GOLD TERRA RESOURCE CORP.
(Formerly TerraX Minerals Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS For the three and nine months ended October 31, 2020

This Management's Discussion and Analysis of Gold Terra Resource Corp. (formerly TerraX Minerals Inc.) ("Gold Terra" or the "Company") ("MD&A") provides analysis of the Company's financial results for the three and nine months ended October 31, 2020 and should be read in conjunction with the accompanying unaudited condensed interim financial statements and notes to thereto for the three and nine months ended October 31, 2020 and with audited consolidated financial statements and notes thereto for the year ended January 31, 2020, all of which are available at www.sedar.com. This MD&A is based on information available as at December 21, 2020.

The accompanying unaudited condensed consolidated interim financial statements for the three and nine months ended October 31, 2020 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee. All amounts are expressed in Canadian dollars, unless otherwise stated.

Certain statements made may constitute forward-looking statements. Such statements involve a number of known and unknown risks, uncertainties and other factors. Actual results, performance and achievements may be materially different from those expressed or implied by these forward-looking statements. Additional information about the Company is available at www.sedar.com.

The Company was incorporated on August 1, 2007 pursuant to the provisions of the *Business Corporations Act* (British Columbia) under the name of TerraX Resource Corp. On March 31, 2008, the Company amended its notice of articles to change its name to TerraX Minerals Inc. and on February 14, 2020, the Company further amended its notice of articles to change its name to Gold Terra Resource Corp. The Company has one wholly-owned subsidiary, Gold Matter Corporation, that was incorporated under the Business Corporations Act (Ontario).

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This MD&A may contain certain statements that may be deemed "forward-looking statements". All statements in this document, other than statements of historical fact, which address events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "interprets" and similar expressions, or events or conditions that "will", "would", "may", "could" or "should" occur. Forward-looking statements in this document include statements regarding future exploration programs, joint venture partner participation, liquidity and effects of accounting policy changes.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory or governmental approvals and general economic, market or business conditions. Readers are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates, opinions or other factors should change except as required by law.

These statements are based on a number of assumptions including, among others, assumptions regarding general business and economic conditions, the timing of the receipt of regulatory and governmental approvals for the transactions described herein, the ability of the Company and other relevant parties to satisfy stock exchange and other regulatory requirements in a timely manner, the availability of financing for the Company's proposed transactions and exploration and development programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause results to differ materially.

OVERVIEW

On November 4, 2019, the Company announced a maiden mineral resource estimate for its wholly-owned Yellowknife City Gold property ("YCG property"), located immediately north, south and east of the city of Yellowknife in the Northwest Territories. The classification of the mineral resource estimate was completed in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) definition standards incorporated by reference in National Instrument 43-101.

The inferred resource estimate of 735,000 ounces based on a gold price of US$1,350 per ounce, consists of:

- A pit-constrained inferred resource of 11.6 million tonnes averaging 1.4 grams per tonne ("g/t") for 523,000 ounces of contained gold;

- An underground inferred resource of 1.2 million tonnes averaging 5.7 g/t for 212,000 ounces of contained gold.

For more details on this mineral resource estimate, please view the Company's news release of November 4, 2019. The Technical Report is available on our web site at www.goldterracorp.com and can be accessed on SEDAR at www.sedar.com.

The YCG property lies within the prolific Yellowknife greenstone belt and covers the northern and southern extensions of the shear system that hosts the former high-grade Con Mine (6.1 million ounces produced) and Giant Mine (8.1 million ounces produced) for a total of 14 million ounces of gold produced. The project area contains numerous gold showings and multiple shear structures which are the recognized hosts for high-grade gold deposits in the Yellowknife gold district. Being all-season road accessible and all within 10 to 40 kilometres of Yellowknife, the YCG property is close to vital infrastructure, including transportation, service providers, hydro-electric power and skilled trades people.

For more information on the YCG property, please visit the Company's web site at www.goldterracorp.com.

EXPLORATION OVERVIEW – YCG PROPERTY

The Company has conducted a number of exploration programs on the YCG property since acquiring its initial property, the Northbelt (totaling 37 square kilometres), in February 2013. Subsequently, the Company acquired and staked ground over prospective geology and, as of the date of this MD&A, the property encompasses nearly 800 square kilometres.

