*This document provides management's discussion and analysis (MD&A) for our financial condition as at April 30, 2020, and results of operations for the quarter ended April 30, 2020. This MD&A should be read in conjunction with the Company's consolidated financial statements and notes for the year ended October 31, 2019.* ***This MD&A has been prepared as of June 15, 2020 and is current to that date unless otherwise stated.***

*Certain statements in this report may constitute forward-looking statements that are subject to risks and uncertainties. Several important factors could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. Consequently, readers should not place any undue reliance on such forward-looking statements. In addition, these forward-looking statements relate to the date on which they were made.*

*In particular, forward looking comments regarding both the Company's plans and operations included in the "Company Overview" with respect to management's planned exploration and other activities, and in "Liquidity", and "Commitments" regarding management's estimated ability to fund its projected costs of exploration work and general corporate costs of operations, and its ability to raise additional funding through placement of the Company's common shares, are plans and estimates of management only and actual results and outcomes could be materially different.*

*Additional information regarding the Company, including copies of the Company's continuous disclosure materials is available on the Company's website at www.silverspruceresources.com or through the SEDAR website at www.sedar.com.*

**Company Overview**

Silver Spruce Resources Inc. (the "Company") is a junior exploration company headquartered in Bedford, Nova Scotia. The Company is focused on exploration for precious metals.

In 2015, the Company focused business activities on developing near term properties to maximize benefit to shareholders. In 2015, the Company acquired a 100% interest in Pino de Plata, a 397 hectare property in the southwest corner of the state of Chihuahua, Mexico. The initial NI 43-101, detailed below, shows very promising results resulting in the Company focusing on developing Pino de Plata.

As of April 30, 2020, cash reserves, totaled $69,284. The Company continues to pursue its strategy to cash flow ready or near cash flow ready properties.

**Summary of Quarterly Results**

Results of operations can vary significantly by quarter, as a result of a number of factors. The Company's level of activity and expenditures during a specific quarter are influenced by the level of working capital and the availability of external financing.

| | **April 30, 2020** | **January 31, 2020** | **October 31, 2019** | **July 31, 2019** |
|---|---|---|---|---|
| | **$** | $ | **$** | $ |
| Net loss (profit) | **(22,424 )** | 206,722 | 487,639 | 192,681 |
| Net loss per share<br>-basic and diluted | **0.00** | 0.00 | 0.01 | 0.00 |
| | **April 30, 2019** | **January 31, 2019** | **October 31, 2018** | **July 31, 2018** |
| | $ | $ | **$** | $ |
| Net loss | 160,082 | 84,660 | 216,474 | 138,343 |
| Net loss per share<br>-basic and diluted | 0.00 | 0.00 | 0.01 | 0.00 |

For the three months ended April 30, 2020, the Company had a net profit of $22,424 (April 30, 2019 – loss of $160,082) and a profit per share of $0.00 (April 30, 2019 - $0.00).

- The company incurred a gain on settlement of some debts.
- The Company incurred increased costs on corporate relations and filing fees.

**Expenditures on Mineral Properties**
During the quarter ended April 30, 2020, and the quarters ended January 31, 2020, October 31, 2019, and July 31, 2019, and the comparative periods, the Company incurred the following expenditures on exploration:

| | April 30, 2020 | January 31, 2020 | October 31, 2019 | July 31, 2019 |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **Pino de Plata** | - | - | - | 111,113 |
| **Melchett Lake** | - | 48,611 | 32,123 | |
| **Cocula** | - | - | 182,111 | 20,237 |

| | April 30, 2019 | January 31, 2019 | October 31, 2018 | July 31, 2018 |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **Pino de Plata** | 31,568 | - | - | 3,280 |

**PROJECTS – METALS**

**Pino de Plata, Mexico**

On February 29, 2016, the Company signed an amended agreement (further amended on July 15, 2019) that supersedes the original purchase agreement and enables the Company to purchase a 100% interest in the Pino de Plata property. The revised financial terms are as follows:

- Total cash payments reduced to US$500,000 over two years (US$125,000 (CDN$168,459) paid);

