BLUE LAGOON RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three and six months ended September 30, 2021 and 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis ("MD&A") has been prepared by management, in accordance with the requirements of National Instrument 51-102 as of November 29, 2021, and should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and six months ended September 30, 2021 and 2020, and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of Blue Lagoon Resources Inc. ("Blue Lagoon" or the "Company") unless specifically noted.

FORWARD-LOOKING STATEMENTS

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 Company 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 Company 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.

COVID – 19

In March of 2020, the World Health Organization declared an outbreak of COVID-19 Global pandemic. The COVID-19 outbreak has impacted a vast array of businesses through the restrictions put in place by most governments internationally, including the Canadian federal government as well as provincial and municipal governments, regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown to what extent the impact of the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place world-wide to fight the virus. While the extent of the impact is unknown, the COVID-19 outbreak may hinder the Company's ability to raise financing for exploration or operating costs due to uncertain capital markets, supply chain disruptions, increased government regulations and other unanticipated factors, all of which may also negatively impact the Company's business and financial condition.

(Expressed in Canadian dollars)

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

The address of the Company's registered office is Suite 1200, 750 West Pender Street, Vancouver, British Columbia.

The Company's common shares trade on the Canadian Securities Exchange under the stock symbol "BLLG" and in the United States on the OTCQB under the symbol "BLAGF."

Refer to "Exploration Projects" below for a detailed discussion of the Company's mineral resource interests.

EXPLORATION PROJECTS

The following table summarizes the balance of exploration and evaluation assets as at September 30, 2021 and March 31, 2021.

	Golden Wonder Project	*Pellaire Gold Property*	*Dome Mountain Mine*	*Big Onion Project*	*Total*
	$	*$*	*$*	*$*	*$*
Balance, March 31, 2020	**45,000**	**4,997,354**	**16,480,396**	**6,059,114**	**27,581,864**
Acquisition costs – cash	-	35,000	20,000	-	**55,000**
Acquisition costs – shares	-	552,000	-	-	**552,000**
Sale of property	(45,000)	-	-	-	**(45,000)**
Asset retirement obligation – change in estimate	-	-	123,752	-	**123,752**
Balance, March 31, 2021	**-**	**5,584,354**	**16,624,148**	**6,059,114**	**28,267,616**
Acquisition costs – cash	**-**	**-**	25,000	-	25,000
Balance, September 30, 2021	**-**	**5,584,354**	**16,649,148**	**6,059,114**	**28,292,616**

During the six months ended September 30, 2021, the balance of exploration and evaluation assets increased by $25,000 in connection with an annual royalty payment made on the McKendrick Property.

During the six months ended September 30, 2021, the Company incurred exploration and evaluation expenses of $2,619,019 which related to the Dome Mountain Mine, including the Phase Two Drill Program and Soil Sampling Program as described in the Company's press releases dated June 14, 2021 and June 29, 2021, respectively.

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 common shares (issued) within 10 business days of the Company commencing trading on the Canadian Securities Exchange.

On July 16, 2019, the Company executed on its rights to purchase 100% interest in the Golden Wonder property.

On February 2, 2021, the Company entered into an agreement with a third party, whereby the Company sold its 100% interest in the Golden Wonder property for consideration of:

- $50,000 in cash;
- 1,000,000 common shares of the third party; and
- 0.5% net smelter return royalty.

The fair value of the common shares of the third party were determined to be $100,000 measured using level 2 of the fair value hierarchy and has been recorded as a long-term investment. A gain of $105,000 was recorded during the year ended March 31, 2021 in connection with this sale. As of September 30, 2021, the fair value of the common shares was determined to be $100,000.

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. 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 March 28, 2019, as amended on July 5, 2019 and July 31, 2019, ASIC entered into an option agreement to acquire a 100% interest in the Pellaire Gold Property.