Prior to the 2020 winter drilling program, the Company had drilled 61,481 metres in 296 diamond drill holes on the property. The Company announced its first mineral resource estimate in November 2019, which encompasses four gold deposits (Crestaurum, Sam Otto, Mispickel and Barney) within a 3 kilometre radius. It incorporates the results from 463 drill holes totaling 90,751 metres, from which 201 drill holes totaling 42,447 metres were completed by Gold Terra from 2014 to 2019.

2020 Winter Exploration Program

From January to mid-April 2020, the Company completed 9,622 metres in 34 holes at Sam Otto and 1,274 metres in two holes targeting the projected trace of the Campbell Shear on the Northbelt property north of the past producing Giant Mine. The Company also completed an 84.5 line-kilometre IP geophysical survey.

The drilling program at Sam Otto was completed on approximate 50 metre centers to a vertical depth of approximately 200 metres and covered a total strike length of 1.8 kilometres. The assay results from this program were announced on February 24, March 31, April 22, May 11, and May 19.

Highlights from Sam Otto South included:

- 1.30 g/t Au over 50.6m, including 3.02 g/t Au over 9.0m (TSO20-083)
- 1.18 g/t Au over 51.65m, including 2.07 g/t over 11.05m and 2.03 g/t over 13.5m (TSO20-081)
- 1.39 g/t Au over 25.0m, including 2.48 g/t Au over 10.59m (TSO20-058)
- 1.03 g/t Au over 23m, including 1.30 g/t Au over 12m (TSO20-077)

Overall, the drilling program expanded the footprint of the Sam Otto gold mineralized system. The results demonstrated good continuity of the gold mineralization at greater than 1.0 g/t at Sam Otto Main and South and have expanded the mineralized zone beyond the boundaries of the 2019 mineral resource estimate. From the eight (8) holes drilled in the 'connector' zone (area between Sam Otto Main and Sam Otto South), only two (2) holes intersected significant gold mineralization in the northern part:

- 1.06 g/t Au over 12.90m and 1.63 g/t Au over 7.25m (TSO20-063)
- 0.45 g/t Au over 41.96m, including 1.68 g/t Au over 5.00m (TSO20-062)

Gold mineralization encountered at Sam Otto South is in shear zone structures 100 to 200 metres in width with strong sericite alteration and shearing. Gold mineralized zones are directly associated with modest (1 to 2 per cent) sulphide content in sheared and altered intermediate volcanic rocks. These geological characteristics are consistent with what is observed at the Sam Otto Main zone 1.5 kilometres to the north.

On the Northbelt, the Company's first two drill holes testing the Campbell Shear zone (north of the Giant Mine) successfully intersected the favorable stratigraphic sequence associated with the Campbell Shear zone at the Con Mine (see news release of June 2, 2020). The Campbell Shear zone is within secondary and tertiary structures associated with a large district-scale structure, the Yellowknife River Fault Zone ("YRFZ"), that straddles the YCG property over 67 kilometres of strike length on the southern and northern extensions. Both holes, drilled 1 kilometre apart, intersected multiple shear zones containing quartz veining and sulphides with one of the holes having visible gold. Although gold values were anomalous (<0.22 g/t), the alteration and shearing indicate similarities to the Campbell Shear structure and potential proximity to high-grade gold mineralization.

2020 Summer Exploration Program

The Company's 2020 summer drilling program started in mid-August and was completed in early December, with 7,648 metres of drilling in 25 holes at the Crestaurum gold deposit. The program was designed to test the strike and depth of the Crestaurum deposit. Concurrent with the drilling program a 60 line kilometre IP survey was carried out adjacent to lines surveyed in the winter 2020 program.

The drilling program was successful in showing that the Crestaurum shear structure is not offset by the Daigle Fault and therefore remains open to the southwest for several kilometres.

The first 10 holes totaling 5,864 metres were widely spaced (+150 metres) and confirmed the depth extension of the Crestaurum shear structure to 600 metres and its extension to the southwest on the other side of the Daigle Fault by 500 metres. On October 27, 2020, the Company announced the assay results of four (4) holes intersecting the Crestaurum shear with mixed results, with the best intersection being 6.81 g/t Au over 1.4 metres in hole GTCR20-092. The remaining six (6) holes announced on December 9, 2020, intersected the Crestaurum shear with low-grade gold mineralization (1-3 g/t Au over 1-5 metres) due to the lack of quartz veining.

