AJN RESOURCES INC.

Management's Discussion & Analysis

For the three and nine months ended April 30, 2022 and 2021

(Expressed in Canadian dollars, except where noted)

1. EFFECTIVE DATE AND FORWARD-LOOKING STATEMENTS

a) Reporting period and effective date

This Management's Discussion & Analysis ("MD&A") of the financial position and results of operations provides an analysis of the operations and financial results of AJN Resources Inc. ("the Company") for the three and nine months ended April 30, 2022 and 2021. This MD&A should be read in conjunction with the condensed interim consolidated financial statements ("interim financial statements") of the Company and related notes thereto as at and for the three and nine months ended April 30, 2022 and 2021. The interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS" or "GAAP"). The accounting policies followed in these interim financial statements are the same as those applied in the Company's most recent audited annual consolidated financial statements ("annual financial statements") for the years ended July 31, 2021 and 2020. All financial information has been prepared in accordance with IFRS and all dollar amounts presented are Canadian dollars unless otherwise stated.

The effective date of this MD&A is June 29, 2022 (the "MD&A Date").

The Board of Directors of the Company has approved the disclosure contained in this MD&A on June 29, 2022.

b) Forward-looking statements

This MD&A contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian and US securities legislation. These statements relate to future events or the future activities or performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate, and similar expressions, or which by their nature refer to future events. These forward-looking statements include, but are not limited to, statements concerning:

- the Company's strategies and objectives, both generally and in respect of its existing business and planned business operations;
- the Company's plans to grow sales and offer new products and services;
- the Company's future cash requirements;
- general business and economic conditions;
- the Company's ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations;
- the timing, pricing, completion, regulatory approval of proposed financings if applicable;

Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Inherent in forward looking statements are risks and uncertainties beyond the Company's ability to predict or control, including, but not limited to, risks related to the Company's ability to raise the necessary capital or to be fully able to implement its business strategies, and other risks identified herein under "Risk Factors".

The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results are likely to differ, and may differ materially, from those expressed or implied by forward looking statements contained in this MD&A. Such statements are based on a number of assumptions, which may prove incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- conditions in the financial markets generally, and with respect to the prospects for small capitalization commercial/technology companies specifically;
- the Company's ability to continue to roll out is business plan, which includes new product launches and associated planning in production, sales, distribution and marketing;
- the Company's ability to secure and retain employees and contractors to carry out its business plans;

These forward-looking statements are made as of the date hereof and the Company does not intend and does not assume any obligation to update these forward-looking statements, except as required by applicable law. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations. In particular, the Company has moved from a private corporation operating with very limited capital and therefore with very restricted operations, to a publicly traded venture issuer. Accordingly, drawing trends from the Company's limited operating history is difficult.

2. DESCRIPTION OF THE BUSINESS

The Company is in the business of the exploration and evaluation of mineral properties. The Company was incorporated under the Business Corporations Act of British Columbia on September 1, 2016. On June 12, 2018, the Company listed its shares on the Canadian Securities Exchange ("CSE") and trades under the symbol AJN. The address of the Company's registered and records office and principal place of business is Suite 1400 – 1199 West Hastings St., Vancouver, British Columbia, V6E 3T5 Canada.

During the year ended July 31, 2017, the Company entered into an option agreement dated April 25, 2017 (the "Option Agreement"), and as last amended on October 3, 2017, to acquire a 100% interest in certain claims comprising the Salt Wells Lithium Project (the "Salt Wells Property") located in Nevada, USA, subject to a 4.5% net smelter returns royalty.

On February 8, 2022, the Company announced that it entered into a memorandum of understanding (the "MoU") with the Democratic Republic of the Congo ("DRC" or the "State") to acquire a number of exploration permits in the highly prospective Kilo Moto Gold Belt in North-East DRC, which hosts Barrick's Kibali Gold Mine.

Subsequent to signing the memorandum of understanding with SOKIMO, and after numerous consultations with representatives of the State, the State advised that the Company should deal directly with the State as after two years from signing the original memorandum of understanding with the Company, SOKIMO had still to receive the required approvals. The DRC subsequently decided to conclude the proposed transaction with the Company through its wholly-owned subsidiary, AJN Congo Resources SAU ("AJN Congo").