During the year ended March 31, 2020, the Company issued 100,000 common shares with a fair value of $154,500 toward earning a 100% interest in the Pellaire Gold Property. During the year ended March 31, 2021, the Company amended the option agreement which reduced the remaining cash payments from US$200,000 to CAD$35,000 (paid on May 27, 2020) and reduced the remaining consideration shares from 700,000 common shares to 600,000 common shares which were issued on May 26, 2020 at a fair value of $552,000. During the year ended March 31, 2021, the Company exercised its option to acquire the 100% interest in the Pellaire Gold Project.

The seller retains a 2.5% net smelter royalty interest ("NSR"). The Company has the right to purchase 2% of the NSR for US$1,000,000 at any time prior to commencement of commercial production.

The 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 cash payment for the right to purchase a 2% NSR 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.

Dome Mountain Mine Group and Big Onion Project

On March 27, 2020, the Company acquired Dome Mountain Mine group of properties and Big Onion Project, both located near the town of Smithers in northwest British Columbia from the acquisition of Metal Mountain Resources Inc.

In addition, the Company acquired a 0.25% NSR 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.

The Company owns 100% interest in the following mineral properties of the Dome Mountain Mine Group:

- Dome Mountain Project
  - Upon the property commencing production, the Company will pay an NSR of 2%, or not less than $40,000 per annum. In the event that the property is not in production by January 28, 2011, an advance royalty payment in the amount of $40,000 per annum must be paid. An agreement was reached by both parties to defer 2016, 2017, 2018 and 2019 annual royalty payments to the one-year anniversary date of the arrival of the 1st truckload of Dome ore at the Nicola Mining Inc. mill. The Company agreed to pay 7% interest on those deferred payments. The Company has further agreed that, upon the commencement of production, royalty payments will be paid within 5 business days of the Company and Nicola Mining Inc. receiving payment from the sale of the concentrates.
  - During the six months ended September 30, 2021, the Company removed stockpiled mineralized material from the mine site and shipped it to the Company's toll milling partner; and as a result, the Company recorded a recovery of exploration and evaluation expenses of $1,598,756 of which $1,443,503 is included in the balance of receivables as at September 30, 2021. As at September 30, 2021, the Dome Mountain Project had not commenced commercial production. Refer to the Company's press releases dated June 7, 2021, July 7, 2021, September 1, 2021 and September 16, 2021 for additional information.

- Freegold Property
  - The interest in the property will be subject to a 2% NSR and the Company is required to make annual royalty payments of $20,000 before March 1, 2021. The Company has the right to purchase 1% of the NSR for the aggregate sum of $1,000,000.
  - During the year ended March 31, 2021, the Company made royalty payments of $20,000.

- McKendrick Property
  - The interest in the property will be subject to an NSR of 2.5% and the Company is required to make annual royalty payment of $25,000 per annum and the 2020 payment was due and paid on July 1, 2021.
  - An agreement was reached by both parties to extend 2016, 2017, and 2018 annual royalty payments.

- Hilo Property; and

- Federal Creek Property
  - The interest in the property will be subject to a 3% NSR.

(Expressed in Canadian dollars)

RESULTS OF OPERATIONS

The following table summarizes the Company's financial results for the three months ended September 30, 2021 and 2020.

Three months ended September 30,	2021 $	2020 $	Change $	Change %
General and administrative				
Bank charges and interest	1,533	2,469	(936)	(38%)
Filing fees	3,750	-	3,750	--
Meals and entertainment	217	-	217	--
Marketing	201,844	11,529	190,315	1651%
Office and miscellaneous	85,331	27,353	57,978	212%
Total general and administrative expenses	**292,675**	**41,351**	**251,324**	**608%**
Consulting	322,657	191,304	131,353	69%
Exploration	904,918	1,146,581	(241,663)	(21%)
Investor relations	33,026	68,142	(35,116)	(52%)
Professional fees	71,837	61,612	10,225	17%
Stock-based compensation	505,162	319,243	185,919	58%
Total operating expenses	**2,130,275**	**1,828,233**	**302,042**	**17%**
Accretion	14,911	-	14,911	--
Interest income	(2,900)	(9,952)	7,052	71%
Flow-through recovery	(172,501)	-	(172,501)	--
Net loss and comprehensive loss	**1,969,785**	**1,818,281**	**151,504**	**8%**

For the three months ended September 30, 2021, the Company incurred a net loss of $1,969,785 compared to a net loss of $1,818,281 for the same period of the prior year. The increase in net loss of $151,504 is explained below.

