

Management's Discussion & Analysis For the Year Ended December 31, 2019

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 fiscal year ended December 31, 2019. This MD&A should be read in conjunction with the audited consolidated financial statements and notes thereto for the years ended December 31, 2019 and 2018 prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A complements and supplements but does not form part of the Company's consolidated audited annual 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 21. 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 audited consolidated financial statements for the year ended December 31, 2019 and this MD&A have been prepared by management as of April 27, 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 CDS gold project, using the same combination of efficient, low-cost technologies, reverse circulation drilling ("RC"), optical televiewer data ("OTV") and machine learning that have added resource ounces in the past. RC drill rigs are complemented by a core rig to complete a planned 22,500-meter drill program. This drill program focuses on infill drilling to upgrade confidence in the Esperança South resources that will serve as the basis for reserve and resource calculations in the planned pre-feasibility study ("PFS"). As of the date of this report work is progressing on schedule, the majority of the in-fill drilling will be completed but certain activities will require consultants to travel internationally and given the international health pandemic, the Company cannot predict when international travel will resume which may result in significant time delays in completing the work on the PFS. The PFS is on schedule but its completion may be delayed as articulated above:

- ✓ Infill drilling will be completed in the second quarter, with all assay results expected to be available by the end of the year;
- ✓ Some required geotechnical drilling may be delayed because of international travel restrictions;
- ✓ Updated mineral resource estimate incorporating the new drilling will hopefully be completed by the end of 2020; and
- ✓ Metallurgical test work is underway at McClelland Laboratories in Nevada and should be completed in Q3

GoldSpot Discoveries has begun its initial analysis of the wide range of geological, geophysical, geochemical and petrophysical data provided by TriStar. GoldSpot's 2020 work program is expected to be completed this year and it includes:

- ✓ An initial assessment phase:
 - Fine tuning data, reprocessing older data, production of new 3D geological models (and maps) of lithology, alteration, overburden, structure, etc.; and
 - Evaluation of machine learning algorithms to aid rapid and standardize interpretations of downhole optical televiewer images.
- ✓ A second phase with two main components:
 - Identification of conventional targets using the combined skills of the GoldSpot and TriStar teams;
 - Identification of Machine Learning Targets generated independently by Artificial Intelligence algorithms; and
 - Comparison of the two sets of exploration targets to develop a geological understanding of the additional targets identified through machine learning.
- ✓ A final phase that will address:
 - Testing of the targets;
 - Completion of 3D models of chrono-stratigraphy, folding and faulting; and
 - Optimization of mineral resources.

Work to obtain the necessary permits and community and governmental approvals will continue through 2020 and 2021 with terms of reference soon to be submitted to SEMAS (Pará State's environmental and sustainability regulatory agency). This document will establish 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 existing Brazauro assets as a result of a Plan of Arrangement Agreement (the "Arrangement") between Brazauro Resources Corporation ("Brazauro") and Eldorado Gold Corporation ("Eldorado"). 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 Castelo de Sonhos property ("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 and/or applications for exploration licenses granted or to be granted by the ANM for CDS. The exploration licenses for CDS are subject to requirements to maintain rights over the properties. With respect to the core exploration license on the CDS property, the Company was required to file a report by August 2014 demonstrating sufficient exploration work has been conducted to determine the existence of a deposit, as defined by Brazilian regulations. The Company filed the required report at the end of July 2014. Official approval of this report was received by the Company on April 17, 2017 and the required economic study was filed on April 16, 2018. On August 24, 2017, the Company filed the required final exploration reports for two concessions that form part of the CDS project. These reports were required pursuant to Brazilian mining law and approval of these reports was received in October 2019.

Property Information and Activity

Castelo de Sonhos (Para State Brazil)

Results of the Preliminary Economic Assessment.

On November 16, 2018, Tristar Gold Inc. released the results of an independent preliminary economic assessment ("PEA") (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%;
- 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.

Updated 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)
Esperanca South	Indicated	11.8	1.4	0.5
	Inferred	21.7	1.2	0.8
Esperanca East	Inferred	11.8	0.9	0.4
Esperanca 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 road BR-163 which links the cities of Cuiabá to Santarém. CDS is approximately 30 kilometers by 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 a 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 metaconglomerates of the Early Proterozoic Castelo de Sonhos Formation (+2 billion years ago). Geologically, CDS is believed to be a paleoplacer, similar in nature to Tarkwa in Ghana and Jacobina 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)

TriStar's initial exploration program included a review of all Barrick's results, followed by a more detailed soil sampling program over the two main soil anomalies identified by Barrick and additional soil sampling over other prospective areas, geological mapping, an airborne geophysical survey and core drilling.

