# LAKEWOOD EXPLORATION INC.

**Management Discussion and Analysis**
**For the six month period ended March 31, 2021**

The Management Discussion and Analysis ("MD&A"), prepared May 26, 2021 should be read in conjunction with the audited financial statements and notes thereto for the year ended September 30, 2020 of Lakewood Exploration Inc. ("Lakewood" or the "Company") which were prepared in accordance with International Financial Reporting Standards.

This management discussion and analysis may contain forward-looking information (as such term is defined under applicable securities laws) in respect of various matters including upcoming events. The results or events predicted in this forward-looking information may differ materially from the actual results or events. The Company disclaims any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

## DESCRIPTION OF BUSINESS

Lakewood Exploration Inc. (the "Company") was formed on May 2, 2017 under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is 200-551 Howe Street, Vancouver, British Columbia, Canada.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at March 31, 2021, the Company holds an interest in an early stage mineral exploration property and the Company had not yet determined whether the Company's mineral property asset contains a deposit of minerals that is economically recoverable. The recoverability of amount shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company had a deficit of $257,910 as at March 31, 2021, which has been funded by the issuance of equity. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

## EXPLORATION PROJECT

| | Acquisition Costs | Exploration Costs | Total |
|---|---|---|---|
| | $ | $ | $ |
| Balance, September 30, 2019 | 10,000 | 87,027 | 97,027 |
| Additions | – | – | – |
| Balance, September 30, 2020 and March 31, 2021 | 10,000 | 87,027 | 97,027 |

### Lacy Property

Pursuant to an option agreement dated November 2, 2017 (the "Agreement") and amended on October 8, 2020, with Barrie Field-Dyte (the "Optionor"), the Company was granted an option to acquire a 100% undivided interest in the Lacy Property (the "Property") located in the Alberni Mining Division of British Columbia. The Property is comprised of three mineral claims.

In accordance with the Agreement, the Company has the option to acquire 100% undivided interest in the Property by paying $10,000 (paid) upon execution of the Agreement and issue 300,000 common shares of the Company no later than 15 days after the Company's common shares are listed on a securities exchange in Canada. If the common shares of the Company are not listed by July 31, 2021, the option to acquire the Property will be terminated.

The Optionors will retain a 2% Net Smelter Returns royalty on the Property. The Company has the right to purchase each of the percentage of NSR for $1,000,000 during the five-year period commencing from the date the Property is put into commercial production.

## SELECTED ANNUAL INFORMATION
**($000's except loss per share)**

| | September 30, 2020 | | September 30, 2019 | |
|---|---|---|---|---|
| Revenue | $ | 0 | $ | 0 |
| Net Loss | $ | (24) | $ | (24) |
| Basic and Diluted Loss Per Share | $ | (0.00) | $ | (0.00) |
| Total Assets | $ | 167 | $ | 123 |
| Long-Term Debt | $ | 0 | $ | 0 |
| Dividends | $ | 0 | $ | 0 |

## OPERATIONS

### Three month period ended March 31, 2021

During the three months ended March 31, 2021, the Company reported a net loss of $36,758 (2020 - $22). Included in the determination of operating loss was $23,259 (2020 - $Nil) on professional fees, $5,705 (2020 - $Nil) on transfer agent and filing fees, $6,012 (2020 - $Nil) on rent, and $1,582 (2020 - $22) on office and miscellaneous.

### Six month period ended March 31, 2021

During the six months ended March 31, 2021, the Company reported a net loss of $57,493 (2020 - $1,570). Included in the determination of operating loss was $39,446 (2020 - $1,530) on professional fees, $5,705 (2020 - $Nil) on transfer agent and filing fees, $9,546 (2020 - $Nil) on rent, and $2,796 (2020 - $40) on office and miscellaneous.

**SUMMARY OF QUARTERLY RESULTS**
**($000's except earnings per share)**

| | March 31, 2021 | December 31, 2020 | September 30, 2020 | June 30, 2020 |
|---|---|---|---|---|
| Revenue | $ 0 | $ 0 | $ 0 | $ 0 |
| Net gain (loss) | $ (37) | $ (20) | $ (22) | $ (0) |
| Basic and diluted Gain (loss) per share | $ (0.00) | $ (0.00) | $ (0.00) | $ (0.00) |

| | March 31, 2020 | December 31, 2019 | September 30, 2019 | June 30, 2019 |
|---|---|---|---|---|
| Revenue | $ 0 | $ 0 | $ 0 | $ 0 |
| Net loss | $ (2) | $ (0) | $ (3) | $ (23) |
| Basic and diluted Loss per share | $ (0.00) | $ (0.00) | $ (0.00) | $ (0.00) |

## LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents at March 31, 2021 were $60,065 compared to $50,001 at September 30, 2020.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

## TRANSACTIONS WITH RELATED PARTIES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The following amounts are due to related parties and have been included in accounts payable and accrued liabilities:

| | **March 31, 2021** | **September 30, 2020** |
|---|---|---|
| | $ | $ |
| Accounts payable and accrued liabilities | 10,500 | 49,267 |

**COMMITMENTS**

The Company does not have any significant commitments.

**SUBSEQUENT EVENTS**

The Company entered into an agency agreement whereby the agent (the "Agent") has agreed to raise on commercially reasonable efforts up to $300,000 in an initial public offering ("IPO") by the issuance of up to 3,000,000 common shares of the Company at a price of $0.10 per common share.

Pursuant to the terms of the agency agreement, the Company has agreed to pay to the Agent a cash commission of 8% of the gross proceeds of the IPO. The Company has also agreed to grant to the Agent warrants (the "Agent's Warrant") which will entitle the Agent to purchase up to 8% of the common shares sold under the IPO, at a purchase price that is equal to the price per share offered in the IPO. The Agent's Options are exercisable until 24 months from the Listing date. In addition, the Company has agreed to pay a corporate finance fee of $25,000, the Agent's legal fees incurred and any other reasonable expenses pursuant to the IPO. Subsequent to March 31, 2021 the Company completed the IPO

**NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS**

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its unaudited condensed interim financial statements would not be significant

**CRITICAL ACCOUNTING ESTIMATES**

Refer to the audited financial statements for the year ended September 30, 2020 on www.sedar.com for critical accounting estimates.

**FINANCIAL INSTRUMENTS**

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value of Financial Instruments

The Company's financial assets include cash and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at March 31, 2021 are as follows:

| | Fair Value Measurements Using | | | |
|---|---|---|---|---|
| | Quoted Prices in Active Markets For Identical Instruments (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total |
| | $ | $ | $ | $ |
| Cash | 60,065 | – | – | 60,065 |

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at March 31, 2021 because of the demand nature or short-term maturity of these instruments.

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) *Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution.

## SHARE CAPITAL

Issued

The Company has 7,850,001 common shares issued and outstanding as at March 31, 2021 and 10,850,001 as at May 26, 2021.

Share Purchase Options

The Company has Nil stock options outstanding at March 31, 2021 and Nil as at May 26, 2021.

Warrants

The Company had Nil share purchase warrants outstanding at March 31, 2021 and 240,000 as at May 26, 2021.

Escrow Shares

The Company has 2,500,000 common shares held in escrow as at March 31, 2021 and 2,250,000 as at May 26, 2021.