BLUE LAGOON RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended March 31, 2022 and 2021

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 July 28, 2022, and should be read in conjunction with the audited consolidated financial statements for the years ended March 31, 2022 and 2021, 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 Company. 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 March 31, 2022 and 2021 and the changes in exploration and evaluation assets for the years then ended.

	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**
Assignment of consideration	45,000	-	-	(150,000)	(105,000)
Acquisition costs – cash	-	-	255,000	-	255,000
Acquisition costs – shares	-	-	843,250	-	843,250
Impairment of exploration and evaluation asset	(45,000)	-	-	(5,209,114)	(5,254,114)
Asset retirement obligation – change in estimate	-	-	532,114	-	532,114
Balance, March 31, 2022	**-**	**5,584,354**	**18,254,512**	**700,000**	**24,538,866**

During the year ended March 31, 2022, the balance of exploration and evaluation assets decreased by $3,728,750. The decrease in exploration and evaluation assets is primarily explained by impairment losses recorded on the Big Onion Project of $5,209,114 and the Golden Wonder Project of $45,000. Exploration and evaluation assets also decreased as a result of the termination of a previous sale of the Golden Wonder Project which in aggregate decreased the exploration and evaluation assets by $105,000. These decreases were partially offset by royalty payments made or accrued totaling $255,000 and 1,937,500 common shares issued and valued at $843,250 as consideration for the purchase of net smelter royalties on the Dome Mountain Mine. Exploration and evaluation assets increased by a further $532,114 as a result of revising estimates related to the Company's asset retirement obligations on the Dome Mountain Mine.

During the year ended March 31, 2022, the Company incurred exploration and evaluation expenses of $7,360,085 which related to the Dome Mountain Mine, including the completion of the 2021 phase one and phase two drill programs, the first phase of the 2022 drill program, and a soil sampling program. Refer to the Company's press releases for detailed results of the drill and soil sampling programs which are available on the SEDAR website at www.sedar.com and on the Company's website.

Additionally, on February 2, 2022, the Company filed a technical report titled "*Mineral Resource Estimate for the Dome Mountain Gold Project, Smithers, British Columbia, Canada*" (the "Technical Report") which can be found on the SEDAR website at www.sedar.com and on the Company's website. Refer to the Technical Report and the Company's press release dated February 3, 2022 for additional detail of the updated resource estimate on the Dome Mountain Mine.

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 Gama Explorations Inc. ("Gama"), whereby the Company sold its 100% interest in the Golden Wonder property for consideration of:

- $50,000 in cash (received);
- 1,000,000 common shares of Gama (received); and
- 0.5% net smelter return royalty.

During the year ended March 31, 2021, the Company recorded a gain of $105,000 in connection with this sale.

Gama is a related company by way of a common director.

On November 12, 2021, the Company and Gama agreed to terminate the sale of the Golden Wonder property; and as a result recorded a loss on termination of $105,000 during the year ended March 31, 2022. Pursuant to the termination agreement, the Company and Gama agreed to apply the consideration previously exchanged of $50,000 and 1,000,000 common shares of Gama to the option or purchase of an alternate property from the Company. On December 6, 2021, this consideration was applied to an option agreement related to the Big Onion project (described below).

As of March 31, 2022, the fair value of the common shares of Gama was determined to be $100,000 (2021 - $100,000) of which $25,000 (2021 - $nil) is presented within current assets and relates to common shares which become free trading within the next 12 months. The fair value of the investment was measured using level 2 of the fair value hierarchy.

During the year ended March 31, 2022, the Company recorded an impairment loss of $45,000 with respect to the Golden Wonder Property on the basis that the Company does not intend to further advance the property.

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

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 a reclamation deposit of $600,000 related to the Dome Mountain Mine. As at March 31, 2022, the accrued interest on the reclamation deposit of $7,644 has been re-invested into the reclamation deposit's principal amount.

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 year ended March 31, 2022, the Company removed mineralized material from the mine 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 $1,781,680. As at March 31, 2022, the Dome Mountain Project had not commenced commercial production.
    - As a result of removing the mineralized material during the year ended March 31, 2022, an agreement was reached by both parties to settle all deferred and current royalty payment and accrued interest for total cash consideration of $210,000 which the Company paid subsequent to the year ended March 31, 2022. As at March 31, 2022, accounts payable and accrued liabilities include $210,000 related to these royalty payments.
    - During the year ended March 31, 2022, the Company issued 1,937,500 common shares valued at $843,250 as consideration for the purchase of various NSR. The value of the shares was estimated using the market price on grant date.