Pursuant to the MoU with the DRC, the State will transfer a number of prospective exploration permits, mostly within the Kilo-Moto Gold Belt, (which hosts Barrick's Kibali Gold Mine and other prospective areas within the DRC), to AJN Congo. Within 15 working days of signing the MoU, the State will establish a list of all permits which will be made available to the Company. The Company will have a 60-day period to evaluate and select all permits of interest that have been offered by the DRC. The Company will have a further 180 days of the signing of the MoU to conclude legal and technical due diligence. During this period, the Company will assess the mineralised potential of the selected licences and decide which licences are not to be included in the transaction.

Pursuant to the proposed transaction, the Company can secure a direct 100% interest in the selected tenements via the transfer, to the Company, of all the State's shares in AJN Congo. In exchange for the transfer, the Company will issue to the State that number of common shares in the Company's capital which is equal to sixty percent (60%) of the fully-diluted issued and outstanding common shares of the Company immediately prior to the closing of the transaction. The issuance will occur following completion of one or more financings to be conducted in connection with the proposed transaction. The quantum of the capital raise will be assessed during the due diligence period. After the closing of the proposed transaction, the State will have a first right of refusal on any fund raisings carried out by the Company in the future. Shares issued to the DRC pursuant to the proposed transaction may be subject to regulatory escrow requirements as imposed by Canadian regulatory authorities. Closing of the transaction will be subject to certain conditions precedent including the Company having obtained all necessary governmental and regulatory approvals and confirmation from all relevant government agencies that all outstanding legal charges, royalties, and taxes have been paid.

On closing of the transaction, the Board of Directors of the Company will be comprised of five directors, two of whom will be directors appointed by the State (one of whom will be Deputy Chairman) and three will be current directors of the Company (one of whom will be Chairman).

A 10% finder's fee is payable at the close of the transaction and the acquisition of the projects, which will be settled by the issuance of the Company common shares to Klaus Eckhof, CEO and President of the Company or his permitted nominees.

3. OUTLOOK AND GOING CONCERN

a) Outlook

The Company's primary business is the acquisition and exploration of mineral properties. The Company's exploration and evaluation assets do not presently host any known mineral deposits nor, given the high degree of risk involved, can there be any assurance that its exploration activities will result in such deposits being located or, ultimately, a profitable mining operation in the future.

The coronavirus pandemic continues to have global impacts on workforces, economies, and financial markets. It is not possible for the Company to predict the duration or magnitude of any adverse effects that the pandemic may have on the Company's business or ability to raise funds. As of the date of the interim financial statements, COVID-19 has had no impact on the Company's ability to access and explore its current properties but may impact the Company's ability to raise funding or explore its properties should travel restrictions related to COVID-19 be extended or expanded in scope.

b) Going concern

The Company incurred a net loss of $934,478 during the nine months ended April 30, 2022 (2021 - $740,743), had working capital deficiency as at April 30, 2022 of $418,091 (July 31, 2021 - working capital of $1,512,983), and had an accumulated deficit as at April 30, 2022 of $5,156,146 (July 31, 2021 - $4,221,668). Further, the Company has no source of operating cash flows, and there is no assurance that sufficient funding (including adequate financing) will be available to conduct required exploration and development of its mineral property projects. These factors indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

The application of the going concern concept is dependent upon the Company's ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. The interim financial statements do not give effect to any adjustments that might be required should the Company be unable to continue as a going concern and such adjustments could be material.

4. REVIEW OF QUARTERLY RESULTS

a) Overall performance and discussion of operations selected information

The selected financial information set out below is based on and derived from the Company's interim financial statements, which have been prepared in accordance with IAS 34.

