JIULIAN RESOURCES INC.

Management Discussion and Analysis

For the Three Months Ended August 31, 2020

The following management's discussion and analysis ("MDA") has been prepared as of October 26, 2020 and should be read in conjunction un-audited condensed interim financial statements for the three and six months ended August 31, 2020 and the comparative period August 31, 2019. The condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards and all numbers are reported in Canadian dollars, unless otherwise stated.

Throughout the report we refer to Jiulian, the "Company", "we", "us", "our" or "its". All these terms are used in respect of Jiulian Resources Inc. All amounts stated are in Canadian dollars unless otherwise stated.

Cautionary Statement on Forward-Looking Information

This report contains "forward-looking statements", including, the Company's expectations as to but not limited to, comments regarding the timing and content of upcoming work programs and exploration budgets, geological interpretations, receipt of property titles, and potential mineral recovery processes. Forward-looking statements express, as at the date of this report, the Company's plans, estimates, forecasts, projections, expectations, or beliefs as to future events or results. The material factors and assumptions used to develop the forward-looking statements and forward looking information contained in this MD&A include without limitation the following:, assumptions, risks and uncertainties associated with general economic conditions; the Covid-19 pandemic; adverse industry events; our approved budgets, exploration and assay results, results of the Company's planned exploration expenditure programs, estimated drilling success rates and other prospects. Due to the nature of the mineral resource industry, budgets are regularly reviewed in light of the success of the expenditures and other opportunities that may become available to the Company. Accordingly, while the Company anticipates that it will have the ability to spend the funds available to it, there may be circumstances where, for sound business reasons, a reallocation of funds may be prudent.

Forward-looking statements involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements and Jiulian assumes no obligation to update forward-looking information in light of actual events or results.

Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements, include, but are not limited to, factors associated with fluctuations in the market price of minerals, mining industry risks and hazards, environmental risks and hazards, economic and political events affecting metal supply and demand, uncertainty as to calculation of mineral reserves and resources, requirement of additional financing, and other risks. Actual results may differ materially from those currently anticipated in such statements.

Readers are cautioned that the foregoing list of important factors and assumptions is not exhaustive. Forward-looking statements are not guarantees of future performance. Events or circumstances could cause the Company's actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

Overview Performance and Operations

Jiulian Resources Inc. (the "Company") was incorporated on October 17, 2006 under the laws of British Columbia. The Company was a capital pool Company as defined in the TSX Venture Exchange (the "Exchange") Policy 2.4. On July 28, 2009, the Exchange accepted for filing the Company's Qualifying Transaction, as a result, the Company resumed trading as a Tier 2 mining company under the symbol "JLR", on August 26, 2009. On February 12, 2016, the Company was transferred to NEX of the Exchange due to not being able to meet Tier 2 Continued Listing Requirements. The trading symbol of the Company was changed to "JLR.H".

The Exchange granted final approval on the reactivation of Jiulian from the NEX Board of the Exchange to Tier 2 of the Exchange effective Tuesday October 9, 2018. The Company commenced trading on the Exchange Tier 2 under symbol "JLR" on the effective date.

The Company's corporate office and principal place of business is located at 335 – 1632 Dickson Avenue, Kelowna, BC V1Y 7T2.

The Company is primarily engaged in the acquisition, exploration and development of mineral properties located in Canada and Brazil.. To date, the Company has not earned significant revenues and is considered to be in the exploration stage. The Company's current properties include mineral properties located in British Columbia and Brazil.

In addition to the below summary please refer to the Company's quarterly MD&A report dated July 24, 2020 ("Q1 2021 MD&A") and filed on SEDAR under the Company's profile.

During the recent quarter ended August 31, 2020 and as at the date of this report herein, the Company reports the following:

Corporate

Concurrent Financing

In connection with the Acquisition as described hereinbelow on October 8, 2020 the Company issued an aggregate of 17,500,000 Units at a price of $0.10 per Unit for aggregate gross proceeds of $1,750,000 ("**Concurrent Financing**").

