

Heatherdale Resources Ltd.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED JANUARY 31, 2021

Heatherdale Resources Ltd.
Management's Discussion and Analysis
For the Three Months ended January 31, 2021

1.1 DATE

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed consolidated financial statements (the "Financial Statements") of Heatherdale Resources Ltd. (the "Company" or "Heatherdale") for the three months ended January 31, 2021 publicly filed under the Company's profile on SEDAR at www.sedar.com.

The Company reports in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"s) (together, "IFRS"). The following disclosure and associated condensed consolidated financial statements are presented in accordance with IFRS. This MD&A is prepared as of March 31, 2021. Readers are also encouraged to consult the audited consolidated financial statements and MD&A for the year ended October 31, 2020.

All dollar amounts in this MD&A are expressed in **Canadian dollars**, unless otherwise noted. The audited consolidated financial statements and MD&A for the year ended October 31, 2020 were expressed in US dollars. See CHANGE IN SIGNIFICANT ACCOUNTING POLICIES below.

The references to 2021 and 2020 represent the Company's fiscal years ended October 31 respectively unless indicated otherwise and the three-month periods denoted by the letter "Q" are the Company's fiscal quarters.

Robert McLeod, P. Geo., is the Company's designated Qualified Person for this MD&A within the meaning of National Instrument 43-101 and has reviewed and approved the scientific and technical information described herein.

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1.2 OVERVIEW

Heatherdale was incorporated under the laws of the Province of Alberta, Canada on November 6, 2007 and continued under the laws of the Province of British Columbia, Canada on November 16, 2009. The Company's corporate office is located at Suite 1800 – 555 Burrard Street, Vancouver, British Columbia. The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol "HTR".

Heatherdale's vision to be an industry leader in transparency, inclusion and innovation. Guided by its vision, and through collaboration with local and Indigenous groups and stakeholders, Heatherdale builds shareholder value with its technical expertise in mineral exploration, engineering and permitting.

Heatherdale's main asset is its 100% interest in the advanced exploration stage Niblack project (the "Niblack Project"). The Niblack Project is located at tidewater on Prince of Wales Island (Taan), near to the City of Ketchikan in southeast Alaska, USA and is endowed with volcanogenic massive sulphide ("VMS") mineralization including the Lookout and Trio deposits which host a NI43-101 compliant resource estimate of high-grade copper, gold silver and zinc (Refer to *Mineral Resource*).

Niblack Project hosts six known VMS zones (the Look and Trio deposits and the Dama, Lindsay, Mammoth and historic Niblack site) within a 6,200 acre property that includes 250 acres of patented lands.

The Niblack Project has seen significant investment in infrastructure including over 120,000 meters in drilling and an 850 meter long exploration tunnel with 150 meters of cross cuts to facilitate underground drilling and potential production.

1.3 HIGHLIGHTS

Q1 2021 Highlights

- In December 2020, the Company completed a 1,774 meter surface drill program, in ten holes, at the historic Niblack mine site that confirmed a new geological interpretation of the deposit, thereby opening up the project for mineralization to be discovered within new areas. Assay results are still pending.
- A significant portion of the rehabilitation of the 850 meter long, production-size exploration drift had been completed at the same time as the surface drill program;

Subsequent to Quarter End

- In March, the last of the electrical upgrades and rehabilitation of the exploration drift was completed and underground drilling, with two rigs, commenced mid-month;
- In February 2021, the Company had an initial detailed review of previous metallurgical testwork completed with the objective of improving gold and silver recoveries, that resulted in several recommendations and commencement of a Phase 1 metallurgical optimization program;
- In March 2021, the Company announced a non-brokered private placement to raise \$2.5 million at \$0.80 per common share, with the right to increase the total amount raised up to \$5 million; and
- The Company also announced that, subject to the final approval of the TSX Venture Exchange, the Company plans to change its name to Blackwolf Copper and Gold Ltd. and its ticker symbol to BWCG. The Company expects the name change to be effective after the private placement closes.

