

BMEX Gold Inc.
(Formerly Meridius Resources Limited)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE PERIOD ENDED MAY 31, 2021

This discussion and analysis of the financial position and results of operations are prepared as at July 30, 2021 and should be read in conjunction with the unaudited financial statements for the period ended May 31, 2021 and audited annual financial statements for the year ended August 31, 2020 for BMEX Gold Inc. (formerly Meridius Resources Limited) (the "Company"). The unaudited financial statements for the nine months ended May, 2021, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable.

Forward Looking Statements

This MD&A contains certain statements that may constitute "forward-looking statements". Forward-looking statements include but are not limited to, statements regarding future anticipated business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: "anticipate," "believe," "plan," "estimate," "expect," "intend" and similar expressions to the extent that they relate to the Company or its management or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including the ability to raise the necessary capital or to be fully able to implement its business strategies.

Forward-looking statements are not historical facts but reflect the Company's current expectations and assumptions regarding future results or events. In particular, fluctuations in the securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations.

All of the Company's public disclosure filings, including its final long-form prospectus, technical reports and other information, may be accessed via www.sedar.com and readers are urged to review these materials.

Company Overview

BMEX Gold Inc. (formerly Meridius Resources Limited) is a junior Canadian mining exploration company with the primary objective to acquire, explore, and develop viable gold and base metal projects in the mining-friendly jurisdictions such as Quebec, Canada. BMEX is currently fully focused on earning 100% interest in its two projects, both located in the prolific Abitibi greenstone belt: King Tut Project consists of 120 contiguous claims on 5,206 hectares Dunlop Bay Project consists of 76 mineral claims that cover 4,226 hectares. BMEX common shares trade under the symbol "BMEX" on the TSX-V and under the symbol 8M0 on the Frankfurt Exchange.

The Company is a reporting issuer in British Columbia and Alberta. The Company's principal office is located at 789 – 999 West Hastings Street, Vancouver, BC

Significant Events

The Company completed the first of two tranches of financing on Oct 7, 2020 raising \$3,153,000 and issuing 10,510,000 units at a price \$0.30 per unit. Each unit consists of one common share (a "Common Share") of the Company and one-half of one Common Share purchase warrant (each whole warrant, a "Warrant"), with each Warrant entitling the holder thereof to acquire one additional Common Share at a price of \$0.50 for a period of eighteen (18) months from the closing date of the Offering.

The second tranche of financing closed on Oct 23, 2020 pursuant to which the Company issued 6,666,666 flow-through units (a "FT Unit") of the Company at a price of \$0.5325 per FT Unit for gross proceeds of \$3,550,000 and aggregate of 466,667 broker warrants (a "Broker Warrant"). Each Broker Warrant entitles the holder thereof to acquire one Common Share at a price of \$0.30 for a period of eighteen (18) months from the closing date of the Offering.

In November 2020, the Company commenced drilling activities on the King Tut Property and have announced a 25-hole 4000-meter drill program.

Results of Operations

Nine Month Period Ended May 31, 2021 versus Nine Month Period Ended May 31, 2020.

During the nine month period ended May 31, 2021, the Company incurred a comprehensive loss of \$2,057,250 compared to a comprehensive loss of \$110,644 for the period ended May 31, 2020. The change in comprehensive loss is primarily a result of:

- (i) Advertising and marketing of \$555,745 (2020 - \$Nil) due to advertising and marketing services required to raise awareness about the Company and attract potential investors.
- (ii) Directors' fees of \$56,000 (2020 - \$Nil) due to the Company granting directors a fee of \$1,500 per month for services during the period, and an additional \$1,000 for the audit committee.
- (iii) Consulting of \$470,424 (2020 - \$18,000) due to more consulting services required for company development due to the increased activities of the Company.
- (iv) Executive compensation of \$234,175 (2020 - \$15,750) due to increased fees as additional services are required due to increasing operations of the Company.
- (v) Management fees of \$207,000 (2020 - \$Nil), as the Company has engaged a management Company for \$23,000 per month required due to the growth of the Company.
- (vi) Professional fees of \$117,073 (2020 - \$Nil) due to increased legal costs associated with the name change, organizational structure, and property acquisition.
- (vii) Regulatory costs of \$96,950 (2020 - \$12,349) due to private placements and equity transactions, and increased fees associated with the Company's operating activities.
- (viii) Rent of \$67,500 (2020 - \$Nil) due to the growth of the Company.
- (ix) Share-based compensation of \$146,220 (2020 - \$Nil) due to options granted to management and consultants during the period, as the Company hired a new CFO and CEO.
- (x) Transfer agent costs of \$25,436 (2020 - \$Nil) due to private placements and equity transactions.

Three Month Period Ended May 31, 2021 versus Three Month Period Ended May 31, 2020.

