BLUE LAGOON RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended March 31, 2023 and 2022

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 27, 2023, and should be read in conjunction with the audited consolidated financial statements for the years ended March 31, 2023 and 2022, 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, 2023 and March 31, 2022 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, 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 assets	(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**
Acquisition costs – cash	-	-	150,000	-	150,000
Asset retirement obligation – change in estimate	-	102,000	1,033,055	-	1,135,055
Impairment of exploration and evaluation assets	-	(5,686,354)	-	-	(5,686,354)
Balance, March 31, 2023	-	**-**	**19,437,567**	**700,000**	**20,137,567**

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.

(Expressed in Canadian dollars)

During the year ended March 31, 2023, the balance of exploration and evaluation assets decreased by $4,401,299 primarily as a result of the Company recording an impairment loss on the Pellaire Gold Property of $5,686,354. The decrease was offset by additions of $150,000 in royalty payments on the McKendrick Property, Freegold Property, and Dome Mountain Mine as detailed below and a $1,135,055 increase in the estimated asset retirement obligation for the Pellaire Gold Property and Dome Mountain Mine.

During the year ended March 31, 2023, the Company incurred exploration and evaluation expenses of $7,399,924 which related to the Dome Mountain Mine, including the completion of the first and second phases of the 2022 drilling program, the 2022 soil sampling program, and the 2022 ground IP and CSAMT Survey program.

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.

A breakdown of exploration and evaluation expenses by nature are summarized in the table below.

For the year ended March 31,	2023 $	2022 $
Drilling	2,921,132	4,881,589
Salaries and wages	1,604,766	1,405,495
Geological consulting	826,960	761,166
Environmental and permitting	765,841	420,835
Sampling and assays	623,756	510,640
Equipment, vehicles, and freight	305,772	958,519
Supplies and other	467,799	203,521
Recovery	(116,102)	(1,781,680)
	7,399,924	**7,360,085**

Refer to the Company's press releases for detailed results of the drill, soil sampling, and ground geophysical 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 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.

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).

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

During the year ended March 31, 2021, the Company exercised its option to acquire the 100% interest in the Pellaire Gold Property located in the Clinton Mining Division of British Columbia.

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, which if exercised would leave the vendor with a 0.5% NSR.

During the year ended March 31, 2023, the Company purchased a reclamation bond in the amount of $7,000 with respect to the Pellaire Gold Property. The Company recorded an impairment loss of $5,686,354 with respect to the Pellaire Gold Property during the year ended March 31, 2023, on the basis that the Company does not intend to further advance the property.

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, 2023, the accrued interest on the reclamation deposit of $7,644 was 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 agreed to pay an NSR of 2%, or not less than $40,000 per annum. In the event that the property was not in production by January 28, 2011, an advance royalty payment in the amount of $40,000 per annum was required to be paid. An agreement was reached by both parties to defer certain 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 had agreed to pay 7% interest on those deferred payments. The Company had 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.
  - 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 during the year ended March 31, 2023. As at March 31, 2023, accounts payable and accrued liabilities include $nil (March 31, 2022 - $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 NSRs. The value of the shares was estimated using the market price on grant date. As a result, the annual royalty payment was reduced to $30,000 per annum beginning in January 2023. The Company made the annual royalty payment of $30,000 on January 30, 2023.
  - As at March 31, 2023, the Dome Mountain Project had not commenced commercial production.

- 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, 2023, the Company made the annual royalty payment of $20,000 (2022 - $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.
  - An agreement was reached by both parties to defer certain 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 and current royalty payments for total cash consideration of $100,000 on June 30, 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 an aggregate 3% net smelter return held by Metal Mountain Resources Inc. (1.125%) and an unrelated third party (1.875%).