1.4 OUTLOOK

The Company's near-term focus is to close the recently announced private placement and to complete up to fourteen underground drill holes as part of the phase II drill program. The Company will complete the phase 1 metallurgical studies to optimize recoveries and an assessment of additional baseline programs required for the development of the Niblack Project. It is also anticipated that the Company will complete an updated mineral resource estimate for the Niblack Project in the later part of the 1st half of 2021.

In addition, to the work on Niblack Project, the Company continues to build towards its vision and longer-term goal to realize a hub and spoke model with multiple mines feeding one mill site in a location to be determined. The Company will continue to evaluate base and precious metal projects in proximity to the Niblack Project. The Company will continue discussions with Indigenous groups to seek a strategic partnership.

1.5 CHANGE IN SIGNIFICANT ACCOUNTING POLICIES

Change in Functional and Presentation Currency

An entity's functional currency is the currency of the primary economic environment in which it operates. Effective November 1, 2020, the functional currency of the Canadian parent company and its Canadian subsidiary has changed to Canadian dollars ("CAD") from US dollars ("USD") as a result of the recent change in the underlying transactions, events and conditions. The functional currency of the Company's two US subsidiaries has remained unchanged and is USD. The new functional currency has been applied prospectively from November 1, 2020, in accordance with IAS 21.

To give effect of the change in functional currency, the assets, liabilities and equity of the Canadian entities in USD at October 31, 2020 were converted into CAD dollars on November 1, 2020 at a fixed exchange rate of USD1.00 to CAD1.3318.

Also, effective November 1, 2020, the presentation currency was changed from USD to CAD. Prior period comparative numbers in the condensed consolidated financial statements have been restated to CAD dollars to provide a meaningful comparable information.

In order, to derive comparatives for the Company and its subsidiaries, in the presentation currency of CAD:

- the USD dollar functional currency assets and liabilities were converted into CAD at period end rates. For 2020 and 2019 these were USD1.00 to CAD1.3318 and USD1.00 to CAD1.3160, respectively;
- Expenses and other income/expenses were converted at the average exchange rate for the reporting period. For 2020 and 2019 these USD1.00 to CAD1.3460 and USD1.00 to CAD1.3286, respectively; and
- Items directly recognized in equity were translated using the historical rate at the time of the transaction.

Comparative information has been restated to apply the change in presentation currency from the earliest date possible.

Please refer to Note 3 in the condensed consolidated interim financial statement for the period ended January 31, 2021 for more information.

1.7 NIBLACK PROJECT, SOUTHEAST ALASKA

The 6,200-acre Niblack Project is situated at tidewater on Prince of Wales Island (Taan), some 27 miles from the City of Ketchikan in southeast Alaska. Ketchikan is a community of 8,000 people with important services to support project development, including a deep-water port and an international airport.

History

The Niblack Project has a history of mineral exploration, development, as well as some production. Underground mining operations occurred from 1905-08 at the Niblack zone and produced approximately 20,000 tons grading 4.9% copper, 2.2 g/t gold and 30 g/t silver.

Prior to being placed on care and maintenance in 2012, historical work on Niblack Project included the following:

- Discovery of six VMS zones, namely, Lookout, Trio, Dama, Lindsay, Mammoth and the historical Niblack mine;
- Development of an 850 meter underground development drift and 150 meters of crosscuts: the underground development has facilitated cost-effective underground drilling;
- Commission of preliminary metallurgical testing: average results include recoveries to copper concentrate of 95% copper, 56% gold and 53% silver with payable metal factors of 96.5% for copper, 90.7% for gold and 89.5% for silver; recoveries to zinc concentrate are 93% zinc, 16% gold and 24% silver with payable metal factors of 85% for zinc, 80% for gold and 20% for silver;
- Completion of 120,000 meters of surface and underground drilling in 410 holes were drilled between 1975 and 2012; and
- An initial estimation of the mineral resources in the Lookout and Trio deposits completed in early 2009, followed with the most recent estimate of the mineral resources completed in late 2011.

