BLUE LAGOON RESOURCES INC.
(formerly Blue Lagoon Capital Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the four-month period ended March 31, 2020 and year ended November 30, 2019

Blue Lagoon Resources Inc. (formerly Blue Lagoon Capital Inc.) ("Blue Lagoon" or the "Company"), has prepared the following Management's Discussion and Analysis ("MD&A") to provide information to assist investors and others in understanding the financial results for the four month period ended March 31, 2020.

The Company has changed its fiscal year end from November 30 to March 31 to align with recently acquired subsidiaries, as will be further discussed below. Based on the change of year end from November 30 to March 31, the Company has a transition year of four months from December 1, 2019 to March 31, 2020. Pursuant to section 4.8(3) of National Instrument 51-102, the Company filed a notice of Change in Year End on www.sedar.com on April 20, 2020. On a go forward basis, the Company will shift to a fiscal year based on a March 31, 2020 financial year, with fiscal quarters ending on the last day in June, September, and December of each year. This MD&A should be read in should be read in conjunction with the consolidated financial statements and the notes thereto for the four-month period ended March 31, 2020 and year ended November 30, 2019 which were prepared in accordance with International Financial Reporting Standards ("IFRS").All amounts are expressed in Canadian dollars unless otherwise indicated.

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding future results of operations, performance and achievements of the Issuer. The Issuer has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect" and similar expressions. The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Issuer to differ materially from those expressed in, or implied by, these statements.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

DESCRIPTION OF BUSINESS

The Company was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (British Columbia) on March 17, 2017. On December 17, 2018, the Company changed its name from Blue Lagoon Capital Inc. to Blue Lagoon Resources Inc.

The Company is in the business of acquiring, exploring, and evaluating mineral resource interests.

The address of the Company's corporate office and principal place of business is Suite 610, 700 West Pender Street, Vancouver, British Columbia.

On June 25, 2019, the Company obtained a receipt for its final prospectus filed with the securities regulatory authorities in the Provinces of British Columbia, Alberta and Ontario. The Company's common shares began trading on the CSE on July 4, 2019, under the stock symbol "BLLG".

On March 27, 2020, the Company completed the acquisition of all the issued and outstanding shares of Metal Mountain Resources Inc. ("Metal Mountain") in exchange for a total of 12,153,651 common shares of the Company. Metal Mountain Resources Inc. is a private Canadian company. Metal Mountain holds a 50.84% interest in Gavin Mines Inc. ("Gavin Mines"), which holds a 100% interest in the Dome Mountain mine. Metal Mountain also holds 100% of Lloyd Minerals Inc., which holds a 100% interest in the Big

(Expressed in Canadian dollars)

Onion porphyry copper project Both projects are located in northwest British Columbia. Concurrently with the transaction, the Company issued 1,372,000 common shares of the Company to AGC Investments Inc. to acquire an additional 27.44% interest in Gavin Mines Inc. ("Gavin Mines").

EXPLORATION PROJECTS

	Lac Gainsmoor Gold Project	*Golden Wonder Project*	*Pellaire Gold Property*	*Gordon Lake Project*	*Dome Mountain Mine*	*Big Onion Project*	*Total*
	$	*$*	*$*	*$*	*$*	*$*	*$*
Balance, November 30, 2018	25,000	-	-	-	-	-	**25,000**
Write-off of exploration and evaluation asset	(25,000)	-	-	-	-	-	**(25,000)**
Acquisition Cost – cash	-	25,000	132,687	-	-	-	**157,687**
Acquisition Cost – shares	-	20,000	4,779,667	-	-	-	**4,799,667**
Balance, November 30, 2019	-	45,000	4,912,354	-	-	-	**4,957,354**
Acquisition cost – cash	-	-	-	25,000	75,000	-	**100,000**
Acquisition - shares	-	-	85,000	-	16,405,396	6,059,114	**22,549,510**
Write off of exploration and evaluation asset	-	-	-	(25,000)	-	-	**(25,000)**
Balance, March 31, 2020	-	45,000	4,997,354	-	16,480,396	6,059,114	**27,581,864**

Lac Gainsmoor Gold Project

On October 15, 2018, the Company entered into an option agreement whereby the Company has the option to earn a 100% interest in the Lac Gainsmoor Gold Project located in Quebec, Canada. The Company paid $25,000 on the execution of the agreement in fiscal year 2017.

