

Northern Lights Resources Corp.

Management Discussion and Analysis

For the Period Ended January 31, 2023

March 31, 2023

The following discussion and analysis should be read in conjunction with the unaudited condensed interim consolidated financial statements for the period ended January 31, 2023, and related notes included therein, prepared in accordance IAS 34, Interim Financial Report (“IAS 34”), as issued by the International Accounting Standards Board (“IASB”), and its interpretations, using accounting policies consistent with International Financial Reporting Standards (“IFRS”). All monetary amounts, unless otherwise indicated, are expressed in Canadian dollars. Additional regulatory filings for the Company can be found on the SEDAR website at www.sedar.com. The Company’s website can be found at www.northernlightsresources.com.

Northern Lights Resources Corp. (the “Company” or “Northern Lights”) was incorporated under the laws of British Columbia on March 28, 2007. The Company’s principal business activities include the acquisition and exploration of resource properties. On December 31, 2020, the Company began trading of its common shares on the OTC Venture Market under the symbol “NLRCF”.

Forward-Looking Statements

Certain statements contained in this document constitute “forward-looking statements”. When used in this document, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “propose”, “anticipate”, “believe”, “forecast”, “estimate”, “expect” and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the Company’s current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Forward-looking statements herein include, but are not limited to, statements relating to the timing, availability and amount of financings; expected use of proceeds; business objectives; the costs and timing relating to the potential acquisition of interests in mineral properties; the timing and costs of future exploration activities on the Company’s future properties; success of exploration activities; permitting time lines and requirements for additional capital. In making forward-looking statements herein, the Company has applied several material assumptions, including, but not limited to, any additional financing needed will be available on reasonable terms, that general business and economic conditions will not change in a materially adverse manner, and that all necessary governmental approvals for the future exploration will be obtained in a timely manner and on acceptable terms. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, risks related to the completion of financings and the use of proceeds; operations and contractual obligations; changes in exploration programs based upon results of exploration; future prices of metals; availability of third party contractors; availability of equipment; failure of equipment to operate as anticipated; accidents, effects of weather and other natural phenomena and other risks of the mineral exploration industry; environmental risks; community relations; and delays in obtaining governmental approvals or financing.

Overview and Going Concern

The Company is in the business of acquiring exploration and evaluation assets. The Company was listed and began trading on the CSE under the symbol “NLR” October 2018. On February 1, 2021 the Company received DTC and Blue Sky clearance trading on the OTC QB under the symbol “NLRCF”.

The Company currently has negotiated one property agreement, the purchase of a 100% interest in the Secret Pass Gold Property in Arizona.

The Secret Pass Gold property consists of 868 hectares located in the heart of the Historic Oatman-Katherine gold mining district in northwest Arizona. This historical mining district produced 2 million ounces of gold and 1,000,000 ounces of silver between 1892 and 1940 at an average gold grade of over 15 g/t.

The Company's ability to continue as a going concern is dependent on its ability to raise additional funds through equity issuances. These events and conditions indicate a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

The condensed interim consolidated financial statements for the period ended January 31, 2023 were prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

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. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

Results of Operations

The results of operations reflect the overhead costs incurred by the Company to maintain good standing with the various regulatory authorities and to provide an administrative infrastructure to manage the acquisition, and financing activities of the Company. General and administrative costs can be expected to increase or decrease in relation to the changes in activity required as property acquisition continues. The Company has not recorded, since the date of its incorporation, any revenues from its mineral exploration and development activities, nor does it expect to record any revenue over the course of the next 12 months.

Mineral Properties

i) Medicine Springs Property

The Company entered into a mineral property option agreement dated August 20, 2017 to acquire 100% of the property in southeastern Elko County, Nevada.

The option agreement is a 6 phase exploration agreement. Completion of all of the phases under the agreement is subject to staged cash payments of \$950,000, equity consideration of USD \$250,000 and incurring exploration expenditures of USD \$2,700,000. The agreement was amended in July 2020 to extend certain due dates.

The Company has the option to proceed with each subsequent phase in the option agreement upon the completion of all cash and equity consideration payments to the vendors in addition to meeting the minimum exploration expenditure payments defined for each phase of the option agreement.

a) Cash payments

- i) Phase 1B - US \$25,000 (paid)
- ii) Phase 2 - US \$50,000 by December 31, 2020 ("Phase 2 Commencement Date") (paid).
- iii) Phase 3 - US \$100,000 by December 31, 2021 ("Phase 3 Commencement Date") (below – paid by joint venture partner).
- iv) Phase 4 - US \$150,000 within 30 days of completion of all Phase 3 requirements ("Phase 4 Commencement Date").
- v) Phase 5 - US \$200,000 within 30 days of completion of all Phase 4 requirements ("Phase 5 Commencement Date").