Each Unit consists of one Common Share and one-half of one Common Share purchase warrant (each whole warrant a "**Warrant**"). Each Warrant entitles the holder to acquire one additional Common Share at a price of $0.15 per share until October 8, 2022, subject to an accelerated expiry in certain circumstances. In the event the closing trading price of the Company's shares is greater than $0.25 per share for a period of 10 consecutive trading days (the "**Acceleration Event**") the Company will give notice to the Warrant holders of the Acceleration Event and the Warrants will expire 30 days thereafter.

In connection with the Concurrent Financing, the Company paid to eligible finders' cash fees totaling $67,625 and issued an aggregate of 676,250 finders warrants (the "**Finders Warrants**"). Each Finder Warrant entitles the holder to acquire one Common Share at a price of $0.15 until October 8, 2022, subject to the Acceleration Event.

The Company anticipates that the net proceeds of the Concurrent Financing will be utilized to complete the Acquisition and to fund the required US$1M earn-in expenditures and related operating costs in relation to the development of the Pedra Branca Property as described hereinbelow.

Mineral Properties

Pedra Branca - Brazil

On July 29, 2020 the Company entered into a definitive agreement (the "**Option Agreement**") with Jaguar Mining Inc. ("**Jaguar**") to acquire up to a 100% interest in the Pedra Branca property (the "**Pedra Branca Property or Predra Branca**"") tenement package, located in Ceará State, North-eastern Brazil (the "**Acquisition**").

Pedra Branca is located in Ceará State, Northeast Brazil. The state is a pro-mining region with excellent infrastructure. The capital of the state, Fortaleza, is approximately 280 kilometers from the Pedra Branca and has an international airport and provides good access to the Pedra Branca. The Pedra Branca Property consists of 24 exploration licenses covering 38,926 hectares. Infrastructure includes paved roads, access to the power grid and mine facilities are situated on-site. Jaguar acquired the project area in 2007.

Highlights of Option Agreement for Pedra Branca include:

- 75% interest for US$1 million in exploration expenses
- Jiulian can increase its interest to 100% by delivering a technical report that is compliant with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("**NI 43-101**") and granting a 0.5% net smelter royalty (an "**NSR**") to Jaguar.
- Jiulian will be the operator of the exploration program
- Jiulian can purchase half of the NSR for US$1 million

Consideration for the initial 75% interest in the Pedra Branca Property can be earned through exploration expenditures totaling a minimum of US$1 million (the "**Earn-In Expenditures**"). This exploration budget under the Option Agreement was determined as the minimum work commitment to maintain the tenement area in good standing with the Brazilian Ministry of Mines and Energy. Jiulian can increase its interest to 100% by delivering a NI 43-101 (National Instrument) technical report on the Pedra Branca Property.

Pursuant to the terms of the Option Agreement, Jiulian will be the operator on the Pedra Branca Property and Jaguar has agreed to provide technical support during the initial hand-over period. Both Jiulian and Jaguar will share responsibility for the preparation and submission of the final exploration reports should time constraints become critical

Jaguar shall retain a back-in-right to acquire a 24% interest (the "**Back-In-Right**") wherein upon completion of the Earn-In Expenditures (the "**Earn-In Vesting Date**") Jaguar shall have 45 days from the Earn-In Vesting Date to exercise its Back-In Right by paying the Company 2.5 times the Earn-In Expenditures incurred by the Company resulting in the Company holding at 51% interest and Jaguar a 49%. In the event Jaguar exercises its Back-in-Right the parties shall form a joint venture (the "**JV**"). In the event any party dilutes their interest below 10%, such interest shall revert to 0.5% NSR (the "**JV NSR**") of which 0.25% of the JV NSR may be purchased for US$1 million by the non-diluting party.

