Activity

Castelo de Sonhos (Para State Brazil)

Results of the Preliminary Economic Assessment ("PEA")

The PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them to be categorized as Mineral Reserves. There is no certainty that the economic

results described in the PEA will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

On November 16, 2018, Tristar Gold Inc. released the results of an independent preliminary economic assessment (filed on SEDAR). The following are some key summary findings:

- Life of mine net pre-tax cash flow of US\$441 million;
- Gold price of \$1250 per ounce;
- Life of mine gold production of 1.1 million ounces;
- Pre-tax internal rate of return of 51%;
- Post-tax internal rate of return of 43%;
- Gold production cash costs of US \$660 per ounce of gold produced (all-in sustaining costs of US\$ 687 per ounce);
- Initial capital of US \$184 million.

The PEA for CDS has assumed the use of a contract mining company, to conduct open pit mining using technology equipment readily available in Brazil and elsewhere in the world. The open-pit mine is designed assuming 55° slope angle, 8m bench height and a 10% access ramp. The material for processing will be crushed and then ground to 150 microns before being leached using Carbon-in-pulp (“CIP”). Process tailings will be discharged to an engineered facility designed to international standards of safety.

The economic analysis includes allowances for milestone payments due under the original purchase agreement, as well as mine closure and remediation.

The qualified person for the preparation of this PEA was Porfiro Cabaleiro (#3708), Director of GE 21. The reader should refer to the news release dated November 16, 2018 for further information about the results of this PEA. The PEA has been filed on SEDAR. AISC is a “Non-IFRS financial measure” within the meaning of applicable Canadian securities laws. Such measures have no standardized meaning under International Financial Reporting Standards and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with International Financial Reporting Standards.

Current Mineral Resource Estimate

On September 17, 2018, the Company announced a 35% increase in mineral resources at CDS, over the mineral resource announced in December 2017. This updated independent mineral resource was completed by Benardo Horta de C Viana, a qualified person, and a director of the firm GE21 Consultoria Mineral Ltda of Belo Horizonte, Brazil. The table below provides the mineral estimates for updated resource estimate above a reporting cutoff ⁽²⁾ of 0.3 grams per tonne gold:

Property Area	Resource Category	Tonnage (million tonnes)	Gold Grade (grams per tonne)	Contained Gold Ounces (millions)
Esperança South	Indicated	11.8	1.4	0.5
	Inferred	21.7	1.2	0.8
Esperança East	Inferred	11.8	0.9	0.4
Esperança Center	Indicated	5.9	0.9	0.2
	Inferred	6.3	0.7	0.1
Project Totals	Indicated	17.7	1.2	0.7
	Inferred	39.8	1.0	1.3

1. Numbers have been rounded to reflect the precision of Inferred and Indicated mineral resource estimates.
2. The reporting cut-off corresponds to the approximate marginal cut-off for an open pit with total operating costs (non-waste mining + processing + G&A) of US\$15.00/t, metallurgical recovery of 98% and a gold price of US\$1200 per ounce. These are mineral resources and not reserves and as such do not have demonstrated economic viability.
3. The metal content estimates reflect gold in-situ and do not include factors such as external dilution, mining losses and process recovery losses.
4. TriStar is not aware of any economic, permitting, legal, title, taxation, socio-economic, marketing or political factors that might materially affect these mineral resource estimates.

Bernardo Horta de C Viana is the qualified person responsible for this mineral resource estimate. See the news release dated September 17, 2018 for more information on this mineral resource estimate.

Project Description, Location and Access

CDS is located in the southwest of Pará State in Brazil near the federal highway BR-163 which links the cities of Cuiabá to Santarém. CDS is approximately 30 kilometers by unpaved road from the town of Castelo de Sonhos. The topography of the region is characterized by low plains, with an average elevation around 250 meters above sea level. In contrast, the plateau (which hosts the mineralization at CDS) is approximately 550 meters above sea level. The climate is classified as tropical monsoon, with average annual precipitation around 2,000 mm. The rainy season is December to May. The area has been largely deforested for cattle ranching.

The property is approximately centered at coordinates 8 degrees 12'07" South, 54 degrees 59'20" West. Road access to CDS is usually possible all year, however heavy seasonal rainfall may temporarily cause flooding of roads and bridges. Pará State is considered a mining friendly jurisdiction with a very significant percentage of the State's economic activity resulting directly or indirectly from the mining industry.

The existing infrastructure for CDS is considered excellent for a developmental project, specifically

- ✓ there is a 138 kv power line which parallels state highway BR-163;
- ✓ the village of Castelo de Sonhos is located on a paved highway (BR -163) affording ground access to nearby cities and port facilities;
- ✓ there is a fully functional exploration camp;
- ✓ the camp is serviced by a 550-meter airstrip adequate for small aircraft;
- ✓ CDS is accessible by an unpaved 30 km road from the nearby village of Castelo de Sonhos; and
- ✓ the village of Castelo de Sonhos (population circa 10,000) offers many services including banks, medical facilities, supermarkets, restaurants, hotels, an airstrip and light and heavy vehicle repair facilities.

The original vendors of CDS retained a 2% net smelter return ("NSR") royalty (half of which may be purchased by Royal Gold Inc. for a value based on gold reserves at that time), a one-time bonus payment of US \$1.00 per ounce of gold if NI 43-101 proven and probable reserves exceed one million ounces and a payment of US \$3,600,000 upon commercial production (TriStar has the option to pay US \$1,500,000 upon or prior to making a production decision in lieu of the production payment).

The Company has not yet experienced any opposition to its exploration work at CDS from local, international environmental or special interest groups. However, as the size and scope of the project expands, the Company may experience opposition to its activities and plans which may halt or seriously delay development at CDS. In addition, in certain periods of the year rainfall is very heavy which may temporarily affect the Company's ability to undertake work at CDS. In addition, a shortage of skilled labour, an inability to contract the required drill rigs and insufficient funding could impact the Company's ability to perform the required work at CDS.

Historical Exploration and Activities

The Tapajós gold province, in which CDS is located, was the scene of a historical gold rush in Brazil. Barrick Gold Corp. ("Barrick") conducted limited exploration at CDS from June 1995 to November 1996.

Geological Setting, Mineralization and Deposit Type

The host rocks for CDS's gold mineralization are quartzites, meta-arenites and meta-conglomerates of the Early Proterozoic Castelo de Sonhos Formation (+2 billion years ago). Geologically, CDS is believed to be a paleoplacer, similar in nature to the Tarkwa mine in Ghana and the Jacobina mine in Brazil. CDS encompasses a 15 km by 12 km plateau with an average elevation 300 meters above the surrounding plains.