From December 2010 through June 2014, the Company completed the construction of a camp, worked at the Esperança Center area, the Esperança South area and other targets involving the collection and assaying of 7,529 soil samples, conducted geological mapping over 4,016 points with geological descriptions, completed an airborne geophysical survey covering 7,019 linear kilometers and completed 16,213 meters of core drilling in 144 drill holes.

The soil geochemistry sampling program performed by the Company at CDS confirmed the previous results obtained by Barrick and has not only extended the anomalous zones, but also identified additional areas of interest such as the Esperança East and Esperança West areas. At CDS the main conglomerate package, which is the host for the gold mineralization, has a horseshoe shaped surface expression which extends for approximately 16 kilometers. The continuing exploration performed by TriStar has expanded the gold-in-soil anomalies to a total length of approximately 18 kilometers coincident with the outcropping conglomerates.

The Esperança East area is located east of Esperança Center and is 2,000 meters long by 800 meters wide. In addition, a narrower soil anomaly (referred to as Esperança West) was better defined with the continuation of the soil sampling being carried out. Esperança West extends for approximately 4,000 meters with an average width of 400-500 meters.

The Company completed a three-phase drilling program of 16,213 meters of core drilling to test portions of Esperança Center and Esperança South areas and the newly discovered Esperança East and Esperança West areas. The first drilling campaign (33 holes for 5,663 meters) started in September 2011 and was completed on February 2012. The second phase drilling campaign (60 holes for 6,440 meters) started in July 2012 and was completed in November 2012. The third phase drilling campaign (51 holes for 4,110 meters) started in April 2014 and was completed in June 2014. Total drilling in the three campaigns amounted to 16,213 meters.

At Esperança South, the drilling was focused on extending the known mineralization along strike as well down dip. The Company drilled 103 holes along a 2,800 meters long drilling line which follows the strike of the soil anomaly and the open cuts worked by the local garimpeiros.

In the Esperança Center area, 34 holes were drilled to investigate a 2,500-meter-long by 800 meters wide soil anomaly. This drilling campaign was designed to fill in the grid, which has drilling lines spaced from 200 meters to 400 meters and also in a fence-like pattern, to follow mineralization along the cross-sections. At Esperança Center, the drilling enhanced the previous findings and a mineralized zone of approximately 1,000 meters was defined. The strong geochemical anomaly continues further north for at least another 1,500 meters.

The Esperança East area is 2,000 meters long by 800 meters wide and its gold assays range from 100 ppb to 1,617 ppb. In this area the initial drilling results from five holes were encouraging and additional drilling is needed to better define the mineralization.

In Esperança West, the drilling was designed to investigate its soil anomaly as well a magnetic high anomaly identified by the airborne survey and one of the two holes drilled showed positive results.

TriStar's Recent Exploration Activity (2016-2020)

With the new management in place and additional funding secured, TriStar resumed drilling activities in the second half of 2016. In addition to the drilling programs, the Company also undertook additional metallurgical studies on samples collected in 2016 and 2017. This work was completed in February 2017 and the results are briefly summarized below.

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. 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).

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 the two 2017 resource updates. The Company's quality assurance and quality control ("QA/QC") protocols for the years 2016 to 2018 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 includes infill drilling in Esperança Center, and Esperança South and broader definition drilling in Esperança East. The core drilling targeted resource extensions on steep slopes. All assays have been received and in general their results exceeded management's expectations and added confidence to the geological understanding of CDS. In addition, the 2018 program has 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 a 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 is necessary to complete certain geo-technical 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 work is progressing on schedule, certain activities will require consultants to travel internationally and given the international health pandemic, the Company cannot predict when international travel will resume which may result in significant time delays in completing the work on the PFS.

It should be noted that the 2019/2020 drilling results either meet or slightly exceed managements' expectations.

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, and cash also increased in 2019 from proceeds from the Royal Gold transaction;
- 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 rights to Royal Gold, which proceeds from sale significantly increased the Company's cash position;
- 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 expense 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.