Geology

The geology of the Niblack Project consists of three main rock units: a Footwall Succession of primarily dacitic and basaltic volcanic and volcanoclastic rocks; a Felsic Succession of felsic flows and volcanoclastic rocks, and a Hanging Wall Succession, made up of mafic volcano-sedimentary rocks and basaltic flows. Most notable, the 100-200m Felsic Succession hosts all known VMS mineralization on the property. This thick sequence of prospective folded rhyolitic volcanic rocks extends for at least six miles across the property and hosts six known massive sulphide zones: the historic Niblack mine, the Lookout and Trio deposits and the Dama, Lindsay and Mammoth zones.

The Niblack Project stratigraphic package has been subject to multiple phases of later deformation and greenschist facies metamorphism which occurred during the Middle Cambrian to Early Ordovician and the Middle Silurian to Early Devonian. Renewed deformation occurred during the accretion of the Alexander terrane to the Cordillera in the mid-Jurassic to Cretaceous. Folding on the property is north-verging, moderate to tight, and overturned. The six known VMS zones sit on a property-scale synformal anticline-antiformal syncline pair.

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Exploration Potential and Reinterpretation

Earlier operators interpreted the aforementioned folds to be a simple property-scale anticlinal-synclinal pair. However, in most recent stages of exploration and research, U-Pb age dating and analysis in sedimentary and volcanosedimentary beds led to the discovery that the stratigraphy is overturned. This breakthrough led to a reinterpretation of these folds as an overturned synformal anticline-antiformal syncline pair. This reinterpretation was not tested in previous exploration and opens a large new prospective area across the property based on the new projection of the permissive Niblack Felsic Succession. This reinterpreted model is driving current exploration, which is targeting and testing these newly defined prospective zones.

All of the known six zones at Niblack Project remain open and are candidates for further resource expansion. In December 2020, a 1,774-meter drill program at the historic Niblack mine site confirmed a new geological interpretation of the deposit, thereby opening up the Project for mineralization to be discovered on new areas. Assays results from this program are expected to be received in April 2021.

Rehabilitation of the 850 meter exploration drift has been completed and underground drilling, with two rigs, commenced in mid-March 2021. The Company plans to complete up to fourteen holes, that will step out along strike and down-dip from the Lookout Zone, the largest deposit that has been discovered to-date on the property.

Mineral Resources

The Niblack Project mineral resources tabulated below were estimated for copper (Cu), gold (Au), zinc (Zn) and silver (Ag) in November 2011 for the Lookout and Trio deposits. The estimate employed three-dimensional geostatistical modeling techniques and utilized a database of 373 drill holes.

LOOKOUT AND TRIO MINERAL RESOURCES at a \$50 NSR cutoff					
INDICATED					
Deposit	Tonnes	Cu (%)	Au (g/t)	Zn (%)	Ag (g/t)
Lookout (sulphide)	5,638,000	0.95	1.75	1.73	29.52
TOTAL	5,638,000	0.95	1.75	1.73	29.52
INFERRED					
Deposit	Tonnes	Cu (%)	Au (g/t)	Zn (%)	Ag (g/t)
Trio (sulphide)	1,023,000	1.00	1.11	1.56	16.56
Lookout (sulphide)	2,370,000	0.73	1.42	1.17	21.63
TOTAL	3,393,000	0.81	1.32	1.29	20.10

Notes to the above table:

Net Smelter Return ("NSR") cutoffs stated above and below use long-term metal forecasts: gold \$1,150/oz, silver \$20.00/oz, copper \$2.50/lb, and zinc \$1.00/lb; and recoveries to Cu concentrate of 95% Cu, 56% Au and 53% Ag with payable metal factors of 96.5% for Cu, 90.7% for Au, and 89.5% for Ag; and to Zn concentrate of 93% Zn, 16% Au, and 24% Ag with payable metal factors of 85% for Zn, 80% for Au and 20% for Ag. Detailed engineering studies will determine the best cutoff.

A continuous higher-grade zone occurs within the indicated resources of the Lookout Zone that comprises 1.16 million tonnes grading 1.71% Cu, 3.21 g/t Au, 3.83% Zn and 62.68 g/t Ag at a \$150 NSR cutoff. There is also potential to increase overall mineral resources in the Lookout deposit, as the deposit remains open in several areas. In addition, the mineralization at the Trio deposit is still open in three directions.