- $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") (received subsequent to year-end);
    - $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 (released)
        - 150,000 12 months following the Purchaser's Listing Date (released subsequent to year-end)
        - 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 (fulfilled subsequent to year-end);
    - 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, 2023	Year ended March 31, 2022	Year ended March 31, 2021
	$	$	$
Total Revenue	-	-	-
Loss and comprehensive loss	(12,213,651)	(15,529,030)	(6,016,757)
Loss per share (basic and diluted)	(0.12)	(0.18)	(0.10)
Loss attributable to owners of the parent	(12,213,651)	(15,299,028)	(4,975,906)
Loss per share attributable to owners of the parent (basic and diluted)	(0.12)	(0.18)	(0.08)
Total Assets	23,137,567	34,268,282	33,162,154
Non-current financial liabilities	1,729,933	1,785,021	1,779,117
Dividends declared	-	-	-

Loss and comprehensive loss and loss attributable to owners of the parent decreased by $3,315,379 and $3,085,377, respectively, for the year ended March 31, 2023 compared to the year ended March 31, 2022. The decrease in loss is explained by decreased overall corporate activities for the year ended March 31, 2023 and the impact of impairment losses recorded. Further details of the losses incurred for the years ended March 31, 2023 and 2022 are described in "Results of Operations".

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.

Total assets as of March 31, 2023 decreased by $10,862,797 compared to total assets as of March 31, 2022, due to a decrease in cash of $7,631,941 as a result of operating activities and a decrease in exploration and evaluation assets of $4,401,299 as discussed above. The change in cash is further detailed in "Liquidity and Capital Resources". The decrease in cash was partially offset by the increase in the carrying value of investments of $1,265,000 due to the change in fair value during the year.

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 describe ed in "Exploration Projects".

During the year ended March 31, 2023, non-current financial liabilities decreased by $55,088 as a result of repaying the Emergency Business Account ("CEBA") loan. 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 and was interest free until December 31, 2023.

(Expressed in Canadian dollars)

RESULTS OF OPERATIONS

The following table summarizes the Company's financial results for the years ended March 31, 2023 and 2022.

Years ended March 31,	2023 $	2022 $	Change $	Change %
General and administrative expenses	200,662	121,130	79,532	66
Consulting fees	211,792	735,530	(523,738)	(71)
Exploration expenses	7,399,924	7,360,085	39,839	1
Investor relations fees	20,913	206,967	(186,054)	(90)
Marketing	507,992	954,158	(446,166)	(47)
Professional fees	266,185	416,323	(150,138)	(36)
Stock-based compensation	111,383	756,606	(645,223)	(85)
Total operating expenses	**8,718,851**	**10,550,799**	**(1,831,948)**	(17)
Accretion	49,602	59,687	(10,085)	(17)
Interest income	(92,475)	(20,666)	(71,809)	347
Fair value gain on marketable securities	(1,125,000)	-	(1,125,000)	-
Gain on sale of investments	(136,555)	-	(136,555)	-
Loss on termination of property sale	-	105,000	(105,000)	(100)
Flow-through premium recovery	(887,126)	(419,904)	(467,222)	111
Impairment of exploration and evaluation assets	5,686,354	5,254,114	432,240	8
Net loss and comprehensive loss	**12,213,651**	**15,529,030**	**(3,315,379)**	(21)

For the year ended March 31, 2023, the Company incurred a loss of $12,213,651 compared to a loss of $15,529,030 for the prior year. The decrease in loss of $3,315,379 is explained below.

The Company experienced an increase of $79,532 in general and administrative expenses during the year ended March 31, 2023 with the main contributing factors being increased insurance expenses and ~~,~~ computer software expenses ~~and meals and entertainment~~.

During the years ended March 31, 2023 and 2022 the Company incurred consulting expenses of $211,792 and $735,530, respectively. The decrease of $523,738 is due to the Company incurring consulting fees to support ~~executive management~~corporate activity during the year ended March 31, 2022 for service agreements which were not renewed.

Exploration expenses incurred for the year ended March 31, 2023 totaled $7,399,924 (2022 - $7,360,085) and related to the Dome Mountain Project and have remained consistent year over year. Refer to "Exploration Projects" for additional detail.