- vi) Phase 6 - US \$425,000 within 30 days of completion of all Phase 5 requirements (“Phase 6 Commencement Date”).
- b) Share issuance
- i) Phase 2 - issuance of common shares with a fair market value of US \$50,000 by December 31, 2020 (issued 1,330,650 common shares fair valued at \$33,266).
 - ii) Phase 3 - issuance of common shares with a value of US \$50,000 by December 31, 2021 (issued 1,873,482 common shares fair valued at \$46,837).
 - iii) Phase 4 - issuance of common shares with a value of US \$50,000 after the Phase 4 Commencement Date.
 - iv) Phase 5 - issuance of common shares with a value of US \$50,000 after the Phase 5 Commencement Date.
 - v) Phase 6 - issuance of common shares with a value of US \$50,000 after the Phase 6 Commencement Date.
- c) Exploration expenditures
- i) incur US \$25,000 in exploration upon execution of the agreement (incurred).
 - ii) Phase 1B - incur US \$225,000 by December 31, 2020 (incurred).
 - iii) Phase 2 - incur US \$300,000 by December 31, 2022 (below – assumed by joint venture partner).
 - iv) Phase 3 - incur US \$400,000 by December 31, 2022 (below – assumed by joint venture partner).
 - v) Phase 4 - incur US \$500,000 within 1 year of the Phase 4 Commencement Date.
 - vi) Phase 5 - incur US \$500,000 within 1 year of the Phase 5 Commencement Date.
 - vii) Phase 6 - incur US \$750,000 within 1 year of the Phase 6 Commencement Date.
- d) NSR
- i) The mineral claims comprising the Property, are subject to a 2% Net Smelter Royalty (‘NSR’) with an additional 0.5% NSR applicable to the 123 claims previously owned by Newmont Mining Corporation.
- e) Exploration expenditures – completed as of April 30, 2022
- i) the Company incurred US\$24,887 of expenditures by making payments: (i) US\$23,095 to the United States Department of the Interior Bureau of Land Management, and (ii) US\$1,792 to the Elko County Recorder’s Office for 2017 taxation year.
 - ii) the Company incurred US\$25,093 of expenditures by making payments: (i) US\$23,195 to the United States Department of the Interior Bureau of Land Management, and (ii) US\$1,898 to the Elko County Recorder’s Office for 2018 taxation year.
 - iii) the Company has paid the cash option payment of US\$25,000.
 - iv) the Company incurred US\$183,193 (C\$231,345) of exploration expenditures as of April 30, 2021 on the Medicine Property.

In addition, the property owner will retain a 2.5% NSR. The Company has the option to purchase back 1.5% of the NSR for USD \$3,000,000 on a portion of the mineral claims (126/149) and USD \$1,000,000 on a portion of the mineral claims (23/149). The royalty to the project vendors is in addition to a further 0.5% royalty over a portion of the mineral claims (23/149).

The Company entered into a property option and joint venture agreement dated September 24, 2020 with Reyna Silver Corp. (“Reyna Silver”).

Under the terms of the agreement, Reyna Silver can earn a 75% interest in the Medicine Springs property by assuming and satisfying certain of the Company's commitments in the underlying option agreement dated August 20, 2017 as follows:

- USD \$875,000
- incurring exploration expenditures of approximately USD \$2,450,000 by December 31, 2023.

On December 14, 2022, the Company entered to an agreement with Reyna Silver for the remaining 25% interest in the Medicine Springs.

In consideration of the 25% interest in Medicine Spring, Reyna Silver will make these considerations as follows:

- i) cash payment of USD \$100,000 (paid).
- ii) 6,000,000 common shares of Reyna Silver (received), which will be subjected to contractual resale restriction over a twenty-four month period, of which will be released 25% every six month period.
- iii) 1% NSR royalty over Medicine Springs Project licenses. The royalty to the Company will not become effective until Reyna Silver has completed all the obligations in the Medicine Springs underlying option agreement, and owns 100% interest of the project. Reyna Silver retains the right to purchase 0.5% NSR Royalty for a cash consideration of USD \$2,500,000 at any time in the future.

The Company issued 800,000 common shares (valued at \$20,000) as finders' fee.

During the period ended January 31, 2023, the Company completed the sale of Medicine Springs property and recognized a gain of \$1,702,114.

