

GOLD LION RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE PERIOD ENDED SEPTEMBER 30, 2021

November 29, 2021

This Management Discussion and Analysis ("MD&A") of Gold Lion Resources Inc. ("Gold Lion" or the "Company") has been prepared by management as of November 29, 2021 and should be read together with the audited annual financial statements and related notes for the period ended September 30, 2021 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 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. 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 #810– 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

The Company is engaged in the business of mineral exploration in British Columbia, Canada and Idaho, United States.

SELECTED ANNUAL INFORMATION

The following table sets forth summary financial information for the Company for the year ended June 30, 2021 and 2020. 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.

	Year ended June 30, 2021	Year ended June 30, 2020
Mineral properties	\$4,304,901	\$2,595,549
Total assets	\$6,556,312	\$4,156,303
Total revenues	-	\$-
Long-term debt	-	\$-
Consulting fees	\$327,807	\$259,634
Professional fees	\$40,344	\$75,105
General and administrative expenses	\$531,110	\$220,177
Net loss	\$1,947,933	\$977,852
Basic and diluted loss per share ⁽¹⁾	\$0.05	\$0.04

(1) Based on weighted average number of common shares issued and outstanding for the period.

RESULTS OF OPERATIONS

As at September 30, 2021, the Company had total assets of \$6,481,109 (2020: \$5,012,693) and total liabilities of \$93,370 (2020: \$12,261). As at September 30, 2021, the Company did not have any non-current liabilities (2020: \$nil).

Quarter Ended September 30, 2021

For the quarter ended September 30, 2021, the Company reported a net loss of \$88,022 (2020: \$521,162). The losses for the quarter ended September 30, 2021 comprised of general and administrative fees of \$17,687 (2020: \$407,532), legal fees of \$8,146 (2020: \$3,998), consulting fees of \$36,488 (2020: \$56,747), and accounting and audit fees of \$3,100 (2020: \$15,183).

SUMMARY OF QUARTERLY RESULTS

The results of previous eight quarters is presented in the table below.

	Q1	Q4	Q3	Q2
	2022	2021	2021	2021
Net loss (\$)	88,022	969,591	113,615	343,625
Loss per share (\$)	-	-	-	0.01
	2021	2020	2020	2020
Net loss (\$)	521,162	794,796	183,056	27,846
Loss per share (\$)	0.02	0.04	0.01	-

EXPLORATION AND PROJECTS

Fairview Property

On December 10, 2018, the Company entered into an agreement with Christopher Paul, Oliver Friesen, and 1132902 BC Ltd. to option a 100% interest in the Fairview Property (the "Property"). The Property consists of two mineral titles of approximately 2,574 hectares located in the Kamloops Mining District, British Columbia.

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.

The option will terminate if the Company does not complete all the following within the relevant time period:

- (i) Make cash payment of \$32,000 upon 60 days of signing of the agreement (paid);
- (ii) Incur minimum exploration expenditures of \$75,000 by December 31, 2019 (incurred);
- (iii) Issuing an aggregate of 255,320 common shares between January 1, 2020 and December 31, 2020 (issued);
- (iv) Incur exploration expenditures of \$250,000 between January 1, 2021 and December 31, 2021;
- (v) Incur exploration expenditures of \$500,000 between January 1, 2022 and December 31, 2022.

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.

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.

South Orogrande/Erikson Ridge

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

Each Project is covered by a separate exploration and option agreement (each, an "Agreement"). Pursuant to each Agreement, the Company can exercise its option to earn 100% interest in the respective Project by completing the following milestones on or before the dates indicated:

- (i) Make cash payment of US\$15,000 and issue 200,000 common shares upon signing of the agreement (paid and issued);
- (ii) Make cash payment of US\$25,000 and incur minimum exploration expenditure of US\$100,000 on or before July 7, 2021; (paid and incurred)
- (iii) Make cash payment of US\$40,000 and issue 250,000 common shares and incur minimum exploration expenditure of US\$200,000 on or before April 7, 2022;
- (iv) Make cash payment of US\$70,000 and incur minimum exploration expenditure of US\$300,000 on or before April 7, 2023;
- (v) Make cash payment of US\$150,000 and incur minimum exploration expenditure of US\$400,000 on or before April 7, 2024;
- (vi) Make cash payment of US\$300,000 and issue 500,000 common shares and incur minimum exploration expenditure of US\$500,000 on or before April 7, 2025;

For cash option payments beginning on the 2nd anniversary to the 5th anniversary of the effective date, the Company may elect to pay half of the value of the option payments through the issuance of common shares.

