

GOLD LION RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED MARCH 31, 2020

May 29, 2020

This Management Discussion and Analysis ("MD&A") of Gold Lion Resources Inc. ("Gold Lion" or the "Company") has been prepared by management as of May 29, 2020 and should be read together with the interim financial statements and related notes for the period ended March 31, 2020 which are prepared in accordance with International Financial Reporting Standards ("IFRS"). Additional information regarding the Company can be found on SEDAR at www.sedar.com. All of the following amounts are expressed in Canadian dollars unless otherwise stated.

FORWARD LOOKING STATEMENTS

The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words 'believes,' 'expects,' 'anticipates,' 'estimates,' 'intends,' 'plans,' 'forecasts,' or similar expressions. Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on current expectations that involve numerous risks and uncertainties, including, but not limited to, those identified in the Risks Factors section. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The Company may not provide updates or revise any forward-looking statements, except those otherwise required under paragraph 5.8(2) of NI 51-102, whether written or oral that may be made by or on the Company's behalf.

OVERALL PERFORMANCE

The Company is engaged in the business of mineral exploration.

The Company's head office is located at #305-1770 Burrard Street, Vancouver, British Columbia, V6J 3G7, and its registered and records office is located at #600 – 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7.

The Company was incorporated under the *Business Corporations Act* (British Columbia) on October 5, 2018 under the name "Blue Lion Holdings Inc." The Company changed its name to "Gold Lion Resources Inc." on November 15, 2018.

SELECTED ANNUAL INFORMATION

The following table sets forth summary financial information for the Company for the period from incorporation to June 30, 2019. This information has been summarized from the Company's audited financial statements for the same period and should be read in conjunction with the Company's audited financial statements, including the notes thereto.

	<u>Period from Incorporation to June 30, 2019</u>
Mineral properties	\$115,467
Total assets	\$930,713
Total revenues	\$-
Long-term debt	\$-
Property investigation fee	\$7,894
General and administrative expenses	\$17,633
Net loss	\$25,527
Basic and diluted loss per share ⁽¹⁾	\$-

(1) Based on weighted average number of common shares issued and outstanding for the period. See "Selected Financial Information and Management's Discussion and Analysis".

RESULTS OF OPERATIONS

As at March 31, 2020, the Company had total assets of \$2,751,099 (2018: \$930,713). As at March 31, 2020, the Company did not have any non-current liabilities (2018: \$nil).

Three Months Ended March 31, 2020

For the three months ended March 31, 2020, the Company reported a net loss of \$183,056 (2019: \$7,192). The losses for the three months ended March 31, 2020 comprised of general and administrative fees of \$127,159 (2019, \$207), legal fees of \$15,233 (2019: \$2,766), consulting fees of \$39,565 (2019: \$4,218), and accounting and audit fees of \$1,100 (2019:nil).

Nine Months Ended March 31, 2020

For the nine months ended March 31, 2020, the Company reported a net loss of \$443,987 (2019: \$17,244). The losses for the nine months ended March 31, 2020 comprised of general and administrative fees of \$190,880 (2019, \$350), stock based compensation expense of 138,195 (2018, nil), legal fees of \$54,499 (2019: \$3,000), consulting fees of \$50,215 (2019: \$13,894), and accounting and audit fees of \$10,198 (2019: \$nil).

SUMMARY OF QUARTERLY RESULTS

The Company was incorporated on October 5, 2018 and, for that reason, only the previous six quarters have been presented in the table below.

	Q3	Q2	Q1	Q4	Q3	Q2
	2020	2020	2020	2019	2019	2019
Net Loss for the	\$183,056	\$27,846	\$(175,894)	\$ (16,940)	\$ (15,749)	\$ -
Loss per Share	\$(0.01)	-	\$(0.01)	-	-	-

EXPLORATION AND PROJECTS

The principal asset of the Company consists of its option to acquire up to an 100% interest in the Fairview Property (the "Property"). The agreement is subject to a 2% net smelter return ("NSR"). The Company may purchase one third of the NSR for total consideration of \$1,000,000 at any time prior to such time when:

- (i) the concentrator processing ores, for other than testing purposes, has operated for a period of 45 consecutive days at an average rate of not less than 70% of design capacity; or
- (ii) if a concentrator is not erected on the Property, when ores have been produced for a period of 45 consecutive production days at rate of not less than 70% of mining rate specified in a study and mine plan recommending placing the Property in production.

