LIDA RESOURCES INC.

Management's Discussion and Analysis

For the three and nine months ended May 31, 2023 and 2022

(Expressed in Canadian dollars)

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") reviews the financial condition and results of operations of Lida Resources Inc. (the "Company" or "Lida") for the three and nine months ended May 31, 2023 and 2022. This MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended May 31, 2023 and 2022 (referred to hereafter as the "financial statements") and the audited consolidated financial statements for the years ended August 31, 2022 and 2021 and the notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and with the interpretations of the International Financial Reporting Interpretations Committee.

This discussion provides management's analysis of the Company's historical financial and operating results and provides estimates of the Company's future financial and operating performance based on information that is currently available. This discussion contains forward-looking statements that involve certain risks and uncertainties. See "Forward-Looking Statements".

The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The nine months ended May 31, 2023 and 2022 are referred to as "YTD 2023" and "YTD 2022", respectively.

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

The following MD&A has been prepared by management, in accordance with the requirements of NI 51-102 as at July 20, 2023.

OVERVIEW

This MD&A has been prepared by management and reviewed by the audit committee of the Board. For the purposes of preparing this MD&A, management, in conjunction with the Board, considers the materiality of information and evaluates materiality with reference to all relevant circumstances, including potential market sensitivity. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. 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 currency of the Company, unless specifically noted.

DESCRIPTION OF BUSINESS

The Company is an exploration stage mining company. The Company will need additional funding in the near future through either equity or debt financing to acquire new projects. Many factors influence the Company's ability to raise funds, including the health of the capital market, the climate for mineral exploration investment, and the Company's track record. Actual funding requirements may vary from those planned due to several factors, including the funding of new projects. Management is approaching all identifiable sources of equity capital, but there is no guarantee that the Company will be able to secure additional financings in the future at terms that are favourable.

The Company's shares are trading on the Canadian Securities Exchange under the symbol "LIDA".

HIGHLIGHTS

During the nine months ended May 31, 2023, the Company:

- Entered into various promissory notes payable agreements for total proceeds of $39,000. The promissory notes accrue interest at 10% per annum and are payable on demand; and
- The Company did not have any share capital transactions.

OVERALL PERFORMANCE

There were no exploration activities during the three and nine months ended May 31, 2023 due to the management decision not to pursue the San Vicente mineral property and to discontinue exploration. As at May 31, 2023, the Company had a working capital deficiency of $1,250,149 (August 31, 2022 - $933,210). The Company has not generated any revenues from operations and has an accumulated deficit of $5,289,295 (August 31, 2022 - $4,987,761).

MINERAL EXPLORATION PROJECTS

The San Vicente Mineral Property

The Company, through its wholly owned Peruvian subsidiary, Imperium Mining S.A.C. ("Imperium"), is the holder of the San Vicente mineral property (the "Property"). The Property is located approximately 120 kilometres east of the coastal city of Trujillo, Peru in the District of Agallpampa, Province of Otuzco, region of La Libertad. Peru is well known for its copper, silver, zinc, and gold deposits and has an active mineral exploration industry. The area near San Vicente boasts several other exploration and production sites.

Access to the Property is 70 kilometres by paved road to the community of Otuzco and then a combination of gravel and clay roads to Chota where the property is located. Otuzco and the community of San Vicente Bajo La Union, which is in close proximity to the Property, are capable of providing basic services and amenities in the support of mineral exploration activities. The Property is located in the occidental area of the Tertiary Volcanic Belt of the western Cordillera and is underlaid by rocks of the Calipuy Formation, a precious and base metals metallotects formation found in Peru.

During the year ended August 31, 2022, the Company decided not to pursue the Property. Accordingly, management elected to discontinue exploration and the Property was fully written off during the year ended August 31, 2022. As a result, no exploration and evaluation activities were conducted during the nine months ended May 31, 2023.

SELECTED FINANCIAL INFORMATION

The following financial data has been derived from the Company's financial statements:

	Q3 2023	Q3 2022	**YTD 2023**	YTD 2022
	$	$	**$**	$
Financial results				
Net loss	**(58,433)**	(1,183,421)	**(301,534)**	(1,396,928)
Basic and diluted loss per share	**(0.02)**	(0.44)	**(0.11)**	(0.52)

	May 31, 2023	August 31, 2022
	$	$
Financial position		
Total assets	**61,294**	46,575
Total liabilities	**1,311,443**	979,785
Working capital deficiency	**(1,250,149)**	(933,210)

RESULTS OF OPERATIONS

The following tables summarize the results of operations from the Company's financial statements:

	Q3 2023	Q3 2022	**YTD 2023**	YTD 2022
	$	$	**$**	$
Operating expenses				
Consulting fees	**30,000**	30,000	**90,000**	90,000
Exploration and evaluation costs	**-**	699	**-**	69,826
General and administrative	**7,660**	8,069	**23,584**	23,242
Professional fees	**6,450**	8,894	**145,218**	44,394
Transfer agent and regulatory fees	**3,150**	9,856	**9,950**	30,564
	47,260	57,518	**268,752**	258,026
Other expenses				
Impairment of mineral interests	**-**	1,116,450	**-**	1,116,450
Interest expense	**11,173**	9,453	**32,782**	22,452
Net loss	**(58,433)**	(1,183,421)	**(301,534)**	(1,396,928)
Currency translation adjustment	**(9,960)**	(25,346)	**(15,405)**	(31,452)
Loss and comprehensive loss	**(68,393)**	(1,208,767)	**(316,939)**	(1,428,380)

Q3 2023 compared to Q3 2022

The Company incurred a net loss of $58,433 compared to $1,183,421 in the prior year comparable period. The primary drivers of the decrease in net loss were as follows:

- Exploration and evaluation costs were $nil compared to $699 in the prior year comparable period due to the ceasing of exploration activities following the write off of the San Vicente mineral property in Q3 2022.
- Professional fees were $6,450 compared to $8,894 in the prior year comparable period due to additional legal fees from the proposed amalgamation with Purpose ESG Holdings in Q3 2022.
- Transfer agent and regulatory fees were $3,150 compared to $9,856 in the prior year comparable period due to additional fees related to the administration of stock options and warrants that expired in May 2022.
- Impairment of mineral interests was $nil compared to $1,116,450 in the prior year comparable period due to the impairment of the San Vicente mineral property during Q3 2022.

Offsetting the decrease in net loss was an increase to interest expense that increased to $11,173 from $9,453 in the prior year comparable period due to the issuance of promissory notes subsequent to Q3 2022 for the purposes of funding operations.

YTD 2023 compared to YTD 2022

The Company incurred a net loss of $301,534 compared to $1,396,928 in the prior year comparable period. The primary drivers of the decrease in net loss were as follows:

- Exploration and evaluation costs were $nil compared to $69,826 in the prior year comparable period due to the ceasing of exploration activities following the write off of the San Vicente Mineral Property in Peru in Q3 2022.
- Transfer agent and regulatory fees were $9,950 compared to $30,564 in the prior year comparable period due to additional fees related to the administration of stock options and warrants that expired in May 2022 and filing annual financial statements for the years ended August 31, 2021 and 2020.
- Impairment of mineral interests was $nil compared to $1,116,450 in the prior year comparable period due to the impairment of the San Vicente mineral property during Q3 2022.
- Interest expense was $32,782 compared to $22,452 in the prior year comparable period due to the issuance of promissory notes subsequent to Q3 2022 for the purposes of funding operations that led to more interest expense incurred during Q3 2023.

Offsetting the decrease in net loss was an increase to professional fees to $145,218 from $44,394 in the prior year comparable period due to additional legal fees incurred associated with the proposed amalgamation transaction with Continental Potash Corp. and fees related to audit and accounting advisory services in the current period.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected financial information for the last eight quarters:

	Q3 2023	Q2 2023	Q1 2023	Q4 2022
	$	$	$	$
Net loss	**(58,433)**	(164,616)	(78,485)	(98,430)
Basic and diluted loss per share	**(0.02)**	(0.06)	(0.03)	(0.03)

	Q3 2022	Q2 2022	Q1 2022	Q4 2021
	$	$	$	$
Net loss	(1,183,421)	(132,227)	(81,280)	(137,343)
Basic and diluted loss per share	(0.43)	(0.05)	(0.03)	(0.05)

Quarterly losses are correlated to the level of exploration activity in any given quarter. The net loss in Q3 2022 was primarily due to the Company's decision to not pursue the San Vincente mineral property in Peru and as a result, the carrying value of the property was fully written off. The Company's election to discontinue exploration in Peru led to the decrease in net losses during Q4 2022 and Q1 2023 as no exploration activities were conducted. Net losses during Q2 2022 and Q2 2023 were largely related to professional fees comprising legal fees for the proposed transaction contemplated during Q2 2023 as well as audit and accounting services incurred in connection with the audit of the Company's annual financial statements. The net loss in Q3 2023 occurred primarily due to the Company's limited operations, resulting in reduced exploration and evaluation activities. As a result, recurring consulting and professional fess contributed to the loss experienced.

LIQUIDITY AND CAPITAL RESOURCES

The Company does not have sufficient working capital to continue operations in the normal course of business for the foreseeable future and will require additional financing to remain financially solvent.

As at May 31, 2023, the Company had cash of $1,225 (August 31, 2022 - $337) and a working capital deficiency of $1,250,149 (August 31, 2022 - $933,210). Whether and when the Company can obtain profitability and positive cash flows from operations is uncertain. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. These uncertainties cast doubt on the Company's ability to continue as a going concern.