Investor relations expenses for the year ended March 31, 2023 decreased to $20,913, as compared to $206,967 for the year ended March 31, 2022. The decrease of $186,054 was a result of fluctuations based on the timing of participation in industry related events and engagement of third party service providers based on the availability of funds.

The Company incurred marketing expenses for the years ended March 31, 2023 and 2022 of $507,992 and $954,158, respectively, representing a decrease of $446,166 year over year. The decrease in marketing expenses is a result of the Company not renewing service agreements with 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, 2023 totaled $266,185 (2022 - $416,323), resulting in a decrease of $150,138 compared to the same period of 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, 2023 and 2022 in the amounts of $111,383 and $756,606, 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, 2023 and 2022 of $49,602 and $59,687, respectively, remained relatively consistent year over year and related to the asset retirement obligation and CEBA loans payable.

The Company earns interest income on cash and deposit balances. Interest income increased by $71,809 during the year ended March 31, 2023 compared to the prior year due to higher average cash balances held and interest rates in the year based on the timing of financing raised.

As of March 31, 2023, the fair value of the common shares of Gama was determined to be $1,365,000 based on the closing share price of Gama on that date which exceeded the carrying value of the investment, and as a result the Company recorded a gain on fair value of $1,125,000 during the year ended March 31, 2023.

During the year ended March 31, 2023, the Company sold 100,000 common shares of Gama for gross proceeds of $146,555. The carrying value of the common shares sold was determined to be $10,000, resulting in a gain on the sale of marketable securities of $136,555 during the year ended March 31, 2023.

During the year ended March 31, 2022, the Company completed flow-through financing and recognized a flow-through premium liability of $1,307,030 to reflect the value of income tax benefits transferred to the shareholders. During the year ended March 31, 2023, the Company reduced this liability and recognized flow-through premium recovery income of $887,126 (2022 – $419,904) in the statement of loss as qualifying exploration expenditures were incurred in the year.

During the year ended March 31, 2023, the Company recorded impairment losses with respect to exploration and evaluation assets totaling $5,686,354 related to the Pellaire Gold Property. During the year ended March 31, 2022, the Company recorded impairment losses of $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.

(Expressed in Canadian dollars)

FOURTH QUARTER

The following table summarizes the Company's financial results for the three months ended March 31, 2023 and 2022.

Three months ended March 31,	**2023** **$**	**2022** **$**	**Change** **$**	**Change** **%**
General and administrative expenses	49,624	30,145	19,479	65
Consulting fees	28,974	65,537	(36,563)	(56)
Exploration expenses	1,522,729	2,121,652	(598,923)	(28)
Investor relations fees (recovery)	96	(9,293)	9,389	101
Marketing	85,710	434,330	(348,620)	(80)
Professional fees	101,471	142,696	(41,225)	(29)
Stock-based compensation	68,133	201,323	(133,190)	(66)
Total operating expenses	**1,856,737**	**2,986,390**	(1,129,653)	(38)
Accretion	11,172	14,964	(3,792)	(25)
Interest income	(12,608)	(6,521)	(6,087)	93
Fair value gain on marketable securities	(765,000)	-	(765,000)	-
Flow-through premium recovery	(26,561)	(144,384)	117,823	(82)
Impairment of exploration and evaluation assets	5,686,354	5,254,114	432,240	8
Net loss and comprehensive loss	**6,750,094**	**8,104,563**	(1,354,469)	(17)

For the three months ended March 31, 2023, the Company incurred a loss of $6,750,094 compared to a loss of $8,104,563 for the same period of the prior year. The decrease in loss of $1,354,469 is explained below.

The Company experienced an increase of $19,479 in general and administrative expenses during the three months ended March 31, 2023 primarily due to increases in insurance and software costs.

During the three months ended March 31, 2023 and 2022 the Company incurred consulting expenses of $28,974 and $65,537, respectively. The decrease of $36,563 is due to the Company incurring consulting fees to support executive management during the three months ended March 31, 2022 for service agreements which were not renewed.