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The mineral resources were estimated by Deon Van Der Heever, Pr. Sci. Nat., a Qualified Person who was not independent of the Company. The estimates were reviewed and verified by Marek Nowak, PEng., SRK Consulting, as described in a technical report, effective date November 2011, filed under Heatherdale's profile at www.sedar.com.

Metallurgy

In 2009, preliminary metallurgical testwork was conducted and average results include recoveries to copper concentrate of 95% copper, 56% gold and 53% silver with payable metal factors of 96.5% for copper, 90.7% for gold and 89.5% for silver; recoveries to zinc concentrate are 93% zinc, 16% gold and 24% silver with payable metal factors of 85% for zinc, 80% for gold and 20% for silver.

In early 2021, the Company had an initial comprehensive review of the previous metallurgical testwork completed by Ausenco Canada Ltd ("Ausenco") with the objective of improving gold and silver recoveries. The Niblack deposit contains gold content that is noticeably higher than the average for volcanogenic systems, which presents an opportunity to add significant value through improved recovery methods. Following the completion of the review, Ausenco has made several recommendations for additional metallurgical testwork, which will form the basis of the Phase I program.

The key highlights from this initial review include:

- Most gold and silver losses were associated to the rougher tails. Low penalty element concentration was observed in copper concentrate for both composites with very clean zinc concentrate.
- The primary minerals of interest for the Niblack Project are chalcopyrite, sphalerite, electrum and gold and silver tellurides. The precious metals of interest are gold and silver. Use of alternative collectors may improve the recovery of precious metals from electrum and tellurides. A finer primary grind size should improve the revenues from precious metals.
- A metal correlation analysis completed for the samples available for testing indicates considerable variability of mineral assemblage.
- A preliminary heterogeneity analysis indicates the Niblack deposit is amenable to ore preconcentration. The results show potential to reject up to 40% of mass with minimal loss of copper and gold with ore preconcentration.

Ausenco had made several recommendations for additional metallurgical testwork and the Company has commenced a Phase I metallurgical studies to optimize recoveries at Niblack. The Phase 1 program will be managed by Ausenco and will include the following:

- Completion of a more in-depth desktop bulk ore sorting analysis.
- Test dithiophosphate collectors and other collectors to improve precious metal recovery.
- Conduct further primary grind size optimization test work to maximize precious metals recovery to copper concentrate.
- Test finer regrind size after assessing changes in collector and primary grind size.
- Test pyrite flotation to better quantify opportunities to optimize tailings disposal.
- Conduct comminution tests after the flotation grind sizes are confirmed.
- Test variability of the deposit using discrete samples and geo-metallurgy composites to de-risk the project and allow for more flexibility on project optimization.

Engineering

The 2011 mineral resource estimate established a base on which to initiate engineering studies for the Niblack Project. Preliminary studies of site logistics and infrastructure for potential mine development indicate the advantages of direct-shipping material from an underground mine at the Niblack Project to an offsite location

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for milling and metallurgical treatment. Potential locations were identified for the processing plant and tailings storage facility. Two of these are industrial sites in the Ketchikan area and, as such, each has access to a skilled workforce, existing transportation infrastructure, and hydroelectric power.

In 2012, Heatherdale's subsidiary, Niblack Project LLC, signed a Memorandum of Understanding ("MOU") with the Ketchikan Gateway Borough ("Heatherdale-KGB MOU"), whereby the parties will work cooperatively to assess the suitability of one of these sites, called the Gravina Island Industrial Complex ("GIIC"), for a mill and tailings facility for the Niblack Project.

