

USHA RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2021

The effective date of this report is November 29, 2021

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 six months ended September 30, 2021. The following management discussion and analysis, prepared as of September 30, 2021, should be read together with the unaudited condensed interim financial statements for the three months ended September 30, 2021 with the related notes attached thereto and the audited financial statements for the year ended March 31, 2021 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 six months ended September 30, 2021. 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 was classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4 and its Qualifying Transaction was approved by the regulatory authorities was approved by the TSX-V on December 6, 2019. The Company is listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol USHA.V and on the OTCQB® under the symbol "USHAF".

The Company's business is to acquire and explore interests in mineral properties located in North America.

The Company's first project was acquired as part of its Qualifying Transaction and is the Nicobat Project in Ontario, Canada. The company initially had a 51% interest which was subsequently increased by 34% in an amendment to the initial property purchase agreement (the "Amendment Agreement") through the issuance of an additional 500,000 common shares of the Company (the "Shares") to the Vendor, bringing its total interest to 85%. The Amendment Agreement and issuance of the Shares was approved by the TSX Venture Exchange on June 23, 2020.

The Company's second project is the Lost Basin Project in Arizona, USA. The Company entered into a binding Letter of Intent ("LOI") with AJA Mining LLC and Gold Basin Mining EXP LLC (collectively, the "Optionors") on June 3, 2020, whereby the Optionors granted the Company the exclusive option (the "Option") to acquire (the "Acquisition") 100% interest in certain 133 mineral claims in exchange for annual lease payments of US\$25,000, issuance of 1,000,000 shares upon Exchange approval of the transaction, and within three years make a final payment of US\$3,000,000. The LOI was approved by the TSX Venture Exchange on August 19, 2020 and the shares were issued on August 26, 2020.

USHA RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2021

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 and the recent outbreak of an epidemic or a pandemic, the novel coronavirus (COVID-19). 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.

Overall Performance

During the six months period ended September 30, 2021, 320,000 warrants were exercised at a price of \$0.19 per share and the Company issued 50,000 common shares valued at \$0.10 per share pursuant to the exercise of the share options by one of its directors. Following the issuance of the shares, there were 15,449,270 issued and outstanding common shares in the capital of the Company.

The Company’s loss for the six months ended September 30, 2021 was \$384,043 (2020: \$114,032). Working capital at September 30, 2021 was \$(114,631). Subsequent to the end of the quarter, the Company closed the first tranche of the Company’s non-brokered private placement (the “Private Placement”) on November 12, 2021, issuing an aggregate of 2,967,668 units (the “Units”) at \$0.30 per Unit raising gross proceeds of \$890,300.40.

Summary of Exploration and Corporate Activities

The Company concluded its Spring 2021 field program at the Lost Basin Project, announcing results on June 8, 2021. An update on next steps was provided on July 15, 2021.

On August 12, 2021, the Company announced that it had entered into a share exchange agreement dated August 11, 2021 (the “Share Exchange Agreement”) with 1236598 B.C. Ltd. (“1236”) and the shareholders of 1236 (the “1236 Shareholders”). 1236 has an option to acquire a 100% interest in a Copper-Cobalt Property (the “Property”) located in Silver Bow and Madison Counties, Montana, subject to a 2% net smelter returns royalty.

Under the terms of the Share Exchange Agreement, the Company proposed to acquire all of the issued and outstanding shares of 1236 from the 1236 Shareholders in exchange for 5,800,000 common shares of the Company (the “Consideration Shares”). The Consideration Shares will be issued to the 1236 Shareholders on a pro rata basis at a deemed price of \$0.30 per Consideration

USHA RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2021

Share. The Consideration Shares will be subject to "lock-up" provisions wherein 1,160,000 Consideration Shares will be released to the 1236 Shareholders every 4 months from the closing of the Transaction. Upon completion of the Transaction, 1236 will become a wholly-owned subsidiary of the Company.

The Company also announced a non-brokered private placement for gross proceeds of up to \$3,000,000 through the issuance of up to 10,000,000 units (the "Units") at a price of \$0.30 per Unit. Each Unit will consist of one common share (a "Share") and one-half of one transferable share purchase warrant (a "Warrant") with each whole Warrant exercisable at \$0.45 per share for a period of two (2) years from the date of closing, subject to an accelerated expiry if the closing trading price of the Company's shares is greater than \$0.75 per Share for a period of 10 consecutive trading days (the "Acceleration Event").

The Company closed the first tranche of the Company's non-brokered private placement (the "Private Placement") on November 12, 2021, issuing an aggregate of 2,967,668 units (the "Units") at \$0.30 per Ut raising gross proceeds of \$890,300.40.

On August 25, 2021, the Company announced the appointment of Adrian Smith as a director of the Company, effective immediately, replacing Brian Moore as a director of the Company.

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 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, 2021.

Financial Instruments

IFRS 9 establishes three primary measurement categories for financial assets: fair value through profit and loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") and amortized cost. The basis for classification depends on the entity's business model and the contractual cash flow characteristics of the instrument.