Medicine Springs hosts Carbonate Replacement Deposit (CRD) mineralization exposed at a very high level marked by well-developed multi-stage NE-SW trending jasperoidbarite veins within an area of approximately 6 km x 6 km. These veins extend well beyond the areas of historic small-scale mining and very shallow drilling, so Reyna sampled them systematically to determine if a mineralization center or centers could be defined.

On September 12, 2022, the Company announced that drilling is scheduled to commence mid-September at the Company's Medicine Springs Silver Project ("Medicine Springs"), located in Elko County, Nevada.

Drill permits have been received and a drilling contractor has been appointed. An initial 4,000 metres of diamond core drilling is planned to be completed at Medicine Springs over the next few months. Initial drill targets include Golden Pipe, Silver Butte and Silver King. This first drilling campaign will test the structural framework and mineralization of a potential large scale Carbonate Replacement Deposit at Medicine Springs. Historic drilling at

On October 4, 2022 the company announced that drilling is underway at the Company's Medicine Springs, located in Elko County, Nevada.

On December 14, 2022 Reyna Silver announced the pause of drilling on the Medicine Springs Project for the winter with the completion of 1850 meters of drilling in a total of 4 widely spaced holes designed to determine broad system parameters.

On December 15, 2022 Northern Lights Resources announced it had negotiated a deal with Reyna Silver to acquire its remaining 25% of the project for US\$100,000 cash, 6,000,000 common shares of Reyna Silver and retain a 1% NSR in the project.

On December 23, 2022 Reyna Silver announced the TSX Venture Exchange approval of the transaction and now own 100% of the Medicine Springs Project

- ii) **Secret Pass Gold Project**

During the year ended April 30, 2020, the Company entered into a purchase agreement to acquire a 100% interest in the Secret Pass Gold Project located in northwestern Arizona.

Pursuant to the option agreement, the Company agrees to make the following consideration payments:

- a) within 5 working days following the exercise of the option, the Company will pay cash consideration of USD \$75,000 (paid);
- b) within 30 days following the exercise of the option, the Company will issue 2,000,000 common shares (issued and valued at \$80,000); and
- c) under the terms of the agreement, the Company will make the following additional payments:
 - i) USD \$175,000 on or before September 20, 2019 (paid); and
 - ii) USD \$125,000 on or before November 8, 2019 (paid).

There are no third-party royalties payable on future production from the project.

As of November 7, 2019 the Company was pleased to announce that it had completed the cash consideration payments to the Project vendors totaling US\$350,000 as defined under the definitive purchase agreement for the Transaction announced by the Company on July 15, 2019, issued 2,000,000 common shares to the Project vendors and completed other administrative arrangements required to complete the Transaction. The Company has renewed its exploration licence on the Secret Pass Gold Property for 5 years and completed preliminary exploration work in preparation for exploration drilling.

On March 26, 2020 the Company completed the change of registration for the mineral claims acquired under the Secret Pass Gold Project (“Secret Pass”) acquisition announced on July 15, 2019. Northern Lights was notified by the State of Arizona Department of Land that as of February 12, 2020, the 84 mineral claims (comprising 868 hectares) associated with Secret Pass are 100% owned and registered in the name of Northern Lights’ wholly owned, Arizona registered, subsidiary company Secret Gold Pass LLC.

On October 26, 2020, the Company announced an 8 hole 1,600 meter drill program at Secret Pass with drilling to commence upon receiving required permits from Arizona State and the Federal Bureau of Land Management.

On March 31, 2021, the Company announced it has received approval from the US Bureau of Land Management to commence drilling at the Secret Pass Gold Project in Mohave County, Arizona.

On April 15, 2021, the Company announced that drilling has begun at its Secret Pass Project in Mohave County, Arizona.

On May 5, 2021, the Company announced visible gold (“VG”) has been intersected in the first drill hole completed at the Fiery Squid prospect at the Secret Pass Gold Project in Arizona.

On June 8, 2021, the Company announced that it has received approval from the Arizona State Land Department to commence drilling at the Tin Cup Prospect at the Company’s Secret Pass Gold Project in Mohave County, Arizona. Northern Lights began drilling at Secret Pass on April 15 and is now completing the 4th drill hole (total approximately 600 metres) out of the total 22 permitted drill holes located on mineral claims registered with the US Bureau of Land Management. The prospects drilled included Fiery Squid, Nine Second Shaft and Fluorspar Ridge locations. All drill core has been split and sent to Skyline Laboratories in Tucson, assays are pending.