In 2013, Heatherdale's subsidiary, Niblack Project LLC, signed a MOU (the "Heatherdale-AIDEA MOU") with the Alaska Industrial Development and Export Authority ("AIDEA")¹ to work together to evaluate the potential for processing, port and tailings storage facilities at the GIIC site near Ketchikan and to investigate infrastructure requirements at the Niblack site on Prince of Wales Island regarding the suitability for AIDEA involvement. In June 2014, Senate Bill 99 ("SB 99") was signed into law, which authorizes AIDEA at its discretion once it has completed its due diligence process, to issue bonds up to a maximum of \$125 million to finance infrastructure and construction costs of the Niblack Project. Infrastructure and construction costs include a mineral processing mill, and associated dock, loading and related infrastructure at the GIIC, and infrastructure at the Niblack Project site on Prince of Wales Island. The infrastructure facilities would be either owned or financed by AIDEA.

Environmental

Environmental and monitoring work continued in 2021 commensurate with existing permits for the site.

The Company is currently reviewing all existing permits to ensure planned work for 2021 is aligned and in compliance with existing permit conditions. Heatherdale's subsidiary Niblack Project LLC has entered into a Memorandum of Understanding ("MOU") with the Alaska Department of Natural Resources ("DNR"), under the authority of Alaska Statute 38.05. The purpose of the MOU is to establish a framework for DNR to coordinate the efforts and services of state agencies for the review and processing of future permitting requirements for the development of the Niblack Project. In addition, the Company will seek under this MOU the issuance of renewals for its Waste Management Permit and Alaska Pollutant Discharge System ("ADPES") Permit, both of which have been administratively extended by state agencies.

Additionally, the Company has initiated a review of all existing baseline environmental work completed at Niblack Project to date, and an assessment of additional baseline environmental programs required for the development of the Niblack Project.

Community Engagement

The Company has commenced meaningful engagement with its project stakeholders and Indigenous groups and it is a priority as management finalizes its new and long-term plans.

¹ AIDEA is a public corporation of the State of Alaska with a mission to promote, develop, and advance economic growth and diversification in the state by providing financing and investment.

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1.8 SUMMARY AND DISCUSSION OF QUARTERLY RESULTS

All monetary amounts in the table below are expressed in thousands of Canadian dollars except per share amounts and where otherwise indicated. Minor differences are due to rounding.

Statements of Comprehensive (Income) Loss	Jan 31 2021	Oct 31 2020	Jul 31 2020	Apr 30 2020	Jan 31 2020	Oct 31 2019	Jul 31 2019	Apr 30 2019
	Q1-2021	Q4-2020	Q3-2020	Q2-2020	Q1-2020	Q4-2019	Q3-2019	Q2-2019
Expenses								
Exploration and evaluation	\$ 1,827	\$ 503	\$ 36	\$ 40	\$ 49	\$ 115	\$ 78	\$ 52
General and administration	661	795	168	98	90	57	79	108
Loss (income) from operating activities	2,488	1,297	204	137	138	172	157	160
Other (income) expense items ¹	3	118	(75)	(226)	(54)	(15)	52	(97)
(Income) loss and comprehensive (income) loss	\$ 2,491	\$ 1,415	\$ 128	\$ (89)	\$ 84	\$ 157	\$ 210	\$ 63
Basic and diluted (income) loss per common share	\$ 0.11	\$ 0.07	\$ 0.01	\$ (0.01)	\$ 0.01	\$ 0.02	\$ 0.03	\$ 0.01

Note

1. Include foreign exchange differences, finance income, fair value adjustments on financial instruments carried at fair value, rental income and other income.

In Q4 2020, the Niblack Project was taken off care and maintenance and Q4 2020 exploration and evaluation expenses ("E&E") consisted of site preparations and planning for a drill program that commenced subsequent to fiscal year end. Prior to Q4 2020, E&E consisted of ongoing site maintenance and required environmental monitoring activities and liaison with community partners for the Niblack Project.

General and administration expenses ("G&A") have fluctuated in line with the level of activity, regulatory compliance requirements, financing activities and share based compensation recognized. In Q4 2020, the increase in G&A is a result of the Company being reactivated with the engagement of new management and directors, financing completed and issue of stock options resulting in share-based compensation expense of \$234,572 being recognized. In Q3 2020, the Company recorded a gain on settlement of related party payables of \$608,977 as a result of amounts being forgiven. In Q3 2020, the Company recorded a loss on settlement of convertible debenture of \$420,000.

