

USHA RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2019

The effective date of this report is July 24, 2019

Management Discussion & Analysis:

Management's discussion and analysis ("MD&A") provides a detailed analysis of the results and financial condition of Usha Resources Ltd. (the "Company" or "Usha") for the year ended March 31, 2019. The following management discussion and analysis, prepared as of July 24, 2019, should be read together with the audited financial statements for the year ended March 31, 2019 with the related notes attached thereto, prepared in accordance with International Financial Reporting Standards ("IFRS"). The MD&A supplements, but does not form part of the financial statements. Management is responsible for the preparation of the financial statements and the MD&A for the year ended March 31, 2019. News releases and previous filings may be found on SEDAR at www.sedar.com.

Description of Business:

The Company was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (British Columbia) on February 26, 2018. The Company completed its initial public offering ("IPO") of 2,000,000 common shares for gross proceeds of \$200,000 on October 12, 2018. The Company's common shares were listed on the TSX Venture Exchange ("TSX-V") on October 12, 2018 and commenced trading on the TSX-V on October 16, 2018 under the symbol "USHA.P".

The Company was listed as a Capital Pool Company ("CPC") as defined in TSX-V Policy 2.4. The principal business of the Company is the identification and evaluation of assets or a business with a view to completing a Qualifying Transaction as defined under TSX-V Policy 2.4.

Forward Looking Statements:

This Management Discussion and Analysis contains certain forward-looking statements and information relating to Usha that is based on the beliefs of the Company, or management, as well as assumptions made by and information currently available to the Company or management. When used in this document, the words "anticipate", "believe", "estimate", "expect", "implied", "intend" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the current view of the Company regarding future events and are subject to certain risks, uncertainties and assumptions, including the risks and uncertainties noted. Should one or more of these risks materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, implied, expected or intended. In each instance, forward-looking information should be considered in the light of the accompanying meaningful cautionary statements herein. Usha cautions that forward-looking statements involve risk and uncertainty.

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Overall Performance

- The Company's loss for the year ended March 31, 2019 was \$91,472.
- Working capital at March 31, 2019 was \$146,293.

Qualifying Transaction – Proposed Transaction

The Company entered into an agreement dated March 7, 2019 with Emerald Lake Development Corporation (the "Vendor") for the right to purchase an undivided 51% interest in a copper-nickel-cobalt-polymetallic sulphide deposit referred to as the Nicobat Project (the "Property"), located in the Dobie Township in the Kenora Mining Division, Ontario. The Property consists of two combined surface and mining right patents which comprise 48 hectares. The purchase price of the Property is the issuance of 1,500,000 common shares of the Company to the Vendor to be issued no later than ten days after the approval of the TSX-V. In addition, the Company and a third-party company that holds a 15% interest in the Property shall pay the Vendor a 2.0% net smelter returns royalty upon the commencement of commercial production from the Property. The Company and the third-party company shall have the right at any time to acquire up to 1.5% of the royalty from the Vendor for U.S. \$2,000,000 until the end of the five-year period commencing from the date that the Property is put into commercial production.

This agreement is expected to constitute the Company's Qualifying Transaction under the Capital Pool Companies policy of the TSX-V. The Qualifying Transaction is subject to the approval of the TSX-V. Upon completion of this transaction, the parties anticipate that the Company will be listed as a Tier 2 mining issuer.

Concurrent with the closing of the acquisition, the Company plans to conduct a private placement of 2,100,000 units at a price of \$0.095 per unit. Each unit will consist of one common share and one share purchase warrant. Each warrant is exercisable to purchase one warrant share of the Company at \$0.19 per warrant share for a period of two years from the date of issuance of the units.

The Company also plans to conduct a flow-through unit financing for the issuance of 1,731,000 flow-through units at a price of \$0.13 per unit. Each unit will consist of one flow-through common share and one non-flow-through common share purchase warrant. Each whole warrant is exercisable to purchase one warrant share of the Company at \$0.26 per warrant share for a period of two years from the date of issuance of the units.

Critical accounting policies and estimates

The preparation of the annual financial statements in accordance with International Financial Reporting Standards requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results could differ from these estimates. A detailed description of these matters, as well

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as the significant accounting policies adopted by the Company are disclosed in the notes to the audited financial statements for the year ended March 31, 2019.

New Accounting Pronouncements

The Company has adopted the new accounting standard IFRS 9 – Financial Instruments, effective April 1, 2018. The new standard sets out requirements for classifying, recognizing and measuring financial assets and financial liabilities. This standard replaces IAS 39 – Financial Instruments: Recognition and Measurement. A fuller description of this new accounting standard is provided in Note 3 to the audited financial statements for the year ended March 31, 2019.

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after January 1, 2019. The following has not yet been adopted by the Company.

- IFRS 16, Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019. The Company anticipates the standard will have no significant impact on its financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Selected Annual Information

The following table sets out certain audited financial information for the Company for each of the last two fiscal years.