	Q4.2019	Q3.2019	Q2.2019	Q1.2019
Cash and cash equivalents	5,541.1	4,065.1	291.1	236.0
Total assets	22,057.1	20,008.1	19,394.8	19,709.1
Total shareholders' equity	19,028.2	17,682.1	18,663.8	19,091.1
Total revenue	nil	nil	nil	nil
Net income/(loss) from continuing operations	(137.7)	(1,000.6)	(427.3)	(177.7)
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)	(137.7)	(1,000.6)	(427.3)	(177.7)
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

	Q4.2018	Q3.2018	Q2.2018	Q1.2018
Cash and cash equivalents	734.2	1,337.6	631.1	1,878.7
Total assets	20,083.3	20,480.6	19,355.4	19,858.5
Total shareholders' equity	19,268.8	19,619.8	18,611.5	18,687.3
Total revenue	nil	nil	nil	nil
Net income/(loss) from continuing operations	(351.0)	(192.5)	(75.7)	10.7
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)	(351.0)	(192.5)	(75.7)	10.7
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

Discussion of Results from Operations

Results for the three-month periods ending December 31, 2019 and 2018 (unaudited)

The table below provides a comparison of the financial performance for the three months ended December 31, 2019 and 2018.

	Three Months Ended December 31, 2019	Three Months Ended December 31, 2018	Change Increase/(decrease)
<i>Expenses</i>			
General and admin costs	\$ 614,648	\$ 435,103	\$ 179,545
Property impairment	-	-	
Foreign Exchange losses /(gain)	6,721	(8,248)	14,969
<i>Other income/(expenses)</i>			
F.V. warrant liability change	463,849	75,127	388,722
Loss on equipment sale	-	-	
Bank charges and interest income net	19,772	732	19,040
Net and comprehensive income/(loss) for the quarter	\$ (137,748)	\$ (350,996)	\$ 213,248

The net loss for the fourth fiscal quarter ending December 31, 2019 was (\$137,748) compared to a loss of (\$350,996) for the quarter ended December September 31, 2018. The major reasons for the change in the loss were as follows. G&A in the fourth quarter of 2019 increased modestly resulting from the granting of stock options which value was recorded in salary expense and director and consulting fees. The Company recorded modest income gains from the warrants liability resulting from a decrease in the trading value of the Company's share price on the TSX.V which modest gain resulted in the reduction of the loss for the current quarter compared to a year earlier. The change in the warrant liability is however a non-cash item and does not impact cash spending.

There were two major factors impacting the general and administrative accounts between the fourth quarter of 2019 as compared with the fourth quarter of 2018. In the fourth quarter of 2019, the Company granted stock options to employees, directors and consultants which fair value was recorded as a G&A expense and shareholder relations expenses increased in line with increased marketing efforts. The Company continues with a strict cost control program. As detailed below other G&A cost center changes were largely insignificant.

	2019 Q4	2018 Q4	YOY Change
Consulting and director fees	\$ 223,747	\$ 192,217	\$ 31,530
Depreciation	541	543	1
Change in provision	544	(5,043)	5,584
Insurance	2,851	2,853	(2)
Office supplies etc	14,914	10,585	4,329
Rent	10,033	9,380	653
Salaries & benefits	270,590	178,127	92,463
Shareholder relations	70,277	31,713	38,564
Travel	21,151	14,728	6,423
TOTAL EXPENSES	\$ 614,648	\$ 435,103	\$ 179,545

- the increase in consulting fees was mostly related to the granting of stock options;
- salary expense increased due to the expensing of the implied value of stock options; and
- travel and shareholder related expenses increased because of an increase in such activity.

Results for the year ended December 31, 2019 and 2018

The table below provides a comparison of the financial performance for the fiscal year ended December 31, 2019 to the comparable period ended December 31, 2018.