- One share issuance of 2,500,000 common shares, issued on June 15, 2016 and valued at $0.07 per common share based on the quoted market value of the common shares on that date. One payment of $250,000 to be paid in common shares in lieu of cash, at a share price equal to the 20-day average closing price of the Company's shares on the TSXV, subject to exchange approvals;

- A three percent (3%) gross production royalty capped at US$4 million, which can be purchased for US$1,333,333 per percentage point at any time and are reduced by the total amount of advanced royalty payments; and

- The Company is subject to advanced Royalty payments of US$10,000 per month to commence 30 days after the acquisition is finalized, registered and documented with the proper authorities.

As a result of a delay in being able to access the property, an addendum to the purchase agreement was made during 2017 to suspend the terms of the agreement until access is gained to the property. The ongoing interest in the property is subject to satisfactory resolution of the access restriction.

The property is 397 hectares located approximately fifteen kilometers from Coeur Mining Inc.'s Palmerajo open pit and underground operations. This Property shows historical small scale surface mining of high grade silver (> 1,000 g/ton) dating back to approximately the 1600's and the entire project sits on top of an intrusive system with widespread anomalous mineralization. This Property has been privately held by the same individual since 1984 and has never been drilled or fully explored.

In May 2015, Silver Spruce completed an initial National Instrument 43-101 exploration assessment report which identified three areas for follow-on exploration and drilling. The 43-101 involved on-site field examination which systematically sampled areas of known small scale historical production. But the areas sampled for the 43-101only represent approximately one quarter of the total Project area. Approximately ninety-two samples were taken during the field examination and show widespread intrusive epithermal mineralization at surface with silver values, on average, of greater than 50 grams per tonne (g/t), that is 1.6 ounces per tonne (opt), over an area of more than 1 square km (>100 Ha). Within the area examined, specific targets were sampled with silver (Ag) assays of up to 557 g/t or 17.9 opt. The following are the three target areas identified in the 43-101.

The Terrero - target, was identified as has having an area of over 20,000 square meters (>2 Ha), where "the replacement epithermal mineralization in igneous rocks contains good silver grades at surface in un-oxidized rock. Seven out of nine samples, taken at surface, contained > 1 opt Ag to as much as 17.9 opt Ag with an average silver grade of 250 g/t (8 opt) Ag. Little additional work in the way of mapping and sampling is required prior to drilling this prospect.

The Santa Elena – is a Gossan target area presents a viable target for replacement Ag-Pb-Zn-Cu deposits. Unoxidized replacement mineralization from the Santa Elena Mine approaches 200 g/t (6.4 opt) Ag. This area has the potential for relatively shallow replacement mineralization over an area of > 20 Ha." The sampling in the Santa Elena – Gossan target area also revealed elevated values of >2-3% Zn and anomalous Au, Cu and Pb.

Vein Targets - "The Sierpe and Theodora veins are open on strike and have indications of ore grade Ag (>250 g/t or 8 opt Ag) and reasonably minable widths (>= 1 m). Newly exposed, Ag mineralized quartz veins in road cuts to the west along with favorable alteration west of the Sierpe and Theodora mines make these attractive vein targets." The sampling in the Sierpe I, Sierpe II and Theodora vein target areas also revealed elevated values of up to 5% Pb and up to 7% Zn, with anomalous Au values up to 0.461 g/t.

Only approximately 50% of the Project surface was examined during the 43-101 assessment.

During the period ended July 31, 2019, the Company completed a field program that:

- Expanded areas of intrusive-related alteration and mineralization to 50-plus hectares;
- Confirmed that high silver grades are present on surface at the El Terrero and Gossan areas;
- Added three new vein targets at the La Perla, Santa Clara and El Muro vein systems; and
- Refined drill collar locations and orientations to optimize targeting.

Further, the Company has awarded the contract for the imminent phase I drill program at Pino de Plata to Ecodrill of Mexico.

**Melchett Lake, Ontario**

In September 2019, the Company signed a binding letter of intent with three parties to acquire 100% of the Melchett Lake zinc-gold-silver volcanogenic massive sulphide (VMS) project, an advanced precious and base metal project in the Thunder Bay mining district, Northern Ontario, Canada.