- 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 per annum. 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, 2022, the Company made royalty payments of $20,000 (2021 - $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. The payment was made on July 1, 2021.
    - An agreement was reached by both parties to extend 2016, 2017, and 2018 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 which was made on June 15, 2021. The Company paid the deferred annual royalties subsequent to the year ended March 31, 2022.

- Hilo Property; and

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

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.

The Company holds a reclamation deposit of $35,000 related to the Big Onion Project.

On December 6, 2021, the Company entered into an option agreement with Gama for a 100% ownership and beneficial interest in the Big Onion property. In order to exercise its option on the Big Onion property, Gama is required to make cash and share payments to the Company and incur exploration and development expenditures on the property, as summarized below. The property is subject to a 1.125% net smelter return payable to Metal Mountain Resources.

- $500,000 in cash paid in the following installments:
  - $50,000 upon execution of the agreement (assigned from Golden Wonder);
  - $50,000 on or before 12 months from the date on which the common shares of Gama are listed on a Canadian stock exchange (April 11, 2022, the "Purchaser's Listing Date");
  - $50,000 on or before 24 months following the Purchaser's Listing Date;
  - $100,000 on or before 36 months following the Purchaser's Listing Date; and
  - $250,000 on or before 48 months following the Purchaser's Listing Date.
- 2,000,000 common shares of Gama issued in the following installments:
  - 1,000,000 common shares upon execution of the agreement (assigned from Golden Wonder) issued into escrow and released in the following installments:
    - 100,000 on the Purchaser's Listing Date (released)
    - 150,000 6 months following the Purchaser's Listing Date
    - 150,000 12 months following the Purchaser's Listing Date
    - 150,000 18 months following the Purchaser's Listing Date
    - 150,000 24 months following the Purchaser's Listing Date
    - 150,000 30 months following the Purchaser's Listing Date
    - 150,000 36 months following the Purchaser's Listing Date
  - 250,000 common shares on or before 24 months following the Purchaser's Listing Date;
  - 250,000 common shares on or before 36 months following the Purchaser's Listing Date; and
  - 500,000 common shares on or before 48 months following the Purchaser's Listing Date.
- $1,500,000 expenditures on the Big Onion project as follows:
  - $250,000 on or before 12 months following the Purchaser's Listing Date;
  - An additional $250,000 on or before 24 months following the Purchaser's Listing Date;
  - An additional $250,000 on or before 36 months following the Purchaser's Listing Date; and
  - An additional $750,000 on or before 48 months following the Purchaser's Listing Date.

As a result of executing the option agreement with respect to the Big Onion Project, the Company assessed the recoverable amount of the Big Onion Project to be $700,000 based on the total consideration expected to be received from Gama and recorded an impairment loss of $5,209,114 during the year ended March 31, 2022.

(Expressed in Canadian dollars)

SELECTED ANNUAL INFORMATION

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

	Year ended March 31, 2022	Year ended March 31, 2021	Four month period ended March 31, 2020
	$	$	$
Total Revenue	-	-	-
Loss and comprehensive loss	(15,529,030)	(6,016,757)	(489,177)
Loss per share (basic and diluted)	(0.18)	(0.10)	(0.01)
Loss attributable to owners of the parent	(15,299,028)	(4,975,906)	(382,928)
Loss per share attributable to owners of the parent (basic and diluted)	(0.18)	(0.08)	(0.01)
Total Assets	34,268,282	33,162,154	29,568,637
Non-current financial liabilities	1,785,021	1,779,117	5,548,030
Dividends declared	-	-	-

Loss and comprehensive loss and loss attributable to owners of the parent increased by $9,512,273 and $10,323,122, respectively, for the year ended March 31, 2022 compared to the year ended March 31, 2021. The increase in loss is primarily explained by increased exploration activities and impairment losses recorded on exploration and evaluation assets which are detailed in "*Exploration Projects*". Further details of the losses incurred for the years ended March 31, 2022 and 2021 are described in "*Results of Operations*".