On April 23, 2019, the Company terminated its option agreement to acquire the Lac Gainsmoor Gold Project, and no longer has an interest in that property. As a result, the Company recognized a write-down of $25,000 during the year ended November 30, 2019. As at March 31, 2020, the Company had no further obligations to fulfill the above terms.

Golden Wonder Project

On April 18, 2019, the Company entered into an agreement to purchase a 100% interest in the Golden Wonder Property located in British Columbia, Canada by:

- Payment of $15,000 (paid) on execution of the agreement,
- Payment of $10,000 (paid) within three days of the final receipt of the prospectus; and
- Issuance of 200,000 (issued) within 10 business days after the company commence trading on the

Canadian Stock Exchange.

On July 16, 2019, the Company executed on its rights to purchase 100% interest in the Golden Wonder property by making its final cash payment $10,000 and issuing 200,000 shares to the vendor with a value of $20,000.

Pellaire Gold Property

On August 27, 2019, the Company acquired all of the issued and outstanding shares of ASIC Mining Inc. ("ASIC") in exchange for a total of 11,600,000 common shares of the Company. ASIC is a private Canadian company.

The Company has determined that ASIC does not have the inputs and processes capable of producing outputs that are necessary to meet the definition of a business as defined by IFRS 3. Therefore, the acquisition is accounted for as an asset acquisition whereby the Company has acquired all of the net assets of ASIC. The primary assets of ASIC consist of an option to acquire 100% interest in the Pellaire Gold Property located in the Clinton Mining Division of British Columbia.

On July 5, 2019, ASIC entered into an option agreement to acquire a 100% interest in the Pellaire Gold Property by the following:

- Cash payment of $25,000 USD on March 28, 2019 (paid);
- Cash payment of $100,000 USD on July 5, 2019 (paid) and issue 200,000 shares in four equal instalments of 50,000 shares 3, 6, 9 and 12 months from July 5, 2019 (50,000 shares issued during the year ended November 30, 2019, 50,000 shares issued during the period ended March 31, 2020);
- Cash payment of $50,000 USD, incur $200,000 in Expenditures and issue 200,000 shares in four equal instalments of 50,000 shares 3, 6, 9 and 12 months from July 5, 2020;
- Cash payment of $50,000 USD, incur $100,000 in Expenditures and issue 200,000 shares in four equal instalments of 50,000 shares 3, 6, 9 and 12 months from July 5, 2021;
- Cash payment of $50,000 USD, incur $100,000 in Expenditures and issue 200,000 shares in four equal instalments of 50,000 shares 3, 6, 9 and 12 months from July 5, 2022;
- Cash payment of $50,000 USD, incur $100,000 in Expenditures and issue 200,000 shares in four equal instalments of 50,000 shares 3, 6, 9 and 12 months from July 5, 2023;

The seller retains a 2% net smelter royalty interest ("NSR"). The Company has the right to purchase one-half of the NSR for $1,000,000 at any time prior to commencement of commercial production.

On November 27, 2019, the Company issued 50,000 common shares towards earning a 100% interest in the Pellaire Gold Property. The shares were determined to have a fair value of $69,500.

On February 27, 2020, the Company issued 50,000 shares in connection with the Pellaire Gold Property option agreement. The shares were determined to have a fair value of $85,000.

Subsequent to period end, the Company re-negotiated the above payment terms which resulted in a decrease in overall consideration owing to the vendor.

Gordon Lake Gold Property

On December 3, 2019, the Company entered into an option agreement with Exgen Resources Inc. ("Exgen") to acquire 80% interest in the Gordon Lake gold property located in the Northwest Territories of Canada by:

(Expressed in Canadian dollars)

- Incurring $250,000 in exploration expenditures during the first year of the option;
- A cash payment of $100,000 and issuance of 100,000 common shares of the Company over a period of two years; ($25,000 paid)
- A cash payment of $50,000 per year until the commencement of commercial production;
- Issuance of 100,000 shares upon obtaining a NI 43-101 technical report establishing a resource estimate;
- Issuance of 200,000 common shares upon obtain a further technical report establishing economics on the property; and
- Issuance of 350,000 common shares upon commencing commercial production.

In addition, the Company will grant a 2.5% net smelter royalty to Exgen, with all prior cash payments being credited towards royalty payments.