1.7 RESULTS OF OPERATIONS

The following financial data is expressed in Canadian dollars unless otherwise specified. Minor differences are due to rounding.

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For the three months ended January 31, 2021, the Company recorded a comprehensive loss of \$2,491,769 or \$0.11 per share as compared to a comprehensive loss for the prior comparative period of \$84,187 or \$0.01 per share in 2020. The significant variances between the periods include:

- Exploration and evaluation expenditures have increased to \$1,827,186 (2020 - \$48,716) as result of the Niblack Project being taken off care and maintenance, the exploration drift being rehabilitated and an 1800 meter drill program completed.
- Management and director fees, wages and benefits increased to \$221,194 (2020 - \$39,314) as result of the Company restructuring and engaging new management and directors during the second half of calendar year 2020.
- Professional services increased to \$89,743 (2020 - \$10,114) as result of costs associated with property acquisition analysis.
- Marketing and investor relations expenditures increased to \$47,838 (2020 - \$1,101) as result of the increased engagement and marketing activities.
- Share-based compensation expense increased to \$229,242 (2020 - Nil) as a result of options vesting during the period. No options were issued or vested in the comparative period.

Investing Activities

Net cash used by the Company in investing activities for the three months ended January 31, 2021 was \$223,346 for the purchase of site equipment included in Exploration and evaluation assets.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

1.8 LIQUIDITY AND CAPITAL RESOURCES

The Company has no operations that generate cash flow. The Company's future financial success will depend on the discovery of one or more economic mineral deposits. This process can take many years, can consume significant resources and is largely based on factors that are beyond the control of the Company and its management. To date, the Company's major source of funding has been through the issuance of equity securities and the issue of a convertible debt instrument, primarily through private placements. The Company has also raised funds through secured loans and unsecured convertible loans. In order, for exploration and development companies, to continue funding their activities and corporate costs they are usually reliant on ongoing ability to raise financing through the sale of equity. This is dependent on positive investor sentiment,

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which in turn is influenced by a positive climate for the commodities that are being explored for, a company's track record, and the experience and caliber of a company's management. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern. There is no assurance that equity funding will be accessible to the Company at the times and in the amounts required to fund the Company's activities.

Cash and Financial Condition

As of January 31, 2021, the Company had cash and cash equivalents of approximately \$2.4 million, working capital of approximately \$1.3 million.

The Company manages its liquidity risk (i.e., the risk that it will not be able to meet its obligations as they become due) by forecasting cash flows from operations together with its investing and financing activities. Expenditures are adjusted to ensure liabilities can be funded as they become due. Management and the Board of Directors are actively involved in the review, planning, and approval of significant expenditures and commitments.

On March 18, 2021, the Company announced a non-brokered private placement to raise \$2.5 million at \$0.80 per common share, with the right to increase the total amount raised up to \$5 million.

1.9 TRANSACTIONS WITH RELATED PARTIES

(a) Related Party Transactions

During the three months ended January 31, 2021, the Company paid or accrued \$38,609 (2020 - Nil) for office space to a private company controlled by a common director.

(b) Key Management Compensation

Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and include the President & Chief Executive Officer, Chief Financial Officer, and appointed officers of the Company and Directors. For the three months ended January 31, 2021, total key management compensation was \$367,678 (2020 - \$52,374) which includes management fees and salaries of \$184,750 (2020 - \$52,374) and share based compensation of \$182,928 (2020 - \$Nil).

1.10 PROPOSED TRANSACTIONS

There are no proposed assets or business acquisitions or dispositions, other than those in the ordinary course.

1.11 CRITICAL ACCOUNTING ESTIMATES, JUDGEMENT AND ASSUMPTIONS

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are based on historical experience and other factors considered to be reasonable and are reviewed on an ongoing basis. Revisions to

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estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

Measurement uncertainties are described in the Company's audited consolidated financial statements for the year ended October 31, 2020.

