AJN RESOURCES INC.

Management's Discussion and Analysis

For the three months ended October 31, 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 and 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 months ended October 31, 2022 and 2021. This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company and related notes thereto as at and for the three months ended October 31, 2022 and 2021 (collectively, the "Financial Statements"). The Financial Statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards ("IFRS"). The accounting policies followed in these financial statements are the same as those applied in the Company's most recent audited annual consolidated financial statements for the years ended July 31, 2022 and 2021 (the "Annual Financial Statements"). All financial information has been prepared in accordance with IFRS and all dollar amounts presented are Canadian dollars unless otherwise stated.

The results for the periods presented are not necessarily indicative of the results that may be expected for any future period. Except as otherwise indicated, all financial data in this MD&A has been prepared in accordance with IFRS issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively.

The effective date of this MD&A is December 22, 2022 (the "MD&A Date").

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 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 "Risks and uncertainties".

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 companies specifically;
- the Company's ability to continue to roll out is business plan; and
- 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 (the "Option Agreement") 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 March 23, 2020, the Company incorporated AJN Resources Congo SASU ("AJN Congo") based in the Democratic Republic of the Congo ("DRC" or the "State").

On February 8, 2022, the Company, through its subsidiary AJN Congo, entered into a memorandum of understanding (the "MoU") with the DRC 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. In connection with the MoU the State has established a wholly-owned subsidiary, Congo Ressources SAU ("Congo Ressources") to acquire a 100% interest in certain claims in the area. AJN Congo will have the option to acquire Congo Ressources in exchange for common shares of AJN Congo representing 60% of the fully-diluted issued and outstanding common shares of AJN Congo.

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's common shares to Klaus Eckhof, CEO and President of the Company or his permitted nominee.

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 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 $304,532 during the three months ended October 31, 2022 (2021 - $198,821), had working capital deficiency as at October 31, 2022 of $175,860 (working capital as at July 31, 2022 - $111,173), and had an accumulated deficit as at October 31, 2022 of $6,007,440 (July 31, 2022 - $5,702,908). 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 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 Financial Statements, which have been prepared in accordance with IFRS:

	Three months ended October 31, **2022**	2021
	$	$
Total operating expenses	**268,699**	166,910
Net loss	**(304,532)**	(198,821)
Net loss per share - basic and diluted	**(0.01)**	(0.01)

	As at October 31, 2022	As at July 31, 2022
	$	$
Cash and cash equivalents	**815,498**	1,241,905
Total assets	**1,356,069**	1,668,589
Total liabilities	**1,328,539**	1,353,479
Share capital	**4,780,310**	4,780,310
Shareholders' equity	**27,530**	315,110

b) Selected quarterly financial information

The following is a summary of the Company's financial results for the eight most recently completed quarters ended October 31, 2022:

Period Ending	**Net Loss**	**Net Comprehensive Loss**	**Basic and Diluted Loss per Share**
	$	$	$
October 31, 2022	**(304,532)**	**(287,580)**	**(0.01)**
July 31, 2022	(546,762)	(542,994)	(0.02)
April 30, 2022	(546,701)	(545,845)	(0.01)
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)

During the last eight quarters, the Company's net loss has ranged between $188,956 (Q2 2022) and $546,762 (Q4 2022). In the quarter ended January 31, 2022, there was limited activities in the Company, while in the quarter ended July 31, 2022, the higher operating loss was due to significant increases in legal fees and professional fees pursuant to the MoU with the DRC.

c) Results of operations

Three months ended October 31, 2022 compared to three months ended October 31, 2021

For the three months ended October 31, 2022, the Company net loss of $304,532, compared to a net loss of $198,821 for the three months ended October 31, 2021. The increase in net loss is primarily related to an increase in consulting fees to $118,198 (2021 - $84,600); an increase in exploration expenses to $18,782 (2021 - $nil) for geological exploration, aviation fees and legal costs in the DRC; and increase in professional fees to $60,074 (2021 - $26,753) for administrative and legal costs in the DRC; as well as an increases in office and miscellaneous to $52,009 (2021 - $19,248) due to increased activities in the DRC.

