HIGHWAY 50 GOLD CORP.

Management's Discussion and Analysis

For the six months ended June 30, 2023

The following Management Discussion and Analysis ("MD&A") of Highway 50 Gold Corp. (the "Company" or "Highway 50") has been prepared by management, in accordance with the requirements of National Instrument 51-102 ("NI 51-102") as of August 29, 2023 and should be read in conjunction with the condensed consolidated interim financial statements for the six months ended June 30, 2023, the consolidated financial statements for the year ended December 31, 2022 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. The Company is presently a "Venture Issuer" as defined in NI 51-102. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com and the Company's website at www.highway50gold.com.

All financial information in this MD&A has been prepared in accordance with International Accountig Standards ("IAS") 34, Interim Financial Reporting, and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

DESCRIPTION OF BUSINESS AND OVERVIEW

Highway 50 Gold Corp. is an exploration stage company engaged principally in the acquisition and exploration of exploration and evaluation assets. The Company's activities have focused on exploration in British Columbia and Nevada, USA. The recovery of the Company's investment in its exploration and evaluation assets is dependent upon the discovery of economically recoverable mineral reserves and the ability to raise sufficient capital to finance this operation. The ultimate outcome of these operations cannot presently be determined because they are contingent on future matters.

Significant Events from January 1, 2023 to the Date of this Report:

- In May 2023, the Company closed a non-brokered private placement and raised gross proceeds to the Company of $250,000 by the issuance of 1,666,665 common shares issued on a flow-through basis under the *Income Tax Act* (Canada) at a purchase price of $0.15 per flow through share. The proceeds will be used to deepen two holes at the Company's Monroe property located in southwestern British Columbia (see press release dated May 16, 2023).

- Also in May 2023, the Company upsized and closed a non-brokered private placement and raised gross proceeds to the Company of $374,785.05 (an increase of $74,785.05 previously announced by the issuance of 2,498,567 units (each, a "**Unit**") of the Company (an increase of 498,567 Units previously announced) at a purchase price of $0.15 per Unit. Each Unit consists of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder to purchase one common share of the Company at a purchase price of $0.20 for a period of two years from the closing date. The proceeds will be used for claim maintenance and general working capital purposes (*see press release dated May 16, 2023*).

- In June 2023, the Company announced that it had granted 2,150,000 incentive stock options to directors, officers and consultants at a price of $0.15 per share for a five-year period, pursuant to its Stock Option Plan. A total of 700,000 options at $0.25 expired in May 2023 (*see press release dated June 6, 2023*).

- In June 2023, the Company announced that it had completed the drill program on its Monroe project. Two drill hole extensions were attempted, with one hole being unable to continue to the intended depth, and the other encountering unexpected geologic complexities and significant down-hole drilling risks (*see press release dated June 27, 2023 and Mineral Property Review below*).

- In July 2023, 1,435,242 common share purchase warrants at a price of $0.45 expired unexercised.

MINERAL PROPERTY REVIEW

This review has been prepared by the Company's geologic staff under the supervision of Gordon P. Leask, P.Eng., President, CEO and Director of the Company, and a Qualified Person ("QP") as defined by National Instrument 43-101 (Standards of Disclosure for Mineral Projects).

The Company currently owns, or has the right to acquire an interest in, four primary projects; the Gold Knob property, the Golden Brew property and the Johnson Canyon property, all located in Nevada, and the Monroe Property, located in BC.

Gold Knob Property

The Gold Knob project comprises 589 unpatented claims located 80 km southwest of Winnemucca, Nevada near Lyle Hot Springs in Pershing County. These claims cover the projected southern 80% of the Gold Knob lower-plate window where a shallow bedrock bench extends for more than 2 km outboard from the western flank of the East Range. The Gold Knob lower-plate window hosts numerous occurrences of Carlin-type gold mineralization in both upper- and lower-plate rocks with grab assays up to 100 g/t (3 oz/ton) gold. Structurally, the window sits at the projected intersection of the Northern Nevada Rift central, the northern flank of the Caetano Trough and the southernmost projection of the Getchell Trend.

Previous drilling in the vicinity of Lyle Hot Springs established shallow bedrock and highly anomalous gold in a recent hot springs sinter deposit (0.014 oz/ton Au over 29 feet) with the highest assay being 0.082 oz/ton Au over 3 feet. Gravity and magnetic surveys have been executed over most of the property. Several interesting geophysical features resulted from this work and CSAMT surveys are recommended.