1.12 FINANCIAL INSTRUMENTS

All financial instruments are required to be measured at fair value on initial recognition. The fair value is based on quoted market prices, unless the financial instruments are not traded in an active market. Measurement in subsequent periods depends on the classification of the financial instrument. A description of financial instruments and their fair value is included in the audited consolidated financial statements for the year ended October 31, 2020, filed on SEDAR at www.sedar.com and on the Company's website at www.heatherdaleresources.com.

1.14 DISCLOSURE OF OUTSTANDING SHARE DATA

The following details the share capital structure as of the date of this MD&A:

Common shares issued and outstanding	22,214,847
Share options	1,662,500
Warrants	310,575

1.15 RISK FACTORS

See the risk factors disclosed in the Company's annual Management's Discussion & Analysis for the year ended October 31, 2020 and filed on March 1, 2021 for a detailed discussion of the Company's risk factors.

1.16 ADDITIONAL INFORMATION

Additional information related to the Company is available for viewing on SEDAR at www.sedar.com and on the Company's website at www.heatherdale.com.

Cautionary Note Regarding Forward Looking Statements

The above discussion includes certain statements that may be deemed "forward-looking statements".

All statements in this disclosure, other than statements of historical facts, that address permitting, exploration drilling, exploitation activities and events or developments that the company expects, including statements regarding the Company's plans for 2021 on its Niblack Project and otherwise, the planned targeting and testing of the reinterpreted model for the Niblack Project, the potential to increase the overall mineral resource on the Niblack Project, the belief that value may be added to the Niblack Project through improved recovery methods and the planned components of the Phase II program and the timing of such components, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. In consideration of forward-looking statements the Company has made certain assumptions including but not limited to, the expectation that its exploration, development and engineering and financial assessment of the Niblack Project will be positive and that will be able to obtain all required environmental and other permits and all land use and other licenses and financing to develop a commercial mining operation. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continuity of mineralization, potential environmental issues and liabilities associated with exploration, development and mining activities, uncertainties related to the ability to obtain necessary permits, licenses and title and delays due to third party opposition, changes in government policies regarding mining and natural resource exploration and exploitation, continued availability of capital and financing, complications arising as a result of the COV-ID pandemic and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. For more information on the Company, investors should review the Company's continuous disclosure filings that are available at www.sedar.com.

Forward-looking statements are generally, but not always, identified by the use of forward-looking terminology such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "projects", "potential", "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will be taken", "occur" or "be achieved".

The Company reviews its forward-looking statements on an ongoing basis and updates this information when circumstances require it.

Cautionary Note to U.S. Investors Regarding Mineral Resource Estimates

Information regarding mineral resource estimates has been prepared in accordance with Canadian securities laws, which differ from the requirements of United States Securities and Exchange Commission ("SEC") Industry Guide 7. In October 2018, the SEC approved final rules requiring comprehensive and detailed disclosure requirements for issuers with material mining operations. The provisions in Industry Guide 7 and Item 102 of the Regulation S-K, have been replaced with a new subpart of 1300 of Regulation S-K under the United States Securities Act and will become mandatory for SEC registrants after January 1, 2021. The changes adopted are intended to align the SEC's disclosure requirements more closely with global standards as embodied by the Committee for Mineral Reserves International Reporting Standards (CRIRSCO), including Canada's NI43-101 and CIM Definition Standards. Under the new SEC rules, SEC registrants will be permitted to disclose "mineral resources" even though they reflect a lower level of certainty than mineral reserves. Additionally, under the New Rules, mineral resources must be classified as "measured", "indicated" or "inferred", terms which are defined in and required to be disclosed by NI 43-101 for Canadian issuers and are not recognized under SEC Industry Guide 7. An "Inferred Mineral Resource" has a lower level of confidence than that applying to an "Indicated Mineral Resource" and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of "Inferred Mineral Resources" could be upgraded to "Indicated Mineral Resources" with continued exploration. Accordingly, the mineral resource estimates and related information may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements under the United States federal laws and the rules and regulations thereunder, including SEC Industry Guide 7. U.S. investors are cautioned not to assume that any part of an inferred mineral resource exists or is economically or legally mineable.