	Twelve Months Ended December 31, 2019	Twelve Months Ended December 31, , 2018	Change Increase/(decrease)
<i>Expenses</i>			
General and admin costs	\$ 1,673,633	\$ 1,789,926	\$ (116,293)
Foreign Exchange loss/(gain)	3,483	33,925	(30,442)
<i>Other income/(expenses)</i>			
F.V. warrant liability change	(84,525)	1,214,514	(1,299,039)
Loss on equipment sale	-	(655)	655
Bank charges and interest income net	18,289	1,445	16,844
Net and comprehensive income/(loss) for the quarter	\$ (1,743,352)	\$ (608,547)	\$ (1,134,805)

The net loss for the twelve months ended December 31, 2019 was \$(1,734,352) compared to a net loss during the year ended December 31, 2018 of \$ (608,547). The major reason for the increase in the loss in 2019 was due to the increase in the non-cash expenses related to the warrants liability resulting from a net increase in the number of warrants outstanding, an increase in the trading value of the Company's common shares and an increase in the value of the Canadian dollar vis a vis the US dollar. In 2019, general and administrative expenses resulting from cost controls initiatives implemented in prior periods declined sequentially.

	Year Ended December 31, 2019	Year Ended December 31, 2018	YOY Change
Consulting and director fees	\$437,517	\$ 469,899	\$ (32,382)
Change in provision	(6,864)	40,965	(47,829)
Depreciation	2,177	1,940	237
Insurance	11,357	11,158	199
Office supplies etc.	38,547	51,453	(12,906)
Rent	33,881	39,472	(5,591)
Salaries & benefits	914,162	865,664	48,498
Shareholder relations	183,361	233,141	(849,780)
Travel	59,495	76,234	(16,739)
TOTAL EXPENSES	\$1,673,633	\$ 1,789,926	\$ (116,293)

Significant factors which impacted expenses for the fiscal year December 31, 2019 compared to the comparable period in 2018 include the following:

- the decrease in consulting fees was mostly related to a reduction in activity at CDS;
- the reduction in the change in provision was due foreign exchange factors (a decline in the value of the Brazilian currency vis a vis the United States dollar);
- salary expense increased because of the granting of stock options and a payment made to an officer to terminate his employment agreement;
- in 2018, the Company expended considerable funds for shareholder relations and travel in raising money especially in relation to costs incurred in Europe for the private placement; and
- travel was reduced due to cost saving initiatives.

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.

The Company's properties have not yet proven to be commercially exploitable due to the limited mineral resource currently estimated, and it has no revenues from mining operations. The rights and interests in the CDS property is the only significant asset of the Company.

The Company recently closed an agreement with Royal Gold to obtain additional financing (see the news releases dated May 28, 2019 and August 6, 2019 and filed on SEDAR). The funds will be dedicated to advancing the CDS project and to fund corporate overhead.

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 fund its development and to date has received the entire \$8.0 million that was owed by Royal Gold.

Recent financings are as follows:

- In January 2018, the Company completed a private placement by issuing 12,980,297 units, each unit consisting of one common share and one-half common share purchase warrant realizing gross proceeds of Can \$2,855,665.
- In August 2018, the Company completed a private placement by issuing 10,250,000 units, each unit consisting of one common share and one-half common share purchase warrant realizing gross proceeds of Can \$2,050,000.
- In August of 2019, the Company sold Royal Gold Inc. a 1.5% NSR royalty on CDS and transferred its buy down right on the existing 2% NSR royalty for \$8.0 million, plus other considerations. The final payment of US \$1.5 million was received on March 31, 2020.
- 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.

At December 31 2019, the Company had working capital of \$5,241,193 including \$5,541,129 in cash and cash equivalents (December 31, 2018: working capital of \$608,922 including \$734,200 in cash and cash equivalents). Of the \$5,541,129 in cash and cash equivalents at December 31, 2019, the US equivalent of \$1,413,492 and \$45,099 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 all of 2020 assuming that activities at CDS resume in the fourth quarter of 2020.

Mineral Properties and Deferred Expenditures

The Company's Mineral properties and deferred expenditures decreased to \$16,055,971 at December 31, 2019, from \$19,264,667 at December 31, 2018 as a result of capitalized spending at CDS of \$1,942,295 during the current year, offset by a reduction of \$5,150,931 representing the sale of the royalty to Royal Gold.

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 minerals 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.

General economic and financial market conditions

Since mid-2008, there has been heightened global economic uncertainty, increase financial and commodity market volatility, reduced investor confidence, greater shareholder and other stakeholder activism, bank failures and lessened credit availability. These economic events have had a negative effect on commodity markets which has secondarily impacted participants in the mining and exploration industries. This macro-environment may impact the ability of the Company to raise financing and/or implement its exploration and development plans.