	Q3 2022	Q3 2021	**YTD 2022**	YTD 2021
	$	$	**$**	$
Total operating expenses	**513,494**	187,302	**835,514**	654,041
Net loss	**(546,701)**	(216,287)	**(934,478)**	(740,743)
Net loss per share - basic and diluted	**(0.02)**	(0.01)	**(0.04)**	(0.03)

	As at April 30, 2022	As at July 31, 2021
	$	$
Cash and cash equivalents	**582,696**	1,569,307
Total assets	**1,058,837**	1,786,315
Long-term liabilities	**-**	1,069,958
Total liabilities	**1,282,233**	1,143,597
Share capital	**4,000,847**	3,895,831
Shareholders' (deficiency) equity	**(223,396)**	642,718

b) Selected quarterly financial information

The following is a summary of the Company's financial results for the eight most recently completed quarters ended April 30, 2022:

Period Ending	**Net Loss**	**Net Comprehensive Loss**	**Basic and Diluted Loss per Share**
	$	$	$
April 30, 2022	**(546,701)**	**(545,845)**	**(0.02)**
January 31, 2022	(188,956)	(179,215)	(0.01)
October 31, 2021	(198,821)	(201,054)	(0.01)
July 31, 2021	(266,291)	(268,161)	(0.01)
April 30, 2021	(216,287)	(234,366)	(0.01)
January 31, 2021	(207,199)	(228,138)	(0.01)
October 31, 2020	(317,257)	(321,766)	(0.01)
July 31, 2020	(958,014)	(952,637)	(0.04)

c) Results of operations

Three months ended April 30, 2022 compared to three months ended April 30, 2021

For the three months ended April 30, 2022, the Company had no revenue and a net loss of $546,701, compared to a net loss of $216,287 for the three months ended April 30, 2021, an increase of $330,414. The increase in net loss is primarily related to the exploration expenses of $102,347 (2021 - $nil) for geological exploration, aviation fees and legal costs in the DRC, professional fees of $174,398 (2021 - $41,696) for administrative and legal costs in the DRC, as well as increases in travel expenses from travel undertaken to the DRC rising to $57,198 (2021 - $10,737).

Nine months ended April 30, 2022 compared to nine months ended April 30, 2021

For the nine months ended April 30, 2022, the Company had no revenue and a net loss of $934,478, compared to a net loss of $740,743 for the nine months ended April 30, 2021. The increase in net loss is primarily related to the increase in exploration expenses of $102,347 (2021 - $nil) for geological exploration, aviation fees and legal costs in the DRC, professional fees of $250,588 (2021 - $179,569) for administrative and legal costs in the DRC, as well as increases in travel expenses from travel undertaken to the DRC rising to $79,297 (2021 - $15,534), the majority of which occurred in the three months ended April 30, 2022. This was however partially offset by a decrease in consulting fees to $280,490 (2021 - $334,187).

Total liabilities as at April 30, 2022 were $1,282,233 (July 31, 2021 - $1,143,597), representing an increase of $138,636. This increase is mainly due to an increase of $23,487 in accrued interest payable, $77,652 in accretion of the convertible debenture and $37,497 in accounts payable and accrued liabilities.

Shareholders' equity as at April 30, 2022, consists of share capital of $4,000,847 (July 31, 2021 - $3,895,831), reserves of $963,559 (July 31, 2021 - $1,008,575), accumulated other comprehensive loss of $31,656 (July 31, 2021 - $40,020) and a deficit of $5,156,146 (July 31, 2021 - $4,221,668) for net shareholders' deficiency of $223,396 (July 31, 2021 - shareholders' equity of $642,718).

Working capital deficiency (defined as current assets less current liabilities) was $418,091 as at April 30, 2022 (July 31, 2021 - working capital of $1,512,983). This is due to the convertible debenture, which matures in April 2023 now being classified as current as it due within 12 months.

The number of common shares outstanding was 26,083,000 at April 30, 2022 (July 31, 2021 - 25,483,000).

5. SUMMARY OF MINERAL PROPERTY INTERESTS

The Company entered into the Option Agreement dated April 25, 2017, and as last amended on October 3, 2017, to acquire a 100% interest in certain claims comprising the Salt Wells Property located in Nevada, USA. Pursuant to the Option Agreement, the Company was obligated to pay USD$255 per claim for initial filing fees (paid $26,666 (USD$19,125)) and will pay a further USD$167 per claim annually. The Company paid $nil during the nine months ended April 30, 2022 and 2021. The Company was also obligated to complete an exploration development program with a first-year work requirement of USD$60,000 and a second-year work requirement of USD$80,000. As at April 30, 2022, the Company's exploration expenditures have met the work requirements and the Company has made the required annual filing fee payments.

