

Form 51-102-F1

BOND RESOURCES INC.

MANAGEMENT'S DISCUSSION & ANALYSIS For the period ended March 31, 2023.

Directors and Officers as of May 18, 2023

Directors:

Joseph A. Carrabba
Robert Eadie
Scott Brison

Officers:

President & Chief Executive Officer – Joseph A. Carrabba
Chief Financial Officer – Gary Arca
Secretary – Cynthia Avelino

Contact Name: Robert Eadie

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BOND RESOURCES INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

For the period ended March 31, 2023

1.1 Date of This Report

This Management's Discussion & Analysis ("MD&A") should be read in conjunction with the unaudited condensed interim consolidated financial statements of Bond Resources Inc. ("Bond", "Bond Resources" or the "Company") for the periods ended March 31, 2023 and 2022. All dollar amounts herein are expressed in United States Dollars unless stated otherwise.

Management is responsible for the preparation and integrity of the consolidated financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including 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 of Directors' Audit Committee meets with management quarterly to review the financial statements and the MD&A and to discuss other financial, operating and internal control matters. The reader is encouraged to review the Company's statutory filings on www.sedar.com

This MD&A is prepared as of May 18, 2023.

This MD&A includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address exploration drilling, exploitation activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

1.2 Overall Performance

Description of Business

The Company was incorporated on January 22, 2007 under the Business Corporations Act of British Columbia as J. Bond Capital Corporation. It did not commence operations until August 15, 2017. Bond changed its legal name to Bond Resources Inc. on November 16, 2018 and commenced trading on the Canadian Securities Exchange (the "CSE") on May 2, 2019 under the trading symbol "BJB". On May 15, 2020, Bond acquired MJ Mining Inc. ("MJ Mining"). MJ Mining was incorporated on January 15, 2020 under the laws of British Columbia, Canada. MJ Mining's 100% owned subsidiary, MJ Mining Corp., was formed on October 25, 2019 (originally under the name of MJ Mining LLC) under the laws of the State of Delaware, United States of America. The Company's principal business activity is the exploration of mineral properties in the United States.

Recent Events

Termination of the Mary K Property Agreement

As at March 31, 2023, the Company was in arrears of the \$200,000 minimum annual payment (in lieu of the NPR) and \$52,000 in respect of the Ground Lease commitment under the exclusive option by the Landowners ("Landowners") to acquire, over a period of ten years, the right, title and interest in and to the Mary K Property (the "Agreement"). Under the terms of the Agreement, the Company has 30 days after the receipt of notice of default from the Landowners to rectify the default. The Company received a notice of default of the Agreement from the Landowners in January, 2023 and had until March 3rd to accept the terms of the notice to remedy the default, or accept that the Agreement has been terminated. In March, 2023, the Landowners granted the Company an extension until May 3rd, and in May, 2023, granted a further extension until June 4, 2023 to remedy the default, or accept that the Agreement has been terminated.

Management has decided to record an impairment of the full amount Mary K asset of \$1,698,788 at this time as there is no certainty that the Company will be successful in completing a financing and avoiding a default of the agreement above. This amount includes all minimum annual payments and property costs paid and owing to March 31, 2023.

Should the Company default on the agreement, it will no longer own any mining properties.

Resignation of Director

On April 20, 2023, Valéry Zamuner resigned as a director of the Company due to her increasing professional obligations. The Board thanks Ms. Zamuner for her years of service.

1.3 Selected Annual Information

The highlights of financial data for the Company's annual years ended June 30, 2022 and 2021 and period from January 15, 2020 (date of incorporation) to June 30, 2020, which were prepared in accordance with International Financial Reporting Standards ("IFRS"), is as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
(a) Total revenues	-	-	-
(b) Total expenses	2,765,886	2,404,373	1,810,623
(c) Net loss	(2,752,364)	(2,404,373)	(3,074,506)
(d) Loss per share – basic and diluted	(0.02)	(0.03)	(0.05)
(e) Total assets	1,814,552	3,177,588	1,876,250
(f) Total long-term liabilities	-	-	-
(g) Cash dividends declared per - share	-	-	-

1.4 Results of Operations

Discussion of Acquisitions, Operations and Financial Condition

The following should be read in conjunction with the period ended March 31, 2023 unaudited consolidated financial statements of the Company and notes attached thereto.