Various drill programs in the immediate vicinity of the Gold Knob showing intersected erratic gold values with the best being 17 m at 0.583 g/t Au in lower-plate marble in GK-2. Another drill hole assayed 12 m of 0.725 g/t Au just under the Roberts Mountains Thrust in BV-3. This intersection occurs on the northeast corner of the Gold Knob showing. Mineralization in the drill hole is described as weak silicification/ decalicification starting at a depth of 50 m. A prominent gravity-low / magnetic-low is located to the immediate east of this drill hole under Upper-plate cover. As such, this area is established as a Priority 1 drill target. This demonstrates that the Upper-plate is forming an effective cap on the gold system at Gold Knob. Large areas of prospective geology remain undrilled under shallow pediment cover outboard of the Gold Knob exposure. The depth to bedrock over large parts of the Gold Knob window has been established by extensive geothermal testwork drilling. Given the shallow alluvium, the potential exists of the discovery of shallow oxide gold resources. Oxide gold targets are rare in Nevada at this point in time given the mature nature of exploration in the region.

In November 2020, the Company entered into an agreement to purchase a 100% interest in the initial 278 Gold Knob claims (the "Gold Knob Agreement") by paying US$100,000 and the issuance of 200,000 common shares of the Company. There is a 3% net smelter return reserved to the vendor, of which up to 2% can be purchased by the Company for US$1,000,000 per percentage point.

Golden Brew Property

The Golden Brew project ("Golden Brew") comprises 101 unpatented claims covering a Carlin-style gold system. Known gold mineralization consists of a gold bearing jasperoid which is located on claims which the Company formerly leased from Genesis Gold Corporation ("Genesis")., and Carlin-type mineralization in a cluster of drill holes on the Company's current claims.
Pursuant to the termination of the mining lease agreement with Genesis in 2019, 27 claims and a portion of 28 claims are subject to a 0.5% net smelter returns royalty payable to Genesis.

A compelling drill target remains to be tested 600 m northwest of the existing drill pattern. The impetus for this drilling is a coincident gravity low and magnetic low related to the intersection of three crustal structures. The Company is seeking a third party farm-out to execute this test.

Johnson Canyon Property

The Johnson Canyon property comprises 186 claims which cover the projected intersection of the northern flank of the Eastgate Trough and the Northern Nevada Rift Central which is essentially coincident with the northwest corner of the Quito lower-plate window under pediment cover outboard of the Toiyabe Mountain range.

The geology of the western edge of the Quito window is dominated by an open shallowly plunging north-westerly trending breached anticline which is cored by the Roberts Mountains Formation and capped by upper-plate Valmy Formation. The window is host to the former operating Quito Mine, a Carlin-type deposit which produced approximately 175,000 ounces of gold from a 400,000 ounce gold resource.

Previous drilling along the west side of the window intersected a probable *lag* deposit in colluvium which grades 65 feet at 0.1 g/t gold, 144 ppm arsenic and 65 ppm antimony in a heterogeneous gravel pediment. Subsequent follow-up prospecting in the colluvium surrounding the drill hole returned numerous mineralized boulders characterized as rusty brecciated upper-plate Valmy Formation, decalcified thin-bedded limestones, and jasperoids. These boulders assayed up to 3.7 g/t gold with highly anomalous arsenic, antimony, mercury and thallium. Additional sampling of this area during September 2020 returned a further twenty-five samples with elevated gold (to 102 ppb), arsenic (to 4,734 ppm), antimony (to 2,000 ppm), mercury (to 16 ppm) and thallium (to 5 ppm). The pediment being sampled exhibits evidence of high-energy reworking immediately south of a recent quarternary fault scarp. The region north of the fault appears undisturbed. Five profiles of CSAMT over the area corroborate the helenogenous nature of the pediment bench in the vicinity of the sampled area.

Analysis of previously executed geophysical surveys including CSAMT, gravity and magnetics has indicated six target areas for drilling under what is believed to be a shallow pediment cover outboard of the mouth of Johnson Canyon where the bulbous termination of Jurassic aged laccolithic intrusive is projected by the aforementioned geophysical surveys. Recent drilling around the Mill Canyon intrusive at Cortez has shown these Jurassic laccoliths to be favourable sites for the localization of significant quantities of gold mineralization.