Marketing expenses increased by $155,199 for the three months ended September 30, 2021 compared to the three months ended September 30, 2020 as a result of an increase in marketing efforts to disseminate the Company's exploration results and corporate developments.

The increase in office and miscellaneous expenses in the three months ended September 30, 2021 of $57,978 is explained by increased corporate activities compared to the three months ended September 30, 2020.

During the three months ended September 30, 2021, consulting expenses increased by $131,353 to support executive management and increased corporate activities during the period.

Exploration expenses incurred for the three months ended September 30, 2021 of $904,918 (2020 - $1,146,581) comprise expenses of $2,503,674 (2020 - $1,146,581), net of expense recoveries of $1,598,756 (2020 - $Nil) related to mineralized material removed from the Dome Mountain Project mine site, as discussed in "Exploration Projects". The increase in exploration expenses is a direct result of the Company raising financing, including the issuance of flow-through shares, to fund exploration activities.

(Expressed in Canadian dollars)

Professional fees for the three months ended September 30, 2021 totaled $71,837 (2020 - $61,612) and increased by $10,225 compared to the same period of the prior year. Professional fees fluctuate based on the nature and timing of corporate transactions contemplated or completed.

The Company recorded stock-based compensation for the three months ended September 30, 2021 and 2020 in the amounts of $505,162 and $319,243, respectively, to reflect the fair value of stock options vested in the period.

Accretion expense for the three months ended September 30, 2021 reflects the change in carrying value during the period for the asset retirement obligation and CEBA loans payable.

During the three months ended September 30, 2021, the Company completed flow-through financing and recognized a flow-through premium liability of $275,520 to reflect the value of income tax benefits transferred to the shareholders. The Company reduced this liability and recognized flow-through recovery income of $172,501 in the statement of loss as qualifying exploration expenditures are incurred in the period. Refer to "Share Capital" for additional information related to private placements completed.

The following table summarizes the Company's financial results for the six months ended September 30, 2021 and 2020

Six months ended September 30,	**2021**	**2020**	**Change $**	**Change %**
General and administrative				
Bank charges and interest	2,481	4,289	(1,808)	(42%)
Filing fees	5,063	546	4,517	827%
Meals and entertainment	217	549	(332)	(60%)
Marketing	219,619	21,529	198,090	920%
Office and miscellaneous	92,920	44,708	48,212	108%
Total general and administrative expenses	**320,300**	**71,621**	**248,679**	**347%**
Consulting	501,858	369,620	132,238	36%
Investor relations	239,774	135,406	104,368	77%
Exploration	2,619,019	1,284,458	1,334,561	104%
Professional fees	121,535	148,050	(26,515)	(18%)
Stock-based compensation	555,283	462,311	92,972	20%
Total operating expenses	**4,357,769**	**2,471,466**	**1,886,303**	**76%**
Accretion	29,767	-	29,767	--
Interest income	(8,399)	(14,397)	5,998	42%
Flow-through recovery	(172,501)	-	(172,501)	--
Net Loss and comprehensive loss	**4,206,636**	**2,457,069**	**1,749,567**	**71%**

For the six months ended September 30, 2021, the Company incurred a net loss of $4,206,636 compared to a net loss of $2,457,069 for the same period of the prior year. The increase in net loss of $1,749,567 is explained below.

Marketing expenses increased by $302,458 for the six months ended September 30, 2021 compared to the six months ended September 30, 2020 as a result of an increase in marketing efforts to disseminate the Company's exploration results and corporate developments.

The increase in office and miscellaneous expenses in the six months ended September 30, 2021 of $48,212 is explained by increased corporate activities compared to the six months ended September 30, 2020.