Another 15 shallow holes totaling 1,784 metres tested the Crestaurum shear structure to the southwest beyond the Daigle Fault; secondary high-grade shears, veins and splays; and several high-grade zones in the main Crestaurum shear to the northeast. The first five holes were reported on December 9, 2020, with the best hole being GTCR20-103 intersecting **9.60 g/t Au over 4.5 metres** within the main Crestaurum shear to the north.

Following the new interpretation that the Daigle Fault was not displacing the Crestaurum main shear, Gold Terra extended hole TCR15-057 to a depth of 190 metres and confirmed the continuation of the Crestaurum shear system 30 metres to the southwest at a vertical depth of 60 to 95 metres. The high-grade intersection of **43.00 g/t Au over 1 metre** (hole TCR15-057X) contained quartz veins with visible gold and is currently interpreted to be in the footwall of the main Crestaurum shear.

Hole GTCR20-100 intersected **16.60 g/t Au over 1 metre** in a quartz vein in the hanging wall of the main Crestaurum shear.

Assays are pending from the remaining 10 shallow holes. All holes intersected more than one shear structure, potentially indicating the presence of multiple mineralized secondary shears and splays converging towards the main Crestaurum shear. The Crestaurum deposit remains a near-surface target (surface to 200 metres) with the potential for additional high-grade gold mineralization.

During the nine months ended October 31, 2020, Gold Terra has received a Mineral Incentive Program (“MIP”) grant of $86,000 from the Government of the Northwest Territories for exploration work on its YCG property, including ground geophysical surveys (IP) to cover the extension of the Campbell Shear structure onto the North Belt of the YCG property, immediately north of the Giant mine.

The Company plans to update its mineral resource estimate for the YCG project in 2021.

2020-21 Winter Drill Program

On November 12, 2020, the Company started a 12,000 metre drilling program to test the Campbell Shear, south of the former producing Con Mine, on the Company's recently optioned property from Newmont Ventures Limited and Miramar Northern Mining Limited ("Newmont") (see “Exploration Agreement” below), adjacent to its YCG property in the Northwest Territories.

Data compilation work completed by the Company in 2020, including an integrated 3 Dimensional model of 13,699 historical drill holes from underground and surface exploration of the Campbell Shear, highlighted the prospectivity of the southern extension of the Campbell Shear. In particular, some very good historical intersections were previously drilled on the Campbell Shear southern extension with limited follow-up drilling. With the Southbelt property (100% Gold Terra) and the option on the Newmont ground, the Company will be able to test the Campbell Shear, which remains relatively underexplored south of the Con Mine and at depth.

In this Phase 1 program, the Company plans to drill up to 20 holes testing over 1.4 kilometres of strike extension of the Campbell Shear at 150 metre spacing and vertical depths between 250 and 800 metres to extend known gold mineralization. The first series of holes are intended to intersect the Campbell Shear between 250 and 800 metres below surface and continue through the footwall to cross the entire width of the shear. The drilling program also includes a second series of drill holes to test the shear at 1000 meters below surface, subject to the success of the Phase 1 drilling results.

Property Acquisition

On February 10, 2020, the Company announced that it acquired 100% interest in two claims, Aurora 1 and 2, which are contiguous to YCG property. The acquisition terms are:

- $10,000 cash paid upon TSX-V acceptance for filing of the agreement (paid);
- 100,000 common shares issued upon TSX-V acceptance for filing of the agreement (issued); and
- A 2% net smelter return royalty with a buyback of 1% for $1 million and an additional 0.5%

buyback for a further $1 million.

The acquisition of these claims gives the Company an additional 600 metres of known strike on the Ptarmigan vein, as well as the known east extension of the Tom vein. A recent grab sample taken on the Ptarmigan vein at the property boundary between Aurora 2 and Gold Terra's current claims graded 19 g/t Au (see news release of July 25, 2018). This acquisition adds fully accessible high-grade gold targets to be evaluated in the near future.