Monroe Property

In May 2016, the Company announced it had executed an option agreement with Eagle Putt Ventures Inc. ("Eagle Putt") to earn an undivided 50% interest in the 1,282 hectare Monroe property (the "Monroe property") located in the Fort Steele Mining Division, southeast British Columbia. The Monroe property covers an area exhibiting comparable geologic similarities to the Sullivan mine corridor located 40 kilometres to the north. In order to exercise the option (the "Monroe Option"), the Company made a firm commitment to spend an initial $100,000 in exploration expenditures on the Monroe property in the first year, followed by additional annual optional exploration expenditures totalling $2.9 million by May 2021. On April 9, 2021, the Monroe Option was amended to a cumulative total of exploration expenditures of no less than $3 million on or before May 2, 2022. During fiscal 2023, the Monroe Option was amended and the Company must complete the expenditures on or before May 2, 2024. No other consideration is required to exercise the Monroe Option. The Company will be the operator on the Monroe property during the course of the Monroe Option. Upon exercise of its option to earn a 50% undivided interest in the Property, the Company and Eagle Putt will form a joint venture to further advance the exploration and development of the Monroe property.

The Monroe property is owned 50/50 by Gordon P. Leask, President, Chief Executive Officer and a director of the Company and John M. Leask, a director of the Company, and is held in trust for them by Eagle Putt, a private corporation owned by Gordon Leask. Given the non-arm's length nature of the transaction, the Company obtained approval to the grant of the Monroe Option by way of written resolution from a majority of the disinterested shareholders of the Company. Messrs. Gordon Leask and John Leask and their associates were excluded from voting on the shareholder resolution to approve the grant of the Monroe Option to the Company.

The Sullivan Mine closed in 2001 after producing 160 million tons of ore yielding over 17 million tons of lead and zinc plus more than 285 million troy ounces of silver. A significant amount of drilling has been completed on the western portion of the Monroe property by former operators including Eagle Putt. The proposed target is in the eastern half of the Property where there has been sparse drilling in widely spaced holes. Impetus for further exploration is a combination of new geophysical surveys coupled with a re-examination of a number of previous drill holes.

In November 2019, the Company completed drilling the Monroe property for the 2019 exploration season. Two diamond drill holes were collared with the objective of offsetting stratiform lead/zinc mineralization and extensive Sullivan Mine style alteration previously discovered. Hole HWY-19-011 was completed to a depth of 1,011.3 metres and did not encounter the expected mineralized horizon at the projected target depth. The decreased level of alteration as well as the lack of host lithologies observed in nearby holes suggests the hole exited the sub-basin that is being tested and is hosting mineralization. With the data received from HWY-19-011 a second hole, HWY-19-012, was attempted with the objective of intersecting the host mineralization horizon between holes HWY-16-001 and HWY-18-007 where highly anomalous mineralization and intense sericite, albite, tourmalinite alteration has been encountered. The hole was lost at a depth of 414 metres in a major fault zone some 300 metres short of the projected target depth and did not test the target horizon.

The 2023 drill campaign at Monroe consisted of the attempted deepening of two previously drilled exploration holes, HWY-17-003 and HWY-18-009. Hole HWY-17-003 was continued from a depth of 1,063 m and terminated at a depth of 1,140 m due to adverse drilling conditions. The proposed target horizon was not reached.

The extension of drill hole HWY-18-009 was initiated to reach the same proposed area as HWY-17-003 but from a different direction. The extension was started at a depth of 980 m and continued to a termination depth of 1,331 m. The hole encountered a much thicker gabbro (intrusive) sill than expected, before exiting to Lower Aldridge sediments. The hole was terminated due to unexpected geologic complexities, no lead-zinc mineralization was encountered beneath the gabbro sills, and down-hole drilling conditions were difficult.