The Company believes the geology and mineralization of the CDS deposit is typical of a modified paleoplacer in which low-grade metamorphism may have remobilized gold over short distances. The sediments that now constitute the conglomerate bands at CDS were formed approximately 2.0 to 2.1 billion years ago, likely in a near-shore environment or in a large inland basin. At CDS, as well as Jacobina and Tarkwa, gold is hosted in quartz-pebble conglomerates; furthermore, gold grades in all of these tend to be higher in the

pebble-supported conglomerates and to generally decrease when the size, frequency, sorting and packing of pebbles indicates an environment more distal from the source, lower in energy where water would flow more slowly and would be less able to keep gold grains and large pebbles in suspension. It is believed the mineralogy of CDS is more similar to Tarkwa than Jacobina. Reconstructions of the relative locations of cratons two billion years ago indicate that they formed a supercontinent close to the South Pole. At that time, lode deposits along a central mountain range provided a source for gold that rivers and creeks could transport downhill toward the coastline.

TriStar's Early Exploration Activity (2011-2015)

Please refer to the Company's Annual Information Form (filed on SEDAR) for a description of work completed prior to 2016.

TriStar's Recent Exploration Activity (2016-2020)

TriStar resumed drilling activities in the second half of 2016. In addition to the drilling programs, the Company also undertook new metallurgical studies on samples collected in 2016 and 2017. This work was completed in February 2017 and the results are briefly summarized below. In 2020, the Company completed additional metallurgical test work on samples collected from the 2019 and 2020 drill programs

Phase 1 and Phase 2 of the 2016-2017 drilling program consisted of a series of core holes along a fence-like step-out program in Esperança South and the more northerly in Esperança Center. Phase 1 consisted of five core holes and was completed in November 2016. The assays from these holes all contained significant mineralization and confirmed that gold mineralization extends at least two kilometers to the southwest beyond the resource area defined by the Company in 2014. Phase 2 consisted of five core holes, of which three encountered significant mineralization. The results from Phases 1 and 2 provided the Company with valuable information in planning the Phase 3 infill drilling program.

The Phase 3 drilling campaign at CDS consisted of approximately 15,000 meters of reverse circulation in-fill drilling, which was completed in late 2017. The results of the Phase 3 drilling were used to prepare two resource updates in 2017. The Company's quality assurance and quality control ("QA/QC") protocols for all years are consistent with industry standards.

The 2018 drill program consisted of 960 meters (8 holes) of core and 3,972 (34 holes) meters of reverse circulation ("RC") drilling. The RC program included infill drilling in Esperança Center, and Esperança South and broader definition drilling in Esperança East. The core drilling targeted resource extensions on steep slopes. In general, the assays have been received and their results exceeded management's expectations and added confidence to the geological understanding of CDS. In addition, the 2018 program identified two new gold bearing mineralization areas the "2018 New Discovery Zone" ("NDZ") and the 2018 Upper Conglomerate Zone ("UCZ"). The NDZ conglomerate outcrops on the far western edge of the property and has a mapped strike length of approximately 2 km. Ten soil sampling lines at 200 meter spacing have confirmed that the NDZ is highly anomalous in gold, with all lines showing a distinct continuous zone of mineralization coincident with the conglomerate. The UCZ was initially recognized in 2016 as an additional band of conglomerate that sits in the arenite above the main conglomerate band. Four sampling lines were located to cross the UCZ, and assays from the soil samples from all lines encountered anomalous gold grades. The size of the UCZ has not yet been determined, but mapping and sampling work so far suggests it is more than 1 km in strike length.

In 2019, the Company commenced another significant in-fill drill program which was planned to total approximately 22,500 meters of which 2,500 meters was to be core drilling. The core drilling was necessary to complete certain geotechnical work necessary for the PFS. At the end of April 2020, the Company had completed 18,993 meters of RC drilling and 372 meters of core drilling. As of the date of this report, the planned infill drilling was mostly complete, although certain core drilling will require consultants to travel internationally and given the status of the international health pandemic, the Company cannot predict when international travel will resume which will result in time delays in completing the work on the PFS. The Company has also decided to undertake some additional RC drilling on the CDS deposit. In April, camp operations were suspended due to the covid-19 pandemic. The Company re-opened the camp in September 2020 and drilling mainly focused on new exploration targets resumed in September.

Summary of Metallurgical Test Work

In 2020, the Company received the results from six composite metallurgical samples collected from the CDS 2019 and 2020 drill programs. This test work was completed by McClelland Laboratories in Sparks, Nevada. This work incorporated samples with a wider range of head grades than what the company had done in 2017. All six bottle roll tests returned over 96% recovery with an average recovery of 98%, (See the news release dated July 23, 2020).

In January 2017, McClelland Laboratories ("McClelland") in Sparks, Nevada completed metallurgical test-work on a bulk sample created from drill core from the Esperança South area of the CDS deposit. This bulk sample had a head grade of approximately 1.5 g/t

gold. McClelland tested gold recoveries using both gravity concentration and cyanidation, with both sets of tests being performed at a range of commercially reasonable grind sizes. Gravity alone recovery to a rougher concentrate ranged from 41% to 84%. Gold recovery by cyanidation was analyzed using bottle roll tests with recoveries ranging from 93% to 98%. Consumption of cyanide and lime were both low, an additional benefit as this reduces operating costs. This work is described in more detail in the news release of the Company dated February 27, 2017 (filed on SEDAR).

Sampling, Analysis and Data Verification

Refer to the NI 43-101 technical report dated September 2017 (filed on SEDAR) for a full description of sampling, analysis and data verification.

Select Annual Financial Information

The table following provides selected material financial information for the last three fiscal years reported in thousands (000's) of US dollars. In all years reported the results are audited.

	2019	2018	2017
Cash and cash equivalents	5,541.1	734.2	960.3
Total assets	22,057.1	20,083.3	18,458.2
Total shareholders' equity	19,028.2	19,268.8	17,394.2
Total revenue	nil	nil	nil
Net income/(loss) from continuing operations	(1,743.4)	(608.5)	(820.1)
Per share-basic	(0.01)	(0.00)	(0.01)
Per share- fully diluted	(0.01)	(0.00)	(0.01)
Net and comprehensive Income/(loss)	(1,743.4)	(608.5)	(820.1)
Per share-basic	(0.01)	(0.00)	(0.01)
Per share-fully diluted	(0.01)	(0.00)	(0.01)
Dividends paid	nil	nil	nil

The key observations from the above information include the following:

- Change in cash and cash equivalents is closely correlated with changes in shareholders' equity because the sale of common stock is the Company's primary means of raising capital. Cash increased in 2019 from proceeds from the sale of a royalty to Royal Gold Inc (described below);
- The most significant uses of cash are for exploration at CDS and general and administrative costs;
- The 2019 reduction in property, plant and equipment in total assets reflects the sale of the royalty to Royal Gold Inc.;
- The Company has no operating activities and therefore is unlikely to report positive earnings from operations;
- As discussed below the main factors impacting earnings are general and administrative expenditures, expensing of stock options and changes in the fair value of warrants liability (see the discussion below for further details on these factors); and
- The Company capitalizes expenditures at its mineral properties which accounts for increases in total assets.