The Salt Wells Property is subject to a 4.5% Net Smelter Return as payable to the Vendor, 1.5% of which the Company shall have the right to buy back from the vendor within 90 days of the property going into production for USD$500,000, and an additional 1.5% of which the Company shall have the right to buy back from the Vendor within 180 days of the property going into production for USD$1,250,000. Furthermore, a cash payment of USD$250,000 is payable to the vendor upon the property attaining commercial production.

As at April 30, 2022, and July 31, 2021, the Company has a deposit of $19,142 (USD$15,457) towards a reclamation bond held with the Bureau of Land Management of Nevada.

On January 18, 2020, the Company signed an MoU with SOKIMO whereby SOKIMO proposed to obtain from the Company the conversion of its rights to a direct participation in various gold licences held by SOKIMO into shares in the Company. The gold licences are located within the Kilo-Moto gold province in the north-east of the DRC.

On February 8, 2022, the Company announced that it entered into a memorandum of understanding (the "MoU") with the Democratic Republic of the Congo ("DRC" or the "State") to acquire a number of exploration permits in the highly prospective Kilo Moto Gold Belt in North-East DRC, which hosts Barrick's Kibali Gold Mine.

Pursuant to the MoU with the DRC, the State will transfer the exploration permits to its wholly owned subsidiary, AJN Congo. Within 15 working days of signing the MoU, the State will establish a list of all permits which will be made available to the Company. The Company will have a 60-day period to evaluate and select all permits of interest that have been offered by the DRC. The Company will have a further 180 days of the signing of the MoU to conclude legal and technical due diligence. During this period, the Company will assess the mineralized potential of the selected licenses and decide which licenses are not to be included in the transaction.

During the nine months ended April 30, 2022, the Company incurred $102,347 (2021 - $nil) in exploration expenditures in relation to the DRC property.

6. LIQUIDITY AND CAPITAL RESOURCES

a) Liquidity

Since incorporation, the Company's capital resources have been limited. The Company has had to rely upon the sale of equity securities for the cash required for property acquisition payments, office and miscellaneous expenses and accounting, audit and legal fees, among other expenses.

During the nine months ended April 30, 2022, 600,000 common shares were issued for gross proceeds of $60,000 on the exercise of stock options. Accordingly, the Company reallocated $45,016 from reserves to share capital.

During the year ended July 31, 2021, 400,000 common shares were issued for gross proceeds of $40,000 on the exercise of stock options. Accordingly, the Company reallocated $28,884 from reserves to share capital.

The Company expects that its cash position of $582,696 as at April 30, 2022 will not be sufficient for it to become operational to begin meeting its objectives and milestones. Once the Company is operational, it will require additional working capital to increase its growth rate and may seek to raise additional funds via one or more private placements.

b) Cash flows

	Q3 2022	Q3 2021	YTD 2022	YTD 2021
	$	$	**$**	$
Net cash used in operating activities	**(725,680)**	(199,037)	**(1,054,217)**	(604,233)
Net cash provided by financing activities	**60,000**	40,000	**60,000**	40,000
Impact of exchange rate changes on cash	**689**	(16,837)	**7,606**	(40,554)
Net decrease in cash	**(664,991)**	(175,874)	**(986,611)**	(604,787)
Cash, beginning of period	**1,247,687**	1,955,583	**1,569,307**	2,384,496
Cash, end of period	**582,696**	1,779,709	**582,696**	1,779,709

The principal change in the Company's cash during the nine months ended April 30, 2022 was cash used in operating activities of $1,054,217 (2021 - $604,233), which was a product of a net loss of $934,478 (2021 - $740,743) and the following adjustments for items not affecting cash:

- Amortization of $5,756 (2021 - $5,801);
- Accretion expense of $77,652 (2021 - $70,003); and
- Interest expense of $23,487 (2021 - $24,337);
- A net decrease in non-cash working capital of $226,634 (2021 - increase of $36,369).

The Company had no investing activities in the nine months ended April 30, 2022 and 2021.

c) Capital resources

As at April 30, 2022, the Company's share capital was $4,000,847 (July 31, 2021 - $3,895,831), representing 26,083,000 issued and outstanding common shares without par value (July 31, 2021 - 25,483,000).

During the nine months ended April 30, 2022, 600,000 common shares were issued for gross proceeds of $60,000 on the exercise of stock options.