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 length and severity of the disruptions caused by this health crisis is unknown and its impact on the Company's operations, employees and financing capabilities is unknown and simply cannot be predicted or controlled by the Company. Due to the Covid-19 pandemic the Company ceased all drilling activities at CDS and has placed the camp on care and maintenance only. Due to a reduction of activities at CDS the completion of the PFS may be delayed, although the Company cannot predict for how long this delay may last.

Metal price risk

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

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 8 in the audited consolidated annual financial statements for the years ended December 31, 2019 and 2018.

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 193,204,440 common shares (December 31, 2019 189,954,440), with the changes from December 31, 2019 as identified in the Subsequent Event Note.

B. Common Stock Purchase Warrants

As of the date of this report the Company had 36,665,147 stock purchase warrants outstanding in accordance with the following schedule.

Expiry Date	Exercise price (Can\$)	Number
July 24, 2020	0.35	6,490,147
February 3, 2021	0.25	3,400,000
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

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 13,060,000 stock options outstanding in accordance with the following schedule.

Expiry date	Exercise price (Can \$)	Number
December 10, 2020	0.18	6,525,000
April 18, 2021	0.28	750,000
September 27, 2022	0.25	2,775,000
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

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 702,046 agent compensation warrants are outstanding in accordance with the table below.

Expiry date	Exercise price (Can \$)	Number
July 24, 2020	0.35	72,546
February 3, 2021	0.25	17,500
December 12, 2021	0.20	612,000

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 December 31, 2019, 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 balances. Liquidity requirements are managed based on expected cash flow to ensure there is sufficient capital to meet short-term obligations. At December 31, 2019 the Company had cash and cash equivalents of \$5,541,129 and accounts payable and accrued liabilities of \$688,845. In addition, on March 31, 2020, the Company received the final instalment in the amount of US \$1.5 million from Royal Gold pursuant to the royalty sale transaction.

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 December 31, 2019, with all other variables held constant would have decreased the Company's before tax net loss by approximately \$41,000 (December 31, 2018: \$74,000) 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:

	December 31, 2019		December 31, 2018	
	Canadian dollar	Brazilian Real	Canadian dollar	Brazilian Real
Cash and cash equivalents	\$ 1,413,492	\$ 45,099	\$ 9,780	\$ 5,077
Accounts receivable	26,229	6,526	1,713	6,673
Prepaid expenses	349,942	-	43,394	-
Accounts payable and accrued liabilities	(155,936)	(398,727)	(80,916)	(52,630)
Provisions	-	(295,178)	-	(314,035)
Warrants liability	(2,044,923)	-	(320,693)	-
Net balance sheet exposure	\$ (411,196)	\$ (642,280)	\$ (346,722)	\$ (354,915)

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 December 31, 2019, 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 December 31, 2019, 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	\$ 5,541,129	\$ -	\$ -
Liabilities			
Warrants liability	-	2,044,923	-
	\$ 5,541,129	\$ 2,044,923	\$ -

The following table provides the carrying value and the fair value of financial instruments at December 31, 2019:

	Carrying Amount	Fair Value
Financial assets		
Cash and cash equivalents	\$ 5,541,129	\$ 5,541,129
Accounts receivable	32,754	32,754
	<u>\$ 5,573,883</u>	<u>\$ 5,573,883</u>
Financial liabilities		
Accounts payable and accrued liabilities	\$ 688,845	\$ 688,845
Derivative instruments		
Warrants liability	\$ 2,044,923	\$ 2,044,923

Commitments and Contingencies

The Company rents office spaces in the USA and a house in Brazil, with a cost of approximately \$3,400 per month and expires in December and March 2020, 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 \$1,800 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:

	Year Ended December 31, 2019	Year Ended December 31, 2018
Short term employee benefits: Salaries	\$ 621,622	\$ 609,691
Consulting fees	177,988	342,594
Director fees	5,500	-
Stock-based compensation	189,549	-
	<u>\$ 994,659</u>	<u>\$ 952,285</u>

For the year ended December 31, 2018, short term employee benefits received by key management personnel in the amount of \$18,298 (December 31, 2019: nil) were reported in mineral properties and deferred expenditures (Note 8) under exploration cost of the CDS project, and for the year ended December 31, 2018 the amount of \$591,393 (December 31, 2019; nil) was recorded in the salaries and benefits expenses account (Note 16) in the Consolidated Statements of Comprehensive Income (Loss).

