Effective Date

This Management's Discussion and Analysis ("MD&A") provides relevant information on the operations and financial results of Gem International Resources Inc. (the "Company") for the year ended September 30, 2019. This MD&A is a complement and supplement to the audited consolidated financial statements for the year ended September 30, 2019. It should be read in conjunction with the Company's audited annual consolidated financial statements for year ended September 30, 2019 and related notes thereto. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and can be found on SEDAR at www.sedar.com and the Company's website www.gemintlresourcesinc.com.

All monetary amounts in this MD&A and in the Company's consolidated financial statements are expressed in Canadian dollars, unless otherwise stated.

The effective date of this MD&A is January 28, 2020.

Forward-Looking Statements

This MD&A contains forward-looking statements that are based on the Company's current expectations and estimate. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "suggest", "indicate" and other similar words or statements that certain events or conditions "may" or "will" occur. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements. Such factors include, among others: the actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans to continue to be refined; possible variations in ore grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing; and fluctuations in metal prices. There may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Forward-looking statements are not a guarantee of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

Description of Business and Overall Performance

The Company was incorporated on September 25, 1985 under the laws of British Columbia, Canada and is a junior natural resource company listed on the TSX Venture Exchange under the trading symbol "GI". The Company is now listed on the NEX Exchange.

The Company is primarily engaged in the acquisition, exploration and development of mineral properties. All of the Company's activities to date have been of an exploratory nature.

The address of the Company's registered office and principal place of business is the 25th Floor, 700 West Georgia Street, Vancouver, British Columbia, Canada V7Y 1B3.

Financing Activities during Year ended September 30, 2019 and Year ended September 30, 2018

MOSMAN OIL AND GAS LIMITED

Pursuant to a Loan Agreement dated March 28, 2018 between the Company ("the Borrower") and Mosman Oil and Gas Limited ("the Lender"), a related company will provide an advance up to $100,000 in Canadian dollars to the Borrower which bears interest at 5% per annum, payable on the last day of each month with a repayment date of December 31, 2018. An establishment fee of $10,000 in Canadian dollars will be charged and repaid on December 31, 2018. As at September 30, 2019, the advance under the loan was $100,000 CAD.

CLARIDEN CAPITAL PTY LTD.

Pursuant to a Loan Agreement dated April 24, 2018, the Company (the "Borrower") and Clariden Capital Pty Ltd. (the "Lender"), a related company founded by the new director, will provide an advance of up to $50,000 in Canadian dollars to the Borrower which bears interest at 5% per annum payable on the last day of each month with a repayment date of December 31, 2018. An establishment fee of $10,000 in Canadian dollars will be charged and repaid on December 31, 2018. As at September 30, 2019, the advance under the loan was $50,000 CAD.

LOANS - OTHERS

A group of individuals (the "Lenders") executed loan agreements dated January 11, 2019 with the Company for an aggregate of $50,000 AUD of which $12,500 AUD was advanced by an individual related to a certain director and $12,500 AUD was advanced by Clariden Capital Pty Ltd. The loan agreements have identical terms and are repayable in full on December 31, 2019. Interest is payable by the Company to the Lender on the Principal Sum at 5% per annum. As at September 30, 2019, the loan payable was $25,000 AUD (CAD: $23,236).

Results of Operations

For the Year Ended September 30, 2019 and 2018

During the year ended September 30, 2019, the Company incurred a net income of $63,085 as compared to a net loss of $333,243 for the same period in 2019, a decrease in net loss by $396,329. The decrease was primarily attributed to the write-off of accounts payable in the amount of $237,392. Other significant decreases in general and administrative expenses include the following.

- Audit, accounting and legal fees were $35,126 (2018 - $99,732);
- Consulting fees were $22,787 (2018 - $23,954);
- Shareholders communications were $Nil (2018 - $6,366);
- Travelling and promotion were $10,151 (2018 - $47,121).

Summary of Quarterly Results

The following table summarizes information derived from the Company's financial statements for each of the eight most recently completed quarters:

Quarter Ended	Sept 30	Jun 30	Mar 31	Dec 31	Sept 30	June 30	March 31	Dec 31
Year	2019	2019	2018	2018	2018	2018	2017	2017
	$	$	$	$	$	$	$	$
Interest Income	-	-	-	-	1	1	2	2
Net Loss	144,963	(6,461)	(28,889)	(46,528)	(87,226)	(92,798)	(84,271)	(68,948)
Basic & Diluted Loss per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

Significant variances in the Company's reported loss from quarter to quarter most commonly arise from:

During quarter ended September 30, 2019. the Company has written off $237,392 in disputed payables belonging to the former CEO, former president (and companies related to them), and former directors and related expenses incurred by them. The $237, 392 relate to accounting fees, consulting fees, rent, and travel expenses charged to the Company which were not authorized by the new Board of Directors. Management has no intention to pay the aforementioned expenses and; therefore, the amounts have been written off.