1.4.1 **Property Activity**

Acquisition of MJ Mining Inc.

On May 15, 2020, MJ Mining completed a share exchange agreement (“Agreement”) with Bond whereby Bond issued 62.2 million common shares to the shareholders of MJ Mining, for 100% of the issued and outstanding shares of MJ Mining. As a result, the acquisition of Bond resulted in a change of control, which transaction amounts to a reverse merger transaction (“Reverse Merger”). As a Reverse Merger, Bond is the legal parent, however, the accounting parent going forward is MJ Mining with the acquisition value being the net assets of Bond.

Mary K Property in Idaho, USA

MJ Mining, through its US subsidiary MJ Mining Corp. and in exchange for MJ Mining’s payment of non-refundable fees of \$350,000, was granted the exclusive option by the Landowners (“Landowners”) to acquire, over a period of ten years, the right, title and interest in and to the Mary K Property (the “Agreement”). This right was free and clear of all charges, encumbrances, claims, royalties, or other interests, except for a 5% State Royalty, for a total purchase price of \$8,650,000 (the “Purchase Price”) as follows:

- a) \$500,000 payable based upon the “Initial Closing”(paid).
- b) The balance of the Purchase Price, \$8,150,000 will be paid as a Net Profit Royalty (“NPR”), paid on a quarterly basis and will vary depending on the grade of gold realized from operations.

The NPR is also subject to certain minimum annual payments of:

- at least \$200,000 per year commencing in 2020 (paid for 2020 and 2021);
- at least \$4,075,000 must be paid, in aggregate, after five years; and
- at least \$8,150,000 must be paid, in aggregate, after 10 years.

In addition, in March 2020, MJ Mining entered into a ground lease (“Ground Lease”) with certain arm’s length parties (“Vendors”) for a mineral lease located in the State of Idaho for the Mary K property. The term of this Ground Lease commenced on April 1, 2020 and was to expire at the end of the tenth full lease year. MJ Mining has paid fixed rent in advance on the first day of each calendar quarter of \$26,000 (\$104,000 annually) up to the September 30, 2022 quarter end.

As at March 31, 2023, the Company was in arrears of the \$200,000 minimum annual payment (in lieu of the NPR) and \$52,000 in respect of the Ground Lease commitment. Under the terms of the Agreement, the Company has 30 days after the receipt of notice of default from the Landowners to rectify the default. The Company received a notice of default of the Agreement from the Landowners in January, 2023 and had until March 3rd to accept the terms of the notice to remedy the default or accept that the Agreement has been terminated. In March, 2023, the Landowners granted the Company an extension until May 3rd, and in May, 2023, granted a further extension until June 4, 2023 to remedy the default or accept that the Agreement has been terminated.

Management has decided to record an impairment of the full amount Mary K asset of \$1,698,788 at this time as there is no certainty that the Company will be successful in completing a financing and avoiding

a default of the Agreement. This amount includes all minimum annual payments and property costs paid and owing to March 31, 2023.

Should the Company default on the agreement, it will no longer own any mining properties. .