The Company's ability to continue its operations is dependent on its success in raising equity through share issuances, suitable debt financing and/or other financing arrangements. While the Company's management has been successful in raising equity in the past, there can be no guarantee that it will be able to raise sufficient funds to fund its activities and general and administrative costs in the next twelve months and in the future.

For the nine months ended May 31, 2023, the Company had net cash used in operating activities of $38,117 (2022 - $114,262).

For the nine months ended May 31, 2023, the Company had net cash provided by financing activities of $39,000 (2022 - $144,500) from the proceeds from the issuance of promissory notes.

RELATED PARTY TRANSACTIONS

During the three and nine months ended May 31, 2023, the Company incurred fees of $7,500 and $22,500, respectively (2022 - $7,500 and $22,500, respectively), recorded in general and administrative expenses, to a company controlled by the Chief Financial Officer ("CFO"). As at May 31, 2023, the Company had amounts due to the CFO of $65,625 (August 31, 2022 - $42,000) recorded in accounts payable and accrued liabilities.

As at May 31, 2023, the Company had amounts due from VP of Operations of $6,817 (August 31, 2022 - $6,296), which was included in loans receivable.

All amounts due to and due from related parties are non-interest bearing with no specific terms of repayment.

OUTSTANDING SHARE DATA

As at the date of this MD&A, the Company had 2,769,155 common voting shares issued and outstanding (May 31, 2023 - 2,769,155).

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

PROPOSED TRANSACTION

On April 11, 2023 the Company announced that its amalgamation agreement with Continental Potash Corp. has terminated and the transactions contemplated thereby will not proceed. For more information on the amalgamation agreement and the transactions contemplated thereby, please see the Company's news releases dated July 7, 2022, September 7, 2022, October 13, 2022 and December 7, 2022.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout these financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

These financial statements were prepared using significant accounting estimates and judgements consistent with those in Note 3 to the annual financial statements for the years ended August 31, 2022 and 2021.

FINANCIAL INSTRUMENTS AND RISKS

a) Fair values

The Company's financial instruments consist of cash, loans receivable, accounts payable and accrued liabilities, and promissory notes payable are held at amortized cost. The carrying values of these financial instruments approximate their respective fair values due to the term of these instruments.

b) Credit risk

Credit risk is the risk of an unexpected loss if an exploration partner, counterparty or third party to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk through its cash and loans receivable. To reduce credit risk, cash is deposited at major financial institutions. The carrying value of the cash and loans receivable represents the maximum credit exposure. The Company minimizes credit risk by reviewing the credit risk of the counterparties to its arrangements on a periodic basis.

c) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. All of the Company's financial liabilities have contractual maturities of less than 90 days. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. As at May 31, 2023, the Company's cash balance of $1,225 (August 31, 2022 - $337) will not be sufficient to meet its obligations related to its accounts payable and accrued liabilities balance of $934,254 (August 31, 2022 - $674,361), promissory notes payable balance of $377,189 (August 31, 2022 - $305,424). Therefore, the Company is exposed to liquidity risk and will be required to raise additional capital in the future to fund its operations. Liquidity risk has been assessed as high.

d) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company manages its interest rate risk by entering into fixed interest rate agreements. The Company is not exposed to interest rate risk.

Foreign currency risk

The Company is exposed to foreign currency risk, as certain monetary financial instruments are denominated in USD and S/. A summary of the Company's financial assets and liabilities that are denominated in USD and S/ is as follows:

	May 31, 2023	August 31, 2022
	$	$
Cash	**724**	60
Loans receivable	**6,817**	6,296
Accounts payable and accrued liabilities	**208,256**	192,327

The Company has not entered any foreign currency contracts to mitigate this risk. A 10% increase or decrease in the United States dollar and the Peruvian sole exchange rates would result in a net impact of approximately $5,779 to the Company's loss and comprehensive loss. The Company is exposed to significant foreign currency risk.

CAPITAL DISCLOSURES

The Company manages its capital with the objectives of maintaining its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of promissory notes payable and issued share capital.

The Company manages its capital structure and makes adjustments to it in in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company, upon approval from its Board of Directors, will balance its overall capital structure through issuance of new shares or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged since incorporation.

SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies and methods of computation are disclosed in the annual financial statements for the years ended August 31, 2022 and 2021.

RISKS AND UNCERTAINTIES

The Company is in the mineral exploration and development business and is exposed to a number of operational, financial, regulatory, and other risks and uncertainties that are typical in the natural resource industry and common to other companies in the exploration and development stage. These risks may not be the only risks faced by the Company. Additional risks and uncertainties not presently known by the Company, or which are presently considered immaterial could adversely impact the Company's business, results of operations, and financial performance in future periods.

For a detailed listing of the risks and uncertainties faced by the Company, please refer to the Company's MD&A for the years ended August 31, 2022 and 2021.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance, or achievements to be materially different from any of its anticipated results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements.

The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

The financial statements present the business of the Company, representing the activities, assets and liabilities of the Company that relate to or have been assigned to the Company.