Summary of Quarterly Results

The following table includes selected quarterly financial information of the Company and is derived from unaudited interim consolidated financial statements prepared by management and the Company's audited consolidated financial statements for the periods reported. The Company's consolidated financial statements are prepared in accordance with IFRS. All amounts are reported in 000's of US dollars.

The Company is an exploration stage junior mining company. It has no operations in production and no source of sales or revenue from operations. It relies on funding its activities largely from the sale of its equity. In accordance with IFRS, the Company capitalizes all expenditures made on its resource properties. As such there are only a few significant items which impact its results from operations. These items include the on-going level of general and administrative spending which, in accordance with IFRS, may include the non-cash cost of stock options granted. A second major item affecting its results from operations is the change in warrants liability. Warrants liability changes are most significantly affected by changes in the Company's trading price of its common shares, by the change in the United States and Canadian dollar exchange rate because the Company reports its financial statements in US dollars whereas the exercise price of the Company's warrants and its underlying common stock are traded and priced in Canadian dollars and by the number of

warrants outstanding. Thus, in accordance with IFRS, this foreign exchange variance is considered an embedded derivative and changes must be reported in profit and loss. It is important to remember that the change in the fair value of warrants liability is a non-cash item.

Significant variances in the Company's reported income or loss from quarter to quarter most commonly arise from those factors described above and they are difficult to anticipate in advance or to predict from past results. These factors include: (i) the granting of incentive stock options, which results in the recording of amounts for share-based compensation expense, and (ii) the periodical valuation at fair value of warrants liability. Both of these amounts may be quite large in relation to other general and administrative expenses incurred in any given quarter or fiscal year.

	Q3.2020	Q2.2020	Q1.2020	Q4.2019
Cash and cash equivalents	10,948.6	4,568.7	5,661.1	5,541.1
Total assets	28,958.6	21,998.6	22,198.2	22,057.1
Total shareholders' equity	22,459.0	16,999.6	18,597.2	19,028.2
Total revenue	nil	nil	nil	nil
Net income/(loss) from continuing operations	0.3	(1,649.7)	(944.0)	(137.7)
Per share-basic	0.00	(0.00)	(0.00)	(0.00)
Per share- fully diluted	0.00	(0.00)	(0.00)	(0.00)
Net and comprehensive income /(loss)	0.3	(1,649.7)	(944.0)	(137.7)
Per share-basic	0.00	(0.00)	(0.00)	(0.00)
Per share-fully diluted	0.00	(0.00)	(0.00)	(0.00)
Dividends paid	nil	nil	nil	nil

	Q3.2019	Q2.2019	Q1.2019	Q4.2018
Cash and cash equivalents	4,065.1	291.1	236.0	734.2
Total assets	20,008.1	19,394.8	19,709.1	20,083.3
Total shareholders' equity	17,682.1	18,663.8	19,091.1	19,268.8
Total revenue	nil	nil	nil	nil
Net income/(loss) from continuing operations	(1,000.6)	(427.3)	(177.7)	(351.0)
Per share-basic	(0.00)	(0.00)	(0.00)	(0.00)
Per share- fully diluted	(0.00)	(0.00)	(0.00)	(0.00)
Net and comprehensive income/(loss)	(1,000.6)	(427.3)	(177.7)	(351.0)
Per share-basic	(0.00)	(0.00)	(0.00)	(0.00)
Per share-fully diluted	(0.00)	(0.00)	(0.00)	(0.00)
Dividends paid	nil	nil	nil	nil

Discussion of Results from Operations

Results for the three-month periods ending September 30, 2020 and 2019 (unaudited)

The table below provides a comparison of the financial performance for the third fiscal quarter ended September 30, 2020 and 2019.

	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Change Increase/(decrease)
<i>Expenses</i>			
General and admin costs	\$ 344,166	\$ 495,284	\$ (151,118)
Foreign Exchange losses /(gain)	(171,948)	(20,829)	151,119
<i>Other income/(expenses)</i>			
F.V. warrant liability change	157,153	(526,436)	683,589
Loss on equipment sale	(202)	-	202
Bank charges and interest income net	15,543	283	15,260
Net and comprehensive income/(loss) for the quarter	\$ 276	\$ (1,000,608)	\$ 1,000,884

Net income for the third fiscal quarter ending September 30, 2020 was \$276 compared to a loss of (\$1,000,608) for the quarter ended September 30, 2019. The major reason for the small net income was a significant foreign exchange gain on currency held in Canadian

dollars and a small gain on the warrants liability which was a result of a reduction in the warrant liability from the time the July 2020 private placement was completed and booked in the financial statements and the end of the current quarter and also because of a reduction in the number of warrants outstanding resulting from the July 2020 exercise and expiration of warrants.

The main factors impacting the general and administrative accounts between the third quarter of 2020 as compared with the third quarter of 2019 are detailed in the table below. Significantly, in the third quarter of 2020, the Company reduced fees paid to consultants due to a slowdown in activity resulting from the covid-19 pandemic. The Company also continues with a strict cost control program. As detailed below other G&A cost center changes were largely insignificant, excepting a material increase in shareholder relations activities.

	2020 Q3	2019 Q3	YOY Change
Consulting and director fees	\$ 35,381	\$ 69,422	\$ (34,041)
Change in provision	(802)	(4,218)	3,416
Depreciation	383	544	(161)
Insurance	3,205	2,850	355
Office supplies etc	9,772	10,371	(599)
Rent	9,531	5,297	4,234
Salaries & benefits	160,689	322,832	(162,143)
Shareholder relations	125,998	61,669	64,329
Travel	189	26,517	(26,328)
TOTAL EXPENSES	\$ 344,346	\$ 495,284	\$ (150,938)

Results for the nine-month periods ending September 30, 2020 and 2019 (unaudited)

The table below provides a comparison of the financial performance for the nine-month period ended September 30, 2020 and 2019.

	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019	Change Increase/(decrease)
<i>Expenses</i>			
General and admin costs	\$ 1,014,600	\$ 1,058,600	\$ (44,000)
Foreign Exchange losses /(gain)	(193,428)	(3,238)	190,190
<i>Other income/(expenses)</i>			
F.V. warrant liability change	(1,823,137)	(548,374)	(1,274,763)
Loss on equipment sale	(202)	-	202
Bank charges and interest income net	51,105	(1,483)	52,588
Net and comprehensive income/(loss) for the quarter	\$ (2,593,404)	\$ (1,605,219)	\$ (988,187)

The net loss for the nine-month period ending September 30, 2020 was (\$2,593,404) compared to a loss of (\$1,605,219) for the nine-months ended September 30, 2019 or an increase in the loss of \$988,187. The major reason for the increase in the loss was due to an increase in the warranty liability expense of \$1,274,763, which was largely due to an increase in warrants outstanding because of the July 2020 financing. Detail of the G&A spending is shown below.