During the year ended July 31, 2021, 400,000 common shares were issued for gross proceeds of $40,000 on the exercise of stock options.

7. TRANSACTIONS WITH RELATED PARTIES

During the three and nine months ended April 30, 2022 and 2021, the Company paid the following amounts to directors and officers of the Company:

	Three months ended April 30,		Nine months ended April 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Consulting fees	**109,912**	58,000	**278,962**	216,500
Director's fees	**12,000**	14,000	**36,000**	36,000
Professional fees	**-**	900	**-**	12,450
Total	**121,912**	72,900	**314,962**	264,950

Amounts due to related parties are unsecured and non-interest bearing and measured at the amount of consideration established and agreed to by the related parties. The amounts due to related parties as at April 30, 2022 and July 31, 2021 were $84,607 and $31,360, respectively, and are included in accounts payable and accrued liabilities.

8. OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements as at April 30, 2022 and to the date of this MD&A.

9. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

Estimated useful life of equipment

The estimated useful life of equipment will impact the amount and timing of the related amortization included in profit or loss.

Share-based compensation

The fair value of stock options issued are subject to the limitations of the Black-Scholes Option Pricing Model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes Option Pricing Model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Recovery of deferred tax assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

Environmental rehabilitation obligation

The Company recognizes statutory, contractual or other legal obligations related to the retirement of its exploration and evaluation assets and its tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs are capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset.

a) Critical accounting judgements

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the interim financial statements include, but are not limited to, the following:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses.

10. SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies are described in Note 3 of the annual financial statements for the years ended July 31, 2021, and 2020, as found on SEDAR at www.sedar.com. There have been no changes to the Company's significant accounting policies during the nine months ended April 30, 2022.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash and cash equivalents, restricted cash, receivables, accounts payable and accrued liabilities and convertible debentures. The carrying values of these financial instruments approximate their respective fair values due to the term of these instruments.

As at April 30, 2022, the fair value of cash and cash equivalents held by the Company was based on level 1 inputs of the fair value hierarchy.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company's primary exposure to credit risk are its cash and cash equivalents of $582,696 at April 30, 2022 (July 31, 2021 - $1,569,307) and restricted cash of $127,920 (July 31, 2021 - $nil). With cash on deposit with reputable financial institutions and restricted cash held in trust with counsel, it is management's opinion that the Company is not exposed to significant credit risks arising from the financial instruments.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at April 30, 2022, the Company has current liabilities totaling $1,282,233 and cash and cash equivalents of $582,696 (July 31, 2021 - $73,639 and $1,569,307, respectively) and is exposed to liquidity risk at this time. Since the Company is in the exploration stage, it will periodically have to raise funds to continue operations and intends to raise further financing through private placements.

Market risk

Market risk is the risk that changes in market prices such as commodity prices, foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposure within acceptable parameters. The Company does not use derivative instruments to reduce its insignificant exposure to market risks.

12. OUTSTANDING SHARE DATA

The Company's authorized capital is unlimited common shares without par value. As of the date of this MD&A, the following common shares, stock options and share purchase warrants were outstanding:

	Number
Common shares issued and outstanding	**28,483,000**
Stock options	**1,425,000**
Share purchase warrants	**2,400,000**
Fully diluted	**32,308,000**

13. SUBSEQUENT EVENTS

On June 7, 2022, the Company issued 2,400,000 units at a price of $0.40 per unit for gross proceeds of $960,000. Each unit is comprised of one common share and one share purchase warrant with each warrant exercisable at $0.50 per share on or before May 26, 2023.

On June 7, 2022, the Company announced a non-brokered private placement offering of up to 750,000 units at a price of $0.40 per unit to raise gross proceeds of up to $300,000. Each unit will consist of one common share and one share purchase warrant, where each warrant will entitle the holder to purchase one additional common share at an exercise price of $0.50 per share for a one-year period.

14. ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com.

AJN Resources Inc.
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Vancouver, British Columbia
V6E 3T5

LISTINGS
CSE: AJN
Frankfurt: 5AT

CAPITALIZATION
(as at June 29, 2022)
Shares Issued: 28,483,000

TRANSFER AGENT
Computershare
3rd Floor, 510 Burrard Street
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