As at March 31, 2020, the Company had decided to terminate the Gordon Lake Option Agreement. On May 22, 2020, subsequent to period end, the Company gave formal notice to cancel the option agreement. As the decision was made prior to period end, the Company recognized a write off of exploration and evaluation assets of $25,000.

Dome Mountain Mine and Big Onion Project

On March 27, 2020, the Company acquired Dome Mountain Mine and Big Onion Project from the Metal Mountain Acquisition (note 5) by:

- Issuance of 12,153,651 common shares of the Company (issued).

In addition, the Company will acquire a 0.25% net smelter royalty in the Dome Mountain project in consideration for $75,000 (paid).

The Company holds reclamation deposits of $600,000 and $35,000 related to the Dome Mountain Mine and Big Onion Project, respectively.

Exploration and evaluation expenses

The Company incurred the following expenses during the four months period ended March 31, 2020 related to evaluation and exploration:

	Lac Gainsmoor Gold Project	***Golden Wonder Project***	***Pellaire Gold Property***	***Total***
Exploration costs	$ -	$ -	$ 52,848	**$ 52,848**
Consulting fees	-	-	-	
Other	-	-	-	**-**
Total	$ -	$ -	$ 52,848	**$ 52,848**

FINANCIAL INFORMATION & ANALYSIS

Summary of Selected Annual Results

The following table presents a summary of selected annual financial information prepared under IFRS.

(Expressed in Canadian dollars)

	Four month period ended March 31, 2020	**Year ended November 30, 2019**	**Year ended November 30, 2018**
	$	$	$
Total Revenue	-	-	-
Operating net loss attributable to parent	(325,482)	(667,381)	(18,224)
Total operating net loss	(415,792)	(677,381)	(18,224)
Operating loss per share (basic & diluted)	(0.01)	(0.05)	(0.02)
Net loss attributable to parent	(382,928)	(702,381)	(18,224)
Net loss	(489,177)	(702,381)	(18,224)
Net Loss per Share (basic & diluted)	(0.02)	(0.05)	(0.02)
Total Assets	29,568,637	5,765,861	373,292
Asset Retirement Obligation	585,977	-	-
Dividends declared	-	-	-

RESULTS OF OPERATIONS - EXPENSES

	Four month period ended March 31, 2020	**Year ended November 30, 2019**	**Change $**	**Change %**
General and administrative				
Audit and accounting	$ -	$ 13,575	$ (13,575)	-100%
Bank charges and interest	551	205	346	169%
Filing fees	2,366	2048	318	16%
Investor relations	30,601	50,275	(19,674)	-39%
Meals and entertainment	3,838	13,291	(9,453)	-71%
Marketing	9,240	51,890	(42,650)	-82%
Office and miscellaneous expenses	69	7,777	(7,708)	-99%
Payroll expenses	-	782	(782)	-100%
Total general and administrative expenses	**$ 46,665**	**$ 139,843**	**$ (93,178)**	**-67%**
Consulting	122,929	219,683	(96,754)	-44%
Exploration	52,848	116,546	(63,698)	-55%
Professional fees	177,557	120,644	56,913	47%
Stock based compensation	15,793	80,665	(64,872)	-80%
Total operating Expenses	**$ 415,792**	**$ 677,381**	**$ (261,589)**	**-39%**
Write off of investment	50,000	-	50,000	100%
Write off of exploration and evaluation	25,000	25,000	-	0%
Interest income	(1,615)	-	(1,615)	100%
Net Loss and comprehensive loss	**$ 489,177**	**$ 702,381**	**$ (213,204)**	**-30%**

(Expressed in Canadian dollars)

The following summarizes the Company's financial results for the four-month period ended March 31, 2020 compared to the year ended November 30, 2019:

For the four-month period ended March 31, 2020, the Company had a net loss of $489,177 compared to a net loss of $702,381 for the year ended November 30, 2019. Net loss is significantly lower during the four months ended March 31, 2020 due to the fact that the period consists of only four months as opposed to its comparable period of twelve months.

Net loss is composed to general and administrative expenses of $46,665 (2019 - $139,843), consulting fees of $122,929 (2019 - $219,683), exploration expenses of $52,848 (2019 – $116,546), professional fees of $177,557 (2019 - $120,644) and stock-based compensation of $15,793 (2019 - $80,665). The increase in professional fees by 47% as compared to the year ended November 30, 2019, can be attributed to the legal work incurred related to the acquisition of Metal Mountain Resources Inc.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes the financial results of the Company for the four-month period ended March 31, 2020 and each of the seven most recently completed three month periods prepared under IFRS.