During the three month period ended May 31, 2021, the Company incurred a comprehensive loss of \$800,271 compared to a comprehensive loss of \$45,884 for the period ended May 31, 2020. The change in comprehensive loss is primarily a result of:

- (i) Advertising and marketing of \$214,518 (2020 - \$Nil) due to advertising and marketing services required to raise awareness about the Company and attract potential investors.
- (ii) Directors' fees of \$18,000 (2020 - \$Nil) due to the Company granting directors a fee of \$1,500 per month for services during the period, and an additional \$1,000 for the audit committee.
- (iii) Consulting of \$135,298 (2020 - \$6,000) due to more consulting services required for company development due to the increased activities of the Company.
- (iv) Executive compensation of \$99,425 (2020 - \$5,250) due to increased fees as additional services are required due to increasing operations of the Company.
- (v) Management fees of \$69,000 (2020 - \$Nil), as the Company has engaged a management Company for \$23,000 per month required due to the growth of the Company.
- (vi) Professional fees of \$60,034 (2020 - \$Nil) due to increased legal costs associated with the name change, organizational structure, and property acquisition.
- (vii) Regulatory costs of \$21,189 (2020 - \$6,736) due to private placements and equity transactions, and increased fees associated with the Company's operating activities.
- (viii) Rent of \$22,500 (2020 - \$Nil) due to the growth of the Company.

Cash From Operating, Investing, and Financing Activities

The following table summarizes the sources and uses of cash for the nine months ended May 31, 2021 and 2020:

	May 31, 2021	May 31, 2020
Cash used in operating activities	\$ (2,246,419)	\$ (93,257)
Net cash used in investing activities	(1,952,418)	-
Net cash provided by financing activities	6,382,710	-
Net increase (decrease) in cash	\$ 2,183,873	\$ (93,257)

Operating Activities.

During the nine months ended May, 2021, operating activities used \$2,246,419 compared to \$93,257 for the comparative period, a \$2,153,162 difference. The main reason for the difference is the increase in funds used in operations, and the increase in prepaid expenses. The Company was inactive for the most part of the period ended May 31, 2020. The Company started its operations in August 2020, and continued through the period ended May 31, 2021, which can explain the increase in GST receivable, accounts payable and accrued liabilities, and prepaid expenses.

Investing Activities

During the nine months ended May 31, 2021, cash flow used in investing activities was \$1,952,418 compared to \$Nil in the comparative period, an increase of \$1,952,418. This increase is a result of the acquisition of mining exploration and evaluation assets during the period, and expenses incurred to explore and evaluate the properties.

Financing activities

During the nine months ended May 31, 2021, cash flow provided by financing activities was \$6,382,710 compared to \$Nil in the comparative period, an increase of \$6,382,710. The increase is a result of two rounds of financing happened during the period as well as options and warrants exercised.

Summary of Quarterly Results

	May 31, 2021	February 29, 2021	November 30, 2020	August 31, 2020	May 31, 2020	February 29, 2020	November 30, 2019	August 31, 2019
	\$	\$	\$	\$	\$	\$	\$	\$
Cash	2,750,924	4,046,633	5,416,093	567,051	136,348	185,812	209,935	(41,140)
Total assets	14,009,519	14,900,760	12,246,020	942,363	143,259	193,598	219,128	(37,474)
Total liabilities	201,036	419,436	613,211	134,310	20,676	25,131	17,027	(3,202)
Working capital (deficiency)	2,999,571	4,250,037	5,310,616	569,871	119,735	164,953	197,920	(33,352)
Net comprehensive loss	(800,271)	(680,205)	(576,774)	(1,032,5 44)	(45,884)	(33,634)	(31,126)	(50,372)
Basic and diluted loss per share	(0.01)	(0.02)	(0.03)	(0.08)	(0.00)	(0.00)	(0.00)	(0.01)

Liquidity and Capital Resources

To date, the Company has not yet realized profitable operations. The Company will require additional financing to explore and evaluate its mineral properties and there can be no assurances that such financing will be available, or if available, will be on reasonable terms.

These financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing.

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate programs and may be unable to continue in operation. The Company may seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

The Company's revenues, if any, are expected to be in large part derived from the mining and sale of minerals and metals or interests related thereto. The economics of developing and producing properties are affected by many factors including the cost of operations and the market price of the mineral resource. Depending on the market price of mineral resources, the Company may determine that it is impractical to continue commercial production.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

There are no proposed transactions.

Related Party Disclosures

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that its key management personnel are the members of the Company's current and former Board of Directors and its executive officers.

