ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2019. All currency amounts are stated in U.S. dollars unless noted otherwise.

Current Business Activities

General

During the three months ended March 31, 2020 and to the date of this Quarterly Report on Form 10-Q, the Company advanced the work plan associated with the approved 2020 budget of $2.6 million. Metallurgical studies are continuing at SGS Vancouver in an effort to continue to define and refine the Livengood Gold Project's flowsheet. Approximately 2,000 kg of samples were processed in 2019 to evaluate optimum grind size and to determine whether different recovery parameters should be applied to different areas of the orebody. The engineering firm BBA Inc. ("BBA") has been retained to continue to guide the metallurgical program. Work continues to advance on the environmental baseline efforts needed to support future permitting.

The Company believes it has sufficient funds to complete the test programs and engineering work currently underway.

Recent Developments

In response to rising gold prices and changing worldwide macroeconomic conditions that are now supportive of accelerating work on the Livengood Gold Project, on May 7, 2020, the Board directed management to prepare an updated pre-feasibility study for the Project. The work is to begin as soon as possible. Due to the ongoing workplace disruptions associated with the COVID-19 pandemic that make scope and schedule estimates difficult at this time, a more definitive timeline and budget for the work will be confirmed in the next few weeks by collaboration with the Company's network of technical consultants.

Results of Operations

Summary of Quarterly Results

Description	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
Net income (loss)	$ 65,085	$ (760,035)	$ (858,406)	$ (1,387,054)
Basic and diluted net gain (loss) per common share	$ 0.00	$ (0.00)	$ (0.01)	$ (0.01)

	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Net income (loss)	$ (820,912)	$ (901,767)	$ (1,269,636)	$ (955,415)
Basic and diluted net gain (loss) per common share	$ (0.00)	$ (0.01)	$ (0.01)	$ (0.01)

Three Months Ended March 31, 2020 compared to Three Months Ended March 31, 2019

The Company had a net income of $65,085 for the three months ended March 31, 2020, compared to a net loss of $820,912 for the three months ended March 31, 2019.

Consulting costs were $40,419 for the three months ended March 31, 2020 compared to $43,871 for the three months ended March 31, 2019. The decrease of $3,452 is primarily due to two less members of the Board.

Investor relations costs were $10,490 for the three months ended March 31, 2020 compared to $13,916 for the three months ended March 31, 2019. The decrease of $3,426 is primarily due to increased electronic delivery of annual shareholder meeting materials resulting in lower printing and mailing costs.

Mineral property expenditures were $115,420 for the three months ended March 31, 2020 compared to $250,591 for the three months ended March 31, 2019. The decrease of $135,171 is primarily due to the differences in the scope of technical and baseline environmental work completed during the periods.

Professional fees were $52,120 for the three months ended March 31, 2020 compared to $47,461 for the three months ended March 31, 2019. The increase of $4,659 is primarily due to a variation in timing of audit/tax services.

Share-based payment charges

Share-based payment charges for the three-month periods ended March 31, 2020 and 2019 were allocated as follows:

Expense category:	**March 31, 2020**	**March 31, 2019**
Wages and benefits	$ -	$ 1,686
Total	$ -	$ 1,686

Share-based payment charges were $Nil during the three months ended March 31, 2020 compared to $1,686 during the three months ended March 31, 2019. The decrease of $1,686 is mainly the result of the most recent options issued on August 8, 2019 being exercisable upon grant and the DSUs issued on August 8, 2019 being fully vested upon issuance.

Other items amounted to a gain of $578,511 during the three-month period ended March 31, 2020 compared to a loss of $171,341 during the three-month period ended March 31, 2019. As a result of the impact of exchange rates on certain of the Company's U.S. dollar cash balances, the Company had a foreign exchange gain of $541,186 during the three-month period ended March 31, 2020 compared to a loss of $203,538 during the three-month period ended March 31, 2019. The average exchange rate during the three-month period ended March 31, 2020 was C$1 to US$0.7443 compared to C$1 to US$0.7522 during the three-month period ended March 31, 2019.

Liquidity Risk and Capital Resources

The Company has no revenue generating operations from which it can internally generate funds. To date, the Company has predominantly financed its ongoing operations through the sale of its equity securities by way of private placements and the subsequent exercise of share purchase and broker warrants and options issued in connection with such private placements. However, the exercise of warrants/options is dependent primarily on the market price and overall market liquidity of the Company's securities at or near the expiry date of such warrants/options (over which the Company has no control) and therefore there can be no guarantee that any existing warrants/options will be exercised. There are currently no warrants outstanding.

As at March 31, 2020, the Company had cash and cash equivalents of $6,465,665 compared to $6,937,621 at December 31, 2019. The decrease of approximately $0.5 million resulted mainly from expenditures on operating activity.

The Company had no cash flows from financing activities during the three-month period ended March 31, 2020.

Financing activities during the three-month period ended March 31, 2019 included the exercise of stock options. Proceeds of $64,254 were received on the issuance of 121,174 common shares.