Exploration Agreement

On September 8, 2020, the Company entered into an Exploration Agreement with Venture Option (the “Agreement”) with Newmont Ventures Limited and Miramar Northern Mining Ltd. (jointly, “Newmont”) on certain mineral leases and mineral claims adjacent to the former Con Mine (the “Newmont Exploration Property”). The Agreement contains two phases of potential earn-in:

(i) In Phase one, Gold Terra can earn a 30% interest by spending a minimum of $3 million in exploration expenditures over a period of three years on the Newmont Exploration Property. Gold Terra will manage, fund and operate the program. Upon completing Phase one earn-in, the parties will form a joint venture.

(ii) In Phase two, Gold Terra can earn an additional 30% interest, for a 60% cumulative interest in the joint venture, by sole funding all expenditures and completing a prefeasibility study outlining a mineral resource containing at least 750,000 ounces of gold on the Newmont Exploration Property itself, and a combined 1.5 million ounces of gold on both the Newmont Exploration Property and the mineral claims in the immediate area which are already owned by Gold Terra. Gold Terra has a period of up to four additional years to complete Phase two earn-in and will also manage and operate the Phase two program.

Provided that Gold Terra completes Phase two earn-in, Newmont has a one time, back-in right to earn back a 20% interest in the joint venture, such that Newmont would then hold a 60% interest and Gold Terra would hold a 40% interest. The back-in right is triggered if a discovery of at least five million ounces of gold in all mineral resource categories is made within the Newmont Exploration Property and is exercisable by Newmont by providing certain cash reimbursements and payment to Gold Terra.

EXPLORATION OVERVIEW – MULLIGAN PROPERTY

During the nine months ended October 31, 2020, the Company completed a drilling program of 1,601 metres on its 100% wholly-owned Mulligan Gold Project in New Brunswick, Canada. A total of 11 holes were drilled to test a gold mineralized zone previously identified in surface trenching. Trench grab samples had yielded 5.7 g/t of gold over 16 metres. An Induced Polarization geophysical survey was also completed in 2019 to outline area of conductivity and resistivity, and to help determine drilling targets. The drilling intersected a “breccia” which is more than 75 metres wide and 750 metres long and remains open along strike and to depth. Assay results from the drilling program are pending.

Exploration expenditures

During the nine months ended October 31, 2020, the Company incurred $4,392,652 in exploration expenditures on the YCG and Mulligan properties, inclusive of geological consulting of $236,054, drilling and assays of $3,382,535, community relations of $38,116, environmental work of $150,852, geophysical consulting of $409,025 and field expenses of $176,070.

The technical information contained in this MD&A has been approved by Joseph Campbell, Chief Operating Officer of the Company, who is a Qualified Person as defined in “National Instrument 43-101, Standards of Disclosure for Mineral Projects”.

CORPORATE OVERVIEW

Changes in Directors and Officers

Effective April 1, 2020, Mark T. Brown was appointed Chief Financial Officer after Gold Terra co-founder and Chief Financial Officer Stuart Rogers announced his retirement. Stuart Rogers will continue to serve as a director.

Effective May 19, 2020, Russell Starr resigned from the Board of Directors.

Effective August 11, 2020, Hellen Siwanowicz was appointed to the Board of Directors.

The Company announced the departure of Alan Sexton as Vice President Exploration effective December 1, 2020.

Expiration of Stock Options

During the nine months ended October 31, 2020, 3,044,000 stock options expired unexercised.

Exercise of Stock Options

During the nine months ended October 31, 2020, the Company received proceeds totalling $610 from the exercise of 1,000 stock options at an exercise price of $0.61 per share.

Stock Option Grants

On December 14, 2020, the Company granted 1,296,250 stock options to its directors, officers, employees and consultants that can be exercised at $0.35 per share until December 11, 2025. These options vest 25% every six months following the grant date.

On December 18, 2020, the Company granted 200,000 stock options to its employee that can be exercised at $0.35 per share until December 18, 2025. These options vest 25% every six months following the grant date.

Financing

On July 14, 2020, the Company closed a bought deal financing (the “Offering”) with BMO Capital Markets (the “Underwriter”) for aggregate gross proceeds of $7,130,000. Pursuant to the Offering, 12,700,000 common shares of the Company, including the exercise in full of the Underwriters' over-allotment option, were issued at a price of $0.30 per share and 8,000,000 charity flow-through common shares of the Company (the "Charity Flow-Through Common Shares") were issued at a price of $0.415 per Charity Flow-Through Common Share. Share issuance costs of $651,715 were incurred with respect to this Offering. The Offering was completed by way of a short form prospectus filed in all of the provinces of Canada, except Québec, and the Common Shares were sold elsewhere outside of Canada on a private placement basis.