After completing due diligence, the Company entered into a purchase agreement on November 20, 2019 to acquire 100% of the property. As consideration, the Company will pay the vendors $150,000 in cash and 5,000,000 common shares of the Company, spread over three years.

Minimum work expenditures total $1,000,000, with $100,000 during the first year, $200,000 in the second year and $700,000 prior to the third anniversary. The vendors will retain a 2% net smelter return royalty, of which 1% can be purchased by the Company for $1,000,000 and the remaining 1% at market price.

The property, located within the Melchett Lake greenstone belt of the English River subprovince of the Archean-age Superior province, is underlain by a bimodal mafic-felsic sequence of pyroclastics, tuffs and flows with cherts and iron-lean (Fe) to Fe-rich iron formation. The Melchett Lake belt contains several occurrences of polymetallic zinc-lead-copper-silver-gold (Zn-Pb-Cu-Ag-Au) VMS mineralization similar to ore deposits exploited at Mattabi, Winston Lake, Geco, Brunswick and Rouyn-Noranda. Base metal mineralization consisting of pyrite, sphalerite, chalcopyrite and galena occurs within the intermediate to felsic metavolcanic sequences of the property. There are locally high-grade lenses of Zn AND Ag, with variable Cu, Au and Pb and historical gold grades to 28.8 g/t Au, silver grades to 560 g/t Ag and zinc grades to 19.1 per cent.

Highlights of the prospective geology, alteration and mineralization include multiple folded or stacked horizons of coincident alteration and metal mineralization, high Zn/Cu, Zn/Pb and Ag/Au ratios, extensive remobilization of major and trace elements with defined enrichment (Fe, magnesium (Mg), cobalt (Co), chromium (Cr) and cadmium (Cd)) and depletion (sodium (Na), strontium (Sr) and calcium (Ca)) zones and continuity, increased alteration, and anomalous metal values over large intervals with a strong electromagnetic offhole response. The mineralization is interpreted to occur as paleo-topographic accumulations related to fumarolic activity, forming polymetallic deposits overprinted by a later-stage gold-rich event.

## LIQUIDITY, FINANCINGS AND CAPITAL RESOURCES

**Operating Activities**
The Company had a net cash outflow from operating activities of $338,560 for the six months ended April 30, 2020 (April 30, 2019 - $427,310).

**Financing Activities**
The Company had a net cash inflow from financing activities of $251,625 for the six months ended April 30, 2020 (April 30, 2019 - $414,067).

**Investing Activities**
The Company had a cash inflow of $nil from investing activities for the six months ended April 30, 2020 (April 30, 2019 - $35,458).

**Liquidity**
The Company had cash of $69,284 as at April 30, 2020 (April 30, 2019 - $20,347). The change in non-cash operating working capital as at April 30, 2020 was a cash inflow of $40,285 (April 30, 2019 – outflow $156,882).

**Capital Resources**
The Company's authorized capital consists of an unlimited number of common and preference shares without par value. At April 30, 2020, the Company had 105,845,833 issued and outstanding common shares (April 30, 2019 – 85,930,833).

## RELATED PARTY TRANSACTIONS

Included in accounts payable and accrued liabilities as at April 30, 2020 is $21,044 (October 31, 2019 - $325,207) owing to directors and companies controlled by directors of the Company for consulting related services rendered. These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

As at April 30, 2020 the total loans payable to a former director is $nil (October 31, 2019 - $83,473). The loans are unsecured and bear interest at rates from 0% - 10% per year.

During the period ended April 30, 2020 key management personnel compensation consisted of services provided by companies owned by directors or officers of $38,000 (2019 - $nil) which are classified as consulting fees on the consolidated statement of operations.

## OFF-BALANCE-SHEET TRANSACTIONS

There are no off-balance sheet transactions contemplated at this time.

**COMMITMENTS**

The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive.