Fairview Property

The Property is located in the central interior of British Columbia, approximately 220 km northeast of Vancouver, British Columbia, and 50 km west of the city of Kamloops. The Property consists of two Mineral Tenure Online mineral titles and covers an area of 2,574 hectares.

An independent geological report (the "Technical Report") prepared by Agnes M. Koffyberg, P. Geo., who is a "Qualified Person" as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"), was completed in relation to the Property on March 12, 2019. The Technical Report recommends that the Company conduct a two phase exploration program, comprised of: phase one, consisting of a thorough review and compilation of the prior work done on the Property, prospecting, geological mapping and soil sampling, and a IP survey; and phase two, if warranted by the results of phase one, consisting of a drilling program to examine targets generated from the results of phase one.

Exploration Expenditures

Gold Lion has incurred the following exploration expenditures with regards to the Property that were capitalized as incurred:

DESCRIPTION OF WORK	TOTAL
Geophysics survey	\$21,000
Geophysics interpretation and report	\$15,300
Geological, supervision and field management	\$10,550
Line cutting	\$36,617
Total	\$83,467

The above expenditures include all applicable taxes

Future Plans

In relation to the Property, the Company currently plans to follow recommendations made in the Technical Report. The Technical Report recommends that the Company conduct a two phase exploration program, comprised of: phase one, consisting of a thorough review and compilation of the prior work done on the Property, prospecting, geological mapping and soil sampling, and a IP survey; and phase two, if warranted by the results of phase one, consisting of a drilling program to examine targets generated from the results of phase one. The estimated budget for phase one is \$110,000, and the estimated budget for phase two is \$226,000. The Company will make a decision regarding whether to proceed with phase two based on the results from phase one.

Cuteye Properties

On January 24, 2020, Gold Lion Resources Inc. ("Gold Lion" or the "Company") completed an acquisition agreement and an amalgamation agreement (collectively, the "Agreements") with a private British Columbia numbered company ("Numberco") pursuant to which Gold Lion acquired the Cuteye Group of Properties (the "Property"). Under the Agreements, Gold Lion and Numberco completed a "three-cornered amalgamation" pursuant to which Gold Lion issued an aggregate of 6,000,000 Gold Lion common shares to the shareholders of Numberco, and Numberco amalgamated with Gold Lion's wholly-owned subsidiary to continue as 1238339 BC LTD. ("123 LTD.").

The Property includes the Mister Jay (2373 ha), Lady Jane (242 ha), Lama (69 ha), and Missus Jay (468 ha) claim blocks covering twelve mineral showings in BC's Golden Triangle, roughly 25km southwest of Glenora, British Columbia.

LIQUIDITY AND CAPITAL RESOURCES

The Company reported working capital of \$952,888 at March 31, 2020 and cash of \$933,832. Current liabilities as at March 31, 2020 consisted of accounts payable of \$2,744.

On July 3, 2019 Company issued an aggregate of 10,066,000 units (the Units”) at \$0.10 per Unit as part of a private placement for proceeds of \$1,006,600. Each Unit is comprised of one common share of the Company and one-half of one common share purchase warrant, with each whole common share purchase warrant (a “Warrant”) entitling the holder to purchase an additional common share (a “Warrant Share”) at a price of \$0.20 for a period of 24 months from the closing of the Offering.

On August 20, 2019, the Company issued 1,850,000 stock options at a price of \$0.10 per share, expiring August 20, 2024. The estimated fair value of the options was \$138,195 which was determined using the Black-Scholes Option Pricing Model with the following assumptions: an annualized volatility of 100%; an expected life of 5 years; a dividend yield rate of 0%; and a risk-free interest rate of 1.56%.

During January 2020, 358,750 common shares were issued at \$0.20 as part of warrant exercise for proceeds of \$71,750.

On January 24, 2020, 6,000,000 common shares were issued at \$0.28 as part of asset purchase agreement for a total consideration of \$1,680,000.

On February 27, 2020, 8,750 common shares were issued at \$0.20 as part of warrant exercise for proceeds of \$1,750.

On March 9, 2020, 11,500 common shares were issued at \$0.20 as part of warrant exercise for proceeds of \$2,300.

On March 31, 2020, 3,750 common shares were issued at \$0.20 as part of warrant exercise for proceeds of \$750.