As a result of the Company changing its fiscal year from November 30, 2020 to March 31, 2020, the losses presented for the four month period ended March 31, 2020 are not comparable and reflect a four month transition period.

Total assets as of March 31, 2022 increased by $1,106,128 compared to total assets as of March 31, 2021 which is due to an increase in cash and cash equivalents as a result of equity financings completed. The change in cash and cash equivalents is detailed in "*Liquidity and Capital Resources"*. The increase in cash and cash equivalents was partially offset by the decrease in exploration and evaluation assets during the year ended March 31, 2022 as described in "*Exploration Projects*".

Total assets as of March 31, 2021 increased by $3,593,517 compared to total assets as of March 31, 2020 which is attributable to increased cash and cash equivalents from equity financings completed, net of operating activities. Exploration and evaluation assets also increased as a result of the acquisition of the Pellaire Gold Property as described in "*Exploration Projects*".

Non-current financial liabilities as of March 31, 2022 and 2021 were consistent in composition and amounts and related to long-term accounts payable and the CEBA loan payable. The long-term accounts payable is unsecured, non-interest bearing, and payment is due within 30 months from the commencement date of commercial production at the Dome Mountain Mine. The CEBA loan payable was received from the Government of Canada under the Emergency Business Account ("CEBA") and is interest free until December 31, 2022.

Non-current financial liabilities as of March 31, 2020 relate to long-term accounts payable assumed in the acquisition of a subsidiary. During the year ended March 31, 2021, the Company negotiated the long-term accounts payable resulting in the decreased balances as of March 31, 2022 and 2021.

(Expressed in Canadian dollars)

RESULTS OF OPERATIONS

The following table summarizes the Company's financial results for the years ended March 31, 2022 and 2021.

Year ended March 31,	**2022**	**2021**	**Change**	**Change**
	$	**$**	**$**	**%**
General and administrative	121,130	152,283	(31,153)	(20%)
Consulting	735,530	785,684	(50,154)	(6%)
Exploration	7,360,085	5,274,588	2,085,497	40%
Investor relations	206,967	645,327	(438,360)	(68%)
Marketing	954,158	232,735	721,423	310%
Professional fees	416,323	215,033	201,290	94%
Stock-based compensation	756,606	557,982	198,624	36%
Total operating expenses	**(10,550,799)**	**(7,863,632)**	**(2,687,167)**	**(34%)**
Accretion	(59,687)	(63,439)	3,752	(6%)
Interest income	20,666	25,146	(4,480)	(18%)
Impairment of exploration and evaluation assets	(5,254,114)	-	(5,254,114)	--
Gain on sale of property	-	105,000	(105,000)	(100%)
Gain on modification of debt	-	1,546,330	(1,546,330)	(100%)
Income from government assistance	-	35,658	(35,658)	(100%)
Loss on termination of property sale	(105,000)	-	(105,000)	--
Flow-through premium recovery	419,904	198,180	221,724	112%
Net loss and comprehensive loss	**(15,529,030)**	**(6,016,757)**	**(9,512,273)**	**(158%)**

For the year ended March 31, 2022, the Company incurred a net loss of $15,529,030 compared to a net loss of $6,016,757 for the prior year. The increase in net loss of $9,512,273 is explained below.

The Company experienced a decrease of $31,153 in general and administrative expenses during the year ended March 31, 2022 which is due to reductions to administrative activities and overhead of the Company's subsidiaries.

During the years ended March 31, 2022 and 2021 the Company incurred consulting expenses of $735,530 and $785,684, respectively, which remained consistent in nature and amounts to support executive management.

Exploration expenses incurred for the year ended March 31, 2022 totaled $7,360,085 (2021 - $5,274,588) and comprised expenses of $9,141,765 (2021 - $5,274,588), net of expense recoveries of $1,781,680 (2021 - $Nil) related to mineralized material removed from the Dome Mountain Project mine site. 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. Refer to "Exploration Projects" for additional detail.

Investor relations expenses for the year ended March 31, 2022 decreased by $438,360 compared to the prior year as a result of third party contracts entered into during the prior year which expired and were not renewed. During the year ended March 31, 2022, the Company shifted its focus to marketing initiatives.