Liquidity and Capital Resources

At September 30, 2019, the Company had net working capital deficit of $468,446 as compared to net working capital deficit of $531,531 at September 30, 2018. The Company had cash on hand of $79 as compared to $1,795 as at September 30, 2018.

The Company has financed its operations through equity issuances. Although the Company has been successful in raising funds in the past, there can be no assurance that equity funding will be accessible to the Company at the times and in the amounts required to fund the Company's activities. The Company is dependent upon the equity markets to finance all of its activities and it is anticipated that it will continue to rely on this source of funding for its exploration expenditures and to meet its ongoing working capital requirements.

Off-Balance Sheet Arrangement

The Company has no long-term debt, does not have any used lines of credit or other arrangements in place to borrow funds, and has no off-balance sheet arrangements. The Company has no current plans to use debt financing and does not use hedges or other derivatives.

Related Party Transactions

The following is a summary of related party transactions that occurred during the year ended September 30, 2019.

a) Office rent of $Nil (2018 - $6,000) and accounting fees of $Nil (2018 - $12,000) were incurred by the Company and as at September 30, 2018, $37,800 (2018 - $37,800) remained payable to a company related to a former director of the Company;

b) Incurred consulting fees of $Nil (2018 - $20,000) and as at September 30, 2019, $86,216 (2018 - $86,216) remained payable to a company owned by a former director of the Company;

c) Incurred consulting fees of $Nil (2018 - $20,000); and as at September 30, 2019, $34,600 (2018 - $34,600) remained payable to a company owned by a former director & CEO of the Company;

d) Incurred consulting fees of $Nil (2018 - $Nil) and as at September 30, 2019, $3,500 (2018 - $3,500) remained payable to a former director of the Company;

e) Incurred consulting fees of $Nil (2018 - $Nil) and as at September 30, 2019, $6,000 (2018 - $6,000) remained payable to a former director of the Company;

f) Incurred accounting fees of $18,053 (2018 - $15,250) for accounting services provided by an officer of the Company and as at September 30, 2019, $4,250 (2018- $4,250) remained payable.

g) Incurred consulting fees of $30,000 (2018 – 20,000) and as at September 30, 2019, $50,000 (2018 – $20,000) remained payable to a company owned by the interim CEO of the Company;

h) Incurred consulting fees of $30,000 (2018 – Nil) and as at September 30, 2019, $50,000 (2018 – $20,000) remained payable to a company owned by a director of the company.

i) Incurred consulting fees of $30,000 (2018 – $10,000) and as at September 30, 2019, $40,000 (2018 – $10,000) remained payable to a company owned by a director of the company.

Pursuant to a Loan Agreement dated March 28, 2018 between the Company ("the Borrower") and Mosman Oil and Gas Limited ("the Lender"), a related company founded by the new director and interim CEO, will provide an advance up to $100,000 in Canadian dollars to the Borrower which bears interest at 5% per annum, payable on the last day of each month with a repayment date of December 31, 2018. An establishment fee of $10,000 in Canadian dollars was charged and paid on December 31, 2018. As at September 30, 2019, the advance under the loan was $100,000 CAD.

Pursuant to a Loan Agreement dated April 24, 2018, the Company (the "Borrower") and Clariden Capital Pty Ltd. (the "Lender"), a related company founded by a new director, will provide an advance of up to $50,000 in Canadian dollars to the Borrower which bears interest at 5% per annum payable on the last day of each month with a repayment date of December 31, 2018. An establishment fee of $10,000 in Canadian dollars was charged and paid on December 31, 2018. As at September 30, 2019, the advance under the loan was $50,000 CAD.

A group of individuals (the "Lenders") executed loan agreements dated January 11, 2019 with the Company for an aggregate of $50,000 AUD of which $25,000 AUD was advanced by an individual related to a certain director and $12500 AUD was advanced by Clariden Capital Pty Ltd. The loan agreements have identical terms and are repayable in full on December 31, 2019. Interest is payable by the Company to the Lenders on the Principal Sum at 5% per annum. As at September 30, 2019, the loan payable was $25,000 AUD (CAD: $23,236).

As at September 30, 2019, the Company has written off $237,392 in disputed payables belonging to the former CEO, former president (and companies related to them), and former directors and related expenses incurred by them. The $237, 392 relate to accounting fees, consulting fees, rent, and travel expenses charged to the Company which were not authorized by the new Board of Directors. Management has no intention to pay the aforementioned expenses and; therefore, the amounts have been written off.