Outlook

In September 2020, the Company recommenced field work on its Nevada exploration projects with a view to follow-up drilling when the Company has obtained the necessary financing. The Company holds title to three claim areas in Nevada, Golden Brew, Johnson Canyon/Porter Canyon and Gold Knob, that were chosen because of their proximity to deep seated geologic architectures which management believes may host large quantities of gold. Past exploration drilling on Johnson Canyon/Porter Canyon claims identified a probable "lag" gold occurrence which may be similar in character to the Cortez Pediment deposit which was shed off the adjacent Cortez Hills Tier 1 gold mine. The Johnson Canyon project is located along the western edge of the Quito Mine lower-plate window. The northwest corner of this window exhibits geologic elements that are markedly similar to the northwest corner of the Cortez window where the former producing Cortez Mine and currently producing Cortez Hills Mine are located. Initial focus of the upcoming exploration work will be on the Johnson Canyon/Porter Canyon claims where the Company has permitted a pattern of six drill holes at the northwest corner of the Quito Mine window. Impetus for this drilling is previously executed geophysical surveys over the target area including magnetic, gravity and controlled source audio-frequency magnetotellurics. A key geologic element to this northwest corner is the presence of a Jurassic aged laccolithic intrusive with marked similarities to the Mill Canyon intrusion at Cortez where recent drilling by Nevada Gold Mines has intersected high-grade gold mineralization near the intrusion. The Goldstrike intrusion at Carlin is a similar feature and has a massive gold resource proximal to it (64 M oz/Au). The Company plans to complete geological and geophysical surveys at Gold Knob prior to drilling. Management is pleased that recent analysis of the Gold Knob geological and geophysical data sets has served to firm up drill targets.

As a show of goodwill, management has decided to forgive more than five years of accrued fees totaling $1,640,000.

OPERATIONS AND FINANCIAL CONDITION

Summary of Quarterly Results

The following is a summary of certain selected financial information for the most recent eight fiscal quarters comprising the Company's preceding two fiscal years:

All in $1,000's except loss per share	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
Net income (loss)	$(282)	$(44)	$1,544	$(128)
Income (loss) per share	(0.01)	(0.00)	$0.04	$(0.00)
Total assets	$5,468	$4,798	$4,851	$4,878
Total liabilities	$632	$429	$441	$2,013

All in $1,000's except loss per share	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
Net income (loss)	$(155)	$(130)	$(150)	$(174)
Income (loss) per share	$(0.00)	$(0.00)	$(0.00)	$(0.00)
Total assets	$4,924	$4,983	$5,036	$5,079
Total liabilities	$1,930	$1,834	$1,757	$1,650

Results of Operations – For the Six Months Ended June 30, 2023 Compared to the Six Months Ended June 30, 2022

During the six months ended June 30, 2023, loss from operating activities was $325,960 compared to loss of $285,141 for the six months ended June 30, 2022.

- Consulting fees was $20,000 for the six months ended June 30, 2023 compared to $150,000 for the six months ended June 30, 2022. The difference is due to the reduction of management fees in the current period.
- Loan accretion was $Nil for the six months ended June 30, 2023 compared to $20,219 for the six months ended June 30, 2022. The difference is due to completion of loan discount amortization in the previous period.
- Stock-based compensation was $192,086 for the six months ended June 30, 2023 compared to $Nil for the six months ended June 30, 2022. During the current period, the Company issued 2,150,000 stock options valued using the Black Scholes Pricing Model.

Results of Operations – For the Three Months Ended June 30, 2023 Compared to the Three Months Ended June 30, 2022

During the three months ended June 30, 2023, loss from operating activities was $286,402 compared to loss of $149,092 for the three months ended June 30, 2022.

- Consulting fees was $12,000 for the three months ended June 30, 2023 compared to $75,000 for the three months ended June 30, 2022. The difference is due to the reduction of management fees in the current period.
- Loan accretion was $Nil for the three months ended June 30, 2023 compared to $9,816 for the three months ended June 30, 2022. The difference is due to completion of loan discount amortization in the previous period.
- Stock-based compensation was $189,001 for the three months ended June 30, 2023 compared to $Nil for the three months ended June 30, 2022. During the current period, the Company issued 2,150,000 stock options valued using the Black Scholes Pricing Model.

Cash Flow

Operating Activities

Cash outflow from operating activities was $138,903 for the six months ended June 30, 2023 compared to $93,800 for the six months ended June 30, 2022. The variances are mainly the cumulative result of several variations in the items affecting cash flow from operations discussed above and the change in working capital items.

Investing Activities

Cash outflow from investing activities was $233,271 for the six months ended June 30, 2023 compared to cash inflow of $9,648 for the six months ended June 30, 2022. The outflows in the current and previous periods are mainly the result of expenditures on the Company's exploration and evaluation assets.

Financing Activities

Cash outflow from financing activities was $545,965 for the six months ended June 30, 2023 compared to cash outflows of $14,250 for the six months ended June 30, 2022. During the six months ended June 30, 2023, the Company raised $624,785 in two private placements.

