USHA RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2021

The effective date of this report is February 28, 2022

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 nine months ended December 31, 2021. The following management discussion and analysis, prepared as of December 31, 2021, should be read together with the unaudited condensed interim financial statements for the three months ended December 31, 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 nine months ended December 31, 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.

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 nine months period ended December 31, 2021, 3,414,335 shares were issued in a non-brokered private placement at a price of $0.30 per share, 3,327,000 warrants were exercised at a price of $0.19 per share, 1,200,000 warrants were exercised at a price of $0.26 per share, 5,000 warrants were exercised at a price of $0.30 per share, 50,000 stock options were exercised at a price of $0.10 per share, and 70,000 stock options were exercised at a price of $0.20. Following the issuance of the shares, there were 23,145,605 issued and outstanding common shares in the capital of the Company.

The Company’s loss for the nine months ended December 31, 2021 was $661,451 (2020: $338,311). Working capital at December 31, 2021 was $1,548,572.

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 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.

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.

On November 12, 2021, the Company closed the first tranche of the non-brokered private placement, issuing an aggregate of 2,967,668 non-flow through units at $0.30 per unit raising gross proceeds of $890,300. On December 21, 2021, the Company closed the final tranche of the non-brokered private placement, issuing an aggregate of 446,667 non-flow through units at $0.30 per unit raising gross proceeds of $134,000.

Each Unit consisted of one common share and one-half of one transferable share purchase warrant with each whole Warrant exercisable at $0.45 per share for a period of two (2) years from the date of closing, provided that in the event that the closing price of the Company's Shares on the TSX Venture Exchange (or such other exchange on which the Company's Shares may become traded) is $0.75 or greater per Share during any thirty (30) consecutive trading day period at any time subsequent to four months and one day after the closing date, the Warrants will expire at 4:00 p.m. (Vancouver time) on the 30th day after the date on which the Company provides notice of such accelerated expiry to the holders of the Warrants (the "Accelerated Expiry Provisions").

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:

- 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:

Asset or Liability	IFRS 9 Classification
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 December 31, 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 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
Jan. 1, 2020 - March 31, 2020	15,810.00	-	-
April 1, 2020 - June 30, 2020	23,505.00	-	-
July 1, 2020 - Sept. 30, 2020	136,914.00	0.02	24,543.00
Oct. 1, 2020 - Dec. 31, 2020	177,892.00	0.01	372,825.00
Jan. 1, 2021 - March 31, 2021	129,311.00	0.01	51,772.00
Apr. 1, 2021 - Jun. 30, 2021	61,725.00	-	2,618.00
Jul. 1, 2021 - Sep. 30, 2021	322,319.00	0.02	-
Oct. 1, 2021 - Dec. 31, 2021	277,408.00	0.02	-

Discussion of Operations for the nine months ended December 31, 2021

Loss and comprehensive loss for the nine-month period ended December 31, 2021 was $661,451 (2020: $338,311) of which $47,012 (2020: $47,505) was spent on audit, accounting and legal fees. Regulatory and filing fees of $21,818 (2020: $31,462) were incurred for the nine months ended December 31, 2021. During the nine months period ended December 31, 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 granted 25,000 incentive stock options with a fair value of $6,598 using the Black-Scholes option pricing model assuming a life expectancy of two years, a risk free interest rate of 1.13%, a forfeiture rate of nil, and volatility of 110.13%, the Company granted 50,000 incentive stock options with a fair value of $13,808 using the Black-Scholes option pricing model assuming a life expectancy of two years, a risk free interest rate of 1.45%, a forfeiture rate of nil, and volatility of 110.37%, the Company granted 200,000 incentive stock options with a fair value of $53,087 using the Black-Scholes option pricing model assuming a life expectancy of two years, a risk free interest rate of 1.45%, a forfeiture rate of nil, and volatility of 110.42%. The Company expensed $141,134 as share-based compensation for stock options. Rent and administration charges of $30,000 (2020: $13,500) 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 December 31, 2021

Loss and comprehensive loss for the three-month period ended December 31, 2021 was $277,408 (2020: $177,892) of which $23,094 (2020: $29,385) was spent on audit, accounting and legal fees. The Company granted 25,000 incentive stock options with a fair value of $6,598 using the Black-Scholes option pricing model assuming a life expectancy of two years, a risk free interest rate of 1.13%, a forfeiture rate of nil, and volatility of 110.13%, the Company granted 50,000 incentive stock options with a fair value of $13,808 using the Black-Scholes option pricing model assuming a life expectancy of two years, a risk free interest rate of 1.45%, a forfeiture rate of nil, and volatility of 110.37%, the Company granted 200,000 incentive stock options with a fair value of $53,087 using the Black-Scholes option pricing model assuming a life expectancy of two years, a risk free interest rate of 1.45%, a forfeiture rate of nil, and volatility of 110.42%. The Company expensed $73,493 as share-based compensation for stock options. Rent and administration charges of $15,000 (2020: $4,500) were paid to a private company that has a Director in common with the Company (see related party transactions).