On July 13, 2021, the Company announced it has completed 4 drill holes (2 holes at the Fiery Squid Prospect, 1 hole at the 9 Second Shaft Prospect, 1 Hole at the Fluorspar Ridge Prospect) for a total of 600 metres of HQ core. The assays are pending and are expected to be completed during July 2021. Permits are in place to drill at Tin Cup. Drilling at Tin Cup has been put on hold for a couple of weeks during the current period of extremely hot weather in Arizona and Nevada with temperatures averaging +40 degrees celsius. Drilling at Tin Cup is to commence in mid-July 2021.

On November 12, 2021, the Company announced that it has commenced core drilling at the Tin Cup prospect at the Secret Pass Gold Project in Arizona.

On December 16, 2021, the Company announced the completion of the initial drill program at the Tin Cup.

On February 22, 2022, the Company announced the assay results from the first two drill holes (TC21-02 and TC21-03) completed at the Tin Cup prospect.

Assays received for TC21-02 and TC21-03 indicate wide zones of near surface gold mineralization are present at Tin Cup.

- TC21-02 Intersections*:
 - 1.61g/t gold over 66.15m from 64.00m, including
 - 10.07g/t gold over 7.
 - 0.80g/t gold over 170.57m from 59.41m from 117.04m and
 - 22.00g/t gold over 2.07m from 122.38m and
 - 29.90g/t gold over 0.65m from 123.30m
- TC21-03 Intersections*:
 - 55m, including
 - 2.32g/t gold over 23.50m from 95.40m

* Intersections are downhole widths as there is insufficient information to calculate true widths at this time.

On March 7, 2022, the Company announced the assay results from the third and fourth drill holes (TC21-04 and TC21-05) completed at the Tin Cup prospect at the Company's 100% owned Secret Pass Gold Project in Mohave County, Arizona.

- TC21-04 Intersections*:
 - 0.95g/t over 103.00m, the entire length of the drill hole from collar to hole bottom, including
 - 2.96g/t over 12.96m from 75.59m
- TC21-05 Intersections*:
 - 0.29g/t over 60.91m from 41.50m, included
 - 0.56g/t over 24.07m from 78.34m, including
 - 4.23g/t over 0.99m from 101.42m, in the last metre of the drill hole

* Intersections are downhole widths as there is insufficient information to calculate true widths at this time.

On October 11, 2022 the Company announced it had dropped a large portion of its Secret Pass Property to focus on the section of the property known to have significant gold mineralization.

The Secret Pass Gold Project now totals 271 hectares comprising of one State mineral license (212 Ha) and 8 Bureau of Land Management mineral claims (65 Ha).

Revenues

Due to the Company's status as an exploration stage mineral resource company, and a historical lack of commercial production, the Company currently does not have any revenues from its operations, nor does it expect to record any revenue over the course of the next 12 months.

General and Administrative Expenses

The Company incurred an income and comprehensive income for the nine month period ended January 31, 2023 of \$1,237,035 (2022 – loss and comprehensive loss of \$594,883).

A brief explanation of the significant changes in expense categories is provided below:

- i) Consulting fees of \$21,933 (2022 – \$14,650) related to the hiring of a consultant for communication services during the current period.
- ii) Loss on convertible securities of \$60,200 (2022 - \$Nil) related to the fluctuation of the fair value of the common shares issued in advance of conversion to the holder of the convertible securities during the current period.
- iii) Professional fees of \$50,352 (2022 - \$38,690) increased due to general legal services related to the convertible debenture during the current period.
- iv) Share-based payments of \$Nil (2022 – \$50,105) decreased due to no options granted and vested during the current period.
- v) Interest expenses of \$Nil (2022 – \$156,280) relates to the convertible debenture granted during the comparative period.
- vi) Gain on sale of exploration and evaluation assets of \$1,702,114 (2022 – \$Nil) related to sale of Medicine Springs property during the current period.

The Company incurred an income and comprehensive income for the three month period ended January 31, 2023 of \$1,557,311 (2022 – loss and comprehensive loss of \$190,560).

A brief explanation of the significant changes in expense categories is provided below:

- i) Interest expenses of \$Nil (2022 – \$59,659) relates to the convertible debenture granted during the comparative period.
- ii) Promotion and advertisement of \$76,450 (2022 – \$37,263) increased due to ongoing marketing contracts during the current period.
- iii) Gain on sale of exploration and evaluation assets of \$1,702,114 (2022 – \$Nil) related to sale of Medicine Springs property during the current period.

Summary of Quarterly Results

The following table sets out selected consolidated quarterly information for the last eight quarters.