Period Ended	Net Revenues ($)	Net Loss Total ($)	Net Loss Per Share ($)
2020-March-31	-	(489,177)	(0.02)
2019-November 30	-	(315,949)	(0.01)
2019-Aug 31	-	(290,821)	(0.03)
2019-May 31	-	(26,263)	(0.01)
2019-February 28	-	(69,348)	(0.02)
2018-November 30	-	(18,170)	(0.00)
2018-August 31	-	(18)	(0.00)
2018-May 31	-	(18)	(0.00)
2018-February 28	-	(18)	(0.02)
2017-November 30	-	(18)	(0.02)

SHARE CAPITAL ACTIVITY

Share Issuances

For the period ended March 31, 2020

On January 21, 2020, the Company closed the first tranche of a non-brokered private placement for proceeds of $850,000 and issued 566,667 non-flow-through common shares.

On January 31, 2020, the Company closed the second tranche of a non-brokered private placement for proceeds of $150,000 and issued 100,000 non-flow-through common shares.

On February 27, 2020, the Company issued 50,000 shares in connection with the Pellaire Gold Property option agreement. The shares were determined to have a fair value of $85,000.

On March 27, 2020, the Company issued 12,153,651 common shares in connection to the Metal Mountain transaction (note 5). The shares were determined to have a fair value of $11,059,822.

The Company issued 1,372,000 common shares in exchange for purchasing an additional 27.44% ownership interest in Gavin Mines (note 8). The shares were determined to have a fair value of $1,248,520.

For the year ended November 30, 2019

On November 27, 2019, the Company issued 50,000 shares in connection with the Pellaire Gold Property option agreement, the shares were determined to have a fair value of $69,500.

On November 14, 2019, the Company closed the fourth tranche of financing for proceeds of $100,000 and issued 100,000 flow-through common shares. The flow-through shares were not issued at a premium, therefore no flow-through premium liability has been recognized as at November 30, 2019.

On November 1, 2019, the Company closed the third tranche of financing for proceeds of $450,000 and issued 450,000 flow-through common shares. The flow-through shares were not issued at a premium, therefore no flow-through premium liability has been recognized as at November 30, 2019.

On October 10, 2019, the Company closed the second tranche of financing for proceeds of $250,000 and issued 250,000 non-flow-through common shares.

On September 16, 2019, the Company closed the first tranche of financing for proceeds of $300,000 and issued 300,000 non-flow-through common shares to the CEO of the Company.

On August 27, 2019, the acquisition date of ASIC Mining Inc., the Company issued 11,600,000 common shares for the acquisition of the net assets of ASIC which were determined to have a fair value of $4,640,000 (Note 6).

On July 16, 2019, the Company issued 200,000 common shares for the execution of the Golden Wonder Project agreement for an addition in exploration and evaluation assets of $20,000.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2020, the Company had cash and cash equivalents of $1,248,567 (November 30, 2019 - $790,539). As at March 31, 2020, the Company had working capital of $970,479 (November 30, 2018 – $615,348).

The Company may have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

Operating activities

For the four-month period ended March 31, 2020, the Company's operating activities used cash of $394,336 (November 30, 2019 - $513,246).

Investing activities

For the four-month period ended March 31, 2020, the Company used $100,000 on exploration and evaluation assets, $50,000 on the Mag One investment, and acquired $2,364 from the acquisition of subsidiary. For the comparative period, the Company used cash of $25,000 in investing activities related to the acquisition of exploration and evaluation properties.

Financing activities

For the four-month period ended March 31, 20200, the Company raised proceeds of $1,000,000 through the issuance of non-flow through shares. For the comparative period, the Company raised proceeds of $1,100,000 through the issuance of flow-through and non-flow through shares. The Company was also provided cash of $45,000 by financing activities from proceeds from the issuance of special warrants and incurred share issue costs of $39,889

The Company has no operating revenues and therefore must utilize its income from financing transactions to maintain its capacity to meet ongoing operating activities.

The Company has minimal debt and its credit and interest rate risk is minimal. Accounts payable and accrued liabilities and due to related party are short-term and non-interest-bearing.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue its business objectives. Therefore, the Company monitors the level of risk incurred in its expenditures relative to its capital structure. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the operation of the Company.

The Company considers its capital structure to include shareholders' equity. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the potential underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favorable terms.