The Pedra Branca Property is also subject to underlying royalties to the original vendors which include:

i. Base Metal – 1.0% on gross revenues over any production for as long as there is effective production and sales;
ii. Gold Deposit:
    a. In the case of Measured and Indicated Resources of up to 200,000 Au oz = 0.5% royalty on gross revenues and a US$500,000 payment due within 3 months after commercial production; and
    b. In the case of Measured and Indicated Resources in excess 200,000 Au oz = 1.0% royalty on gross revenues and in this scenario 0.5% of the royalty may be purchased for US$750,000.

The Acquisition among other things was subject to Exchange approval. The Company received Exchange approval on October 14, 2020.

A technical report (the "**Report**") prepared in accordance with the requirements of NI 43-101 and entitled "*Technical Report, Geology, Mineralization and Exploration of the Pedra Branca Gold Project*." authored by Brett R Marsh, CPG and Jean-Marc Lopez, FAusIMM, has been accepted by the Exchange and is filed under the Company's profile on the SEDAR website at www.sedar.com.

The Report establishes the Pedra Branca as a property of merit and recommends an exploratory drill program. All required permits to execute the exploration program have been secured by the Company.

See news releases dated July 30, 2020 and October 14, 2020 for additional details on the Acquisition on www.SEDAR.com and the Company's website at: www.jiulianresources.com

Exploration

On October 22, 2020 the Company mobilized a Reverse Circulation (RC) drill rig to the Pedra Branca Property. Drilling will focus on confirmation of known mineralized zones and the extensions on trend zones of gold mineralization intercepted by trenches from five prospective targets that have previously been identified: Mirador, Queimadas e Coelhos, Igrejinha and Mir-Coelhos, covering 12.5km of trend (30% of total 42km trend).

Highlights Of The Phase 1 Program Include:

- Field work is currently ongoing at Pedra Branca with trenching, channel sampling and prospecting in full swing. Nine trenches have been completed and sampled to date with assays pending.
- Currently the Company has planned 74 exploratory drill holes for approximately 4,500 meters of RC drilling at Mirador, Queimadas e Coelhos, Igrejinha and Mir-Coelhos which has previous work done, drill-core samples and mineralization extension along the prospective trend (figure 6);
- In addition, 8 drill holes have been planned for approximately 500 meters to twin historic drill holes which will be used to prepare a maiden 43-101 resource estimate. The Company is completing an inventory of historical drill core for selecting the twin holes to be drilled.

See news releases dated July 29, 2020 and October 22, 2020 for additional details on drill targets, figures, maps and exploration plans on www.SEDAR.com and the Company's website at: www.jiulianresources.com

Outlook

The Company has commenced the recommended Phase 1 RC Drilling program results of which management anticipates will contribute considerably for a better understanding of the geology, structure and controls on the gold mineralization near surface in order to support a second stage exploration program of diamond drilling. The Company will update shareholders as results become available. The Company is currently funded to complete the Earn-In Expenditures pursuant to the Option Agreement, however additional funds will be required to complete any further development including a second phase diamond drill program.

Covid-19

Since February 29, 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Expenditures to date on Exploration and Evaluation Assets include:

For the six months ended August 31, 2020:

	Brazil PedraBranca	Canada Big Kidd	Total
Balance as at February 29, 2020	$ -	$ 1,314,670	1,314,670
Exploration Costs			**-**
Fieldwork	-	**4,200**	**4,200**
Geological	**7,000**	**-**	**7,000**
43-101 Technical Report	**6,881**	**-**	**6,881**
Core shack rental	**-**	**1,100**	**1,100**
Total Exploration costs	**13,881**	**5,300**	**19,181**
Balance as at August 31 2020	**13,881**	**1,319,970**	**1,333,851**

For the year ended February 29, 2020:

	Bid Kidd
Balance as at February 28, 2019	$ 561,971
Exploration Costs	
Assaying	90,545
Drilling	382,315
Field equipment and supplies	408
Fieldwork	77,952
Geological	96,190
GIS Mapping and reports	1,000
Camp/Site Costs	34,496
Transport, helicopter, rental equipment & fuel	58,495
Travel/Site	11,298
Total Exploration costs	752,699
Balance at February 29, 2020	**$** 1,314,670

Financial Results for the three months ended August 31, 2020 and 2019

The Company has no operating revenues and relies on external financings to generate capital for its continued operations. As a result of its activities Jiulian continues to incur annual net losses.