Liquidity and Capital Resources

Cash at June 30, 2023 totaled $460,901 compared to $287,110 at December 31, 2022. Working capital deficiency at June 30, 2023 was $139,739 compared to working capital deficiency of $127,577 at December 31, 2022. The ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing.

During the period ended June 30, 2023, the Company:

a) Closed a non-brokered private placement of 1,666,665 flow-through common shares at a price of $0.15 for proceeds of $250,000 and closed a non-brokered private placement of 2,498,567 units at a price of $0.15 for proceeds of $374,785.

As at the date of this report, the Company has not been able to identify a known body of commercial grade ore on any of its exploration and evaluation assets. The ability of the Company to realize the costs it has incurred to date on these exploration and evaluation assets is dependent upon the Company being able to lever its property interests and cash, by way of exploration activities and option/joint ventures, into assets of greater value.

Related Party Transactions

During the period ended June 30, 2023, the Company entered into the following transactions with related parties:

a) Eagle Putt Ventures Inc. (“Eagle Putt”) is a private company controlled by Mr. Gordon P. Leask, a director and officer of the Company. For the period ended June 30, 2023, Eagle Putt charged $nil (2022 - $60,000) which are classified as consulting fees in the consolidated statements of profit or loss. At December 31, 2022, Eagle Putt forgave $670,000 owed by the Company relating to these fees.

   During the year ended December 31, 2020, the Company received loans of $228,436 ($75,000 and US$116,753) from Eagle Putt. On December 31, 2020, the loans were transferred to a term loan that matured on June 30, 2022, and since it is below the Company’s estimated market borrowing rate of 12%, a contribution benefit of $34,980 was recorded in reserves. During the period ended June 30, 2023, the Company incurred $nil (2022 - $12,176) in accretion expense relating to this loan. The carry value of this loan as at June 30, 2023 is $229,673 (December 31, 2022 - $233,094).

b) Rangefront Exploration Corp. (“Rangefront”) is a private company controlled by Mr. John M. Leask, a director to the Company. For the period ended June 30, 2023, Rangefront charged $nil (2022 - $60,000) which are classified as consulting fees in the consolidated statements of profit or loss. At December 31, 2022, Rangefront forgave $670,000 owed by the Company relating to these fees.

   During the year ended December 31, 2020, the Company received loans of $189,320 (US$143,505) from Rangefront out of which $35,158 (US$26,753) had been repaid. On December 31, 2020, the loans were transferred to a term loan that matured on June 30, 2022, and since it is below the Company’s estimated market borrowing rate of 12%, a contribution benefit of $23,255 was recorded in reserves. During the period ended June 30, 2023, the Company incurred $nil (2022 - $8,043) in accretion expense relating to this loan. The carry value of this loan as at June 30, 2023 is $154,674 (December 31, 2022 - $158,095).

c) Megan Cameron-Jones is a director and officer of the Company. For the period ended June 30, 2023, Megan Cameron-Jones charged $nil (2022 - $30,000) for management services which are classified as consulting fees in the consolidated statements of profit or loss. At December 31, 2022, Megan Cameron-Jones forgave $300,000 owed by the Company relating to these fees.

d) Cross Davis & Co. LLP (“Cross Davis”) is an accounting firm of which Scott Davis, an officer of the Company, is a partner. For the period ended June 30, 2023, Cross Davis charged $18,000 (2022 - $18,000) which are classified as accounting fees in the consolidated statements of profit or loss. At June 30, 2023, the Company owed $nil (December 31, 2022 - $nil) to Cross Davis.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company’s Board of Directors. The remuneration of officers and members of key management personnel during the six months ended June 30, 2023 and 2022 are as follows:

	Other Payments	Share-based Compensation	Total
June 30, 2023			
Chief Executive Officer	$ -	$ 64,843	$ 64,843
Chief Financial Officer	18,000	10,807	28,807
Executive directors	-	109,953	109,953
	$ 18,000	$ 185,603	$ 203,603
June 30, 2022			
Chief Executive Officer	$ 60,000	$ -	$ 60,000
Chief Financial Officer	18,000	-	18,000
Executive directors	90,000	-	90,000
	$ 168,000	$ -	$ 168,000

Outstanding Shares, Stock Options and Warrants

As at the date of this report, the Company had the following outstanding:

- 45,774,214 common shares.