For the year ended December 31, 2019, consulting fees paid to directors and officers for advisory services, in the amount of \$67,883 (December 31, 2018: \$208,103) were reported in Mineral properties and deferred expenditures (note 8) under the CDS project and the amount of \$110,105 (December 31, 2018: \$134,491) was recorded as consulting fees in the Consolidated Statements of Comprehensive Loss.

During the year ended December 31, 2019, the Company paid director fees of \$5,500 (December 31, 2018: nil).

The stock option compensation amounts received by key management personnel have been recorded as capital reserve on the Consolidated Statement of Financial Position (Note 12 and 15). They were also included in consulting and salary expense in the Consolidated Statement of Comprehensive Loss.

As of December 31, 2019, the total number of outstanding warrants and options held by directors and officers of the Company was 500,000 and 9,875,000, respectively (December 31, 2018: 500,000 and 10,625,000, respectively).

During the years ended December 31, 2019 and 2018, the Company paid legal fees in the amounts of \$6,663 and \$11,534, respectively, to a company where one director has ownership interests. The amount mentioned was recorded in the professional fees account (Note 16) in the Consolidated Statement of Comprehensive Loss.

During the year ended December 31, 2018, directors and officers participated for a total of 1,000,000 units in the private placement closed on August 10, 2018 (December 31, 2019: nil).

During the year ended December 31, 2018, directors exercised a total of 1,316,067 warrants (December 31, 2019: nil).

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 December 31, 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	78.93% to 96.41%
Risk-free interest rate	1.54% to 1.62%

Expected life	7 months to 60 months
Share Price	Can \$0.19

At December 31, 2018, 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	79.71% - 86.86%
Risk-free interest rate	2.19%
Expected life	4 months to 25 months
Share Price	Can \$0.16

Fair value of stock options

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.

The fair value of options granted to agents relating to the 2019 and 2018 private placement has been estimated as of the date of the grant using the Black-Scholes option-pricing model with the following assumptions.

	December 31, 2019	December 31, 2018
Expected dividend yield	0%	0%
Expected volatility	83.22%	85.20% - 109.32%
Risk-free interest rate	1.62%	1.64% - 1.77%
Expected life	2 years	2.5 years
Share Price	Can\$0.20	Can\$0.20 - Can\$0.30
Weighted average fair value of options granted	Can\$0.09	Can\$0.09 - Can\$0.17

The fair value of stock options granted during the years ended 2019 and 2018 was estimated as of the date of the grant using the Black-Scholes option-pricing model with the following assumptions:

	<u>Year Ended December</u> <u>31, 2019</u>
Expected dividend yield	0%
Expected volatility	94.35% to 97.39%
Risk-free interest rate	1.41% - 1.46%
Expected life	5 years
Share Price	Can\$0.17 to Can\$0.20
Weighted average fair value of options granted	Can\$0.12 to Can\$0.14

	<u>Year Ended December 31,</u> <u>2018</u>
Expected dividend yield	0%
Expected volatility	109.77%
Risk-free interest rate	2.01%
Expected life	5 years
Share Price	Can \$0.28
Weighted average fair value of options granted	Can \$0.22

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, 2018	\$ 314,035
Change in provision estimate	(18,857)
Balance at December 31, 2019	\$ 295,178

Recent Accounting Pronouncements

On January 1, 2019, The Company adopted *IFRS 16-LEASES* ("IFRS 16") which superseded IAS 17-Leases. IFRS 16 applies a control model to the identification of leases distinguishing between a lease and a service contract on the basis of whether the customer controls the asset. Control is considered to exist if the customer has the right to obtain substantially all of the economic benefits from the use of the identified asset and the right to direct the use of the asset. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on balance sheet accounting model that is similar to the finance lease accounting model, with exceptions for short term leases or leases of low value assets. The adoption of IFRS 16 did not have a significant effect on the Company's financial statements beginning January 1, 2019 because the Company elected to apply the exceptions available as permitted under IFRS 16 for the short term and low value leases to which the Company is a party.

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 audited consolidated annual financial statements for the years ended December 31, 2019 and 2018 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 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 year ended December 31, 2019.

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 addition 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.