	2020 YTD	2019 YTD	YOY Change
Consulting and director fees	\$ 140,742	\$ 213,770	\$ (73,028)
Change in provision	2,739	(7,405)	10,144
Depreciation	1,368	1,633	(265)
Insurance	8,582	8,506	76
Office supplies etc	26,026	23,633	2,393
Rent	23,504	23,848	(344)
Salaries & benefits	561,508	643,572	(82,064)
Shareholder relations	229,693	113,084	116,609
Travel	20,438	38,344	(17,906)
TOTAL EXPENSES	\$ 1,014,600	\$ 1,058,985	\$ (44,385)

Impact of Inflation

The Company has no source of revenue and therefore inflation effects relate primarily to the exploration costs in Brazil which are affected by both worldwide and country specific inflationary trends. In addition, as country specific inflation impact relative foreign exchange rates then inflation in Brazil compared to inflation in the US may impact the relative value of the Brazilian Real vis a vis the US dollar which would impact the reported US dollar cost of doing business in Brazil.

Trend Information

The cyclical nature of the prices of metals, particularly the price of gold, is likely to have an effect on the Company's liquidity and capital resources. If the price of gold or the worldwide demand for gold decreases, there would likely be an adverse effect on the Company's ability to raise additional funding or to attract exploration partners for its properties.

Financial Condition: Liquidity and Capital Resources.

To date, the Company has largely financed its activities by the private placement of equity securities, and in 2019 it sold a royalty interest in CDS to Royal Gold to fund its development. The following describes the material recent financing activities.

Recent financings are as follows:

- In August of 2019, the Company sold Royal Gold. a 1.5% NSR royalty on CDS and transferred its buy down right on the existing 2% NSR royalty for gross proceeds of \$8.0 million, plus other considerations.
- In December 2019, the Company completed a private placement by issuing 11,200,000 units, each unit consisting of one common share and one-half warrant realizing gross proceeds of Can \$2,240,000.
- During the first quarter of 2020, a total of 3,050,000 stock options were exercised raising Can \$579,000 and 200,000 warrants were exercised raising Can \$50,000.
- In the second quarter of 2020, a total of 200,000 stock options were exercised raising Can \$36,000.
- In July 2020, the Company completed a public offering by prospectus of 30,705,000 units with each unit consisted of one common share and one-half warrant realizing gross proceeds of Can \$9,211,500.
- In 2020 to date, the Company has received Can \$2,038,176 from the exercise of warrants and options combined and issued 8,429,432 common shares

With respect to the December 2019 private placement, the table below compares the pro-forma sources and uses of funds with the actual sources and uses of funds. All amounts are in Canadian dollars.

Source of Funds	Pro-Forma (C\$)	Actual (C\$)	Explanation
<i>Gross proceeds</i>	2,000,000	2,240,000	Offering oversubscribed
Agent commissions	12,000	1,22,400	Increase in proceeds
Legal	62,750	92,438	Exceeded estimates
Other	0	21,368	Listing fees included in legal
<i>Net proceeds</i>	1,817,250	2,003,794	Due to increase in Offering
Uses of Funds			
GoldSpot contract	385,000	375,000	Contract adjustment
Working capital	1,432,250	1,628,794	Increase in units sold
<i>Total Uses</i>	1,817,250	2,003,794	

With respect to the July 2020 prospectus-based financing, the table below compares the pro-forma sources and uses of funds with the actual sources and uses of funds. All amounts are in Canadian dollars. Additionally, the uses of funds were for a twelve -month period commencing August 2020, and for expenditures denominated in US dollars an exchange rate of US \$1.0=Can \$1.33 was used.

Source of Funds	Pro-Forma (C\$)	Actual (C\$)	Explanation
<i>Gross Proceeds</i>	8,010,000	9,211,500	Offering oversubscribed
Agent commissions	480,600	492,690	Increase in proceeds
Legal	250,000	263,731	Under estimated legal costs
Other	0	31,189	TSX.V fees
<i>Net proceeds</i>	7,279,400	8,423,890	
Uses of Funds			
RC/core drilling	760,000	277,971	Program incomplete

New target drilling	750,000	No spending yet	Program incomplete
Metallurgical testing	6,667	No spending yet	
Sample assay and freight	100,000	61,634	Program incomplete
Camp and labor	635,250	100,548	Program incomplete
Other Brazil costs	750,000	173,622	Program incomplete
TelevIEWer	300,000	79,336	Program incomplete
Resource estimation	80,000	75,450	Program incomplete
N.A. consultants	170,000	41,817	
Vendor payment	1,733,333	No spending yet	
PFS preparation	1,270,000	1,297	Work just commencing
Socio-economic studies	666,667	75,456	Program incomplete
Working capital	57,483	Not applicable	
<i>Total uses</i>	<i>7,279,400</i>	<i>609,160</i>	Program incomplete

Note: The Cost of the Offering and Use of Proceeds may change as additional invoices are received and work on CDS is completed. The Source of Funds assumed no exercise of the Agents option. Additional funds raised in addition to the pro-forma gross proceeds will be used for general corporate and other working capital needs.

At September 30, 2020, the Company had working capital of \$10,905,616 including \$10,948,602 in cash and cash equivalents (December 31, 2019: working capital of \$5,241,193 including \$5,541,129 in cash and cash equivalents). Of the \$10.9 million in cash and cash equivalents at September 30, 2020, the US equivalent of \$4,874,648 and \$15,516 was denominated in Canadian dollars and the Brazilian real, respectively, with the remaining balance in US dollars. The cash on hand is expected to fund operations for the remainder of 2020 and shortly beyond.

Mineral Properties and Deferred Expenditures

The Company's Mineral properties and deferred expenditures increased to \$17,672,922 at September 30, 2020, from \$16,055,971 at December 31, 2019 as a result of capitalized spending at CDS of \$2,604,430 during the current year, offset by a reduction of \$987,479 representing the receipt in March 2020 of the final installment payment on the Royal Gold transaction.

Risks and Uncertainties

An investment in the Company's common shares is highly speculative and subject to a number of risks. Additional risks that the Company is unaware of or that are currently believed to be immaterial may become important factors that affect the Company's business. If any of the following risks occur, or if others occur, the Company's business, operating results and financial condition could be adversely impacted.

