MUZHU MINING LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021

This management's discussion and analysis of the financial condition as of April 11, 2022 provides an analysis of he Company's financial results and progress for the year ended December 31, 2021. This MD&A should be read in conjunction with the Company's financial statements for the year ended December 31, 2021 which were prepared in accordance with accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC"). All amounts are expressed in Canadian dollars.

Certain statements and information related to Muzhu Mining Ltd.'s ("Muzhu" or the "Company") business contained in this Management's Discussion and Analysis are of a forward-looking nature. They are based on opinions, assumptions or estimates made by the Company's management or on opinions, assumptions or estimates made available to or provided to and accepted by the Company's management. Such statements and information are reflecting management's current views and expectations of future events or results and are subject to a variety of risks and uncertainties that are beyond management control. Readers are cautioned that these risks and uncertainties could cause actual events or results to significantly differ from those expressed, expected or implied and should therefore not rely on any forward-looking statements.

Overview

Muzhu Mining Ltd. ("MUZHU" or the "Company") was incorporated under the Business Corporations Act of British Columbia on January 24, 2018. The address of the Company's head office is 4353 Halifax Street, Suite 904, Burnaby, BC, V5C 5Z4 and the registered office is 777 Hornby Street, Suite 600, Vancouver, BC, V6Z 1S4, Canada.

The Company's objective is to seek opportunities in the exploration, development and mining of precious metals properties domestically and/or internationally. It currently has exploration property agreements in Canada and China.

Overall Performance

During the year ended December 31, 2021, the Company completed financings and entered into transactions as described in Note 6 of the annual financial statements. These transactions were entered into in preparation for a public company listing in 2021.

Results of Operations

Year Ended December 31, 2021 and 2020

The Company reported net loss for the year ended December 31, 2021 of $205,390 compared to the same period ended December 31, 2020 of $201,971. Expenses in the year ended December 31, 2021 were $272,290 compared to $201,971 for the same period in the prior year due to an increase in operational activities and a reduction in Directors Fees and Consulting Fees.

Summary of Annual Results

	December 31, 2021 $	December 31, 2020 $
Net loss	205,390	201,971
Basic and diluted loss per share	(0.01)	(0.03)
Cash	658,858	99,584
Total Assets	951,421	344,584
Current Liabilities	92,625	493,121
Non-Current Liabilities	-	-

Liquidity and Capital Resources

As at December 31, 2021, the Company had a working capital surplus of $576,850 compared to a working capital deficiency of $369,937 at December 31, 2020 mainly due to the completion of two private placement financings and issuance of common shares for debt settlement.

For the year ended December 31, 2021, the Company used cash of $144,411 in operating activities (2020 - $167,862).

The Company's principal assets are at an exploration stage and as a result the Company has no current source of operating cash flows however, it has raised capital through various private placements and flow-through financings during the year. The Company relies on its ability obtain equity financing to fund administration expenses and future exploration programs. The ability of the Company to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent on the successful completion of a financing or by monetizing assets. There is no certainty that these and other strategies will be successful.

Consulting Fees

The Company incurred Consulting Fees of $46,250 for the period ended December 31, 2021 ($112,500 for the period ended December 31, 2020). The decrease in consulting fees is due to the reduction of strategic advisory services for various options for the company to obtain a public listing, including merger, reverse takeover, partnership, and initial public offering compared to the prior year.

Share Capital

The Company's authorized capital consists of an unlimited number of common shares without nominal or par value. As of the date of this MD&A, the Company has 22,328,462 issued and outstanding common shares.

- On March 26, 2021, the Company issued 3,500,000 common shares at $0.05 per share to close the acquisition of the Sleeping Giant South property.

- On March 31, 2021 the Company issued 3,657,000 common shares at $0.10 per share for gross proceeds of $365,700.

- On April 30, 2021, the board of directors approved and issued 3,094,000 common shares in the capital of the Company at a deemed price of $0.10 per common share for debt settlement of $376,300, of which, $80,000 was due to related parties. The Company recognized $66,900 gain on debt forgiveness in connection with the transaction.