Use of Proceeds from Flow-through Financing

Flow-through (“FT”) common shares require the Company to incur an amount equivalent to the proceeds of the issued FT common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not incurred the required exploration expenditures. Under the IFRS framework, the increase to share capital when FT shares are issued is measured based on the current market price of the common shares. The incremental proceeds, or “premium”, are recorded as a FT liability.

On July 14, 2020, the Company received a total of $3,320,000 from the issuance of 8,000,000 FT shares as part of a larger financing that totalled $7,130,000, as described in more detail above. These units were issued at a premium to market, for a total premium of $960,000. The Company has accounted for this deferred premium on flow-through shares as a liability in its financial statements.

During the nine month period ended October 31, 2020, the Company incurred and renounced expenditures of $1,614,318 with respect to the FT financing and reduced the deferred premium on flow-through shares by $466,791 as a result.

CURRENT ECONOMIC CONDITIONS

During the calendar year 2020, ongoing global economic weakness made for extremely volatile capital markets characterized by weaker equity prices for mineral exploration companies and an environment in which limited opportunities exist to raise additional capital. While periods of stronger commodity prices have provided financing opportunities which Gold Terra has capitalized on in the past to augment its working capital, management of the Company remains cautious and will continue to take the necessary precautions to maintain its cash reserves. The Company has commitments in the future (in fiscal 2021 and beyond) on its mineral properties and the Company may be forced to abandon and write-off one or more of these properties if the Company does not have the means to meet these commitments or does not feel it is fiscally prudent to do so.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

With the closing of multiple non-brokered private placements and completion of the bought deal financing in fiscal years 2020 and 2021, the Company anticipates having sufficient cash to meet all of its corporate obligations through to the end of fiscal year 2021 and beginning of fiscal year 2022. The Company continues to review its mineral property commitments as well as its working capital position on an ongoing basis. While management does not believe that the abandonment of any of the Company's mineral properties is required at this time, management may elect to abandon properties when obligations become due if deemed necessary in order to maintain the long-term viability of the Company.

RESULTS OF OPERATIONS

Results of Operations – Three months ended October 31, 2020

Operating expenses for the three months ended October 31, 2020 (the "current period") totaled $596,338 as compared to $376,710 incurred during the three months ended October 31, 2019 (the "comparative period"). The significant variances in expenditures were as follows:

Consulting expense decreased to $21,292 during the current period from $73,472 incurred during the comparative period due to a reduction in the number of contract staff engaged during the current period. The significant decrease is due to the Company's initiative to reduce significantly the use of Geovector consulting firm going forward.

Depreciation expense of $Nil was incurred for a right-to-use asset during the current period compared to $20,984 during the comparative period. The significant decrease is due to the Company's decision to sublease its office.

Management fees of $150,000 were incurred during the current period as this amount includes fees paid to the Executive Chairman, Chief Executive Officer and Chief Operating Officer. This compares to management fees paid during the comparative period of $75,000 only to the Chief Executive Officer.

Office, rent and miscellaneous expense increased to $37,289 during the current period from $34,347 incurred during the comparative period mainly due to the Company incurring additional rent and administrative expenses in the current period to support the Company's exploration activities.

Professional fees increased to $40,222 during the current period due to professional fees incurred with respect to the Exploration Agreement and the Offering completed during the current period. This compares to professional fees of $7,878 incurred during the comparative period.

During the current period, the Company incurred $116,573 for share-based payments expense (a non-cash expense) for stock options granted during prior fiscal periods and vested during the current period.

This is an increase from share-based payment expense of $9,492 incurred during the comparative period when fewer options vested.

Transfer agent, filing fees and shareholder communications expenses increased to $221,515 during the current period from the $97,581 incurred during the comparative period due to an increase in marketing activities and virtual conference participation during the current period.
Travel expenses decreased to $865 during the current period from the $31,828 incurred during the comparative period due to reduction in executive travel as a result of the COVID-19 pandemic.