FINANCIAL INSTRUMENTS AND RISKS

The fair values of the Company's financial instruments, which include cash, accounts payable and accrued liabilities, and amount due to related party, approximate their carrying values due to the relatively short-term maturity of these instruments.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. As at March 31, 2020, the Company had cash and cash equivalents of $1,248,567 to settle current liabilities of $371,294. The Company intends to finance future requirements from its existing cash reserves together with share issuances, the exercise of options and/or warrants, debt, or other sources. There can be no certainty of the Company's ability to raise additional financing through these means.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to meet their payment obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at March 31, 2020, the Company does not have any interest-bearing loans or liabilities outstanding. All accounts payable and accrued liability balances as well as third party loans and dues from related parties as at March 31, 2020 are current and as such, are not subject to interest.

Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Certain new standards, interpretations, and amendments to existing standards have been issued by the IASB or International Financial Reporting Interpretations Committee that are mandatory for accounting periods beginning after January 1, 2019, or later periods.

- New standard IFRS 16, "Leases" – is effective for annual periods beginning on or after January 1, 2019

The Company does not expect a significant impact on the Company's consolidated financial statements from adopting the above new standard.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

TRANSACTIONS BETWEEN RELATED PARTIES

Summary of key management personnel compensation:

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and corporate officers.

(Expressed in Canadian dollars)

	For the four month period ended March 31, 2020		For the year ended November 30, 2019	
Management and consulting fees	$	37,800	$	132,000
Share-based compensation		15,793		80,655
	$	53,593	$	212,665

As at March 31, 2020, there was $132,280 (2019 - $132,280) owing to the officers or directors of the Company.

ADDITIONAL DISCLOSURE FOR COMPANIES WITHOUT SIGNIFICANT REVENUE

An analysis of material components of the Company's general and administrative expenses is disclosed in the consolidated financial statements for the four-month period ended March 31, 2020 and year ended November 30, 2019 to which this MD&A relates.

DISCLOSURE OF OUTSTANDING SHARE DATA

Share Capital

As of March 30, 2020, and July 29, 2020, the Company had 47,315,118 and 47,932,618 shares issued and outstanding.

Special Warrants

As of March 30, 2020, the Company had no special warrants outstanding.

Stock Options

As of March 30, 2020, and July 29, 2020, the Company had 2,150,000 and 2,587,500 stock options outstanding.

SUBSEQUENT EVENTS

- On May 13, 2020, the Company entered into an agreement to amend a debt assignment agreement with AG Partner Holdings Ltd., initially entered into on March 27, 2020. The Company has agreed to pay $3,818,096, which is included in long-term accounts payable, by way of issuance of 1,909,048 common shares of the Company at an agreed price of $2.00 per common share, on the date of the commencement of commercial production from the Dome Mountain Mine.
  The shares will be subject to a hold period which will expire in accordance with the following schedule:
  - 10% on each of 12 and 15 months of the date of issuance
  - 15% on each of 18 and 24 months from the date of issuance; and
  - 25% on each of 30 and 36 months from the date of issuance

- In May of 2020 Blue Lagoon exercised its option to acquire a 100% interest in the Pellaire gold project after having re-negotiated improved terms with the vendor. The improved terms included a reduction in the remaining cash payments from US $200,000 to CAD $35,000, and a reduction in the remaining consideration shares from 700,000 shares to 600,000 shares, which the Company issued on May 26, 2020. The consideration shares are subject to a release schedule that allows for the shares to be released in equal installments of 50,000 shares every 3 months over a 36-month period. In addition, the right to repurchase a 2% NSR royalty from the vendor was reduced from US $2 million to US $1 million, which if exercised would leave the vendor with a 0.5% NSR royalty.

- On June 2, 2020 the Company issued 200,000 stock options with an exercise price of $1.20, vesting immediately on grant, expiring on June 2, 2025.

- On June 9, 2020 the Company entered into an agreement with Fundamental Research Corp.("Fundamental") whereby Fundamental agrees to prepare research reports to the Company in consideration for $19,500 plus GST, of which $17,500 was paid by the issuance of 17,500 common shares of the Company.

- On July 13, 2020, the Company granted 237,500 employee stock options under the Company's incentive stock options plan, with an exercise price of $0.50, vesting immediately on grant date, expiring on July 13, 2025.

OTHER

Additional disclosures pertaining to the Company's material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.