- Warrants:

Number of Warrants Outstanding	Exercise Price ($)	Expiry Date
1,182,455	0.60	September 21, 2023
2,748,133	0.20	May 16, 2025
3,930,588		

- Stock options:

Number of Options Outstanding	Exercise Price ($)	Expiry Date	Number of Options Exercisable
1,525,000	0.37	November 17, 2025	1,525,000
200,000	0.38	January 4, 2026	200,000
460,000	0.35	April 30, 2026	460,000
200,000	0.25	December 2, 2027	-
2,150,000	0.15	June 6, 2028	2,150,000
4,535,000			4,335,000

Proposed Transactions

The Company is not contemplating any other transactions which have not already been disclosed. The Company continues to look at other property acquisitions and to seek joint venture partners on its properties on a regular basis.

Investor Relations

Investor relations activities are performed by directors and officers of the Company.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangement.

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual reports could differ from management's estimates.

Contingencies

There are no contingent liabilities.

Internal Controls Over Financial Reporting

Changes in Internal Control over Financial Reporting ("ICFR")

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

Other MD&A Requirements

Additional disclosure of the Company's technical reports, material change reports, news releases and other information can be obtained on SEDAR at www.sedar.com.

Disclosure for Venture Issuers without Significant Revenue

A breakdown of the components of the Company's general and administrative expenses is disclosed in the condensed consolidated interim financial statements for the six months ended June 30, 2023 to which this MD&A relates. A breakdown of the material components of the exploration and evaluation assets of the Company is disclosed in the condensed consolidated inteirm financial statements for the six months ended June 30, 2023 to which this MD&A relates.

Management's Responsibility for Financial Statements

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

Financial and Capital Risk Management

Please refer to the June 30, 2023 condensed consolidated interim financial statements on www.sedar.com.

Adoption of New Standards and Interpretations, and Recent Accounting Pronouncements

There were no new standards and recent accounting pronouncements adopted during the period ended June 30, 2023.

Risks and Uncertainties

Annual losses are expected to continue until the Company has an interest in an exploration and evaluation asset that produces revenues. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. The Company's accompanying consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements.

Any forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the Company and other factors.

The operations of the Company are speculative due to the high-risk nature of its business which includes the acquisition, financing, exploration, development and operation of mining properties. There are a number of factors that could negatively affect the Company's business and the value of its common shares, including the factors listed below. The following information pertains to the outlook and conditions currently known to the Company that could have a material impact on the financial condition of the Company. Other factors may arise that are not currently foreseen by management of the Company that may present additional risks in the future. Current and prospective security holders of the Company should carefully consider these risk factors, as they could materially affect the Company's future operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

The more significant risks include:

Exploration and Development Risk

The Company's properties are in the exploration stage and are without a known body of commercial ore. Exploration for mineral resources involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The risks and uncertainties inherent in exploration activities include but are not limited to: general economic, market and business conditions, the regulatory process and actions, failure to obtain necessary permits and approvals, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events and management's capacity to execute and implement its future plans. Discovery of mineral deposits is dependent upon a number of factors, not the least of which are the technical skills of the exploration personnel involved and the capital required for the programs. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. There is no assurance that the Company's mineral exploration activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that even if commercial quantities of ore are discovered that a new ore body would be developed and brought into commercial production. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which are the particular attributes of the deposit (such as size, grade, metallurgy and proximity to infrastructure and labour), the interpretation of geological data obtained from drilling and sampling, feasibility studies, the cost of water and power; anticipated climatic conditions; cyclical metal prices; fluctuations in inflation and currency exchange rates; higher input commodity and labour costs, commodity prices, government regulations, including regulations relating to prices, taxes, royalties, land tenure and use, allowable production, importing and exporting of minerals, and environmental protection. Most of the above factors are beyond the control of the Company. Development projects will also be subject to the successful completion of final feasibility studies, issuance of necessary permits and other governmental approvals and receipt of adequate financing. The exact effect of these factors cannot be accurately predicted, but the combination of any of these factors may adversely affect the Company's business.

Title Risk

The Company has investigated its right to explore and exploit its properties and, to the best of its knowledge, those rights are in good standing. The results of the Company's investigations should not be construed as a guarantee of title. Other parties may dispute the title to a property, or the property may be subject to prior unregistered agreements or liens and transfers or land claims by aboriginal, native, or indigenous peoples. The title may be affected by undetected encumbrances or defects or governmental actions. The Company has not conducted surveys of all of its properties, and the precise area and location of claims or the properties may be challenged and no assurances can be given that there are no title defects affecting such properties. Any defects in the title to the Company's properties could have a material and adverse effect on the Company.

No assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining authorizations nor that such exploration and mining authorizations will not be challenged or impugned by third parties. Although the Company has not had any problem renewing its licenses in the past there is no guarantee that it will always be able to do so. Inability to renew a license could result in the loss of any project located within that license. The Company is earning an interest in the Monroe property through an option agreement requiring exploration expenditures and acquisition of title to the properties is completed only when the option conditions have been met. If the Company does not satisfactorily complete these option conditions in the period laid out in the option agreements, the Company's title to the related property will not vest and the Company will have to write down its previously capitalized costs related to that property.

Foreign Operations Risk

The Company conducts exploration activities in foreign countries, including the U.S. This exposes the Company to risks that may not otherwise be experienced if all operations were located in Canada. The risks can include, but are not limited to, civil unrest or war, terrorism, changing political conditions, fluctuations in currency exchange rates, and changes to royalty and tax regimes. Changes in mining or investment policies or shifts in political attitudes may also adversely affect Company's existing assets and operations. Real and perceived political risk may also affect the Company's ability to finance exploration programs and attract joint venture or option partners, and future mine development opportunities.

Numerous countries have introduced changes to mining regimes that reflect increased government control or participation in the mining sector, including, but not limited to, changes of law affecting foreign ownership, mandatory government participation, taxation and royalties, exploration licensing, export duties, and repatriation of income or return of capital. There can be no assurance that industries, which are deemed of national or strategic importance in countries in which the Company has assets, including mineral exploration, will not be nationalized. There is a risk that further government limitations, restrictions or requirements, not presently foreseen, will be implemented. Changes in policy that alter laws regulating the mining industry could have a material adverse effect on the Company. There can be no assurance that the Company's assets in these countries will not be subject to nationalization, requisition or confiscation, whether legitimate or not, by an authority or body.

In addition, in the event of a dispute arising from foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. The Company also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for the Company to accurately predict such developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on the Company.

Metal Price Risk

The Company's portfolios of properties and investments have exposure to predominantly copper, gold, silver and molybdenum. Commodity prices fluctuate widely and are affected by numerous factors beyond the Company's control, such as the sale or purchase of metals by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar, global and regional supply and demand, and the political and economic conditions of major metals-producing and metals-consuming countries throughout the world. The prices of these metals greatly affect the value of the Company, the price of the common shares of the Company and the potential value of its properties and investments. This, in turn, greatly affects its ability to form joint ventures, option agreements and the structure of any joint ventures formed. This is due, at least in part, to the underlying value of the Company's assets at different metals prices.

Uncertainty of Funding

The exploration and development of mineral properties requires a substantial amount of capital and may depend on the Company's ability to obtain financing through joint ventures, debt financing, equity financing or other means. General market conditions, volatile metals prices, a claim against the Company, a significant disruption to the Company's business, or other factors may make it difficult to secure the necessary financing. There is no assurance that the Company will be successful in obtaining required financing as and when needed on acceptable terms. Failure to obtain any necessary additional financing may result in delaying or indefinite postponement of exploration or development or even a loss of property interest. If the Company needs to raise additional funds, such financing may substantially dilute the interests of shareholders of the Company and reduce the value of their investment.

Recent economic events including US-China trade disputes and the COVID-19 global pandemic have created further uncertainty in global financial and equity markets and may adversely impact the Company's share price and ability to raise capital.

Future Offerings of Debt or Equity Securities

The Company may require additional funds to finance further exploration, development and production activities, or to take advantage of unanticipated opportunities. If the Company raises additional funds by issuing additional equity securities, such financing would dilute the economic and voting rights of the Company's shareholders. Since the Company's capital needs depend on market conditions and other factors beyond its control, it cannot predict or estimate the amount, timing or nature of any such future offering of securities. Thus, holders of common shares of the Company bear the risk of any future offerings reducing the market price of the common shares and diluting their shareholdings in the Company.