The Company incurred marketing expenses for the years ended March 31, 2022 and 2021 of $954,158 and $232,735, respectively, representing an increase of $721,423 year over year. The increase in marketing expenses is a direct result of the Company engaging third parties to execute marketing campaigns, including the creation and dissemination of digital advertising and publications related to the Company's exploration results and corporate developments.

Professional fees for the year ended March 31, 2022 totaled $416,323 (2021 - $215,033) and increased by $201,290 compared to the prior year. Professional fees fluctuate based on the nature and timing of corporate and property related transactions contemplated or completed.

The Company recorded stock-based compensation for the years ended March 31, 2022 and 2021 in the amounts of $756,606 and $557,982, respectively, to reflect the fair value of stock options vested in the year. The amount of stock-based compensation recorded is a function of various factors, including the number of stock options granted and the underlying vesting terms.

Accretion expense for the years ended March 31, 2022 and 2021 of $59,687 and $63,439, respectively remained consistent year over year and related to the asset retirement obligation and CEBA loans payable.

During the year ended, the Company recorded impairment losses with respect to exploration and evaluation assets totaling $5,254,114 related to the Big Onion Project ($5,209,114) and the Golden Wonder Project ($45,000). In addition, the Company recorded a further loss of $105,000 during the year ended March 31, 2022 related to the termination of a property sale on the Golden Wonder Project which was previously recorded as a gain during the year ended March 31, 2021. Refer to "Exploration Projects" for additional detail.

During the year ended March 31, 2022, the Company completed flow-through financing and recognized a flow-through premium liability of $1,307,030 (2021 - $198,180) to reflect the value of income tax benefits transferred to the shareholders. The Company reduced this liability and recognized flow-through premium recovery income of $419,904 (2021 - $198,180) in the statement of loss as qualifying exploration expenditures were incurred in the year. Refer to "Share Capital" for additional information related to private placements completed.

During the year ended March 31, 2021, the Company modified certain long-term accounts payable and recognized a gain on debt modification of $1,546,330. No such modifications occurred during the year ended March 31, 2022.

(Expressed in Canadian dollars)

FOURTH QUARTER

For the three months ended March 31, 2022, the Company incurred a net loss of $8,104,563 compared to a net loss of $1,338,365 for the same period of the prior year, representing an increase of $6,766,198 in net loss period over period. The increase in net loss is primarily explained by non-recurring and non-cash gains and losses recorded. The Company recorded impairment losses with respect to exploration and evaluation assets totaling $5,254,114 during the three months ended March 31, 2022. Refer to "Exploration Projects" for additional detail. No such losses were recorded during the three months ended March 31, 2021. In addition, during the three months ended March 31, 2021, the Company modified certain long-term accounts payable and recognized a gain on debt modification of $1,546,330 which further contributed to the variance in net loss period over period.

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.

Three months ended	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
	$	$	$	$
Total Revenue	-	-	-	-
Loss and comprehensive loss	(8,104,563)	(3,217,831)	(1,969,785)	(2,236,851)
Loss per share (basic and diluted)	(0.09)	(0.04)	(0.02)	(0.03)
Loss attributable to owners of the parent	(8,245,386)	(3,217,831)	(1,973,542)	(1,862,269)
Loss per share attributable to owners of the parent (basic and diluted)	(0.09)	(0.04)	(0.02)	(0.03)

Three months ended	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
	$	$	$	$
Total Revenue	-	-	-	-
Loss and comprehensive loss	(1,338,365)	(2,221,323)	(1,818,281)	(638,788)
Loss per share (basic and diluted)	(0.03)	(0.03)	(0.03)	(0.01)
Loss attributable to owners of the parent	(801,711)	(1,904,114)	(1,664,937)	(605,144)
Loss per share attributable to owners of the parent (basic and diluted)	(0.01)	(0.03)	(0.03)	(0.01)

(Expressed in Canadian dollars)

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 remained relatively consistent from the period ended September 30, 2020 to the period ended September 30, 2021 which is explained by the completion of financings to support exploration and evaluation projects and expenditures. The further increase in net loss for the periods ended December 31, 2021 and March 31, 2022 is explained by increased exploration activities, including ongoing drilling and soil sampling and updates to the Technical Report. Net loss for the period ended March 31, 2022 also includes an impairment loss recorded on exploration and evaluation assets of $5,254,114. 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	March 31, 2022	Date of Report
Common shares	98,207,110	101,355,960
Warrants	21,259,163	22,328,767
Stock options	3,387,500	3,487,500
Fully diluted shares	**122,853,773**	**127,172,227**

During the year ended March 31, 2022:

- 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 $4,095,748. 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 21, 2021, the Company issued 400,000 common shares with a fair value of $252,000 as consideration for the acquisition of the remaining 8.05% ownership interest in Gavin Mines.