The Company is in the mineral property acquisition, exploration and development business and is exposed to a number of operational, financial, regulatory and other risks and uncertainties that are typical in the natural resource industry and common to other companies of like size and stage of development. These risks may not be the only risks faced by the Company. Additional risks and uncertainties not presently known by the Company or which are presently considered immaterial could adversely impact the company's business, results of operation, and financial performance in future years.

The Company's business plan is subject to numerous risks and uncertainties, including the following:

Exploration and Development Stage Risk

Exploration for mineral resources involves a high degree of risk, the cost of conducting exploration programs may be substantial and the probability of success is difficult to assess.

Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, but not limited to, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in size and quality to justify development or if developed generate profits and cash flows. Few exploration projects successfully achieve development due to factors that cannot be predicted or anticipated and even one unexpected factor may result in the economic viability of the project being detrimentally impacted such that the project cannot be developed, or operations continue. The Company closely monitors its activities and those factors that could negatively impact them. The Company's employees and its advisors assist in risk management and to make timely decisions regarding future property expenditures. Other risks associated with projects in the exploration and development stage which could cause delays or prohibit the advancement of the project

include delays in obtaining required government approvals and permits and the inability to obtain suitable or adequate machinery, equipment, power or labor.

It is impossible to ensure that the current development programs planned by the Company will result in a profitable commercial mining operation. Mineral deposits and production costs are affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, foreign exchange changes, inflation, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions.

Need for Additional Funding

As a junior exploration company with no source of revenue, the Company will likely seek additional funding in the foreseeable future to complete the development and permitting of the CDS project. The inability of the Company to raise additional funds could adversely affect the Company's business plan, including its ability continue as a going concern and perform exploration activities on, and maintain its existing properties.

Title to Properties

The Company cannot guarantee title to all of its properties as the properties may be subject to prior mineral rights applications with priority, prior unregistered agreements or transfers or indigenous peoples' land claims, and title may be affected by undetected defects. Certain of the mineral rights held by the Company are held under applications for mineral rights or are subject to renewal applications and, until final approval of such applications is received, the Company's rights to such mineral rights may not materialize and the exact boundaries of the Company's properties may be subject to adjustment. The Company does not maintain title insurance on its properties.

Potential Dilution to Existing Shareholders

The Company will require additional financing in order to complete exploration and development of its mineral properties. The Company anticipates that it may sell additional equity securities including, but not limited to, its common stock, share purchase warrants or some form of convertible security. The effect of additional issuances of equity securities will result in dilution to existing shareholders.

International Health Pandemic

In 2019 and 2020, a worldwide health pandemic resulting from the spread of the Covid-19 virus has caused disruptions in economies worldwide and it has severely restricted travel and some employees ability to work. The duration and full financial effect of the Covid-19 pandemic is unknown at this time, as are the measures taken by governments, the Company or others to reduce the spread of the disease. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty and accordingly estimates of the extent to which Covid-19 may materially and adversely affect the Company's operations, financial results and condition in future periods are also subject to significant uncertainty. Due to the Covid-19 pandemic, the Company temporarily suspended operations at the CDS camp in April and re-opened the camp and resumed drilling in September. The Company cannot predict if normal operations will continue into the future due to unforeseen complications caused by a resurgence of the Covid-19 pandemic.

Metal price risk

The price of gold affects the value of the Company's own securities and investments and the recoverable value of CDS.

Geo-political Risk

The Company's exploration properties are located in Brazil and it has no country diversification with respect to its principal assets. Therefore, any political or social disruptions unique to Brazil would have a material impact on the operations of the Company and its financial performance and stability. Additionally, the Company's projects are subject to the laws of Brazil and can be negatively impacted by the existing laws and regulations of that country, as they apply to mineral exploration, land ownership, royalty interests and taxation, and by any potential changes of such laws and regulations.

Properties in which the Company has an interest are located in Para State in Brazil (albeit in an area largely deforested), which may be of particular interest or sensitivity to one or more special interest groups. Consequently, mineral exploration and mining activities in those areas may be affected in varying degrees by political uncertainty, expropriations of property and changes in applicable government policies and regulation such as business laws, environmental laws, indigenous peoples' land claims, entitlements or procedures and mineral rights and mining laws affecting the Company's business in that area. Any changes in regulations or shifts in political conditions are beyond the control or influence of the Company and may adversely affect its business, or if significant enough, may result in the impairment or loss of mineral concessions or other mineral rights, or may make it impossible to continue its mineral exploration and mining activities in such areas.

Environmental Laws

The exploration programs conducted by the Company are subject to national, state and/or local regulations regarding environmental considerations in the jurisdiction where they are located. Most operations involving exploration or production activities are subject to existing laws and regulations relating to exploration and mining procedures, reclamation, safety precautions, employee health and safety, air quality standards, pollution of stream and fresh water sources, odor, noise, dust, and other environmental protection controls adopted by federal, state and local governmental authorities as well as the rights of adjoining property owners. The Company may be required to prepare and present to federal, state or local authorities data pertaining to the effect or impact that any proposed exploration or production of minerals may have upon the environment. All requirements imposed by any such authorities may be costly, time consuming, and may delay commencement or continuation of exploration or production operations.

Operating Hazards and Risks

The Company's operations are subject to hazards and risks normally associated with the exploration and development of mineral properties, any of which could cause delays in the progress of the Company's exploration and development plans, damage or destruction of property, loss of life and/or environmental damage. Some of these risks include, but are not limited to, unexpected or unusual geological formations, rock bursts, cave-ins, flooding, fires, earthquakes; unanticipated changes in metallurgical characteristics and mineral recovery; unanticipated ground or water conditions; industrial or labor disputes; hazardous weather conditions; cost overruns; land claims; and other unforeseen events. A combination of experience, knowledge and careful evaluation may not be able to overcome these risks.

The nature of these risks is such that liabilities may exceed any insurance policy coverages; the liabilities and hazards might not be insurable or the company might not elect to insure itself against such liabilities due to excess premium costs or other factors. Such liabilities may have a material adverse effect on the Company's financial condition and operations and could reduce or eliminate any future profitability and result in increased costs and a decline in the value of the securities of the Company.

Competition

The mineral industry is competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees.

Insurance Coverage

Mineral exploration is subject to risks of human injury, environmental and legal liability and loss of assets. The Company may elect not to have insurance for certain risks because of the high premiums associated with insuring those risks or, in some cases, insurance may not be available for certain risks. Occurrence of events for which the Company is not insured could have a material adverse effect on the Company's financial position or results of operations.

Key Executives

The Company's operations require employees, consultants, advisors and contractors with a high degree of specialized technical, management and professional skills, such as engineers, trades people, geologists and equipment operators. The Company competes both locally and internationally for such professionals. If the Company is unable to acquire the talents it seeks then it could experience higher operating costs, poorer results and an overall lack of success in implementing its business plans.