1.4.2 Results of Operations

The expenses relating to the loss for the nine month periods ended March 31, 2023 and 2022 are as follows:

Exploration costs	2023	2022
Amortization	\$ 34,916	\$ 57,981
Assays	772	1,910
Drilling and supplies	3,912	298,046
Equipment rental	240,840	519,697
Insurance	57,742	92,883
Office and miscellaneous	21,800	110,036
Permitting	-	80
Salaries, wages and benefits	223,917	857,631
Travel and auto	19,395	34,269
	603,294	1,972,533
Expenses		
Accounting and audit fees	30,651	46,588
Finance costs	90	165
Foreign exchange loss	168	(4,899)
Legal, consulting and corporate services	14,600	20,819
Management activities	71,491	151,473
Office, occupancy and administration	16,345	21,848
Shareholder communications	16,718	57,829
Transfer agent and filing fees	8,413	10,467
	158,476	304,290
Other items		
Impairment of exploration and evaluation assets	1,698,788	-
Loss on sale of mining equipment	103,571	-
	\$ 2,564,129	\$ 2,276,823
Net Loss		

During the period ended March 31, 2023 the Company incurred administrative expenses totalling \$158,476, including accrued management fees of \$71,491, shareholder communications of \$16,718, accounting fees of \$30,651 and legal, consulting and corporate services of \$14,600. These expenses are lower than the prior period ended March 31, 2022 of \$304,290, and represent reasonable administrative costs for the operating Company. The Company also incurred significant exploration costs totalling \$603,294 for the period ending March 31, 2023, compared to \$1,972,533 in the prior period ended March 31, 2022, due to advancement of the Mary K property. Expenditures were significantly lower due to a reduction of activity while management assesses further exploration and development activities and related financing options (see termination of the Mary K property agreement above in **Section 1.4.1 - Mary K Property in Idaho, USA**).

Financings, Principal Purposes & Milestones

There were no financing in the current period ended March 31, 2023.

1.5 Liquidity and Capital Resources

In management's view, given the nature of the operations, which currently consists of its interest in certain resource properties, the most relevant financial information relates primarily to current liquidity, solvency and planned expenditures. The Company's financial success will be dependent upon the extent to which it can acquire future resource properties that may contain reserves, which are economically recoverable. Such development may take years to complete and the amount of resulting income, if any, is difficult to determine. The Company does not expect to receive significant income in the foreseeable future. *Please see Section 1.4.1 - Mary K Property in Idaho, USA for termination of the property agreement due to default.*

As at March 31, 2023, the Company had \$1,580 in cash, working capital deficit of \$1,787,551 and no long-term debt. The Company's ability to continue as a going concern is dependent upon its existing working capital and obtaining the necessary financing to meet its obligations and pay its liabilities arising from normal business operations when they come due.

The Company does not have sufficient cash resources to meet its obligations for at least twelve months from the end of the last reporting year. As such, the Company requires additional financing for working capital and administrative costs as well as to complete additional exploration on its properties and, while the Company has been successful in raising equity financing through the issuances of common shares in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms. *As such, there remains significant doubt as to the Company's ability to continue as a going concern.*

1.6 Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

1.7 Transactions with Related Parties

The following is a summary of charges incurred by the Company with key management personnel, consisting of the chief executive officer and president, chief financial officer, and directors:

Nine Month Period ended March 31,	2023	2022
Management fees	71,491	109,460
Total	\$ 71,491	\$ 109,460

The following is a summary of charges incurred by the Company with related parties, other than key management personnel:

Nine Month Period ended March 31,	2023	2022
Legal and corporate services	\$ -	\$ 10,465
Office, occupancy and administration	18,498	22,007
Shareholder communications	-	36,012
Total	\$ 18,498	\$ 68,484

During the period ended March 31, 2023, Bond incurred operational expenses for accounting, office and legal and corporate services of \$18,498 (March 31, 2022 - \$32,472) from companies controlled by an officer and the secretary of the Company. Shareholder communication expenses of \$nil (March 31, 2022 - \$36,012) were charged to the Company by a person related to a director for services rendered.

Included in Bond's accounts payable and accrued liabilities at March 31, 2023 is \$152,441 (June 30, 2022 - \$57,963) owed to officers for management fees, accounting, office and legal and corporate services. Transactions with related parties are recognized in the normal course of business are non-interest bearing and have no repayment terms.

During the period ending March 31, 2023, the CEO advanced an additional \$188,270 to the Company (June 30, 2022 - \$746,150) as an unsecured, non-interest bearing loan with no repayment terms for a total loan outstanding of \$934,420.