The Company recorded $452,421 for flow-through share premium reversal during the current period compared to $314,501 during the comparative period as a result of the timing of the exploration expenditures incurred and the date of such flow-through financings during each of the fiscal periods.

As a result of the foregoing, the Company recorded a comprehensive loss for the current period of $141,777 as compared to a loss of $63,361 incurred during the comparative period.

Results of Operations – Nine months ended October 31, 2020

Operating expenses for the nine months ended October 31, 2020 (the "current period") totaled $1,944,568 as compared to $1,308,309 incurred during the nine months ended October 31, 2019 (the "comparative period"). The significant variances in expenditures were as follows:

Consulting expense decreased to $175,432 during the current period from $256,871 incurred during the comparative period due to a reduction in the number of contract staff engaged during the current period.

Depreciation expense of $3,973 was incurred for a right-to-use asset during the current period compared to $62,952 during the comparative period. The significant decrease is due to the Company's decision to sublease its office.

Management fees of $465,770 were incurred during the current period as this amount includes fees paid to the Executive Chairman, Chief Executive Officer and Chief Operating Officer. This compares to management fees paid during the comparative period of $195,000 only to the Chief Executive Officer.

Office, rent and miscellaneous expense increased to $159,871 during the current period from $98,399 incurred during the comparative period mainly due to the Company incurring additional rent and administrative expenses in the current period to support the Company's exploration activities.

Professional fees increased to $177,810 during the current period due to professional fees incurred with respect to the Exploration Agreement and the Offering completed during the current period. This compares to professional fees of $13,139 incurred during the comparative period.

During the current period, the Company incurred $284,552 for share-based payments expense (a non-cash expense) for stock options granted during prior fiscal periods and vested during the current period. This is an increase from share-based payment expense of $49,605 incurred during the comparative period when fewer options vested.

Transfer agent, filing fees and shareholder communications expenses increased to $576,143 during the current period from the $456,791 incurred during the comparative period due to an increase in marketing activities and virtual conference participation during the current period.

Travel expenses decreased to $50,635 during the current period from the $97,168 incurred during the comparative period due to reduction in executive travel as a result of the COVID-19 pandemic.

The Company recorded a $466,791 flow-through share premium reversal during the current period compared to $501,592 during the comparative period as a result of the timing of the exploration expenditures incurred and the date of such flow-through financings during each of the fiscal periods.

As a result of the foregoing, the Company recorded a comprehensive loss for the current period of $1,461,677 as compared to a loss of $817,734 incurred during the comparative period.

Summary of Quarterly Results

Three months ending	October 31, 2020	July 31, 2020	April 30, 2020	January 31, 2020	October 31, 2019	July 31, 2019	April 30, 2019	January 31, 2019
Net loss ($)	141,777	639,698	680,202	868,714	63,361	208,528	545,846	640,632
Per share ($)	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00

The loss for the three months ending January 31, 2019 increased to $640,632 from the loss of $269,025 incurred during the three months ending October 31, 2018 primarily due to a reduction in the FT share premium reversal in the current period to $13,594 from the $280,841 recorded during the prior quarter and a decrease in the allowance for deferred income tax of $202,000.

The loss for the three months ending April 30, 2019 decreased to $545,846 from the loss of $640,632 incurred during the three months ending January 31, 2019 primarily due to the elimination of a deferred income tax expense of $202,000 recorded during the prior period as a result of a decrease in the valuation allowance for deferred tax assets. This was partially offset by an increase in transfer agent, filing fees and shareholder communications expenses to $245,022 in the current quarter from the $88,217 incurred during the prior quarter.

The loss for the three months ending July 31, 2019 decreased to $208,527 from the loss of $545,845 incurred during the three months ending April 30, 2019 primarily due to the FT share premium reversal of $187,091 incurred during the current quarter. There was no FT share premium reversal recorded during the prior quarter.

The loss for the three months ending October 31, 2019 was reduced to $63,361 from the loss of $208,528 incurred during the three months ending July 31, 2019 primarily due to an increase in the FT share premium reversal to $314,501 during the current quarter from $187,091 during the prior quarter.