The Company is dependent on the services of key senior executives and certain other vice-presidents and advisors. Each of these executives has many years of background in the mining industry. The Company may not be able to replace that experience and knowledge with other individuals which may result in a material adverse effect on the Company's business and financial performance.

Supplemental Disclosure for Venture Exchange Issuers

The required disclosure is in note 7 in the unaudited condensed consolidated interim financial statements for the quarters ended June 30, 2020 and 2019.

Disclosure of Outstanding Share Data, Warrants and Options

A. Common Shares

The Company's authorized share capital consists of an unlimited number of common shares without par value.

As of the date, of this report, the Company has issued and outstanding a total of 229,088,872 common shares (December 31, 2019: 189,954,440), with the changes from December 31, 2019 as described in the financial statements for the quarters ended September 30, 2020, and also the exercise of warrants and options as disclosed in the subsequent event note to the financial statement for the quarter ended September 30, 2020.

B. Common Stock Purchase Warrants

As of the date of this report the Company had 41,142,500 stock purchase warrants outstanding in accordance with the following schedule.

Expiry Date	Exercise price (Can\$)	Number
February 3, 2021	0.25	3,025,000
February 10, 2021	0.25	1,525,000
December 12, 2021	0.30	5,600,000
August 5, 2024	0.25	11,784,000
November 30, 2024	0.25	3,928,000
March 31, 2025	0.25	3,928,000
July 14, 2022	0.40	15,392,500

C. Stock options for the purchase of Common Stock

TriStar has established a stock option plan for directors, senior officers, employees, and consultants of TriStar and its subsidiaries. Under the terms of the plan, the options may be exercisable over periods of up to ten years at the option of the Board of Directors, and the exercise price of each option equals the closing market price of the Company's stock on the trading day immediately before the date of grant. Options are issued at the discretion of the Board of Directors and typically vest in full upon grant.

As of the date of this report, the company had a total of 10,360,000 stock options outstanding in accordance with the following schedule.

Expiry date	Exercise price (Can \$)	Number
December 10, 2020	0.18	4,425,000
April 18, 2021	0.28	0
September 27, 2022	0.25	2,525,000
October 19, 2022	0.25	150,000
February 7, 2023	0.28	100,000
August 1, 2024	0.17	400,000
November 26, 2024	0.20	2,360,000
October 27, 2015	0.28	400,000

In addition to the stock options granted to employees and consultants, the Company has granted underwriters in a number of its financings warrants to acquire common shares. A total of 571,750 agent compensation warrants are outstanding in accordance with the table below.

Expiry date	Exercise price (Can \$)	Number
February 3, 2021	0.25	17,500
December 12, 2021	0.20	554,250

Financial Instruments

Non-derivative financial assets

The Company recognizes all financial assets initially at fair value and classifies them into one of the following four categories: held-to-maturity, available-for-sale ("AFS"), loans and receivables or other financial assets, or fair value through profit or loss ("FVTPL"). Financial instruments held to maturity and loans and receivables are measured at amortized cost. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss). Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in net income (loss).

The fair value of financial instruments traded in active markets (such as FVTPL and AFS securities) are based on quoted market prices at the date of the statement of financial position. The quoted market price used for financial assets held by the Company is the closing bid price of the day.

The Company has classified cash and cash equivalents and receivables as loans and receivables.

The fair value of cash and cash equivalents and accounts receivable are approximated by their carrying value due to the short-term nature of these financial instruments.

Non-derivative financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities. Financial liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized in the statement of comprehensive income (loss). Other financial liabilities are initially measured at fair value net of transaction costs, and subsequently measured at amortized cost.

Accounts payable and accrued liabilities and provisions are classified as other financial liabilities.

The fair value of accounts payable and accrued liabilities is approximated by their carrying value due to the short-term nature of these financial instruments.

Derivative instruments

Derivative instruments are recorded at fair value on initial recognition and at each subsequent reporting period. Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are recorded in net income or loss.

The Company's share purchase warrants with exercise prices in Canadian dollars are derivative liabilities and accordingly, they are recorded at fair value at each reporting period, with the gains or losses recorded in the statement net income or loss.

Financial Instruments and Management of Financial Risk

The Company is exposed to potential loss from various risks including currency risk, interest rate risk, liquidity risk, market risk and commodity price risk.

Market Risks

The significant market risks to which the Company is exposed include commodity price risk, foreign exchange risk and interest rate risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. At September 30, 2020, the financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents, and accounts receivable. The Company invests any excess cash balances in short-term, highly liquid and highly-rated financial instruments such as cash and short-term guaranteed deposits, all held with financial institutions in Canada and the United States. Management considers that its exposure to credit risk is low.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations associated with its accounts payable and accrued liabilities.

The Company attempts to manage liquidity risk by maintaining sufficient cash and cash equivalents to meet current liabilities as they become due.

Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities is subject to risk associated with fluctuations in the market price of gold. The Company does not have any properties in production and therefore has no sales revenue or cash flow from operations, nor does it undertake any hedging or other commodity price management techniques.

The international price of gold has historically fluctuated widely and is affected by numerous factors outside of the Company's control, including, but not limited to, levels of worldwide production, short-term changes in supply and demand, industrial and retail demand, central bank lending, the relative strength of the US dollar vis a vis other currency, the monetary policies of governments and forward sales by producers and speculators. The Company does not actively manage its commodity price risk for the price of gold.

Interest Rate Risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

In respect of financial assets, the Company's policy is to invest cash at variable rates of interest in cash equivalents, in order to maintain liquidity. The Company is exposed to interest rate risk on its short-term investments which are included in cash and cash equivalents. The short-term investment interest earned is based on prevailing one to 90 days market interest rates which may fluctuate. The Company has not entered into any derivative contracts to manage this risk.

Currency risk

The Company operates in United States of America, Canada, and Brazil. As a result, the Company has foreign currency exposure with respect to items not denominated in United States dollars. The three main types of foreign exchange risk of the Company can be categorized as follows:

Transaction exposure

The Company operates and incurs costs in three main currencies; the US dollar, the Canadian dollar and the Brazilian real. This creates exposure at the operational level, which may affect the Company's profitability as exchange rates fluctuate. The Company has not hedged its exposure to currency fluctuations.

Translation exposure

A strengthening of the U.S. dollar by 10% against the Canadian dollar and the Brazilian real at September 30, 2020, with all other variables held constant would have decreased the Company's before tax net loss by approximately \$156,000 (September 30, 2019: a decrease of \$208,000) as a result of a change in value of the financial assets and liabilities denominated in those currencies.