Fiscal year ended March 31	2019	2018
Loss and comprehensive loss	\$91,472	\$10,004
Exploration & evaluation assets	678	-
Total assets	182,562	109,996
Deficit	101,476	10,004

Discussion of Operations for the year ended March 31, 2019

The review of operations should be read in conjunction with the audited financial statements of the Company for the year ended March 31, 2019 and the period ended March 31, 2018. Loss and comprehensive loss for the current year was \$91,472 (\$10,004 for the comparative period from February 26 to March 31, 2018). The fiscal 2019 loss included a charge of \$31,575 to share-based payments to record the fair value of stock options granted on October 12, 2018. Rent and administration charges of \$9,450 (2018: nil) were paid to a private company that has a Director in

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common with the Company (see related party transactions). Professional fees (legal, audit and accounting) of \$41,209 increased compared to the 2018 amount that was accrued for \$10,000, as the Company completed its initial public offering and increased its search for new business opportunities that resulted in the signing of a mineral property agreement that is expected to constitute the Company's Qualifying Transaction (as described earlier).

Summary of Quarterly Results & Results of Operations

The table below provides, for each of the last five quarterly periods, a summary of corporate losses and is derived from unaudited quarterly financial statements prepared by management. The Company's condensed interim financial statements are prepared in accordance with IFRS applicable to interim financial statements and are expressed in Canadian dollars.

	Loss per quarter	Loss per share	Property costs
Feb. 26, 2018 – March 31, 2018	\$10,004	\$ -	\$ -
April 1, 2018 – June 30, 2018	5,108	-	-
July 1, 2018 - Sept. 30, 2018	7,790	-	-
Oct. 1, 2018 - Dec. 31, 2018	47,770	0.03	-
Jan. 1, 2019 - March 31, 2019	30,804	0.02	678

Discussion of Operations for the three months ended March 31, 2019

Loss and comprehensive loss for the three-month period ended March 31, 2019 was \$30,804 (2018: \$10,004) of which \$23,236 (2018: \$10,000) was expended on audit, accounting and legal fees related primarily to the Company's IPO and the application for its qualifying transaction. Rent and administration charges of \$4,725 (2018: nil) were paid to a private company that has a Director in common with the Company

Liquidity, Capital Resources and Capital Expenditures

At March 31, 2019, the Company's working capital, defined as current assets less current liabilities, was \$146,293 (2018: \$99,996). The closing of the IPO on October 12, 2018 provided \$165,800 of funds to the Company (\$200,000 gross proceeds less the cash commission and legal fees and disbursements paid to the Agent for the IPO). Other sources of funds potentially available to the Company are (1) through the exercise of 420,000 stock options granted to directors and officers at a price of \$0.10 per share expiring five years from the grant date (until October 12, 2023) and (2) through the exercise of the Agent's warrants to purchase up to 200,000 common shares at a price of \$0.10 per share expiring two years from the listing date of the common shares on the TSX-V (until October 12, 2020).

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The gross proceeds from the sale of securities will be restricted whereby the Company cannot spend more than the lesser of 30% of the aggregate gross proceeds from the sale of all securities issued by the Company or \$210,000 until the completion of a Qualifying Transaction for purposes other than to identify and evaluate assets or businesses and obtain shareholder approval for a proposed Qualifying Transaction if necessary.

The existing working capital should be sufficient for the Company to meet its ongoing obligations. Further financing may be required, however, in order to complete a Qualifying Transaction, and to provide funding for future operations. The successful completion of such financing is not guaranteed, and depends on a number of factors, including the general sentiment in the capital markets, the strength of commodities prices and the strength of the local and global economies.

Contractual obligations

The Company has no long-term debt outstanding or contractual obligations, other than the requirement to issue 1,500,000 common shares to the Vendor of the mineral property for the proposed Qualifying Transaction discussed earlier.

Off-balance sheet arrangements

The Company has no off-balance sheet arrangements.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and interest receivable. The Company limits its exposure to credit loss by placing its cash and G.I.C.'s with major financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2019, the Company's cash and receivables exceeded its current liabilities. In order to meet future obligations as they become due, the Company may need to access funding from the issuance of equity securities, the exercise of stock options or through other sources. The Company's access to financing is uncertain and there is no assurance of continued access to equity funding.

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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.

a) *Interest rate risk*

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to a floating rate of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

b) *Foreign currency risk*

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables and accounts payable and accrued liabilities that are denominated in a foreign currency. As at March 31, 2019, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

c) *Price risk*

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Related Party Transactions

- a) The Company paid rent and office administration charges of \$9,450 for the year ended March 31, 2019 to a private company (N.K.V. Engineering and Consulting Ltd.) which has an executive officer (Navin Varshney, President) in common with the Company. These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.
- b) Accounts payable included \$14,671 owed to two Directors of the Company for operating expenses paid on behalf of the Company during the year ended March 31, 2019. These amounts were repaid to the Directors subsequent to March 31, 2019.
- c) Stock options granted to directors and officers to purchase 420,000 common shares exercisable at \$0.10 per share were valued at \$31,575.

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Outstanding Share Data

Authorized Capital

Unlimited common shares with no par value and unlimited preferred shares with no par value.

Issued and Outstanding Capital

4,200,000 common shares were issued and outstanding at March 31, 2019 and at July 24, 2019.

Stock Options & Warrants Outstanding (at March 31, 2019 and July 24, 2019).

	Number of options	Exercise Price	Expiry Date
Directors' Stock Options	420,000	\$0.10	Oct. 12, 2023
Agent's Warrants	200,000	\$0.10	Oct. 12, 2020