The loss for the three months ending January 31, 2020 increased to $868,714 from the loss of $63,361 incurred during the three months ending October 31, 2019 primarily due to write-down of exploration and evaluation assets of $540,029 as well as a deferred income tax expense of $195,000 during the current quarter while no such expenses were recorded in the prior quarter.

The loss for the three months ending April 30, 2020 decreased to $680,202 from the loss of $868,714 incurred during the three months ending January 31, 2020 primarily due to the elimination of an impairment expense of $540,029 recorded during the prior period as a result of a decrease in the valuation exploration and evaluation assets. This was partially offset by an increase in management and professional fees and office expenditures in the current quarter.

The loss for the three months ending July 31, 2020 decreased to $639,698 from the loss of $680,202 incurred during the three months ending April 30, 2020 primarily due to a reduction in travel expense as a result of the COVID-19 pandemic and consulting expense due to a reduction in the number of contract staff. This was partially offset by an increase in professional fees and investor relations expenditures in the current quarter.

The loss for the three months ending October 31, 2020 decreased to $141,777 from the loss of $639,698 incurred during the three months ending July 31, 2020 primarily due to a reversal of flow-through share premium, a reduction in travel expense as a result of the COVID-19 pandemic and decreased consulting expense due to a reduction in the number of contract staff. This was partially offset by an increase in professional fees and investor relations expenditures in the current quarter.

Liquidity and Solvency

Gold Terra is in the exploration stage and therefore has no regular cash flow. As of October 31, 2020, the Company had working capital of $4,898,870 excluding the deferred premium on flow-through shares (January 31, 2020 – working capital of $4,312,481), inclusive of cash and cash equivalents of $5,525,392 (January 31, 2020 – $4,768,241).

At October 31, 2020, the Company had current assets of $5,747,276, total assets of $42,433,006 and total liabilities of $1,373,615, inclusive of a deferred income tax liability of $7,000, a security deposit from sublease of $25,000 and a deferred premium of flow-through shares of $493,209. The Company has no other long-term debt. There are no known trends in the Company's liquidity or capital resources.

The principal assets of the Company are its mineral exploration properties, amounting to $36,533,190 as at October 31, 2020.

The increase in cash and cash equivalents during the nine months ended October 31, 2020 of $757,151 was due to net cash provided by financing activities of $6,491,152 while offset by cash used for investing activities of $5,166,811, cash used in operating activities of $562,439 and cash used for the reduction of the lease liability of $4,751.
In December 2019, the Company completed a bought deal financing for gross proceeds of $5.5 million. The following table compares the estimated use of net proceeds per the final prospectus from the December 2019 financing and the actual use of the proceeds as of October 31, 2020.

Description of expenditure		Use of proceeds		Actual as of October 31, 2020
Drilling	$	3,470,000		2,611,314
Other work - social license		150,000		192,547
Property maintenance		100,000		233,152
Geophysics		500,000		406,649
Working capital and general corporate		630,000		1,406,337
Total:	$	4,850,000	$	4,850,000

In July 2020, the Company completed a bought deal financing for gross proceeds of $7.13 million. The following table compares the estimated use of net proceeds per the final prospectus from the July 2020 financing and the actual use of the proceeds as of October 31, 2020.

Description of expenditure		Use of proceeds		Actual as of October 31, 2020
Drilling	$	4,060,000	$	771,221
IP Survey/Geophysics		150,000		2,376
Metallurgy		145,000		-
Technical Reporting		300,000		178,972
Claim Costs		150,000		111,747
Environmental		150,000		70,852
Other work - social license		150,000		2,500
Working capital and general corporate		1,245,800		422,416
Total:	$	6,350,800	$	1,560,084

The development of the Company in the future will depend on the Company's ability to obtain additional financings. In the past, the Company has relied on the sale of equity securities to meet its cash requirements. Future developments, in excess of funds on hand, will depend on the Company's ability to obtain financing through joint venturing of projects, debt financing, equity financing or other means. There can be no assurances that the Company will be successful in obtaining any such financing or in joint venturing its property and failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of the Company's properties.

Commitments

The Company has no commitments for capital expenditures.

Risk, Uncertainties and Outlook

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. Other risks facing the Company include competition for mineral properties, environmental and insurance risks, fluctuations in metal prices, fluctuations in exchange rates, share price volatility and uncertainty of additional financing.