During the six months ended September 30, 2021, consulting expenses increased by $132,238 to support executive management and increased corporate activities during the period.

Exploration expenses incurred for the six months ended September 30, 2021 of $2,619,019 (2020 - $1,284,458) comprise expenses of $4,217,775 (2020 - $1,284,458), net of expense recoveries of $1,598,756 (2020 - $Nil) related to mineralized material removed from the Dome Mountain Project mine site, as discussed in "Exploration Projects". The increase in exploration expenses is a direct result of the Company raising financing, including the issuance of flow-through shares, to fund exploration activities.

Professional fees for the six months ended September 30, 2021 totaled $121,535 (2020 - $148,050) and decreased by $26,515 compared to the same period of the prior year. Professional fees fluctuate based on the nature and timing of corporate transactions contemplated or completed.

The Company recorded stock-based compensation for the six months ended September 30, 2021 and 2020 in the amounts of $555,283 and $462,311, respectively, to reflect the fair value of stock options vested in the period.

Accretion expense for the six months ended September 30, 2021 reflects the change in carrying value during the period for the asset retirement obligation and CEBA loans payable.

During the six months ended September 30, 2021, the Company completed flow-through financing and recognized a flow-through premium liability of $275,520 to reflect the value of income tax benefits transferred to the shareholders. The Company reduced this liability and recognized flow-through recovery income of $172,501 in the statement of loss as qualifying exploration expenditures are incurred in the period. Refer to "Share Capital" for additional information related to private placements completed.

(Expressed in Canadian dollars)

SUMMARY OF QUARTERLY RESULTS

The following table summarizes the financial results of the Company for each of the eight most recently completed three-month periods prepared under IFRS.

Period Ended	Net Revenues ($)	Net Loss Total ($)	Net Loss Per Share ($)
September 30, 2021	-	(1,969,785)	(0.02)
June 30, 2021	-	(2,236,851)	(0.03)
March 31, 2021	-	(1,338,365)	(0.03)
December 31, 2020	-	(2,221,323)	(0.03)
September 30, 2020	-	(1,818,281)	(0.03)
June 30, 2020	-	(638,788)	(0.01)
March 31, 2020	-	(489,177)	(0.02)
December 31, 2019	-	(246,168)	(0.01)

Historical quarterly results of operations and loss per share data do not necessarily reflect any recurring expenditure patterns or predictable trends. The Company's expenditures are driven by the availability of financing to fund continued operations and exploration programs. Quarterly net loss has remained consistent since the period ended September 30, 2020 which is explained by the completion of financings to support exploration and evaluation projects and expenditures. The slight decrease for the period ended March 31, 2021 is explained by non-recurring and non-cash transactions, including gains on the modification of debt and sale of property and flow-through recovery. Prior to the quarter ended September 30, 2020, the Company operated at reduced corporate and exploration levels based on the availability of working capital.

SHARE CAPITAL

The Company has authorized an unlimited number of common shares without par value for issuance.

The Company has securities outstanding as follows:

Security Description	September 30, 2021	Date of Report
Common shares	88,776,682	88,776,682
Warrants	17,399,276	17,399,276
Stock options	2,737,500	2,737,500
Fully diluted shares	**108,913,458**	**108,913,458**

During the six months ended September 30, 2021:

- On April 15, 2021, the Company issued 50,000 common shares pursuant to the exercise of 50,000 warrants with an exercise price of $0.50 per share for proceeds of $25,000.

- On May 4, 2021, the Company issued 7,142 common shares pursuant to the exercise of 7,142 warrants with an exercise price of $0.50 per share for proceeds of $3,571.

- On May 28, 2021, the Company issued 11,400 common shares pursuant to the exercise of 11,400 warrants with an exercise price of $0.50 per share for proceeds of $5,700. In connection with the exercise, an amount of $578 was reclassified from reserves to share capital.