Exposure to currency risk

The Company is exposed to currency risk through the following assets and liabilities denominated in currencies other than the United States dollar: cash and cash equivalents, accounts receivables, prepaid expenses, accounts payables and other liabilities, provisions and warrants liability. The currencies of the Company's financial instruments and other foreign currency denominated liabilities, based on notional amounts, were as follows:

	September 30, 2020		December 31, 2019	
	Canadian dollar	Brazilian Real	Canadian dollar	Brazilian Real
Cash and cash equivalents	\$ 4,874,648	\$ 15,516	\$ 1,413,492	\$ 45,099
Accounts receivable	35,432	2,061	26,229	6,526
Prepaid expenses	250,629	-	349,942	-
Accounts payable and accrued liabilities	(87,345)	(168,299)	(155,936)	(398,727)
Provisions	-	(213,358)	-	(295,178)
Warrants liability	(5,950,509)	-	(2,044,923)	-
Net balance sheet exposure	\$ (877,145)	\$ (364,080)	\$ (411,196)	\$ (642,280)

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk, financial market risk or currency risk. As at September 30, 2020, the Company has negligible other price risk.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair values are determined directly by reference to published price quotations in an active market, when available, or by using a valuation technique that uses inputs observed from relevant markets.

The fair value hierarchy categorizes into three levels the inputs to valuation techniques used to measure fair value.

- Level 1 inputs are unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly (for example, interest rate and yield curves observable at commonly quoted interval and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means.
- Level 3 inputs are prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

As at September 30, 2020, the Company's assets and liabilities measured at fair value on a recurring basis were as follows:

	Level 1	Level 2	Level 3
Assets			
Cash and cash equivalents	\$ 10,948,602	\$ -	\$ -
Liabilities			
Warrants liability	-	5,950,509	-
	\$ 10,948,602	\$ 5,950,509	\$ -

The following table provides the carrying value and the fair value of financial instruments at September 30, 2020:

	Carrying Amount	Fair Value
Financial assets		
Cash and cash equivalents	\$ 10,948,602	\$ 10,948,602
Accounts receivable	37,493	37,493
	\$ 10,986,095	\$ 10,986,095
Financial liabilities		
Accounts payable and accrued liabilities	\$ 335,654	\$ 335,654
Derivative instruments		
Warrants liability	\$ 5,950,509	\$ 5,950,509

Commitments and Contingencies

The Company rents office spaces in the USA and a house in Brazil, with a cost of approximately \$9,100 per month and expires in December 2020 and January 2021, with provisions to terminate the house lease early.

The Company has various property access agreements related to its projects at an estimated cost of approximately \$1,300 per month.

There are no known pending legal proceedings of a material nature to which the Company or any of its subsidiaries is a party or to which any of their properties are subject.

Related Party Transactions

Key management personnel compensation comprised:

	Quarter Ended September 30, 2020	Quarter Ended September 30, 2019
Short term employee benefits: Salaries	\$ 128,708	\$ 281,975
Consulting fees	90,327	11,514
Director fees	6,000	-
Stock-based compensation	0	-
	<u>\$ 225,035</u>	<u>\$ 293,489</u>

For the nine month ended September 30, 2019, short term employee benefits received by key management personnel in the amount of \$3,955 (September 30,2020: nil) were reported in Mineral properties and deferred expenditures (Note 7) under exploration cost of the Castelo de Sonhos project, and the amount of \$523,566 (September 30,2020: \$451,405) was recorded in the salaries and benefits expenses account (Note 15) in the Consolidated Statements of Comprehensive Income (Loss).

During the three- and nine-month periods ended September 30, 2020, the Company paid consulting fees of \$90,327 and \$196,219 respectively (September 30, 2019: \$11,514 and \$84,116 respectively) to directors and officers for advisory services.

For the three-months ended September 30, 2020, consulting fees paid to directors and officers (Mr. Srivastava) for advisory services, in the amount of \$141,477 (September 30, 2019: \$ nil) were reported in Mineral properties and deferred expenditures (note 7) under the CDS project and the amount of \$ 54,742 (September 30, 2019: \$nil) was recorded as consulting fees in the Consolidated Statements of Comprehensive Loss.

During the three- and nine-month periods ended September 30, 2020, the Company paid director fees of \$6,000 and 18, 000 respectively (September 30, 2019: nil).

During the nine-month ended September 30, 2020. Directors exercised a total of 2,800,000 stock options (September 30, 2019; nil). Mr. Hennigh exercised options for 1,500,000 common shares and Mr. Jones exercised options for 1,300,000 common shares

As of September 30, 2020, the total number of outstanding warrants and options held by directors and officers of the Company was 500,000 and 7,075,000, respectively (September 30, 2019: 500,000 and 9,650,000, respectively).

Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties and the Board of Directors.

Critical Accounting Estimates

The following are critical judgments and key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date that management has made in applying the Company's accounting policies which have the most significant effect on the amounts recognized in the consolidated financial statements and a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Going concern

Management considers whether there exists any event(s) or condition(s) that may cast doubt on the Company's ability to continue as a going concern. These considerations consider all available information about the future including the availability of debt and equity financing as well as the Company's working capital balance and future commitments.

Functional currency

The functional currency of each of the Company's entities is measured using the currency of the primary economic environment in which that entity operates. The functional currency of all entities within the group is the United States dollar.

Impairment of assets

Management assesses each cash-generating unit at each reporting period to determine whether any indication of impairment exists. In addition, management assesses a cash-generating unit for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made which is considered to be the higher of the fair value less costs to sell and its value in use. These assessments require the use of estimates and assumptions such as future capital requirements and assessments of preliminary assay results. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties.

Fair value of derivative financial instruments

Management assesses the fair value of the Company's financial derivatives in accordance with the accounting policy stated in Note 4 to the consolidated financial statements. Fair values of warrants have been measured using the Black-Scholes model, considering the terms and conditions upon which the warrants are granted. These calculations require the use of estimates and assumptions. Changes in assumptions concerning volatilities, interest rates and expected life could have significant impact on the fair valuation attributed to the Company's financial derivatives. When these assumptions change or become known in the future, such differences will impact asset and liability carrying values in the period in which they change or become known.

At September 30, 2020, the fair value of the Company's warrants was estimated using the Black-Scholes option-pricing model with the following assumptions:

Expected dividend yield	0%
Expected volatility	73.38% to 81.26%
Risk-free interest rate	0.26% to 0.33%
Expected life	4 months to 54 months
Share Price	Can \$0.36

At September 30, 2019, the fair value of the Company's warrants was estimated using the Black-Scholes option-pricing model with the following assumptions:

Expected dividend yield	0%
Expected volatility	83.07%-95.93%
Risk-free interest rate	1.39%
Expected life	10 months to 58 months
Share Price	Can \$0.22

Fair value of stock options

The weighted average fair value at grant date of options vested during the nine month period ended September 30, 2020, was Can\$0.12 per option (September 30, 2019: Can\$0.12).