On February 22, 20120 the Company issued 100,000 stock options at a price of \$0.365 per share, expiring February 22, 2025. The estimated fair value of the options was \$27,250 which was determined using the Black-Scholes Option Pricing Model

The Company may continue to 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.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the nine months ended March 31, 2020, the Company paid the following advisory and consulting fees:

- 6,250 (2019:\$Nil) to Oliver Friesen, CEO of the Company;
- \$7,500 (2019: \$5,000) to Dorian Banks, an independent director of the Company;
- \$4,000 (2019: \$Nil) to Nikolay Vassev, former CEO of the Company;
- 1,500 (2019:\$Nil) to Dan Dente, a director of the Company ;

On August 20, 2019, the Company issued 1,850,000 stock options at a price of \$0.10 per share, expiring August 20, 2024, to directors and officers of the Company.

On October 30, 2019 two of the Company's directors surrendered for cancellation an aggregate of 5,500 common share purchase warrants that were issued on July 3, 2019.

On February 22, 2020, the Company issued 100,000 stock options at a price of \$0.365 per share, expiring February 22, 2025, to directors of the Company August 20, 2024, to directors and officers of the Company.

On October 30, 2019 two of the Company's directors surrendered for cancellation an aggregate of 5,500 common share purchase warrants that were issued on July 3, 2019.

CRITICAL ACCOUNTING ESTIMATES

Not applicable for Venture Issuers.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The carrying amounts of cash and accounts payable approximate fair value because of the short-term maturity of these items.

The Company is exposed to a variety of financial risks by virtue of its activities including credit, interest rate, liquidity, commodity price, and global economic risk.

a) *Credit risk*

Credit risk is risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is held in large Canadian financial institutions and its receivables are due from the Government of Canada. As such, the Company determined that it is not exposed to significant credit risk.

b) *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 is exposed to limited interest rate risk as it only holds cash and highly liquid short-term investments.

c) *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning, and approval of significant expenditures and commitments.

d) *Commodity price risk*

The ability of the Company to explore and develop its exploration and evaluation assets and the future profitability of the Company are directly related to the price of base metals. The Company monitors these metal prices to determine the appropriate course of action to be taken.

e) Foreign currency risk

The Company is not exposed to significant foreign currency risk on fluctuations related to cash and accounts payable liabilities that are denominated in United States dollars ("US\$"). The Company does not use derivatives or other techniques to manage foreign currency risk.

f) Global economic risk

General global economic conditions, including, without limitation, general levels of economic activity, fluctuations in the market prices of securities, participation by other investors in the financial markets, economic uncertainty, national and international political circumstances, natural disasters, public health crises (such as the recent global outbreak of a novel coronavirus, COVID-19, refer to note below) and other events outside of our control, may affect the activities of Lido.

Covid-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

SUBSEQUENT EVENTS

On April 7, 2020, the Company's wholly-owned subsidiary, Gold Lion Resources (NV) Inc., entered into an arm's length option to earn 100% of the South Orogrande, Robber Gulch, and Erikson Ridge gold projects in Idaho from Bronco Creek Exploration Inc., a wholly-owned subsidiary of EMX Royalty Corp.

On May 15, 2020, the Company issued 650,000 stock options at a price of \$0.45 per share, expiring May 15, 2025, to directors and officers of the Company.

On May 22, 2020, 51,500 common shares were issued at \$0.20 as part of warrant exercise for proceeds of \$10,300.

On May 22, 2020, closed a non-brokered private placement financing with one subscriber for gross proceeds of \$1,000,000. Under the financing, the Company issued 2,000,000 units (each, a "Unit"), each Unit consisting of one common share (each, a "Common Share") and one common share purchase warrant exercisable for an additional common share (each, a "Warrant Share") at \$0.75 for two years from the date of issuance.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The information provided in this report as referenced from the Company's consolidated financial statements for the referenced reporting period is the sole responsibility of management. In the preparation of the information along with related and accompanying statements and estimates contained herein, management uses careful judgement in assessing the values (or future values) of certain assets

or liabilities. It is the opinion of management that such estimates are fair and accurate as presented.

OTHER REQUIREMENTS

Summary of Outstanding Securities as at May 29, 2020

Authorized: Unlimited number of common shares without par value.

Issued and outstanding: 27,900,250 Common Shares

Warrants: 4,644,750 @ \$0.365

Options: 2,150,000 @ \$0.17

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