The Company had no cash flows from investing activities during the three-month periods ended March 31, 2020 and 2019.

As at March 31, 2020, the Company had working capital of $6,352,612 compared to working capital of $6,840,418 at December 31, 2019. The Company expects that it will operate at a loss for the foreseeable future, but believes the current cash and cash equivalents will be sufficient for it to complete its anticipated 2020 work plan at the Livengood Gold Project and satisfy its currently anticipated general and administrative costs through the next 12 months.

The Company will require significant additional financing to continue its operations (including general and administrative expenses) in connection with advancing activities at the Livengood Gold Project and the development of any mine that may be determined to be built at the Livengood Gold Project, and there is no assurance that the Company will be able to obtain the additional financing required on acceptable terms, if at all. In addition, any significant delays in the issuance of required permits for the ongoing work at the Livengood Gold Project, or unexpected results in connection with the ongoing work, could result in the Company being required to raise additional funds to advance permitting efforts. The Company's review of its financing options includes pursuing a future strategic alliance to assist in further development, permitting and future construction costs, although there can be no assurance that any such strategic alliance will, in fact, be realized.

Despite the Company's success to date in raising significant equity financing to fund its operations, there is significant uncertainty that the Company will be able to secure any additional financing in the current or future equity markets. See "Risk Factors – *We will require additional financing to fund exploration and, if warranted, development and production. Failure to obtain additional financing could have a material adverse effect on our financial condition and results of operation and could cast uncertainty on our ability to continue as a going concern*" included in Part I, Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2019.

Other than cash held by its subsidiaries for their immediate operating needs in the United States, all of the Company's cash reserves are on deposit with a major Canadian chartered bank. The Company does not believe that the credit, liquidity or market risks with respect thereto have increased as a result of the current market conditions.

Contractual Obligations and Commitments

The following table discloses the Company's contractual obligations as of March 31, 2020, including anticipated mineral property payments and work commitments. Under the terms of the Company's mineral property purchase agreements, mineral leases and unpatented mineral claims, the Company is required to make certain scheduled acquisition payments, incur certain levels of expenditures, make lease or advance royalty payments, make payments to government authorities and incur assessment work expenditures (as summarized in the table below) in order to maintain and preserve the Company's interests in the related mineral properties. If the Company is unable or unwilling to make any such payments or incur any such expenditure, it is likely that the Company would lose or forfeit its rights to acquire or hold the related mineral properties. The following table assumes that the Company retains the rights to all of its current mineral properties, but does not exercise any lease purchase or royalty buyout options:

	Payments Due by Year						
	2020	2021	2022	2023	2024	2025 and beyond	Total
Mineral Property Leases[(1)]	$ 393,794	$ 428,951	$ 434,185	$ 439,498	$ 444,890	$ 450,363	$ 2,591,681
Mining Claim Government Fees	132,460	132,460	132,460	132,460	132,460	132,460	794,760
Total	$ 526,254	$ 561,411	$ 566,645	$ 571,958	$ 577,350	$ 582,823	$ 3,386,441

1. Does not include required work expenditures, as it is assumed that the required expenditure level is significantly below the level of work that will actually be carried out by the Company. Does not include potential royalties that may be payable (other than annual minimum royalty payments).

Off-Balance Sheet Arrangements

The Company does not have any off balance sheet arrangements.

Environmental Regulations

The operations of the Company may in the future be affected from time to time in varying degrees by changes in environmental regulations, including those for future removal and site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company vary greatly and are not predictable. The Company's policy is to meet or, if possible, surpass standards set by relevant legislation by application of technically proven and economically feasible measures.

Certain U.S. Federal Income Tax Considerations for U.S. Holders

The Company has been a "passive foreign investment company" ("PFIC") for U.S. federal income tax purposes in recent years and expects to continue to be a PFIC in the future. Current and prospective U.S. shareholders should consult their tax advisors as to the tax consequences of PFIC classification and the U.S. federal tax treatment of PFICs. Additional information on this matter is included in the Company's Annual Report on Form 10-K for the year ended December 31, 2019, under "Part II. Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities - Certain U.S. Federal Income Tax Considerations for U.S. Holders."

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of March 31, 2020, an evaluation was carried out under the supervision of and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act). Based on the evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that, as of March 31, 2020, the Company's disclosure controls and procedures were effective in ensuring that information required to be disclosed in reports filed or submitted to the SEC under the Exchange Act: (i) is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms and (ii) is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, in a manner that allows for timely decisions regarding required disclosures.

The effectiveness of our or any system of disclosure controls and procedures, however well designed and operated, can provide only reasonable assurance that the objectives of the system will be met and is subject to certain limitations, including the exercise of judgement in designing, implementing and evaluating controls and procedures and the assumptions used in identifying the likelihood of future events.

Changes in Internal Control over Financial Reporting

There were no changes in internal control over financial reporting during the quarter ended March 31, 2020 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.