The Company determines the classification of its financial instruments at initial recognition. Upon initial recognition, a financial asset is classified as measured at: amortized cost, fair value through profit and loss ("FVTPL"), or fair value through other comprehensive income (loss) ("FVOCI"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial liability is classified and measured at amortized cost or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

USHA RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2021

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has elected to measure them at FVTPL.

The Company classifies its financial instruments as follows:

| <u>Asset or Liability</u> | <u>IFRS 9 Classification</u> |
|--|----------------------------------|
| Cash | FVTPL |
| Receivables | Amortized cost |
| Accounts payable and accrued liabilities | Amortized cost |

A fuller description of financial instrument is provided in Note 3 to the unaudited financial statements for the period ended September 30, 2021.

Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For new leases, a right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease

USHA RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2021

commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment.

Summary of Quarterly Results & Results of Operations

The table below provides, for each of the last eight 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 |
|-------------------------------|---------------------|-------------------|----------------|
| Oct. 1, 2019 - Dec. 31, 2019 | 49,117 | 0.01 | (60) |
| Jan. 1, 2020 - March 31, 2020 | 15,810 | - | - |
| April 1, 2020 - June 30, 2020 | 23,505 | 0.00 | - |
| July 1, 2020 - Sept. 30, 2020 | 136,914 | 0.02 | 24,543 |
| Oct. 1, 2020 - Dec. 31, 2020 | 177,892 | 0.01 | 372,825 |
| Jan. 1, 2021 - March 31, 2021 | 129,311 | 0.01 | 51,772 |
| Apr. 1, 2021 – Jun. 30, 2021 | 61,725 | 0.00 | 2,618 |
| Jul. 1, 2021 – Sep. 30, 2021 | 322,319 | 0.02 | - |

Discussion of Operations for the six months ended September 30, 2021

Loss and comprehensive loss for the six-month period ended September 30, 2021 was \$384,043 (2020: \$114,032) of which \$23,918 (2020: \$60,732) was spent on audit, accounting and legal fees. Regulatory and filing fees of \$17,451 (2020: \$15,009) were incurred for the six months ended September 30, 2021. The Company granted 435,227 incentive stock options with a fair value of \$67,641 using the Black-Scholes option pricing model assuming a life expectancy of five years, a risk free interest rate of 0.99%, a forfeiture rate of nil, and volatility of 107.70%. The Company expensed \$67,641 as share-based compensation for stock options. Rent and administration charges of \$15,000 (2020: \$9,450) were paid to a private company that has a Director in common with the Company (see related party transactions).

Discussion of Operations for the three months ended September 30, 2021

Loss and comprehensive loss for the three-month period ended September 30, 2021 was \$322,319 (2020: \$136,914) of which \$11,418 (2020: \$32,457) was spent on audit, accounting and legal fees. The Company granted 435,227 incentive stock options with a fair value of \$67,641 using the Black-Scholes option pricing model assuming a life expectancy of five years, a risk free interest rate of 0.99%, a forfeiture rate of nil, and volatility of 107.70%. The Company expensed \$67,641 as share-based compensation for stock options. Rent and administration charges of \$9,000 (2020: \$4,725) were paid to a private company that has a Director in common with the Company (see related party transactions).

USHA RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2021

Liquidity, Capital Resources and Capital Expenditures

At September 30, 2021, the Company's working capital, defined as current assets less current liabilities, was \$(114,631) (March 31, 2021: \$160,575). The Company had a deficit working capital which was supplemented by a non-brokered private placement for gross proceeds of up to \$3,000,000 through the issuance of up to 10,000,000 units (the "Units") at a price of \$0.30 per Unit. On November 12, 2021, the Company closed the first tranche of the Company's non-brokered private placement, issuing an aggregate of 2,967,668 units (the "Units") at \$0.30 per Unit raising gross proceeds of \$890,300.40. During the period between October 1, 2021 and the date of this report, 475,000 warrants were exercised at a price of \$0.19 per share and 5,000 were exercised at a price of \$0.30 per share for gross proceeds of \$91,750.00.

Further financing may be required, however, 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.

Other sources of funds potentially available to the Company are (1) through the exercise of 370,000 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) (2) through the exercise of 552,700 stock options granted to directors and officers at a price of \$0.20 per share expiring five years from the grant date (until September 17, 2025) (3) through the exercise of 435,227 stock options granted to directors and officers at a price of \$0.20 per share expiring five years from the grant date (until July 5, 2026) (4) through the exercise of the flow through warrants to purchase up to 1,200,000 common shares at a price of \$0.26 per share expiring on December 6, 2021 (5) through the exercise of the Non-flow through warrants to purchase up to 2,997,000 common shares at a price of \$0.19 per share expiring on December 6, 2021 (6) through the exercise of the Non-flow through warrants to purchase up to 1,032,915 common shares at a price of \$0.30 per share expiring on October 20, 2022 (7) through the exercise of the Non-flow through warrants to purchase up to 50,000 common shares at a price of \$0.30 per share expiring on November 22, 2022 (8) through the exercise of the Non-flow through warrants to purchase up to 249,720 common shares at a price of \$0.30 per share expiring on December 1, 2022 (9) through the exercise of the flow through warrants to purchase up to 243,500 common shares at a price of \$0.35 per share expiring on December 1, 2022 and (10) through the exercise of the Non-flow through warrants to purchase up to 1,483,834 common shares at a price of \$0.45 per share expiring on November 12, 2023.