Total liabilities as at October 31, 2022 were $1,328,539 (July 31, 2022 - $1,353,479), representing a decrease of $24,940. This decrease is mainly due to a decrease of $60,927 in accounts payable and accrued liabilities, offset by increases to $7,915 in accrued interest payable and $28,072 in accretion in connection with the convertible debenture.

Shareholders' equity as at October 31, 2022, consists of share capital of $4,780,310 (July 31, 2022 - $4,780,310), reserves of $1,265,596 (July 31, 2022 - $1,265,596), accumulated other comprehensive loss of $10,936 (July 31, 2022 - $27,888) and a deficit of $6,007,440 (July 31, 2022 - $5,702,908) for net shareholders' equity of $27,530 (July 31, 2022 - $315,110).

Working capital deficiency (defined as current assets less current liabilities) was $175,860 as at October 31, 2022 (working capital as at July 31, 2022 - $111,173). This is due to the convertible debenture, which matures in April 2023 now being classified as current as it due within twelve months from October 31, 2022.

The number of common shares outstanding was 28,795,500 at October 31, 2022 (July 31, 2022 - 28,795,500).

5. SUMMARY OF MINERAL PROPERTY INTERESTS

In 2017, the Company entered into an option agreement (the "Option Agreement") to acquire a 100% interest in certain claims comprising the Salt Wells Lithium Project (the "Salt Wells Property") located in Nevada, USA. Pursuant to the Option Agreement, the Company was obligated to pay initial filing fees of $26,666 (USD$19,125) and a further USD$7,755 annually until the Company terminates the Option Agreement. 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 October 31, 2022, the Company's exploration expenditures have met the work requirements and the Company has made all required annual filing fee payments.

The Salt Wells Property is subject to a 4.5% net smelter return, 1.5% of which the Company has the right to buy back within 90 days of the property going into production for USD$500,000, and an additional 1.5% of which the Company has the right to buy back within 180 days of the property going into production for USD$1,250,000. Furthermore, a cash payment of USD$250,000 is payable upon the property attaining commercial production.

As at October 31, 2022, the exploration and evaluation assets are comprised of acquisition costs of $92,248 (July 31, 2022 - $92,248) and exploration costs of $243,242 (July 31, 2022 - $243,242), net of accumulated impairment of $172,496 (July 31, 2022 - $172,496).

As at October 31, 2022, the Company has a deposit of $19,142 (July 31, 2022 - $19,142) towards a reclamation bond held with the Bureau of Land Management of Nevada.

On February 8, 2022, the Company, through its subsidiary AJN Congo, entered into a MoU with the DRC 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. In connection with the MoU the State has established a wholly-owned subsidiary, Congo Ressources to acquire a 100% interest in certain claims in the area. AJN Congo will have the option to acquire Congo Ressources in exchange for common shares of AJN Congo representing 60% of the fully-diluted issued and outstanding common shares of AJN Congo.

During the three months ended October 31, 2022, the Company incurred $18,782 (2022 - $nil) of exploration expenses related to exploration within the DRC on prospective properties the Company did not own or control at the time of the expenditures.

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 three months ended October 31, 2022, the Company did not have any share capital transactions.

During the year ended July 31, 2022, the Company had the following share capital transactions:

- In February 2022, the Company issued 600,000 common shares pursuant to the exercise of 600,000 stock options at an exercise price of $0.10 for gross proceeds of $60,000.

- In May 2022, 2,712,500 units were issued at a price of $0.40 per unit for gross proceeds of $1,085,000. Each unit consists of one common share of the Company and one warrant exercisable into one common share of the Company at a price of $0.50 per share for the period of one year. The Company incurred share issuance costs of $3,500 in connection with the financing.