Going concern

The Company is in the exploration stage and has no revenue or income from operations. The Company has limited capital resources and has to rely upon the sale of equity and/or debt securities for cash required for exploration and development purposes, for acquisitions and to fund the administration of the Company. Since the Company does not expect to generate any revenues from operations in the near future, it must continue to rely upon the sales of its equity or debt securities or joint venture agreements to raise capital. It follows that there can be no assurance that financing, whether debt or equity, will be available to the Company in the amount required by the Company at any particular time or for any period and that such financing can be obtained on terms satisfactory to the Company.

The Company's unaudited condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to obtain the necessary financing to meet its ongoing commitments and further its mineral exploration programs.

The Company may encounter difficulty sourcing future financing in light of the recent economic downturn. The current financial equity market conditions and the inhospitable funding environment make it difficult to raise capital through the private placements of shares. The junior resource industry has been severely affected by the world economic situation and the effects of COVID-19 as it is considered speculative and high-risk in nature, making it even more difficult to fund.

While the Company is using its best efforts to achieve its business plans by examining various financing alternatives, there is no assurance that the Company will be successful with any financing ventures.

Related Party Transactions

Related Party Balances

As at October 31, 2020, $46,346 (January 31, 2020 – $165,448) was due to directors of the Company or to companies controlled by officers of the Company and recorded in trade payables and accrued liabilities (see table below). These amounts are unsecured and non-interest bearing with no fixed terms of repayment.

Key Management Compensation

The Company's related parties include key management. Key management includes executive directors and non-executive directors. The remuneration to key management of the Company and the payments to companies controlled by officers of the Company as defined above were as follows:

			Due to Related Parties	
	Nine months ended		As at	As at
	October 31, 2020	October 31, 2019	October 31, 2020	January 31, 2020
Consulting fees	$ 57,913	$ 181,600	$ 2,416	$ -
Directors' fees	42,444	30,000	-	3,500
Geological consulting - exploration and evaluation assets [(a)]	414,372	1,163,959	31,908	157,788
Management compensation	465,000	195,000	-	-
Management expense reimbursement	-	-	1,123	4,160
Professional fees	100,000	-	10,899	-
Share-based payments	183,435	46,022	-	-
	$ 1,263,164	$ 1,616,581	$ 46,346	$ 165,448

[(a)] The Company incurred $414,372 (2019 - $1,163,959) of geological consulting fees for its exploration and evaluation assets with a company, Geovector Management Inc., related to the former Executive

Chairman and current Chief Operating Officer of the Company.

Financial Risk Management

The Company is exposed in varying degrees to a variety of financial risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

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. The Company's primary exposure to credit risk is on its cash held in bank accounts and its receivables. The majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by two banks there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's receivables are mostly tax receivables from the government. The risk related to receivables is assessed low.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is, therefore, assessed as high.

Foreign exchange risk
Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and other foreign currencies will affect the Company's operations and financial results. The Company operates in Canada and is, therefore, not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has positive cash balances at October 31, 2020 and no interest bearing debt, therefore, interest rate risk is nominal.

Capital Management
The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit.

There were no changes in the Company's approach to capital management during the period.

The Company is not subject to any externally imposed capital requirements.

Classification of Financial Instruments

Financial assets included in the statement of financial position are as follows:

	October 31, 2020	January 31, 2020
Amortized cost:		
Cash and cash equivalents	$ 5,525,392	$ 4,768,241
	$ 5,525,392	$ 4,768,241

Financial liabilities included in the statement of financial position are as follows:

		October 31, 2020		January 31, 2020
Non-derivative financial liabilities:				
Trade payables	$	848,406	$	605,861
	$	848,406	$	605,861

Fair Value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The following is an analysis of the Company's financial assets measured at fair value as at October 31, 2020 and January 31, 2020:

	As at October 31, 2020		
	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 5,525,392	$ -	$ -

	As at January 31, 2020		
	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 4,768,241	$ -	$ -

Contingencies

The Company is aware of no contingencies or pending legal proceedings as of the date of this MD&A.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Equity Securities Issued and Outstanding

The Company had 181,328,637 common shares issued and outstanding as of the date of this MD&A. In addition, there were 6,981,250 incentive stock options and 10,857,447 share purchase warrants outstanding as of the date of this MD&A.