- On February 4, 2022, the Company issued 1,450,000 common shares with a fair value of $580,000 as consideration for the purchase of certain NSR on the Dome Mountain Project.

- On February 23, 2022, the Company issued 487,500 common shares with a fair value of $263,250 as consideration for the purchase of certain NSR on the Dome Mountain Project.

- On March 22, 2022, the Company issued 1,282,052 flow-through units at a price of $0.78 per flow-through unit for gross proceeds of $1,000,001. 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 $0.90 per share until April 15, 2024. Upon issuance of the flow-through shares, the Company recognized a flow-through premium liability of $179,487.

- On March 22, 2022, the Company issued 6,085,876 flow-through units at a price of $0.78 per flow-through unit for gross proceeds of $4,746,984. 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 $0.78 per share until April 15, 2024. Upon issuance of the flow-through shares, the Company recognized a flow-through premium liability of $852,023.

- In connection with the private placements which closed on March 22, 2022, the Company incurred share issuance costs of $234,719 and issued 224,000 finders' warrants with a fair value of $57,525 estimated using the Black-Scholes pricing model. Each finders' warrant entitles the holder to purchase one common share at a price of $0.78 per share until April 15, 2024. The Company also issued 76,923 finders' warrants with a fair value of $16,168 estimated using the Black-Scholes pricing model. Each finders' warrant entitles the holder to purchase one common share at a price of $0.90 per share until March 22, 2024.

- The Company issued 1,567,903 common shares pursuant to the exercise of 1,567,903 warrants with an exercise price of $0.50 per share for proceeds of $783,952. In connection with the warrant exercises, an amount of $23,066 was reclassified from reserves to share capital.

- The Company issued 710,000 common shares pursuant to the exercise of 710,000 stock options for proceeds of $373,625. In connection with the stock option exercises, an amount of $159,023 was reclassified from reserves to share capital.

- In connection with stock option exercises during the year ended March 31, 2022 and 2021, the Company incurred share issuance costs of $7,601.

(Expressed in Canadian dollars)

As at March 31, 2022, the balance of obligation to issue shares includes long-term accounts payable to be settled of $2,271,767 (2021 - $2,271,767) on the date of the commencement of commercial production on the Dome Mountain Mine.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2022, the Company had cash and cash equivalents of $8,688,697 (2021 - $3,539,683) and working capital of $8,082,871 (2021 - $3,628,556). The increase in working capital of $4,454,315 during the year ended March 31, 2022 is primarily due to an increase in cash and cash equivalents of $5,149,014 as a result of cash proceeds received from the issuance of common shares, net of cash used in operations. The increase in cash and cash equivalents was partially offset by the increase in accounts payable and accrued liabilities of $395,385 due to increased corporate and exploration activities at or near year-end. In addition, the balances of receivables and prepaid expenses decreased by $80,174 and $244,140, respectively, due to the collection of input tax credit refunds and rendering of services for which were prepaid, respectively.

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 years ended March 31, 2022 and 2021 are summarized below.

Year ended March 31,	2022 $	2021 $
Cash used in operating activities	(9,274,006)	(7,579,965)
Cash used in investing activities	(170,000)	(5,000)
Cash provided by financing activities	14,593,020	9,876,081
Change in cash during the year	5,149,014	2,291,116
Cash, beginning of the year	3,539,683	1,248,567
Cash, end of the year	**8,688,697**	**3,539,683**

Operating activities

Cash used in operating activities adjusts loss for the period for non-cash items including, but not limited to, impairment losses, 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 year ended March 31, 2022 reflect the Company acquiring 13.67% ownership interest in Gavin Mines Inc. for cash consideration of $125,000. The Company also made royalty payments totaling $45,000 related to the Dome Mountain Mine Group.