Exploration expenses incurred for the three months ended March 31, 2023 totaled $1,522,729 (2022 - $2,161, 652) and related to the Dome Mountain Project. The decrease in exploration expenses of $598,923 is due to the timing of programs commencement and completion dates. Refer to "Exploration Projects" for additional detail.

The Company incurred marketing expenses for the three months ended March 31, 2023 and 2022 of $85,710 and $434,330, respectively, representing a decrease of $348,620 period over period. The decrease in marketing expenses is a result of the Company not renewing service agreements with third parties.

Professional fees for the three months ended March 31, 2023 totaled $101,471 (2022 - $142,696), resulting in a decrease of $41,225 compared to the same period of the prior year. Professional fees fluctuate based on the nature and timing of corporate and property related transactions contemplated or completed.

(Expressed in Canadian dollars)

The Company recorded stock-based compensation for the three months ended March 31, 2023 and 2022 in the amounts of $68,133 and $201,323, respectively, to reflect the fair value of stock options vested in the period. 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 three months ended March 31, 2023 and 2022 of $11,172 and $14,964, respectively, decreased by $3,792 period over period and related to the asset retirement obligation and CEBA loans payable.

As of March 31, 2023, the fair value of the common shares of Gama was determined to be $1,365,000 based on the closing share price of Gama on that date which exceeded the carrying value of the investment, and as a result the Company recorded a gain on fair value of $765,000 for the three months ended March 31, 2023.

The Company earns interest income on cash and deposit balances. Interest income increased by $6,087 during the three months ended March 31, 2023 compared to the same period of the prior year due to higher interest rates in the period.

During the year ended March 31, 2022, the Company completed flow-through financing and recognized a flow-through premium liability of $1,307,030 to reflect the value of income tax benefits transferred to the shareholders. During the three months ended March 31, 2023, the Company reduced this liability and recognized flow-through premium recovery income of $26,561 (2022 - $144,384) in the statement of loss as qualifying exploration expenditures were incurred in the period.

During the three months ended March 31, 2023, the Company recorded impairment losses with respect to exploration and evaluation assets totaling $5,686,354 related to the Pellaire Gold Property, as compared to $5,254,114 related to the Big Onion Project ($5,209,114) and the Golden Wonder Project ($45,000) for the three months ended March 31, 2022. Refer to "Exploration Projects" for additional detail.

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, 2023**	**December 31, 2022**	**September 30, 2022**	**June 30, 2022**
	$	$	$	$
Total Revenue	-	-	-	-
Loss and comprehensive loss	(6,750,094)	(2,543,882)	(1,988,542)	(931,133)
Loss per share (basic and diluted)	(0.07)	(0.03)	(0.02)	(0.01)
Loss attributable to owners of the parent	(6,750,094)	(2,543,882)	(1,988,542)	(931,133)
Loss per share attributable to owners of the parent (basic and diluted)	(0.07)	(0.03)	(0.02)	(0.01)

(Expressed in Canadian dollars)

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)	(0.08)	(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)

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. The 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 decrease in net loss for the three months ended June 30, 2022 is primarily attributable to the gains on the sale of and change in fair value of marketable securities and flow-through premium recovery. The increases in net loss for the three months ended September 30, 2022 and December 31, 2022 are primarily attributable to the increases in exploration activities. The increase in net loss for the three months ended March 31, 2023 was a result of an impairment loss recorded on exploration and evaluation assets of $5,686,354.

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, 2023	Date of Report
Common shares	101,355,960	101,355,960
Warrants	13,313,889	6,702,825
Stock options	3,787,500	3,787,500
Fully diluted shares	**118,457,349**	**111,846,285**

For the year ended March 31, 2023:

- On April 8, 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 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 with a fair value of $22,784 estimated using the Black-Scholes pricing model. 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.

(Expressed in Canadian dollars)

- The Company issued 395,214 common shares pursuant to the exercise of 395,214 warrants for gross proceeds of $197,607. In connection with the warrant exercises, an amount of $58,546 was reclassified from reserves to share capital.