Upon the Company's exercise of the option for a Project, EMX will retain a 3.5% NSR royalty on the Project, of which the Company may purchase up to 1.0% of the NSR royalty (the first 0.5% for 350 ounces of gold or cash equivalent prior to the third anniversary after exercise of the option, then the remaining 0.5% can be purchased at any time thereafter, until commercial production, for 1,150 ounces of gold or cash

equivalent). The Company may, at its election, make up to one-half of the payment for the first 0.5% through the issuance of common shares. After exercise of the option, annual advance royalty ("AAR") payments are due starting at US\$30,000 on the first anniversary of the exercise of the option and increasing to US\$10,000 per year to a maximum of US\$80,000 per year. All AAR payments cease upon commencement of commercial production from a Project.

In addition, Gold Lion will make milestone payments for a given Project to EMX consisting of:

- 300 ounces of gold upon completion of a Preliminary Economic Assessment,
- 550 ounces of gold upon completion of a Pre-Feasibility Study, and
- 650 ounces of gold upon completion of a Feasibility Study.

The Company may elect to make any such milestone payments in cash or in kind as refined bullion.

South Orogrande Extension

On July 15, 2020, the Company acquired, through the purchase of Ohadi GeoEx Inc., four additional gold properties, The Doc, Majestic, Mammoth, and Red Cloud. which lie to the south of Gold Lion's South Orogrande property.

The continuity of the Company's exploration and evaluation assets is as follows:

	Fairview	South Orogrande	Erickson Ridge	Cuteye	South Orogrande Extension	Total
Acquisition Costs						
Balance, beginning at July 1, 2021	167,320	91,200	91,200	1,800,000	1,456,000	3,605,720
Incurred during the year	-	31,670	31,670	-	-	63,340
Balance, ending at September 30, 2021	167,320	122,870	122,870	1,800,000	1,456,000	3,669,060
Deferred Exploration Costs						
Balance, beginning at July 1, 2021	58,427	381,458	252,862	-	6,435	699,182
Drilling	-	-	-	-	-	-
Trenching	-	-	-	-	-	-
Equipment rental	-	8,787	-	-	-	8,787
Geological and geophysical	-	24,285	-	-	-	24,285
Project preparation and support	-	17,404	3,669	-	-	21,073
Permitting	-	12,810	-	-	-	12,810
Sampling and analysis costs	-	24,304	34,652	-	-	58,956
Travel and accommodations	-	6,765	-	-	-	6,765
Report and data compilation	-	-	-	-	-	-
Taxes and mineral claims	-	91,462	23,233	-	-	114,695
Camp costs and field expenses	-	-	-	-	-	-
Reclamation costs	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Balance, ending at September 30, 2021	58,427	567,273	314,416	-	6,435	946,551
Impairment	-	-	-	-	-	-
Total exploration and evaluation	\$ 225,747	\$ 690,143	\$ 437,286	\$ 1,800,000	\$ 1,462,435	\$ 4,615,611

LIQUIDITY AND CAPITAL RESOURCES

The Company reported working capital of \$1,772,127 at September 30, 2021 and cash of \$1,782,457. Current liabilities as at September 30, 2021 consisted of accounts payable of \$93,370.

During the period from July 1, 2020 to September 30, 2021 the Company issued the following share capital:

- On July 10, 2020, the Company issued 50,000 common shares at \$0.57 per share as part of a shares for services to a consultant.
- On July 15, 2020, 2,600,000 common shares with a fair value of \$0.56 were issued as part of asset purchase agreement for a total consideration of \$1,456,000 (Notes 4 and 5)
- On July 16, 2020, 100,000 common shares were issued at \$0.37 as part of options exercise for proceeds of \$35,500 (Note 7).
- During the period ending September 30, 2020, 40,500 common shares were issued at \$0.20 as part of warrant exercise for proceeds of \$8,100.
- On July 15, 2020, 2,600,000 common shares with a fair value of \$0.56 were issued as part of asset purchase agreement for a total consideration of \$1,456,000 (Notes 4 and 5).
- On July 16, 2020, 100,000 common shares were issued at \$0.37 upon exercise of options for proceeds of \$36,499 (Note 8).
- On November 2, 2020, as part of a prospectus offering, the Company issued 6,666,667 units at a price of \$0.45 per unit for gross proceeds of \$3,000,000. Each unit consists of one common share of the Company and one common share purchase warrant entitling the holder to purchase one common share of the Company at a price of \$0.60 to November 2, 2022 (Note 8). A value of \$466,667 was attributable to the share purchase warrants using the residual method. The Company paid \$452,151 and issued 455,875 broker warrants as finder's fees. Each broker warrant is exercisable to purchase one common share of the Company for a period of two years at a price of \$0.45. The value of the broker warrants was determined to be \$119,006 using the Black-Scholes Option Pricing Model using the following assumptions: risk-free rate of 0.25%, expected life of two years, expected volatility of 150%, and dividend yield of nil.
- During the year ending June 30, 2021, 61,750 common shares were issued at \$0.20 as part of warrant exercises for proceeds of \$12,350.