During the year ended March 31, 2021, the Company incurred acquisition costs of $55,000, including $35,000 for the Pellaire Gold Property and a royalty payment of $20,000 related to the Dome Mountain Mine Group. These acquisition costs were partially offset by $50,000 received from the sale of the Golden Wonder Property.

Refer to "Exploration Projects" for additional detail.

Financing activities

During the year ended March 31, 2022, the Company received total proceeds of $15,035,469 (2021 - $10,214,115) from the issuance of common shares, net of share issuance costs of $442,449 (2021 - $418,034), and total proceeds of $nil (2021 - $80,000) from the issuance of loans, for net cash provided by financing activities of $14,593,020 (2021 - $9,876,081). Refer to "Share Capital" for additional detail on the issuance of common shares.

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 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 March 31, 2022, the Company had cash of $8,688,697 to settle current liabilities of $916,367. 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 of cash, deposits and receivables. The Company limits its exposure to credit loss by placing its cash and deposits with high credit quality financial institutions. The Company's receivables primarily consist of input tax credits due from the Government of Canada, and as such, receivables are not subject to significant credit risk. The Company's maximum credit risk is equal to the carrying amount of its cash, receivables, and deposits.

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 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.

The Company is also exposed to price risk with respect to its investment in Gama. The Company closely monitors those prices to determine the appropriate course of action. There can be no assurance that the Company can exit its position, if required, resulting in proceeds approximating the carrying value of the investment.

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 March 31, 2022, 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.

ADOPTION OF NEW STANDARDS AND INTERPRETATIONS AND RECENT ACCOUNTING PRONOUNCEMENTS

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any new standards and has determined that there are no new standards that are relevant to the Company.

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.

(Expressed in Canadian dollars)

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

For the years ended		March 31, 2022		March 31, 2021
Management fees[(1)]	$	244,000	$	144,000
Stock-based compensation		289,416		132,644
	$	533,416	$	276,644

(1) Company controlled by Rana Vig, President, CEO and Director - $244,000 (2021 - $144,000)

As at March 31, 2022, accounts payable and accrued liabilities include $280 (2021 - $280) owing to Rana Vig, President, CEO and director of the Company. The amount payable is unsecured, non-interest bearing and has no fixed terms of repayment.

As at March 31, 2022, prepaid expenses include $12,000 (2021 - $nil) for consulting fees paid to a company controlled by Rana Vig, President, CEO and director of the Company to be applied to services rendered subsequent to the year ended March 31, 2022.

As at March 31, 2022, receivables include $1,717 (2021 - $nil) due from Gurdeep Bains, a director of the Company, for an amount paid on behalf of the director. The amount is unsecured, non-interest bearing and has no fixed terms of repayment.

As at March 31, 2022, receivables include $1,717 (2021 - $nil) due from Norman Brewster, a director of the Company, for an amount paid on behalf of the director. The amount is unsecured, non-interest bearing and has no fixed terms of repayment.

As at March 31, 2022, receivables include $3,166 (2021 - $nil) due from Rana Vig, President, CEO and director of the Company, for an amount paid on his behalf. The amount is unsecured, non-interest bearing and has no fixed terms of repayment.

During the year ended March 31, 2022, the Company entered into agreements with Gama with respect to exploration and evaluation assets. Gama is a related company by way of a common director being Rana Vig, President, CEO and director of the Company. Refer to "Exploration Projects".

SUBSEQUENT EVENTS

On April 11, 2022, the Company closed a second tranche of its non-brokered private placement of 2,753,636 units at a price of $0.55 per unit, for aggregate proceeds of $1,514,500. Each unit is comprised of one common share of the Company and one-half of one common share purchase warrant. Each full warrant is exercisable into one common share of the Company at an exercise price of $0.78 per share until April 15, 2024. The Company paid finders' fees in cash of $48,400 and issued 88,000 finders' warrants. The finders' warrants may be exercised to acquire common shares of the Company at a price of $0.78 per common share until April 15, 2024.

On April 11, 2022, the Company granted 100,000 stock options to consultants of the Company. Each option is exercisable into one common share of the Company at a price of $0.65 per share. The options vested on grant and will expire on April 11, 2025.

The Company issued 395,214 common shares pursuant to the exercise of 395,214 warrants for gross proceeds of $197,607.

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.