For the three months ended August 31, 2020, the Company reported a $51,425 net and comprehensive loss or $0.00 basic and diluted loss per share compared to a $22,409 net comprehensive loss or $0.00 loss per share for the same comparative period ended August 31, 2019. The current period loss was primarily attributed to general and administration costs as described hereinbelow of $41,660 (2019 - $23,429) offset by interest income of $Nil (2019 – $1,379).

Financial Results for the six months ended August 31, 2020 and 2019

For the six months ended August 31, 2020, the Company reported a $63.823 net and comprehensive loss or $0.00 basic and diluted loss per share compared to a $48,275 net comprehensive loss or $0.00 loss per share for the same comparative period ended August 31, 2019. The current period loss was primarily attributed to general and administration costs as described hereinbelow of $53,257 (2019 - $57,077) and share-based payments of $9,557 (2019 - $Nil) in connection with the grant of 300,000 options offset by interest income of $Nil (2019 – $9,420).

The summary of general and administrative expenditures included:

	Three Months Ended August 31			Six Months Ended August 31		
	2020	2019	**Variance**	**2020**	2019	**Variance**
	$	$	**$**	**$**	$	**$**
Accounting and legal	**1,483**	3,426	**(1,943)**	**1,483**	3,892	**(2,408)**
Conferences	**-**	-	**-**	**-**	621	**(621)**
Consulting	**19,013**	2,475	**16,538**	**23,220**	18,413	**4,808**
Website, shareholder communication	**6,035**	7,362	**(1,327)**	**6,035**	7,362	**(1,327)**
Insurance	**3,750**	856	**2,894**	**3,750**	2,371	**1,379**
Office and administration fees	**4,552**	4,001	**551**	**6,257**	8,587	**(2,329)**
Regulatory fees	**2,888**	1,779	**1,109**	**6,551**	7,729	**(1,178)**
Rent	**3,000**	2,250	**750**	**4,500**	4,500	**-**
Transfer agent fees	**939**	591	**348**	**1,461**	1,352	**109**
Travel	**-**	689	**(689)**	**-**	2,251	**(2,251)**
	41,660	23,429	**18,231**	**53,257**	57,077	**(3,820)**

General and administrative expenses saw an overall 7% decrease in general and administration costs for the six months ended August 31, 2020 and a 78% increase in the three months ended August 31, 2020 in comparison to the prior period ended August 31, 2019.

The increase in expenditures for the current three months ended August 31, 2020 were due to the increase of corporate activities in connection with the Acquisition and Concurrent Financing as described hereinabove.

Categories to note included:

Consulting fees – the increase in consulting fees was during the current quarter were in connection to the activities in connection with the Acquisition and Concurrent Financing (See Key Management Compensation).

Summary of quarterly results

The following is a summary of selected financial data for the Company for the eight most recently completed quarters.

	For the quarters ended			
	August 31 2020	May 31 2020	February 29 2020	November 30 2019
Total interest income	**$-**	**$-**	$94	$-
Net loss	**(51,425)**	**(12,399)**	(27,135)	($7,675)
Basic and diluted loss per share	**($0.00)**	**($0.00)**	($0.00)	($0.00)

	For the quarters ended			
	August 31 2019	May 31 2019	February 28 2019	November 30 2018
Total interest income	$1,378	$8,040	($3,067)	$2,992
Net loss	($22,409)	($25,968)	($204,230)	($25,980)
Basic and diluted loss per share	($0.00)	($0.00)	($0.01)	($0.00)

Other Significant variances to note included:

During the fourth quarter February 28, 2019 the primary component of the net loss include the write-off of the Little Fort property of $115,781 as described herein. Additionally, the Company recorded share-based payment expenses of $42,684 in connection with the grant of 1,180,000 options.