Stock Option

The Company has adopted a stock option plan, pursuant to which the board of directors of the Company may from time to time, in its discretion, and in accordance with the Canadian Securities Exchange ("Exchange") requirements, grant to directors, officers, and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares exercisable for a period of up to five years from the date of issuance.

On November 9, 2020, the Company issued 150,000 stock options at a price of \$0.40 per share, expiring November 8, 2025. The estimated fair value of the options was \$54,445 which was

determined using the Black-Scholes Option Pricing Model with the following assumptions: an annualized volatility of 150%; an expected life of 5 years; a dividend yield rate of 0%; and a risk-free interest rate of 0.41%.

On November 30, 2020, the Company issued 250,000 stock options at a price of \$0.285 per share, expiring November 29, 2025. The estimated fair value of the options was \$64,648 which was determined using the Black-Scholes Option Pricing Model with the following assumptions: an annualized volatility of 150%; an expected life of 5 years; a dividend yield rate of 0%; and a risk-free interest rate of 0.37%.

On April 14 2021, the Company issued 1,000,000 stock options at a price of \$0.185 per share, expiring April 13, 2026. The estimated fair value of the options was \$168,116 which was determined using the Black-Scholes Option Pricing Model with the following assumptions: an annualized volatility of 150%; an expected life of 5 years; a dividend yield rate of 0%; and a risk-free interest rate of 0.77%.

On May 28, 2021, the Company issued 85,000 stock options at a price of \$0.225 per share, expiring May 27, 2026. The estimated fair value of the options was \$17,369 which was determined using the Black-Scholes Option Pricing Model with the following assumptions: an annualized volatility of 150%; an expected life of 5 years; a dividend yield rate of 0%; and a risk-free interest rate of 0.74%.

On May 31, 2021, the Company issued 85,000 stock options at a price of \$0.22 per share, expiring May 30, 2026. The estimated fair value of the options was \$16,983 which was determined using the Black-Scholes Option Pricing Model with the following assumptions: an annualized volatility of 150%; an expected life of 5 years; a dividend yield rate of 0%; and a risk-free interest rate of 0.75%.

The following table summarizes information about stock options outstanding and exercisable at September 30, 2021:

September 30, 2021		
Number of Options	Exercise Price	Exercisable
1,700,000	\$0.10	1,700,000
515,000	\$0.45	515,000
150,000	\$0.40	150,000
250,000	\$0.285	250,000
1,000,000	\$0.185	1,000,000
85,000	\$0.225	85,000
85,000	\$0.22	85,000

As at September 30, 2021 the 3,785,000 options outstanding had a weighted average exercise price of \$0.20 and a weighted average life of 3.64 years.

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 period ended September 30, 2021 ,

- The Company incurred and paid a consulting and advisory fee of \$5,250 the Company's officers.

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 the Company.

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. Global equity markets have experienced significant volatility and weakness.

The Company may face future disruption to operations, supply chain delays, travel and trade restrictions and impact on economic activity in affected countries or regions can be expected and can be difficult to quantify. Such pandemics or diseases represent a serious threat to maintaining a skilled workforce industry and could be a major health-care challenge for the Company. There can be no assurance that the Company's personnel will not be impacted by these pandemic diseases. In addition, the COVID-19 pandemic has created a dramatic slowdown in the global economy. The duration of the COVID-19 outbreak and the resultant travel restrictions, social distancing, Government response actions, business closures and business disruptions, can all have an impact on the Company's operations and access to capital. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about by the COVID-19 pandemic on global financial markets may reduce resource prices, share prices and financial liquidity and thereby that may severely limit the financing capital available.

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 November 29, 2021

Authorized: Unlimited number of common shares without par value.

Issued and outstanding: 37,869,487 Common Shares

Warrants: 13,418,542 @ \$0.49

Options: 3,785,000 @ \$0.19

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.