Contractual obligations

The Company entered into a binding Letter of Intent ("LOI") with AJA Mining LLC and Gold Basin Mining EXP LLC (collectively, the "Optionors") on June 3, 2020, whereby the Optionors granted the Company the exclusive option (the "Option") to acquire (the "Acquisition") 100% interest in certain 133 mineral claims in exchange for annual lease payments of US\$25,000, issuance of 1,000,000 shares upon Exchange approval of the transaction, and within three years make a final payment of US\$3,000,000. The LOI was approved by the TSX Venture Exchange on August 19, 2020 and the shares were issued on August 26, 2020 at a fair value of \$200,000.

USHA RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2021

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 September 30, 2021, The Company had a deficit working capital which was supplemented by a non-brokered private placement for gross proceeds of up to \$3,000,000 through the issuance of up to 10,000,000 units (the "Units") at a price of \$0.30 per Unit. On November 12, 2021, the Company closed the first tranche of the Company's non-brokered private placement, issuing an aggregate of 2,967,668 units (the "Units") at \$0.30 per Unit raising gross proceeds of \$890,300.40. 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.

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.

USHA RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2021

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

The aggregate amount of expenditures paid or payable to key management personnel consisting of directors, former directors or companies with common directors was as follows:

| Name of the Key management personnel | Company's Name | Nature of Transaction | Three months ended September 30, 2021 | Three months ended September 30, 2020 |
|--------------------------------------|-------------------------------------|---------------------------------|---------------------------------------|---------------------------------------|
| Deepak Varshney, CEO | Castello Q Development Corporation | Consulting fees | \$ 24,000 | \$ - |
| Navin Varshney, Director | N.K.V. Engineering & Consulting Ltd | Rent and administration charges | 9,000 | 4,500 |
| Khalid Naeem, CFO | KN Consulting Inc. | Accounting fees | 4,000 | 2,500 |

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.

Outstanding Share Data

Authorized Capital

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

Issued and Outstanding Capital

15,449,270 common shares were issued and outstanding at September 30, 2021 and 18,896,938 at November 29, 2021.

USHA RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2021

Stock Options & Warrants Outstanding (at September 30, 2021):

| | Number | Exercise Price | Expiry Date |
|--------------------------------------|-----------|----------------|---------------|
| Directors' stock options | 370,000 | \$0.10 | Oct. 12, 2023 |
| Directors' stock options | 552,700 | \$0.20 | Sep. 17, 2025 |
| Agent's stock options | 100,000 | \$0.25 | Dec 2, 2022 |
| Directors' and Agent's stock options | 435,227 | \$0.20 | July 5, 2026 |
| Agent's warrants | 5,250 | \$0.30 | Oct 21, 2022 |
| Agent's warrants | 3,150 | \$0.30 | Dec 2, 2022 |
| Agent's warrants | 4,200 | \$0.35 | Dec 2, 2022 |
| Flow-through warrants | 1,200,000 | \$0.26 | Dec. 6, 2021 |
| Non-flow-through warrants | 2,997,000 | \$0.19 | Dec. 6, 2021 |
| Non-flow-through warrants | 1,032,915 | \$0.30 | Oct 20, 2022 |
| Non-flow-through warrants | 50,000 | \$0.30 | Nov. 22, 2022 |
| Non-flow-through warrants | 249,720 | \$0.30 | Dec. 1, 2022 |
| Flow-through warrants | 243,500 | \$0.35 | Dec. 1, 2022 |

Subsequent Events and Proposed Transactions

On October 14, 2021, the Company announce that it has obtained a 30-day extension from the TSX Venture Exchange to close its previously announced non-brokered private placement financing.

On November 12, 2021, the Company closed the first tranche of the Company's non-brokered private placement (the "Private Placement"), issuing an aggregate of 2,967,668 units (the "Units") at \$0.30 per Unit raising gross proceeds of \$890,300.40. Each Unit consisted of one common share (a "Share") and one-half of one transferable share purchase warrant (a "Warrant") with each whole Warrant exercisable at \$0.45 per share for a period of two (2) years from the date of closing, subject to an accelerated expiry if the closing trading price of the Company's shares is greater than \$0.75 per Share for a period of 10 consecutive trading days (the "Acceleration Event"). The Company paid finders' fees totaling \$40,271.01 cash and 134,237 non-transferable finder warrants (the "Finder Warrants") to PI Financial Corp. and Haywood Securities Inc. in accordance with applicable securities laws. The Finder's Warrants are exercisable on the same terms as the Warrants issued in the Private Placement.

On November 18, 2021, the Company announced the resumption of exploration planning for its Lost Basin Gold-Copper Project located in Mohave County, Arizona.

During the period between October 1, 2021 and the date of this report, 475,000 warrants were exercised at a price of \$0.19 per share and 5,000 were exercised at a price of \$0.30 per share for gross proceeds of \$91,750.00.