Liquidity and capital resources

	August 31 2020	February 29 2020
Financial position:		
Cash	**$ 483,153**	$ 38,737
Working capital	**$ 346,070**	$(44,754)
Total Assets	**$ 1,850,544**	$1,442,301
Shareholders' equity	**$ 1,689,054**	$1,279,465

As at August 31, 2020 the Company had a working capital of $346,070 (February 29, 2020 – $44,754 deficiency). The increase in working capital was a result of the completion of the June 2020 Offering. Included in working capital as at August 31, 2020 were subscription proceeds of $219,500 in connection with the Concurrent Financing that was completed on October 8, 2020 for gross proceeds of $1,750,000

Additionally, during the period ended August 31, 2020 the Company received a GST refund of $67,565 included in taxes recoverable at February 29, 2020 ($68,391).

Additionally, the Company completed its Offering for gross proceeds of $250,000 on June 17, 2020

Offering and Concurrent Financing have strengthened the Company's balance sheet and provided working capital and the capital to fund the Earn-In Expenditures of US$1,000,000 for the Pedra Branca Property.

Use of Proceeds

Use of Proceeds in connection with the June 2020 Offering include:

June 2020 Offering	**$250,000**
Less share issue costs	**(5,645)**
Net proceeds	**244,355**
Exploration expenditures at August 31, 2020	**(19,181)**
General and Administrative	**(53,257)**
Balance to working capital	**$171,916**

The Company anticipates that the net proceeds of the Concurrent Financing will be utilized to complete the Acquisition and to fund the required US$1M earn-in expenditures and related operating costs in relation to the development of the Pedra Branca Property as described hereinbelow

The Company has not yet generated revenue to date and the Company's activities have been funded through equity financing and the Company expects it will continue to be able to utilize this source of financing until it develops cash flow from future operations for the advancement of exploration and development of its exploration assets.

There can be no assurance that the Company will be successful in its endeavors. If such funds are not available or other sources of finance cannot be obtained, then the Company will be forced to curtail its activities to a level for which funding is available and can be obtained.

Off balance-sheet arrangements

There are currently no off-balance sheet arrangements and no new information to report since the annual management's discussion and analysis.

Transactions with related parties

a) Key Management Compensation

	August 31 2019	August 31 2019
Key management personnel compensation comprised:		
Consulting fees:	**$23,720**	$25,663

i) Consulting fees of $3,500 (2019 – $Nil) were paid or accrued to Douglas Meirelles, the Company's President and CEO of the Company. Mr. Meirelles was appointed as President and CEO effective July 9, 2020.
ii) Consulting fees of $Nil (2019 – $9,750) were paid or accrued to Charlie Cheng, the Company's former President and CEO of the Company. Mr. Cheng resigned as President and CEO effective July 9, 2020 and Mr Meirelles was appointed in his stead.
iii) Consulting fees of $19,720 (2019 – $9,413) were paid or accrued to Minco Corporate Management Inc. ("Minco") a company controlled by Terese Gieselman a director of the Company. Ms Gieselman was appointed CFO effective May 15, 2019.
iv) Administration fees of $500 (2019 – $6,500) were paid or accrued to Minco in relation to providing administrative and accounting employment services.

a) **Related Party Liabilities**

Amounts due to:	Service for:	**August 31 2020**	**February 29 2020**
Minco	Consulting Fees	**$5,906**	**$2,550**
Golden Ridge Resources Ltd. [1]	Rent & Expenses	**3,150**	**-**
Total related party payables		**$9,056**	**$2,550**

b) Rent

The Company currently pays Golden Ridge Resources Ltd. rent and expenses on a month to month basis for shared offices space at approximately $750 per month effective September 1, 2018 for a total $4,500 as at August 31, 2020 (2019 – $4,500).