- On May 28, 2021, the Company issued 210,000 common shares pursuant to the exercise of 210,000 stock options with an exercise price of $0.1125 per share for proceeds of $23,625. In connection with the exercise, an amount of $11,233 was reclassified from reserves to share capital.

- On June 14, 2021, the Company issued 494,406 common shares pursuant to an exercise of 494,406 warrants with an exercise price of $0.50 for proceeds of $247,203. In connection with the exercise, an amount of $15,453 was reclassified from reserves to share capital.

- On June 14, 2021, the Company issued 500,000 common shares pursuant to the exercise of 500,000 stock options with an exercise price of $0.70 per share for proceeds of $350,000. In connection with the exercise, an amount of $147,790 was reclassified from reserves to share capital.

- On July 9, 2021, the Company issued 322,000 common shares pursuant to the exercise of 322,000 warrants with an exercise price of $0.50 per warrant for proceeds of $161,000.

- On July 15, 2021, the Company issued 4,761,154 flow-through units at a price of $0.7425 per flow-through unit for gross proceeds of $3,535,157. Each flow-through unit is comprised of one flow-through common share and one-half of one share purchase warrant. Each whole warrant is exercisable into one common share of the Company at an exercise price of $0.75 per share for a period of 24 months. Upon issuance of the flow-through shares, the Company recognized a flow-through premium liability of $202,349.

- On July 15, 2021, the Company issued 609,758 flow-through units at a price of $0.82 per flow-through unit for gross proceeds of $500,002. Each unit is comprised of one flow-through common share and one-half of one share purchase warrant. Each whole warrant is exercisable into one common share of the Company at an exercise price of $1.10 per share for a period of 24 months. Upon issuance of the flow-through shares, the Company recognized a flow-through premium liability of $73,171.

- On July 15, 2021, the Company issued 7,446,818 units at a price of $0.55 per unit for gross proceeds of $4,095,750. Each unit is comprised of one common share and one-half of one share purchase warrant. Each whole warrant is exercisable into one common share of the Company at an exercise price of $0.75 per share for a period of 24 months.

- In connection with the private placements which closed on July 15, 2021, the Company incurred share issuance costs of $200,129 and issued 159,516 finders' warrants with a fair value of $55,546 estimated using the Black-Scholes pricing model. Each finders' warrant entitles the holder to purchase one common share at a price of $0.75 per share until July 15, 2023. The Company also issued 42,683 finders' warrants with a fair value of $12,063 estimated using the Black-Scholes pricing model. Each finders' warrant entitles the holder to purchase one common share at a price of $1.10 per share until July 15, 2023.

- On July 20, 2021, the Company issued 390,253 common shares pursuant to the exercise of 390,253 warrants with an exercise price of $0.50 per warrant for proceeds of $195,127. In connection with the exercise, an amount of $2,820 was reclassified from reserves to share capital.

(Expressed in Canadian dollars)

- On July 21, 2021, the Company issued 400,000 common shares with a fair value of $252,000 as consideration for the acquisition of the remaining 21.72% ownership interest in Gavin Mines Inc. As at September 30, 2021, the Company held a 100% ownership interest in Gavin Mines Inc.

- On August 3, 2021, the Company issued 60,202 common shares pursuant to the exercise of 60,202 warrants with an exercise price of $0.50 per warrant for proceeds of $30,101. In connection with the exercise, an amount of $4,215 was reclassified from reserves to share capital.

- On August 17, 2021, the Company issued 107,500 common shares pursuant to the exercise of 107,500 warrants with an exercise price of $0.50 per warrant for proceeds of $53,750.

As at September 30, 2021, the balance of obligation to issue shares includes long-term accounts payable to be settled of $2,271,767 (March 31, 2021 - $2,271,767).

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2021, the Company had cash and cash equivalents of $7,684,362 (March 31, 2021 – $3,539,683) and working capital of $8,710,326 (March 31, 2021 – $3,628,556). The increase in working capital of $5,081,770 during the six months ended September 30, 2021 is explained by cash proceeds received from the issuance of common shares and an increase in receivables for amounts due in connection with the Dome Mountain Project, net of increased accounts payable and accrued liabilities due to increased corporate and exploration activities.