The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

The Company has indemnified the subscribers of current and past flow-through share subscriptions from any tax consequences arising from the failure of the Company to meet its commitments under the flow- through subscription agreements.

**CRITICAL ACCOUNTING ESTIMATES**

The Company prepares its consolidated financial statements in accordance with IFRS. Under IFRS, management is required to make judgments, estimates and assumptions about future events that could affect the carrying amounts of the assets and liabilities. Although these estimates are based on Management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas that require Management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

i. the carrying valuation of assets and impairment charges;
ii. the inputs used in accounting for valuation of warrants and options which are included in the statement of financial position;
iii. the inputs used in accounting for share-based payment expense in the statement of operations;
iv. the $nil provision for decommissioning and restoration obligations which are included in the statement of financial position; and
v. the determination of the Company's provision for taxes.

**FINANCIAL INSTRUMENTS**

**Fair Value**
IFRS requires that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying amounts for cash, amounts receivable, prepaid expenses, accounts payable and accrued liabilities on the balance sheets approximate fair value due to their short-term maturity. The fair value of long-term debt approximates its carrying value based on current borrowing rates.

**RISKS AND UNCERTAINTY**

The Company's financial success is dependent upon the extent to which it can discover mineralization or acquire mineral properties and the economic viability of developing its properties. The market price of minerals and/or metals is volatile and cannot be controlled. There is no assurance that the Company's mineral exploration and development activities will be successful. The development of mineral resources involves many risks in which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The Company has no source of financing other than those identified in the section on liquidity, financings and capital resources.

*Credit Risk*
The Company's credit risk is primarily attributable to cash and other receivables. The Company's cash is held with highly rated financial institutions.

The Company has concluded that credit risk with regards to other receivables is minimal.

*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 no income from operations or a regular source of cash flow and relies on equity funding to support its exploration and corporate activities. Should the need for equity funding arise, there is a risk that the Company may not be successful in selling new common shares at acceptable prices.

*Interest rate risk*
The Company's loans payable bear a fixed interest rate and therefore are not subject to interest rate risk. The Company invests any cash surplus to its operational needs in investment-grade short-term deposit certificates issued by highly rated Canadian banks. The Company periodically assesses the quality of its investments and is satisfied with the credit rating of the bank.

*Foreign currency risk*
The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company's property acquisition obligation is denominated in United States Dollars ("US$") and is subject to fluctuations in that currency's value relative to the Canadian dollar.

*Mexican Operating Risk*
The Company's operations in Mexico are exposed to various levels of political, economic and other risks and uncertainties and any changes in the political or economic climate in Mexico, even if minor in nature, may adversely affect the Company's exploration activities. These risks and uncertainties vary from time to time and include, but are not limited to: labour disputes, invalidation of governmental orders and permits, uncertain political and economic environments, potential for bribery and corruption, high risk of inflation, currency devaluation, high interest rates, sovereign risk, military repression, civil disturbances and terrorist actions, arbitrary changes in laws or policies, consents or rejections, granting of waivers, corruption, arbitrary foreign taxation, delays in obtaining or the inability to obtain necessary governmental permits, opposition to mining from environmental or other non-governmental organizations, limitations on foreign ownership, difficulty obtaining key equipment and components for equipment and inadequate infrastructure.

*Exploration risk*
There is no assurance that the activities of the Company will be successful and result in economic deposits being discovered and in fact, most companies are unsuccessful due to the low probability of discovering an economic deposit. Once mineralization is discovered, it may take several years until production is possible during which time the economics of a project may change. Substantial expenditures are required to establish reserves through drilling. The Company's ability to establish a mining operation is subject to a host of variables, such as the physical, technical and economic attributes of a deposit, availability of capital, cyclical nature of commodity markets and government regulations.

Exploration activities involve risks which even a combination of experience, knowledge and prudence may not be able to overcome. Exploration activities are subject to hazards and risks which could result in injury or death, property damage, adverse environmental conditions and legal liability. Fires, power disruptions and shortages and the inability to access land or obtain suitable or adequate equipment or labour are some of the hazards and risks involved in conducting an exploration program.

