

DLV Resources Ltd.

Management's Discussion and Analysis of Financial Condition and Results of Operations Three and Nine Months Ended August 31, 2022 and 2021

The following discussion is management's assessment and analysis ("MD&A") of the results and financial condition of DLV Resources Ltd. ("DLV Resources" or the "Company") and should be read in conjunction with the accompanying unaudited condensed interim financial statements and related notes of the Company for the three and nine months ended August 31, 2022 and 2021. The preparation of financial data is in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") and all figures are reported in Canadian dollars unless otherwise indicated.

Certain information included in this MD&A may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different from those expressed or implied. The effective date of this MD&A is September 30, 2022.

Description of Business

The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol "DLV.H". The address of the Company's registered and records office is 25th Floor, 700 West Georgia Street, Vancouver, BC, V7Y 1B3.

On July 15, 2022, the Company completed a consolidation of its issued and outstanding share capital on the basis of one new common share for every five outstanding common shares (the "Consolidation"). This MD&A reflects the Consolidation retroactively.

The Company entered into an arm's-length binding agreement on August 16, 2022, with West Red Lake Gold Mines Inc. ("RLG"), and entered into an amalgamation agreement on September 15, 2022 (see 'Amalgamation Agreement' below).

Overall Performance and Results of Operations

Total assets decreased to \$1,897,550 at August 31, 2022, from \$2,019,831 at November 30, 2021. The most significant asset at August 31, 2022, was cash of \$1,894,914 (November 30, 2021: \$2,017,332). The change in cash during the nine months ended August 31, 2022, was the result of \$122,418 used in operating activities.

Three months ended August 31, 2022 and 2021

The Company recorded a loss of \$40,427 during the three months ended August 31, 2022 (2021: \$47,995). Loss remained relatively consistent during the three months ended August 31, 2022 and 2021.

Nine months ended August 31, 2022 and 2021

The Company recorded a loss of \$121,318 during the nine months ended August 31, 2022 (2021: \$125,637). Loss remained relatively consistent during the nine months ended August 31, 2022 and 2021.

Summary of Quarterly Results

The following tables summarize the Company's financial information for the last eight quarters in accordance with IFRS:

	Q3		Q2		Q1		Q4	
	2022		2022		2022		2021	
Revenue	\$	-	\$	-	\$	-	\$	-
Loss and comprehensive loss		(40,427)		(36,991)		(43,900)		(51,642)
Basic and diluted loss per share		(0.00)		(0.00)		(0.00)		(0.00)

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	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Revenue	\$ -	\$ -	\$ -	\$ -
Loss and comprehensive loss	(47,995)	(46,984)	(30,658)	(55,457)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

Liquidity and Capital Resources

As at August 31, 2022, the Company had working capital of \$1,859,015. The Company has sufficient resources to settle outstanding liabilities and fund its operations for the next twelve months. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms that are acceptable to the Company.

The Company has no bank debt or banking credit facilities in place.

Proposed Transactions

Amalgamation Agreement

The Company entered into an arm's-length binding agreement on August 16, 2022, with RLG, a Toronto-based mineral exploration company focused on gold exploration and development in the Red Lake gold district of Northwestern Ontario, Canada, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of RLG in consideration of the issuance of 0.1215 of a DLV Resources common share for each RLG common share acquired (the "Transaction"). Upon closing of the Transaction, it is intended that the Company will be listed on Tier 2 of the TSX-V as a mining issuer and that the RLG common shares will be delisted from the Canadian Securities Exchange.

RLG completed a non-brokered private placement of flow-through shares on August 26, 2022, for aggregate gross proceeds of \$4,100,000 (the "Financing").