- On November 16, 2021, the board of directors approved and issued 161,212 common shares in the capital of the Company at a deemed price of $0.10 per common share for debt settlement of $16,122.

- On December 21, 2021, the Company issued 2,601,500 flow through shares at $0.17 per share for gross proceeds of $442,255 with flow through premium of $52,030.

Warrants

The Company issued 195,113 warrants at an exercise price of $0.17 in connection with the flow through financing completed on December 21, 2021 for 2,601,500 flow through shares at $0.17. There were no warrants issued for the year ended December 31, 2020.

Stock Options

The Company has a Stock Option Plan (the "Plan") which provides that the number of options granted may not exceed 10% of the issued and outstanding shares. Options granted under the Plan generally have a five-year term and are granted at a price no lower than the market price of the common shares at the time of the grant.

As of December 31, 2021, and 2020, the company has not granted any stock options.

Related Party Transactions and Balances

On April 30, 2021, the board of directors approved and issued 3,094,000 common shares in the capital of the Company at a deemed price of $0.10 per common share for debt settlement of $309,400, of which, $80,000 was due to officers and directors of the Company.

As at December 31, 2021, the Company has a nil balance due to directors and officers (December 31, 2020 - $153,941). Shan Wei Tong, son of James Tong, Director, was paid $5,250 for Consulting Fees for the year ended December 31, 2021 (December 31, 2020 – Nil).

Key management personnel compensation

Key management personnel consist of officers and directors of the Company. Remuneration of key management personnel was $17,500 for the year ended December 31, 2021 (December 31, 2020 - $72,000).

Subsequent Events

On January 5, 2022, the Company granted total stock options of 1,330,000 exercisable common shares at a price of $0.14 to various consultants, directors & officers of the Company.

On January 27, 2022, the Company approved the creation of an advisory committee. The Directors have appointed the following members to the advisory committee: Greg Hall, Anthony Tam and Aaron Meckler. On February 10, 2022, the Company granted total stock options of 250,000 exercisable common shares at a price of $0.14 to the members of the Company's advisory committee.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Critical accounting estimates

Estimate of recoverability for non-financial assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs to sell. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value.

Share-based payments

The amounts recorded for share-based payments are based on estimates. The Black Scholes model is based on estimates of assumptions for expected volatility, expected number of options to vest, dividend yield, risk-free interest rate, expected forfeitures and expected life of the options. Changes in these assumptions may result in a material change to the amounts recorded for the issuance of stock options.

Financial Instruments

The Company's financial instruments are categorized in a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments include cash, advances, and accounts payable.

The fair value of cash is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. The fair value of advances is determined to be "Level 3" as the amount relates to advances made concerning a definitive share purchase agreement; therefore, the inputs are unobservable.

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as of December 31, 2021 , as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1) $	Significant Other Observable Inputs (Level 2) $	Significant Unobservable Inputs (Level 3) $	Total $
December 31, 2021				
Cash	658,858	–	–	658,858
December 31, 2020				
Cash	99,584	–	–	99,584

Credit risk

The Company has no significant credit risk arising from operations. The Company does not engage in any sales activities, so is not exposed to major credit risks attributable to customers. The Company's credit risk is primarily attributable to cash. The Company holds its cash with Canadian chartered banks and the risk of default is considered to be remote.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's accounts payable are due within one year. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of stock market conditions generally or as a result of conditions specific to the Company. The Company's approach to managing liquidity risk is to ensure it will have sufficient liquidity to meet liabilities when due. As at December 31, 2021, the Company has cash of $658,858 (December 31, 2020 - $99,584) to settle current liabilities of $92,625 (December 31, 2020 – $493,121).

Interest rate risk

Interest rate risk is the risk that future cash flows of the Company's assets and liabilities can change due to a change in interest rates. The Company is not exposed to interest rate risk as no financial instruments are interest-bearing. It is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from the financial statements.

Risks and Uncertainties

Under Canadian reporting requirements, management of the Company is required to identify and comment on significant risks and uncertainties associated with its business activities.

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. As the

Company does not have active operations, the impact of the pandemic has been minimal. Management continues to monitor the situation and take the necessary precautions as deemed appropriate.