During the three and nine month periods ended September 30, 2020 and 2019 the estimated forfeiture rates were nil.

The fair value of options vested during the nine month periods ended September 30, 2020 and 2019, was estimated as of the date of grant using the Black-Scholes option-pricing model with the following assumptions:

Expected dividend yield	0%
Expected volatility	97.39%
Risk-free interest rate	1.41%
Expected life	5 years
Share Price	Can\$0.17
Weighted average fair value of options granted	Can\$0.12

The Company provides additional compensation benefits to employees and non-employees through a stock-based compensation plan. Management assesses the fair value of stock options granted in accordance with the accounting policy stated in Note 4 to the consolidated financial statements. The fair value of the options granted is measured using the Black-Scholes model, considering the terms and conditions upon which the options are granted. Changes in assumptions concerning volatilities, interest rates and expected life could have significant impact on the fair valuation attributed to the Company's stock options.

There were no grants of employee stock options during the most recently completed fiscal quarter.

There were no grants of agent compensation options during the most recently completed fiscal quarter.

Provisions

Provisions recognized in the financial statements involve judgments on the occurrence of future events which could result in a material outlay for the Company. The provision recognized in the accounts of the Company represents a possible tax liability in Brazil relating to the termination of certain employees in Brazil. The Company cannot predict with any level of certainty the amount or timing of this contingent liability, if one exists. The changes in the provision reflects changes in foreign exchange rates as the ultimate liability, if any, would be payable in the Brazilian Real.

The following table presents the changes in the Provision:

	<u>Amount</u>
Balance at December 31, 2019	\$ 295,178
Change in provision estimate	(81,820)
Balance at September 30, 2020	\$ 213,358

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

Disclosure controls and procedures ("DC&P") are designed to ensure that information required to be disclosed by the Company is accumulated and communicated to management as appropriate to allow timely decision-making regarding required disclosures. The Company's CEO and CFO have concluded that information required to be disclosed in the Company's annual and quarterly financial statements and the annual and quarterly MD&A have been disclosed and fairly presented as at each reporting date and they believe that processes are in place to provide them with sufficient knowledge to support such representation. However, a control system, no matter how well conceived and implemented can only provide reasonable, not absolute, assurance that the objectives of the control system are met.

Internal control over financial reporting ("ICFR") is intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. ICFR should include those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of assets;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures are being made only in accordance with the Company's management and Board of Directors; and
- Provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use of, or disposition of assets that could have a material impact on financial statements.

The Company is not required to certify the design and evaluation of its disclosure controls and procedures nor its internal controls over financial reporting as it is a venture exchange issuer, nor has the Company conducted a detailed investigation into these controls. Therefore, inherent limitations exist on the ability of the CEO and CFO to design and implement cost effective DC&P and ICFR for the Company and these limitations may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Management's Responsibility For Financial Statements

The Company's unaudited condensed consolidated interim financial statements for the quarters ended September 30, 2020 and 2019 have been prepared by management and are in accordance with IFRS as issued by IASB. Financial information contained in this MD&A has also been prepared by management and is consistent with the data contained in the Company's annual audited financial statements for the years ended December 31, 2019 and 2018.

Off-Balance Sheet Arrangements

As of the date of this report, the Company has no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Proposed Transactions

The Company does not currently have any undisclosed proposed transactions approved by the Board of Directors. All existing transactions are fully disclosed in the Company's consolidated financial statements for the quarter ended September 30, 2020.

Conflicts of Interest

The Company's directors and officers may serve as directors and officers, or be associated with, other reporting companies or have significant shareholdings of other companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding on terms with respect to the transaction. If a conflict of interest arises, the Company will follow the provisions of the BC Business Corporations Act ("BCBCA") dealing with conflict of interest. These provisions state that where a director has such a conflict, that person must at a meeting of the Company's directors disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the BCBCA. In accordance with the laws of the province of British Columbia, the directors and officers of TriStar Gold are required to act honestly, in good faith, and in the best interests of the Company.

Qualified Person

Mr. R Mohan Srivastava, a Vice-President of Tristar, a qualified person as defined in NI 43-101, has read and approved the technical portions of this Management's Discussion and Analysis.

Cautionary Note Regarding Forward-Looking Statements and Information

Certain statements in the MD&A constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions; competition within the minerals industry to acquire properties of merit, and competition from other companies possessing greater technical and financial resources; success of operating initiatives; the success (or lack thereof) with respect to the Company's exploration and development operations on its properties; the Company's ability to raise capital and the terms thereof; the acquisition of additional mineral properties; changes in business strategy or development plans; exploration and other property write downs; the continuity, experience and quality of the Company's management; changes in or failure to comply with government regulations or the lack of government authorization to continue certain projects; the outcome of litigation matters, and other factors referenced from time to time in the Company's filings with securities regulators. The use in the following Management's Discussion and Analysis of such words as "believes", "plans", "estimates", "may", "could", "would", "might", "will", "anticipates", "expects", "intends" and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. Material factors and assumptions used to develop the forward-looking information include but are not limited to, the following: there will be adequate liquidity available to the Company to fund future operations; the Company will be successful in raising additional capital in this and future periods; the actual exploration results will be favorable; exploration and development costs will not exceed the Company's expectations; the Company will be able to retain and hire skilled staff, all required regulatory and government approvals will be obtained in a timely manner on terms acceptable to the Company, applicable geo-political conditions are favorable for future investment, gold and commodity price and foreign exchange rates

remain favorable, no title disputes arise with respect to the Company's properties and the Company will remain in compliance with applicable regulatory and contractual obligations.

These forward-looking statements are based upon the beliefs, expectations, reasonable investigation and opinions of management on the date such statements are made. The success of the Company is dependent on the efforts of the Company, its employees and many other factors including, primarily, its ability to raise additional capital and establishing the economic viability of any of its exploration properties.

It is the Company's policies that all forward-looking statements are based upon the Company's beliefs and assumptions which are based on and derived from information available to management at the time these assumptions are made. The forward-looking statements contained herein are based upon information available as at the effective date of this MD&A and are subject to change after this date. The Company assumes no obligation and has no policy for updating or revising forward looking information or statements to reflect new events or circumstances except as may be necessary under applicable securities law. Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved and the underlying assumptions thereto will not prove to be accurate. Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of the numerous risks, uncertainties and other factors such as those described above and discussed under Risks and Uncertainties.

Additional Information

Additional Information related to TriStar including material change notices, certifications of annual and interim filings, and press releases are available for review under the Company's profile in SEDAR at www.sedar.com, and the Company's website at www.tristargold.com.