1.8 Critical Accounting Estimates

Impairment

An impairment test requires the Company to determine the recoverable amount of an asset or group of assets. For non-current assets, including property and equipment and exploration and evaluation assets, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the individual assets are grouped together into a cash generating unit ("CGU") for impairment testing purposes. A CGU for impairment testing is typically considered to be an individual mine site or a development project. The Company has determined that it has two CGU's based on its two projects.

a) Taxes

The calculations for current and deferred taxes require management's interpretation of tax regulations and legislation in the various tax jurisdictions in which the Company operates, which are subject to change. The measurement of deferred tax assets and liabilities requires estimates of the timing of the reversal of temporary differences identified and management's assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income before they expire, which involves estimating future taxable income.

b) Amortization

The amounts recorded for amortization are based on estimates including economic life and residual values of the asset at the end of its economic life. The actual lives of the assets and residual values are assessed annually taking into account factors like technological innovation and maintenance programs, estimated costs to develop and produce precious metals.

c) Provisions

Management's determination of no material restoration, rehabilitation and environmental exposure is based on the facts and circumstances that existed during the period.

1.9 **Financial and Other Instruments**

As at March 31, 2023, the Company's financial instruments consist of cash, accounts payables and accrued liabilities and due to related party. The fair values of the Company's financial instruments approximates the carrying values, which is the amount on the consolidated statements of financial position, due to the short-term maturities or ability of prompt liquidation.

a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of market price changes: foreign currency exchange rates, interest rates and commodity prices.

i. *Foreign currency exchange risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Bond is exposed to foreign currency exchange rate fluctuations as the Company trades on a Canadian Stock Exchange and raises funds in Canadian dollars.

ii. *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any exposure to changes in interest rates and is therefore not exposed to this risk.

iii. *Commodity price risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Currently the Company does not have commercial operations and is therefore not exposed to this risk. Commodity prices generally fluctuate beyond the control of the Company. Factors which contribute to the fluctuation are, but not limited to, demand, forward sales, worldwide production, speculative hedging activities, and bank lending rates.

b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's credit risk is primarily attributable to its liquid financial assets, including cash. The Company limits its exposure to credit risk by dealing with well rated entities. Management believes credit risk to be low as its cash is held in major financial institutions in the United States and Canada.

c) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is through regular monitoring of cash requirements by preparing short-term and long-term cash flow analyses. When necessary, the Company obtains financing from various investors to ensure all future obligations are fulfilled. The Company does not have any contractual obligations other than property payments (note 5 of the unaudited consolidated financial statements for periods ending March 31, 2023 and 2022) and accounts payable and accrued liabilities which are due within the next 12 months, and due to related party which is short term in nature. The Company has current assets of \$47,970 to settle current obligations of \$1,835,521.

1.10 Disclosure of Outstanding Share Capital as at May 18, 2023:

	Number	Book Value
Common Shares	127,700,276	\$ 8,796,384

A summary of the Company's outstanding share purchase warrants is presented below:

Number of Shares	Exercise Price (CAD)	Expiry Date
18,336,829	\$0.16	March 30, 2026
2,300,600	\$0.16	May 7, 2026
6,196,000	\$0.12	December 14, 2023
26,833,429	\$0.15	

During the period ended March 31, 2023, 15,780,747 warrants exercisable at \$0.40 per share expired unexercised.

A summary of the Company's outstanding stock options is presented below:

Number of Shares	Exercise Price (CAD)	Expiry Date
415,000	\$0.20	June 24, 2024
3,530,000	\$0.30	May 25, 2025
3,945,000	\$0.29	

1.11 Disclosure Controls and Procedures

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures. Based upon the results of that evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarized and reported, within the appropriate time periods and forms.

The Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the consolidated financial statements for period ended March 31, 2023 and this accompanying MD&A. In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Interim Filings on SEDAR at www.sedar.com.

1.12 Approval

The Board of Directors has approved the disclosure contained in this MD&A.