Liquidity, Capital Resources and Capital Expenditures

At December 31, 2021, the Company's working capital, defined as current assets less current liabilities, was $1,548,572 (March 31, 2021: $160,575).

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 502,700 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 415,227 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 non-flow through warrants to purchase up to 1,027,915 common shares at a price of $0.30 per share expiring on October 20, 2022 (5) 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 (6) 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 (7) 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, (8) 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, and (9) through the exercise of the non-flow through warrants to purchase up to 223,333 common shares at a price of $0.45 per share expiring on December 17, 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.

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

All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal year. The Company intends to settle these with funds from its positive working capital position.

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.

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 December 31, 2021	Three months ended December 31, 2020
Deepak Varshney, CEO	Castello Q Development Corporation	Consulting fees	$ 24,000	$ 71,000
Navin Varshney, Director	N.K.V. Engineering & Consulting Ltd	Rent and administration charges	15,000	4,500
Khalid Naeem, CFO	KN Consulting Inc.	Accounting fees	5,000	5,000

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

23,145,605 common shares were issued and outstanding at December 31, 2021 and 23,145,605 at February 28, 2022.

Stock Options & Warrants Outstanding (at December 31, 2021):

	Number	Exercise Price	Expiry Date
Directors' stock options	370,000	$0.10	Oct. 12, 2023
Directors' stock options	502,700	$0.20	Sep. 17, 2025
Agent's stock options	100,000	$0.25	Dec 2, 2022
Directors' and Agent's stock options	415,227	$0.20	July 5, 2026
Agent's stock options	25,000	$0.335	Oct 7, 2026
Agent's stock options	50,000	$0.355	Nov 11, 2026
Agent's stock options	200,000	$0.330	Nov 19, 2026
Agent's warrants	5,250	$0.30	Oct 21, 2022

Agent’s warrants	2,150	$0.30	Dec 2, 2022
Agent’s warrants	5,250	$0.35	Dec 2, 2022
Agent’s warrants	134,237	$0.45	Nov 12, 2023
Agent’s warrants	10,500	$0.45	Dec 17, 2023
Non-flow-through warrants	1,027,915	$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
Non-flow through warrants	1,483,834	$0.45	Nov 12, 2023
Non-flow through warrants	223,333	$0.45	Dec 17, 2023

Subsequent Events and Proposed Transactions

On January 11, 2022, the Company announced that it had entered into an Agreement with Dig Media Inc. dba Investing News Network (“INN”). INN is a private company headquartered in Vancouver, Canada, dedicated to providing independent news and education to investors since 2007. INN will introduce the Company to INN's audience of educated, active investors. Using a variety of methods including an Enhanced Advertiser Profile, News Marketing, website and newsletter advertising and dedicated emails, INN will encourage its audience to engage directly with the Company to consider investing in the Company. Under the terms of the Agreement with INN, the Company agreed to pay INN $29,000 for the campaign, payable in cash in installments of $4,833.33 per month.

On February 9, 2022, the Company announced that its Board of Directors was evaluating a proposal for Usha to transfer the Company's Nicobat Nickel property (the “Property”) located in Dobie Township, Northwest Ontario to a newly formed subsidiary ("SpinCo") and subsequently spin out the shares of SpinCo (“SpinCo Shares”) to Usha’s shareholders at a ratio yet to be determined (the “Transaction”). The Company will retain an interest in SpinCo.

The completion of the proposed Transaction and contemplated distribution of SpinCo Shares to Usha shareholders are subject to a number of conditions, including the completion of corporate, legal and tax structuring, completion of SpinCo financing, determination of final details of the transaction, the appointment of a Board and management team for SpinCo, required regulatory and shareholder approvals, and the subsequent listing of the SpinCo Shares on the TSX Venture Exchange. There is no certainty that the Transaction will be completed on the terms proposed or at all. The Company will provide updates when further details of the proposed Transaction are determined.