During the periods ended May 31, 2021 and 2020 the Company incurred the following transactions with key management personnel:

	Three months ended May 31, 2021	Three months ended May 31 2020	Nine months ended May 31, 2021	Nine months ended May 31, 2020
Executive compensation - CEO (Amrik Virk)	\$ 10,000	\$ 5,250	\$ 100,000	\$ 15,750
Executive compensation - CEO (Warner Uhl)	74,425	-	74,725	-
Executive compensation - CFO (Mickey Goldstein)	15,000	-	59,750	-
Share-based compensation - CEO (Warner Uhl)	63,513	-	63,513	-
Share-based compensation - CFO (Mickey Goldstein)	-	-	23,500	-
Directors' fees	18,000	-	56,000	-
	\$ 180,910	\$ 5,250	\$ 377,160	\$ 15,750

During the periods ended May 31, 2021 and 2020 the Company incurred the following transactions with other related parties:

	Three months ended May 31, 2021	Three months ended May 31 2020	Nine months ended May 31, 2021	Nine months ended May 31, 2020
Accounting and administrative (Makena Management Group Ltd.)	\$ -	\$ 9,000	\$ 2,620	\$27,000
Consulting (Dylan Sidoo)	22,500	6,000	94,333	18,000
Management fees (Makena Management Group Ltd)	69,000	-	207,000	-
Office (Makena Management Group Ltd)	-	6,100	-	16,000
Rent (Makena Management Group Ltd)	22,500	-	67,500	-
	\$ 114,000	\$ 21,100	\$ 371,453	\$61,000

Included in accounts payable and accrued liabilities at May 31, 2021 is \$12,000 (August 31, 2020 - \$11,451) owed to directors, officers, and former directors and officers of the Company.

Included in prepaids at May 31, 2021 is \$Nil (August 31, 2020 - \$10,121) paid to a company (Makena Management Group Ltd) a company with a director who is a former director of the Company, and to a director of the Company.

Financial Instruments

Fair values

The Company's financial instruments consist of cash, and accounts payable. Cash is carried at fair value. The fair value of accounts payable approximates its carrying amounts due to its current nature.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable. The three levels of the fair value hierarchy are:

- Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.
- Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.
- Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash is measured at fair value, using level 1 inputs.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by depositing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

Liquidity Risk

Liquidity risk is managed by ensuring sufficient financial resources are available to meet obligations associated with financial liabilities. All of the Company's financial liabilities are classified as current and the Company has a practice of paying their outstanding payables within 30 days.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest Rate Risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rates for the Company is considered minimal. The Company has no interest bearing borrowings.

(b) Foreign Currency Risk

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities that are denominated in a foreign currency. As at August 31, 2020 the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

(c) 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 evaluation activities is subject to risks associated with fluctuations in the market price of commodities.

Capital Risk Management

The Company manages, as capital, the components of shareholders' equity. The Company's objectives, when managing capital, are to safeguard its ability to continue as a going concern. The Company manages its capital structure, and makes adjustments to it, in light of changes in economic conditions and the risk of characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue common shares, borrow and acquire or dispose of assets. In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's policy is to invest its excess cash, if any, in highly liquid, short-term, interest bearing investments with maturities of one year or less from the date of acquisition

Segmented Information

The Company operates in one reportable operating segment, being exploration and development of mineral properties in Canada.

Significant Accounting Policies

Please refer to the May 31, 2021 financial statements on www.sedar.com for Significant Accounting Policies details.

New Accounting Policies Adopted

Flow-through Shares

The Company considers that the issue of flow-through shares is in substance an issue of common shares and the sale of tax deductions to the benefit of investors. The proceeds received of flow-through placements are allocated between share capital and other liability using the residual method. At the time the flow-through shares are issued, the sale of tax deductions is deferred and presented as other liability in the statement of financial position. When eligible expenditures are incurred (as long as there is the intention to renounce them), the sale of tax deductions is recognized in the income statement as a reduction of deferred tax expense and a deferred tax liability is recognized for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as an asset in the statement of financial position and its tax base.

Future accounting pronouncements

A number of new standards, amendments to standards and interpretations are not yet effective as at the date of issuing these statements and have not been applied in preparing these financial statements. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its consolidated financial statements.

Outstanding Share Data

The Company's authorized share capital is unlimited common shares without par value.

The following table summarizes information about the share data as at May 31, 2021 and July 30, 2021:

	May 31, 2021	July 30, 2021
Number of common shares outstanding	58,428,016	62,695,765
Number of options outstanding	3,000,000	4,100,000
Number of warrants outstanding	14,119,350	9,850,601
Number of restricted share units outstanding	-	2,960,000

Subsequent Events

- Subsequent to period end, 4,268,749 warrants were exercised for proceeds of \$640,312.
- Subsequent to period end, the Company granted 1,100,000 stock options to consultants.
- Subsequent to period end, the Company approved and adopted at its AGM, a Performance and Restricted Share Unit Plan, under which the Company granted 2,960,000 restricted share units (RSUs) to management, directors, and consultants. The RSUs will vest when certain conditions and milestones are achieved.