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.

The Company's cash flows for the six months ended September 30, 2021 and 2020 are summarized below.

Six months ended September 30,	2021 $	2020 $
Cash used in operating activities	(4,731,178)	(2,928,237)
Cash used in investing activities	(150,000)	(55,000)
Cash provided by financing activities	9,025,857	7,344,222
Change in cash during the period	4,144,679	4,360,985
Cash, beginning of the period	3,539,683	1,248,567
Cash, end of the period	**7,684,362**	**5,609,552**

Operating activities

Cash used in operating activities adjusts loss for the period for non-cash items including, but not limited to, accretion expense, stock-based compensation, and flow-through premium recovery. Cash used in operating activities also reflects changes in working capital items, such as receivables, prepaid expenses and amounts payable, which fluctuate in a manner that does not necessarily reflect predictable patterns for the overall use of cash, the generation of which depends almost entirely on sources of external financing to fund operations. Refer also to "Results of Operations" above.

Investing activities

Investing activities for the six months ended September 30, 2021 reflect the Company acquiring the remaining 21.72% ownership interest in Gavin Mines Inc. which included cash consideration of $125,000. The Company also paid a royalty of $25,000 related to the Dome Mountain Mine Group.

During the six months ended September 30, 2020, cash used in investing activities related to payments of $55,000 towards acquiring a 100% interest in the Pellaire Gold project.

Financing activities

During the six months ended September 30, 2021, the Company received total proceeds of $9,225,986 from the issuance of common shares, net of share issuance costs of $200,129, for net cash provided by financing activities of $9,025,857. Refer to "Share Capital" for additional detail on the issuance of common shares.

During the six months ended September 30, 2020, the Company received total proceeds of $7,523,705 from the issuance of common shares and $80,000 from the issuance of long-term debt, net of share issuance costs of $259,483, for net cash provided by financing activities of $7,344,222.

The Company has no operating revenues and therefore must utilize its cashflows 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.

FINANCIAL INSTRUMENTS AND RISKS

The fair values of the Company's assets and current financial liabilities are assumed to approximate their carrying values due to their short-term nature. The carrying values of the CEBA loan approximate its fair value given the market rate of interest. The fair value of the Company's long-term accounts payable is assumed to approximate their carrying value, due to the nature of the item and are classified as long-term as the Company is not expected to reach commercial production within the next 12 months.

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 September 30, 2021, the Company had cash and cash equivalents of $7,684,362 to settle current liabilities of $1,062,530. 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.

(Expressed in Canadian dollars)

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 of cash and cash equivalents and receivables. The Company limits its exposure to credit loss by placing its cash and cash equivalents with high credit quality financial institutions. Receivables primarily consists of amounts due from the Company's toll milling partner who is considered to be of high credit quality. The carrying amount of financial assets represents the maximum credit exposure.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The Company does not have any variable rate debt. The interest earned on cash and cash equivalents is insignificant and the Company does not rely on interest to fund its operations. As a result, the Company is not exposed to significant interest rate risk.

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.

Currency Risk

Currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. As at September 30, 2021, the Company does not hold any financial instruments denominated in foreign currencies; as such the Company is not exposed to currency risk.

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 consist of members of the Company's Board of Directors and corporate officers.

Remuneration attributable to key management personnel is summarized in the table below.

For the six months ended	September 30, 2021	September 30, 2020
Management fees[(1)]	$ 72,000	$ 72,000
Stock-based compensation	289,416	132,644
	$ 361,416	$ 204,644

(1) Company controlled by Rana Vig, President, CEO and Director - $72,600 (2020 - $72,000)

As at September 30, 2021, there was $280 (March 31, 2021 - $280) owing to Rana Vig, President, CEO and Director. The amount is non-interest bearing, unsecured and due on demand.

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.

APPROVAL

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