The Company's cash and cash equivalent position is $815,498 as at October 31, 2022. The Company will require additional working capital to meet its current obligations and milestones and may seek to raise additional funds via private placements or debt as necessary.

b) Cash flows

	For the three months ended October 31,	
	2022	2021
	$	$
Net cash used in operating activities	**(434,076)**	(137,714)
Impact of exchange rate changes on cash	**7,669**	(2,053)
Change in cash and cash equivalents	**(426,407)**	(139,767)
Cash and cash equivalents, beginning of period	**1,241,905**	1,569,307
Cash and cash equivalents, end of period	**815,498**	1,429,540

The principal change in the Company's cash during the three months ended October 31, 2022 was cash used in operating activities of $434,076 (2021 - $137,714), which was a product of a net loss of $304,532 (2021 - $198,821) and the following adjustments for items not affecting cash:

- Depreciation of $1,977 (2021 - $1,857);
- Accretion expense of $28,072 (2021 - $25,562); and
- Interest expense of $7,915 (2021 - $7,915);
- A net decrease in non-cash working capital of $167,508 (2021 - increase of $25,773).

c) Capital resources

As at October 31, 2022, the Company's share capital was of $4,780,310 (July 31, 2022 - $4,780,310), representing 28,795,500 issued and outstanding common shares without par value (July 31, 2022 - 28,795,500).

During the three months ended October 31, 2022, the Company did not have any share capital transactions.

During the year ended July 31, 2022, the Company had the following share capital transactions:

- In February 2022, the Company issued 600,000 common shares pursuant to the exercise of 600,000 stock options at an exercise price of $0.10 for gross proceeds of $60,000. Accordingly, the Company reallocated $45,016 from reserves to share capital representing the fair value of the stock options.

- In May 2022, 2,712,500 units were issued at a price of $0.40 per unit for gross proceeds of $1,085,000. Each unit consists of one common share of the Company and one warrant exercisable into one common share of the Company at a price of $0.50 per share for the period of one year. The Company allocated $302,037 to reserves relating to the relative fair value of the warrants. The Company incurred share issuance costs of $3,500 in connection with the financing.

7. TRANSACTIONS WITH RELATED PARTIES

During the three months ended October 31, 2022 and 2021, the Company paid the following amounts to directors and officers of the Company:

	2022	2021
	$	$
Consulting fees	**111,294**	84,600
Director's fees	**6,000**	12,000
	117,294	96,600

Amounts due to related parties are unsecured, 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 October 31, 2022 were $45,065 (July 31, 2022 - $82,243) and included in accounts payable and accrued liabilities.

8. OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements as at October 31, 2022 and to the date of this MD&A.

9. PROPOSED TRANSACTIONS

The Company does not have any proposed transactions other than the MoU with DRC as at October 31, 2022 and to the date of this MD&A.

10. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

a) Critical accounting estimates

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:

<u>Estimated useful life of equipment</u>

The estimated useful life of equipment, which is included in the consolidated statements of financial position, will impact the amount and timing of the related depreciation included in profit or loss.

<u>Share-based compensation</u>

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.

b) Critical accounting judgements

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

<u>Going concern</u>

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

11. SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies are described in Note 3 of the Annual Financial Statements as found on SEDAR at www.sedar.com. There have been no changes to the Company's significant accounting policies during the three months ended October 31, 2022.

12. 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, accounts payables, accrued interest payable and convertible debenture. The carrying values of these financial instruments approximate their respective fair values due to the term of these instruments.

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

Credit risk

The Company is primarily exposed to credit risk on its cash and cash equivalents of $815,498 at October 31, 2022 (July 31, 2022 - $1,241,905) and restricted cash of $137,120 (July 31, 2022 - $128,240). With cash and cash equivalent deposited 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 these 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 the Company's operations do not generate cash, financial liabilities are discharged using funding from the issuance of common stock or debt as required. As at October 31, 2022, the Company had total liabilities of $1,328,539 (July 31, 2022 - $1,353,479), all of which are due within 12 months.

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.

The Company is not exposed to significant price or foreign exchange risks and is not exposed to interest rate risk as its convertible debt is payable at a fixed interest rate.

13. OUTSTANDING SHARE DATA

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

	Number
Common shares issued and outstanding	**28,795,500**
Stock options	**1,425,000**
Share purchase warrants	**2,712,500**
Fully diluted	**32,933,000**

14. RISK AND UNCERTAINTIES

For a detailed listing of the risk factors faced by the Company, please refer to the Company's Annual MD&A filed on SEDAR.

15. ADDITIONAL INFORMATION

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

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