Pursuant to the Transaction, the RLG shareholders will receive 0.1215 (the "Exchange Ratio") of a DLV Resources common share for each RLG common share held. Holders of convertible securities of RLG will receive convertible securities of the Company as adjusted by the Exchange Ratio. It is expected that on completion of the Transaction, the Company will have approximately 51,986,723 common shares outstanding, of which 23,652,342, or 45.5%, will be held by current RLG shareholders, 16,568,066, or 31.87%, will be held by existing DLV Resources shareholders (including 1,700,000 finders shares to be issued by the Company in connection with the Transaction), and 11,766,315, or 22.63%, will be held by subscribers to the Financing.

Subsequent to August 31, 2022, on September 15, 2022, the Company entered into an amalgamation agreement in connection with the Transaction. RLG currently intends to hold a shareholder meeting on November 10, 2022, in connection with obtaining its requisite shareholder approvals for the Transaction. The Transaction is subject to customary closing conditions, including regulatory approvals, and receipt of required approvals from the shareholders of RLG. The parties have agreed that upon closing of the Transaction, the Board of Directors of the Company will be reconstituted to consist of two nominees of the Company, two nominees of RLG, and one nominee to be jointly agreed upon.

For accounting and regulatory purposes, the amalgamation is expected to constitute a reverse acquisition, with RLG considered to be the acquiring and continuing entity, and DLV Resources the entity being acquired.

Trading in the common shares of the Company will remain halted pending receipt and review of acceptable documentation pursuant to TSX-V Policy 5.2 in respect to reverse acquisitions.

Outstanding Share Data

On July 15, 2022, the Company completed the Consolidation.

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As at August 31, 2022, and the date of this MD&A, there were 14,868,066 post-Consolidation common shares issued and outstanding.

Critical Accounting Policies and Estimates

The Company has prepared the accompanying financial statements in accordance with IAS 34, using accounting policies consistent with IFRS. Significant accounting policies, except as described below, are described in Note 3 of the Company's financial statements as at and for the year ended November 30, 2021.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

Risks and Uncertainties

The Company currently has no revenues from operations. If the Company does acquire a mineral property, substantial capital would be required to put the property into commercial production. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company.

The Company is engaged in the acquisition of mineral properties, an inherently risky business, and there is no assurance that an economic mineral deposit will ever be discovered and subsequently put into production. Most exploration projects do not result in the discovery of commercially mineable ore deposits. The Company will seek to counter these risks to the extent possible by selecting exploration areas on the basis of their recognized geological potential to host economic deposits.

Financial Instruments and Other Instruments

Financial Risk Management and Fair Value Measurement

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, amounts receivable, and amounts payable, and are held at amortized cost which approximates fair value due to the short-term nature of these financial instruments.

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company is exposed to credit risk on its cash and amounts receivable. The Company reduces credit risk on its cash by maintaining its bank account with a large international financial institution. The Company's amounts receivable is primarily comprised of amounts owing from the Government of Canada for input tax credits receivable. Accordingly, the Company does not believe it is subject to significant credit risk. The carrying value of these financial assets represents the maximum credit exposure.

Liquidity Risk

The Company's cash is invested in bank accounts which are available on demand. The liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages its liquidity risk through careful management of its financial obligations in relation to its cash position. Using budgeting processes, the

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Company manages its liquidity requirements based on expected cash flow to ensure there are adequate funds to meet its short-term obligations.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk:

i) Interest Rate Risk

The Company is nominally exposed to interest rate risk. The Company's cash earns interest at variable rates. The Company's future earned interest is exposed to short-term rate fluctuations. Interest rate risk exposure is considered to be insignificant.

ii) Foreign Currency Risk

The Company is not exposed to currency risk as all transactions are denominated in Canadian dollars.

iii) Price Risk

The Company is exposed to price risk with respect to equity prices. 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.

Management's Report on Internal Control over Financial Reporting

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited condensed interim financial statements and the audited annual financial statements and respective accompanying MD&A's.

The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Outlook

The Company is currently working to complete the Transaction.

Additional information relating to the Company is available on SEDAR at www.sedar.com.