As at March 31, 2023 and 2022, the balance of obligation to issue shares includes long-term accounts payable to be settled of $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, 2023, the Company had cash of $1,056,756 (2022 - $8,688,697) and working capital of $1,941,640 (2022 - $8,082,871). The decrease in working capital of $6,141,231 during the year ended March 31, 2023 is primarily due to the decrease in cash of $7,631,941 offset by an increase in short-term investments of $930,500 as a result of additional common shares purchased and the increase in the fair value of the investment and a decrease to accounts payable and accrued liabilities of $661,767 due to the timing of payments to third parties.

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, 2023 and 2022 are summarized below.

Year ended March 31,	2023 $	2022 $
Cash used in operating activities	(8,865,203)	(9,274,006)
Cash used in investing activities	(370,445)	(170,000)
Cash provided by financing activities	1,603,707	14,593,020
Change in cash during the year	(7,631,941)	5,149,014
Cash, beginning of the year	8,688,697	3,539,683
Cash, end of the year	**1,056,756**	**8,688,697**

Operating activities

Cash used in operating activities adjusts loss for the year for non-cash items including, but not limited to, accretion expense, stock-based compensation, impairment losses, flow-through premium recovery, and gains and losses recorded on investments. 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 the year ended March 31, 2023 totalled $370,445 and included the purchase of additional common shares of Gama Explorations Inc. for $150,000, the payment of royalties of $360,000 related to the Dome Mountain Mine Group which included royalties of $210,000 accrued as of March 31, 2022, and a reclamation deposit paid on the Pellaire Gold Property in the amount of $7,000. These cash outflows were partially offset by proceeds of $146,555 received from the sale of marketable securities during the year.

Investing activities for the year ended March 31, 2022 reflect the Company acquiring the remaining 21.72% ownership interest in Gavin Mines Inc. which included cash consideration of $125,000. The Company also paid a royalty of $45,000 related to the Dome Mountain Mine Group.

Financing activities

During the year ended March 31, 2023, the Company received total gross proceeds of $1,541,500 (2022 - $13,877,892) from the issuance of common shares, net of share issuance costs of $48,400 (2022 - $442,449). Refer to "Share Capital" for additional detail on the issuance of common shares. In addition, during the year ended March 31, 2023, the Company received gross proceeds of $197,607 (2022 - $783,952) for warrant exercises and $nil (2022 - $373,625) for stock options exercises. During the year ended March 31, 2023, the Company repaid $60,000 for the CEBA loan.

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 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, 2023, the Company had cash of $1,056,756 to settle current liabilities of $254,600. 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, 2023, 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, 2023		March 31, 2022
Consulting fees[1]	$	172,506	$	244,000
Stock-based compensation		-		289,416
	$	**172,506**	**$**	**533,416**

(1) R2A2 Holdings Inc., a company controlled by Rana Vig, President, CEO and Director - $144,000 (2022 - $244,000); Winterfell Group Inc., a company controlled by Gurdeep Bains, Director - $18,000 (2022 - $nil); Marrelli Support Services Inc., a company controlled by Carmelo Marrelli, CFO - $10,506 (2022 - $nil)

As at March 31, 2023, accounts payable and accrued liabilities include $52,275 (2022 - $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, 2023, prepaid expenses include $12,000 (2022 - $12,000) for management fees paid to R2A2 Holdings Inc., a company controlled by Rana Vig, President, CEO and director of the Company, to be applied to services rendered subsequent to year end.

As at March 31, 2023, receivables include $nil (2022 - $1,717) due from Gurdeep Bains, a director of the Company, for an amount paid on behalf of the director. The amount was unsecured, non-interest bearing and had no fixed terms of repayment.

As at March 31, 2023, receivables include $nil (2022 - $1,717) due from Norman Brewster, a director of the Company, for an amount paid on behalf of the director. The amount was unsecured, non-interest bearing and had no fixed terms of repayment.

As at March 31, 2023, receivables include $nil (2022 - $3,166) due from Rana Vig, President, CEO and director of the Company, for an amount paid on his behalf. The amount was unsecured, non-interest bearing and had no fixed terms of repayment.

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.