Critical Accounting Policies and Estimates

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized in the period of the change, if the change affects that period only, or in the period of the change and future years, if the change affects both.

Information about critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities included in the preparation of these financial statements are discussed below:

Going Concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgement based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Impairment of Exploration and Evaluation Assets

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company. If, after exploration and evaluation expenditures are capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount the Company carries out an impairment test at the cash-generating unit or group of cash-generating unit's level in the year the new information becomes available. Such impairment tests and recoverable value models have a degree of estimation and judgment which may differ in the future.

Valuation of Share-based Payments

The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Mining exploration tax credits

The Company is entitled to refundable tax credits on qualified resource expenditures incurred in Canada. Management's judgment is applied in determining whether the resource expenditures are eligible for claiming such credits and determining an appropriate accrual.

New Accounting Standards Adopted During the Period

The Company has adopted the following new and revised accounting pronouncements:

New Standard IFRS 16 "Leases"

On March 1, 2019 the Company adopted the new standard IFRS 16 which replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing single, on-balance sheet accounting model that is similar to current finance lease accounting, with the limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed.

The adoption of this accounting standard had no impact on the Company's financial statements as the Company does not have any leases.

Financial instruments and other instruments

The Company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management. The effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets are reviewed periodically by the Board of Directors if and when there are any changes or updates required.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

<u>Market Risk</u>

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of interest rate and commodity price risk.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has cash balances and non-interest-bearing debt. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy.
Cash and guaranteed investment certificates are subject to floating interest rates.

The Company as at August 31, 2020, does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be immaterial.

Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities may be subject to risks associated with fluctuations in the market prices of the relevant commodities. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Foreign Exchange Risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and United States dollar and other foreign currencies will affect the Company's operations and financial results. The Company does not hold significant monetary assets or liabilities in foreign currencies and therefore is not exposed to significant risks arising from the fluctuation of foreign exchange rates.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and receivables. Cash is maintained with financial institutions of reputable credit and may be redeemed upon demand and receivables are entered into with credit-worthy counterparties.

The carrying amount of financial assets represents the maximum credit exposure. Credit risk exposure is limited through maintaining cash with high-credit quality financial institutions and management considers this risk to be minimal for all cash assets based on changes that are reasonably possible at each reporting date.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to endeavour that it will have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. However, circumstances may arise where the Company is unable to meet those goals. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days. To achieve this objective, the Company would prepare annual capital expenditure budgets, which are regularly monitored and updated as considered necessary. Further, when required the Company utilizes authorizations for expenditures on exploration projects to further manage expenditure.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable and option payment commitments. The Company endeavours not to maintain any trade payables beyond a 30-day period to maturity.

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. The statements of financial position carrying amounts for receivables, and trade and other payables approximate fair value due to their short-term nature.

Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

The fair value of the sale of cash and cash equivalents, has been determined by reference to published price quotations in an active market, a Level 1 valuation.

Capital Management

The Company monitors its common shares, warrants and stock options as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. Management reviews the capital structure on a regular basis to ensure that the above objectives are met. The Company's capital is not subject to any externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the period ended August 31, 2020.

Outstanding Share Data

Jiulian's authorized capital is unlimited common shares without par value. During the period September 1, 2020 and as at the date of this report the Company completed the Concurrent Financing resulting in 58,786,667 common shares as issued and outstanding as of the date hereof. Additionally, the Company as at the date of this report had the following outstanding options, warrants and convertible securities as follows:

Type of Security	**Number**	**Exercise price**	**Expiry Date**
Stock Options	945,000	$0.07	Dec-17-2023
Stock Options	300,000	$0.05	July 9, 2025
Share Purchase Warrants	15,166,667	$0.10	Jun-15-2021
Share Purchase Warrants	5,000,000	$0.075	Jun-17-2022
Agent Warrants	315,000	$0.075	Jun-17-2021
Share Purchase Warrants	8,750,000	$0.15	Oct-08-2022
Agent Warrants	676,250	$0.15	Oct-08-2022

Shares in Escrow

As at the date of this report hereof there were no shares held in escrow.