Currency Risk

The Company will transact business in a number of currencies including but not limited to the Canadian Dollar and the US Dollar. Fluctuations in exchange rates may have a significant effect on the cash flows of the Company. Future changes in exchange rates could materially affect the Company's results in either a positive or a negative direction. The Company does not currently engage in foreign currency hedging activities.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Information Systems and Cyber Security

The Company's operations depend on information technology ("IT") systems. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyberattacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations. Although to date the Company has not experienced any material losses relating to cyber attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Negative Operating Cash Flow

The Company is an exploration stage company and has not generated cash flow from operations. The Company is devoting significant resources to the development and acquisition of its properties; however there can be no assurance that it will generate positive cash flow from operations in the future. The Company expects to continue to incur negative consolidated operating cash flow and losses until such time as it achieves commercial production at a particular project. The Company currently has negative cash flow from operating activities.

Competition

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential, as well as the necessary labour and supplies required to develop such properties. The Company competes with other exploration and mining companies, many of which have greater financial resources, operational experience and technical capabilities than the Company, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. The Company may not be able to maintain or acquire attractive mining properties on terms it considers acceptable, or at all. Consequently, its financial condition could be materially adversely affected.

Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, as well as political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company. The Company does not maintain insurance against political risks.

Environmental Risks

It is possible that future regulatory developments, such as increasingly strict environmental protection laws, climate change policies, regulations and enforcement policies, and claims for damages to property and persons resulting from the Issuer's operations, could result in additional costs and liabilities, restrictions on or suspension of the Issuer's activities and delays in the exploration of and development of its properties.

The physical effects of climate change, which may include extreme weather events, resource shortages, changes in rainfall and storm patterns, water shortages and extreme weather events, may have an adverse effect on our operations. Events or conditions such as flooding or inadequate water supplies could disrupt exploration activities and rehabilitation efforts, could create resource shortages and could damage our property or equipment and increase health and safety risks on our properties. Such events or conditions could also have other adverse effects on our operations, our workforce and on the local communities surrounding our properties, such as an increased risk of food, water scarcity and civil unrest.

Tax

The Company runs its business in different countries and strives to run its business in as tax efficient a manner as possible. The tax systems in certain of these countries are complicated and subject to changes. For this reason, future negative effects on the result of the Company due to changes in tax regulations cannot be excluded. Repatriation of earnings to Canada from other countries may be subject to withholding taxes. The Company has no control over withholding tax rates.

Forward Looking Statements

Cautionary Note – Forward Looking Statements

Certain statements made and information contained herein in the MD&A constitutes “forward-looking information” and forward-looking statements” within the meaning of applicable securities legislation (collectively, “forward-looking information” or “forward-looking statements”) concerning the business, operations, financial performance and condition of Highway 50 Gold Corp. The forward-looking information contained in this MD&A is based on information available to the Company as of the date of this MD&A. Except as required under applicable securities legislation, the Company does not intend, and does not assume any obligation, to update this forward-looking information. Generally, any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance, (often, but not always, identified by words or phrases such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", “projects” , “estimates”, “budgets”, “scheduled”, “forecasts”, “assumes”, “intends”, “strategy”, “goals”, “objectives”, “potential”, “possible”, "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events, conditions or results “will”, "may", "could", "would", “should”, "might" or "will be taken", "will occur" or "will be achieved" or the negative connotations thereof and similar expressions) are not statements of historical fact and may be forward-looking statements.

All statements other than statements of historical fact may be forward-looking statements. Forward-looking information is necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: risks and uncertainties relating to, among other things, the inherent uncertainties regarding mineral resource estimates, cost estimates, changes in commodity prices, currency fluctuation, financings, unanticipated resource grades, infrastructure, results of exploration activities, cost overruns, availability of materials and equipment, timeliness of government approvals, taxation, political risk and related economic risk and unanticipated environmental impact on operations, personnel, ability to finance and outlook, as well as other risks, and uncertainties and other factors, including, without limitation, those referred to in the “Risks and Uncertainties” section of the MD&A, and elsewhere, which may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information.

Forward-looking information is based on certain assumptions that the Company believes are reasonable, including that the current price of and demand for commodities will be sustained or will improve, the supply of commodities will remain stable, that the general business and economic conditions will not change in a material adverse manner, that financing will be available if and when needed on reasonable terms and that the Company will not experience any material labour dispute, accident, or failure of plant or equipment. These factors are not, and should not be construed as being, exhaustive. Although the Company has attempted to identify important factors that would cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. All of the forward-looking information contained in this document is qualified by these cautionary statements. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof. Statements relating to "mineral resources" are deemed to be forward looking information, as they involve the implied assessment, based on certain estimates and assumptions, that the mineral resources described can be profitably produced in the future.

The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR (www.SEDAR.com).