## CURRENT MARKET CONDITIONS

The fundamentals for gold and silver have improved and are expected to remain strong for the rest of 2020. The Company is excited about the Pino de Plata and Melchett Lake silver/gold prospects for this reason.

## OUTLOOK

The Company is currently focusing on mineral projects that can be cash positive in the short to medium term. The Company feels the Pino de Plata project has potential to meet this objective. As at April 30, 2020, the Company's cash is $69,284. Although the Company has been successful in raising funds to date, there can be no assurance that adequate or sufficient funding will be available in the future, or available under terms acceptable to the Company. Failure to obtain sufficient and timely financing may result in delaying or indefinitely postponing exploration or development activities. If the Company obtains debt financing, it may expose its operations to restrictive loan and lease covenants and undertakings. If the Company obtains equity financing, existing shareholders may suffer dilution.

## OUTSTANDING SHARE DATA

| As at | Common Shares | Warrants | Stock Options | Fully Diluted |
|---|---|---|---|---|
| **April 30, 2020** | 105,845,833 | 33,537,841 | 300,000 | 139,683,674 |
| **June 15, 2020** | 105,845,833 | 33,537,841 | 300,000 | 139,683,674 |

## GOING CONCERN (Note 2 – April 30, 2020 Financial Statements)

The financial statements of the Company have been prepared in accordance with IFRS on a going concern basis which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. Several adverse conditions, however, cast significant doubt on the validity of this assumption. The Company does not have any proven economically recoverable reserves on the Company's interest in mineral properties held for exploration and to date; the Company has earned no direct mining related revenues. The Company's assets are subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

The Company's continued existence is dependent upon the discovery of economically recoverable reserves, the ability of the Company to raise additional financing, or future profitable production. It is not possible to predict whether financing efforts will be successful.

The company has enough capital to maintain itself as a going concern for the next few months, however the Company's ability to continue as a going concern for the rest of 2020 and beyond, is dependent on its ability to raise money in the form of a private or public placement, loans, grants and/or a joint venture on our properties with a partner who would provide the financing for the exploration or a change of business associated with new funding. There is no certainty the Company will be successful in accessing such funding.

## SUBSEQUENT EVENTS

On January 30, 2020, the World Health Organization declared the coronavirus outbreak ("COVID- 19") a "Public Health Emergency of International Concern" and on March 10, 2020, declared COVID-19 a pandemic. In the first two quarters of 2020 through the date of this report, the local and global markets experienced significant losses by the worldwide spread of COVID-19. As of the date of these financial statements, the extent to which the COVID-19 pandemic impacts the Company's financial results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the COVID-19 pandemic and actions taken to contain it or its impact, among others.

On June 9, 2020, the Company signed a binding Option Agreement with Colibri Resource Corp. to acquire 50% interest in its wholly owned Mexican subsidiary Yaque Minerals S.A. de C.V. which holds the El Mesquite Gold project. As consideration, the Company will pay $82,500 by September 1, 2020, $127,500 by September 1, 2021 (or $107,500 if paid by December 31, 2020), and a promissory note of $500,000 for a debenture due in October 2023. Minimum work expenditure total US$600,000 over the four-year term of the agreement by September 1, 2024, with no specific annual requirement. During the period of the option, the Company will be responsible for 100% payment of the surface rights agreements when exploration is active, 50% of the property taxes and 50% of the interest due at 2.5% annually on the debenture.

## CHANGES IN ACCOUNTING POLICIES

### IAS 1, Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

IAS 1 and IAS 8 were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020.

### IFRIC 23 – Uncertainty Over Income Tax Treatments

IFRIC 23 was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted.

### IFRS 16, *Leases*

In January 2016, the IASB issued IFRS 16 Leases, which requires lessees to recognize assets and liabilities for most leases. Application of the standard is mandatory for annual reporting periods beginning on or after January 1, 2019, although early adoption is permitted, provided the new revenue standard, IFRS 15, has been applied or is applied at the same time as IFRS 16.

The Company is currently evaluating the impact of the above standards on its financial performance and financial statement disclosures and expects that such impact, if any, would not be material.