Three Months Ended	January 31, 2023	October 31, 2022	July 31, 2022	April 30, 2022
Interest Income	\$ -	\$ -	\$ -	\$ -
Exploration and Evaluation Assets	2,077,481	2,680,014	2,677,559	2,676,090
Deficit	6,622,646	8,179,957	7,999,424	7,859,681
Net Income (Loss)	1,557,311	(180,533)	(139,743)	(566,708)
Basic and Diluted Income (Loss) Per Share	0.05	(0.01)	(0.00)	(0.00)
Three Months Ended	January 31, 2022	October 31, 2021	July 31, 2021	April 30, 2021
Interest Income	\$ -	\$ -	\$ -	\$ -
Exploration and Evaluation Assets	2,652,985	2,034,001	1,931,591	1,611,790
Deficit	7,292,973	7,102,413	6,866,577	6,698,090
Net Loss	(190,560)	(235,836)	(168,487)	(223,991)
Basic and Diluted Loss Per Share	(0.00)	(0.02)	(0.00)	(0.00)

Liquidity and Capital Resources

At January 31, 2023, the Company had cash of \$63,429 (April 30, 2022 – \$24,412).

At January 31, 2023, the Company had a working capital of \$1,587,200 (April 30, 2022 – deficit of \$997,518).

The Company expects its current capital resources will not be sufficient to meet its business objectives or day-to-day operations through its next quarter or current operating year, and that its continuation as a going concern will be dependent on its ability to raise additional funds through equity issuances. There is no guarantee the Company will be successful in that regard. See “Overview and Going Concern” above.

Financial Risk Factors

The Company’s financial instruments consist of cash, receivables, accounts payable and accrued liabilities, and convertible securities. The fair value of these financial instruments, other than cash, approximates their carrying values due to the short-term nature of these instruments. Cash is measured at fair value using level 1 inputs.

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

a) Currency risk

The Company is exposed to nominal foreign currency risk.

b) Credit risk

Credit risk is risk of financial loss to the Company if the counterparty to a financial statement fails to meet its contractual obligations. The Company's cash is held in large Canadian financial institutions and is not exposed to significant credit risk.

c) 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 non-interest bearing debt.

d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. At January 31, 2023, the Company had cash of \$63,429 and current liabilities of \$777,852. This emphasizes that 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. See "Liquidity and Capital Resources" above. There is no guarantee that the Company will be able to raise capital. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the directors are actively involved in the review, planning, and approval of significant expenditures and commitments.

e) 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 natural resource commodities. The Company monitors these prices to determine the appropriate course of action to be taken.

Related Party Transactions

The Company defines key management personnel as officers and directors. During the period ended January 31, 2023, the Company:

- i) paid or accrued management fees of \$67,500 (2022 - \$67,500) to a director of the Company.
- ii) paid or accrued management fees of \$67,500 (2022 - \$67,500) to the Chief Executive Officer ("CEO") of the Company.
- iii) paid or accrued professional fees of \$9,000 (2022 - \$9,000) to the Chief Financial Officer ("CFO") of the Company.
- iv) recorded share-based compensation of \$Nil (2022 - \$3,558) related to options granted to officers and directors of the Company.

Included in accounts payable and accrued liabilities as at January 31, 2023 is \$118,125 (April 30, 2022 - \$43,243) owed to officers of the Company.

Included in prepaid as at January 31, 2023 is \$5,567 (April 30, 2022 - \$11,320) advanced to an officer and a director of the Company.

Off Balance Sheet Arrangements

The Company is not a party to any off balance sheet arrangements or transactions.

Changes in Accounting Policies and Future Accounting Pronouncements

Please refer to the condensed interim consolidated financial statements for the period ended January 31, 2023 located on www.sedar.com.

Critical Accounting Estimates

Please refer to the condensed interim consolidated financial statements for the period ended January 31, 2023 located on www.sedar.com.

Contingencies

There are no contingent liabilities.

Management's Responsibility for Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properly reflected in the financial statements.

Other MD&A Requirements

As at March 31, 2023, the Company had the following outstanding:

Common shares – 43,658,704 outstanding

Options

Options Outstanding	Options Exercisable	Exercise Price	Expiry Date
255,000	255,000	\$1.00	7-Nov-23
390,407	390,407	\$0.50	23-July-25
200,000	200,000	\$0.70	10-Dec-25
50,000	50,000	\$0.70	13-Jan-26
895,407	895,407		

Warrants

Warrants Outstanding	Exercise Price	Expiry Date
342,000	\$0.75	4-Jul-24
3,150,000	\$0.10	27-Jul-24
1,262,777	\$0.75	22-Jan-25
280,000	\$0.685	4-Jun-25
4,373,001	\$0.75	19-Aug-25
214,400	\$0.75	19-Aug-25
9,622,178		