The above transactions with related parties, occurring in the normal course of operations, were measured at the fair value, are unsecured with no specific terms of repayment and are non-interest bearing; unless, otherwise stated.

Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include executive and non-executive directors. Key management personnel compensation disclosed above comprised the follow:

	September 30, 2019	September 30, 2018
Key management personnel:		
Interim CEO and director	$ 30,000	$ 37,706
Former CEO and director	-	20,000
CFO	18,053	15,250
Directors	60,000	26,600
Former directors	-	20,000
	$ 108,053	$ 119,556

Recent Accounting Pronouncements

- IFRS 15, Revenue from Contracts with Customers

  IFRS 15 is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from and entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers.

  IFRS 15 supersedes IAS 11, Construction Contracts, IAS 18, Revenue, IFRIC 13, Customer Loyalty Programs, IFRIC 15, Agreements for the Construction of Real Estate, IFRIC 18, Transfers of Assets from Customers, and SIC-31, Revenue – Barter Transactions involving Advertising Service. This standard has been adopted without material effect to these financial statements.

  At the date of authorization of these financial statements, the IASB and International Financial Reporting Committee ("IFRIC") have issued the following revised and new standards, amendments and interpretations which are not yet mandatory during the year ended September 30, 2019:

  Effective for periods beginning on or after January 1, 2019

- IFRS 16, Leases

  In January 2016, the International Accounting Standards Board (IASB) issued a new International Financial Reporting Standard (IFRS) on lease accounting which was incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in June 2016. IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease, SIC-15 Operating Leases - Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 introduces a single lessee accounting model that requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Lease assets and liabilities are initially recognized on a present value basis and subsequently, similarly to other non-financial assets and financial liabilities, respectively. The lessor accounting requirements are substantially unchanged and, accordingly, continue to require classification and measurement as either operating or finance leases. The new standard also introduces detailed disclosure requirements for both the lessee and lessor. The new standard is effective for annual periods beginning on or after January 1, 2019 and is not expected to have a material impact on the Company's financial statements.

Financial Instruments and Other Instruments

All significant financial assets, financial liabilities and equity instruments of the Company are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk.

The Company's financial instruments comprise of cash, receivables, marketable securities, accounts payable and accrued liabilities.

The fair value of cash and marketable securities are based on level 1 input of the fair value hierarchy. The carrying values of receivables and accounts payable and accrued liabilities approximate their fair values due to their short-term maturity.

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate risk, currency risk and/or credit risk arising from these financial instruments.

Management's Responsibility for the Financial Statements

Information provided in this MD&A, including financial information extracted from the Financial Statements, is the responsibility of management. In the preparation of the Financial Statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying Financial Statements.

Critical Accounting Estimates

The financial statements prepared in accordance with IFRS requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the 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. Significant areas requiring the use of management estimates relate to assessments of the recoverability and carrying value of exploration and evaluation assets, assumptions used in determining the fair value of share-based payments, recognition and valuation of deferred income tax amounts as well as provision for restoration and environmental costs. Due to the inherent uncertainty involved with making such estimates, actual results could differ from these estimates. Future events and risk factors inherent in the mining industry could result in changes in these estimates and assumptions.

Outstanding Share Data

As at the date of this MD&A, the Company had the following securities issued and outstanding:

(1) Common shares – 19,081,554
(2) Share purchase warrants – Nil
(3) Stock options – 1,600,000

Risk Factors relating to the Company's Business

Mineral exploration and mining involve considerable financial and technical risk. Substantial expenditures are usually required to establish ore reserves, to evaluate metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in profitable commercial mining operations. Unusual or unexpected geological formations, unstable ground conditions that could result in cave-ins or land slides, floods, power outages or fuel shortages, labour disruptions, fire, explosions, and the inability to obtain suitable or adequate machinery, equipment or labour are risks associated with the conduct of exploration programs and the operation of mines. At this point, the Company has no experience in the development and operation of mines and in the construction of facilities required to bring mines into production, and may rely upon consultants for expertise with respect to the construction and operation of a mining facility.

Future exploration and development activities on the Company's properties will require additional financing. There is no assurance that additional funding will be available to the Company when need or that, if available, the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the property interests of the Company with the possible dilution or loss of such interests. The effects of these cannot be accurately predicted, but any of these issues could impede development or render it uneconomic.

The Company expects that uncertainty remains with respect to global economy, available capital and exploration risk to the resource industry. The Company intends to manage its cash resources and review opportunities as circumstances demand.

Additional Information

Additional information pertaining to the Company can be found on SEDAR at www.sedar.com and the Company's website www.gemintlresourcesinc.com

Directors and Officers

John W. Barr – Director, Interim CEO and Chairman
John Campbell Smyth – Director
Sean Hurd - Director
Simon Ma – CFO