Risks and uncertainties

The Company is in the mineral exploration and development business and as such, is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. The industry is capital intensive and is subject to fluctuations in market sentiment, metal prices, foreign exchange and interest rates. There is no certainty that properties which the Company has described as assets on its balance sheet will be realized at the amounts recorded. The only sources of future funds for further exploration programs or, if such exploration programs are successful for the development of economic ore bodies and commencement of commercial production thereon, which are presently available to the Company are the sale of equity capital or the offering by the Company of an interest in its properties to be earned by another party carrying out further exploration or development. Although the Company has been successful in accessing the equity market during the past years, there is no assurance that such sources of financing will be available on acceptable terms, if at all.

The Company does not have any employees. All work is carried out through independent consultants and the Company requires that all professional consultants carry their own insurance to cover any potential liabilities as a result of their work on a project. In certain cases where consultants are unable to carry their own insurance the Company includes such individuals under its coverage.

With the recent Exchange approval for the Pedra Branca Property located in Brazil the Company will be subject to additional risk factors in relation to operating in a foreign jurisdiction which initially include but are not limited to:

Foreign currency risk

The Company's functional currency is the Canadian dollar and it transacts major purchases in Canadian dollars and in connection with the Earn-In Expenditures as described herein will incur expenditures in US$1,000,000 United States dollars translated in most cased to the local Brazilian Reais currency. To fund the Earn-Expenditures the Company will be required to maintain a Brazilian Real-denominated bank account containing sufficient funds to support monthly forecasted cash outflows.

Political stability and government regulations in Brazil

The Company's interests in Brazil that may be affected in varying degrees by political instability, government regulations relating to the mining industry and foreign investment therein, and the policies of other nations in respect of Brazil. Any changes in regulations or shifts in political conditions are beyond Company's control and may adversely affect its business. Company's operations may be affected in varying degrees by government regulations, including those with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, employment, land use, water use, environmental legislation and mine safety. The regulatory environment is in a state of continuing change, and new laws, regulations and requirements may be retroactive in their effect and implementation. The Company's operations may also be adversely affected in varying degrees by political and economic instability, economic or other sanctions imposed by other nations, terrorism, military repression, crime, extreme fluctuations in currency exchange rates and high inflation.

COVID-19 Pandemic Risk - Brazil

The recent outbreak of COVID-19 has had a significant impact on the volatility of USD/BRL exchange rates, and governmental actions to contain the outbreak may impact our ability to complete our Exploration program. The global pandemic could cause temporary closure of businesses in regions that are significantly impacted by the health crises, or cause governments to take or continue to take preventative measures such as the closure of points of entry, including ports and borders which could impact our ability to staff operations.

Going Concern

The Company has not generated revenues from its operations to date. These financial statements are prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company had a net loss of $63,823 (2019 – $48,375), a working capital of $346,070 (February 29, 2020 - $44,754 deficiency) and has accumulated a deficit of $2,444,791 (February 29, 2020 – $2,380,968) since inception. The Company will continue to have to raise funds to resolve its current working capital deficit in order to continue the development of its exploration properties and general operations.

As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties. The Company has financed its operations to date primarily through the issuance of common shares and exercise of stock options and share purchase warrants.

Management cannot provide assurance that the Company will ultimately achieve profitable operations or positive cash flow. The Company's continuation as a going concern is dependent on its ability to attain profitable operations and raise additional capital. These matters indicate the existence of material uncertainties that cast significant doubt about the Company's ability to continue as a going concern. The Company's accompanying financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses and statement of financial position classifications that would be necessary if the going concern assumption was inappropriate. Such adjustments could be material.

Any forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the Company and other factors.

Other Requirements

Additional disclosure of the Company's material change reports, news release and other information can be obtained under the Company's profile on SEDAR at www.sedar.com.