Management Discussion and Analysis
of
Financial Position
and
Results of Operations
for the
Year ended March 31, 2021

This report is dated July 28, 2021
(The "Report Date")

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Introduction

The following information should be read in conjunction with the consolidated financial statements of Evolving Gold Corp. ("Evolving" or the "Company") for the years ended March 31, 2021 and 2020.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). This discussion includes the results of the Company's wholly owned subsidiaries:

- Evolving Gold Corp. (Nevada, USA)
- Rattlesnake Mining Corp. (Canada), and
- Rattlesnake Mining (Wyoming) Company (Wyoming, USA)

Note 3 of the consolidated financial statements at March 31, 2021 describes all of the Company's significant accounting policies. During the year ended March 31, 2021, the Company's critical accounting estimates and significant accounting policies have remained substantially unchanged.

All amounts presented in this document are stated in Canadian dollars, the functional and reporting currency of the Company, except where otherwise noted.

Cautionary Note Regarding Forward Looking Statements

This Management Discussion and Analysis ("MD&A") is intended to supplement and complement the consolidated financial statements of the Company for the years ended March 31, 2021 and 2020, and the notes thereto (collectively the "Financial Statements"). Readers are encouraged to review these Financial Statements in conjunction with a review of this Management Discussion and Analysis. Certain notes to the Financial Statements are specifically referred to in this Management Discussion and Analysis and such notes are incorporated by reference herein. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. These forward-looking statements are based on, but not limited to, material assumptions including: title to the Company's exploration properties; the level and suitability of exploration expenditures relating to those properties, including decisions regarding the impairment of mineral property expenditures; rehabilitation requirements; commodity prices; access to funding and capital markets conditions generally; various accounting estimations related to income taxes, share based payments and the valuation of available for sale securities; a sufficiently stable and healthy global economic environment; and other expectations, intentions and plans contained in this MD&A that are not historical fact.

When used in this MD&A, the words "plan," "expect," "believe," and similar expressions generally identify forward looking statements. These statements reflect current expectations. They are subject to a number of risks and uncertainties, including those factors disclosed under Risks and Uncertainties below. In light of the many risks and uncertainties, readers should understand that the Company cannot offer assurance that the forward-looking statements contained in this analysis will be realized.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth below.

Additional information relating to the Company may be found on SEDAR at www.sedar.com or at the company's website at www.evolvinggold.com.

Corporate Overview

The Company became a reporting issuer in the Provinces of Alberta, British Columbia and Ontario on May 14, 2004. The Company has traded on various exchanges since inception, and currently trades on the Canadian Stock Exchange (CSX: EVG since July 25, 2014)

Description of Business

Evolving Gold Corp. ("Evolving" or the "Company") is a Canadian-based mining exploration company engaged in the acquisition, exploration and development of natural resource properties. The Company's focus was Canadian based mineral exploration properties, however the Company is currently evaluating its projects and seeking opportunities.

Changes in Management, Directors, and Corporate Activities

The Company is currently actively seeking new business opportunities and has and continues to evaluate a number of prospects.

On November 16, 2020, the Company confirmed that R. Bruce Duncan, the Chief Executive Officer of the Company had passed away suddenly.

On November 19, 2020, the Company announced that Mr. Charles Jenkins CPA, CGA, the Company's chief financial officer for the past ten years, had been appointed as interim chief executive officer, effective immediately, and had also been appointed as a director of the Company.

On January 14, 2021, the Company announced the resignation of Robert Horsley as a director of the Company.

On January 20, 2021, the Company announced the appointment of Mr. David Velisek as a director of the Company. Mr. Velisek has been involved in the capital markets for over 25 years. He has been a licensed trader of equities, options and futures, as well as Investment Adviser. He has also held roles in investor relations as well as providing consulting services to public companies. Currently, Mr. Velisek is a director of Trillium Gold Mines Inc., Datinvest International Ltd. and Cognetivity Neurosciences Ltd. He has previous acted as director of Lifestyle Delivery Systems Inc., Amador Gold Corp., Novo Resources Corp., Finore Mining Inc. and Delon Resources Corp. Mr. Velisek is currently employed with Baron Global Financial Canada Ltd.

In February 2021, the Company closed a private placement of $250,000 through the issuance of 5,000,000 units at $0.05 per unit. Each unit consists of one share and one transferable share purchase warrant exercisable at $0.08 per share for a period of two years.

In February 2021, the Company converted a shareholder loan and accrued interest, totaling $67,380, to common shares. Accordingly, 1,347,616 common shares were issued at $0.05 per share. All shares are subject to a four month hold period from the date of issuance.

On July 23, 2021, the Company consolidated its common shares on the basis of ten pre-consolidated common shares for one post-consolidation common shares of the Company. The 22,569,994 pre-consolidation common shares issued and outstanding were adjusted to 2,257,000 post-consolidation common shares.

Mineral Properties

During the year ended March 31, 2021, the Company did not incur any exploration expenditures. The Company retains certain Quebec properties and is reviewing its plans with respect to those claims, which expire in late 2021.

During the year ended March 31, 2020, the Company evaluated its existing properties and conducted minimal work. Property expenditures of $2,740 were incurred in 2020 to allow for the return of bonds held by various regulatory bodies, and general administrative costs of maintaining the property while the remaining bonds are outstanding.

Results of Operations

The results for the year ended March 31, 2021 and 2020 are as follows:

	2021	**2020**
Income (loss) for the period	$(184,369)	$23,576
Comprehensive income (loss) for the period	$(184,369)	$23,576
Basic and diluted income (loss) per share	$(0.11)	$ 0.01

On an operating basis, the loss for the year ended March 31, 2021 was $185,191 (2020 - $278,588). On a comprehensive basis, the 2021 loss was $184,369 compared to 2020 income of $23,576 due to a recovery on mineral properties of $204,843, a gain on settlement of debt of $95,347 and a gain on disposal of assets of $2,431. No similar gains occurred in 2021.

The operating expenditures reflect the following:

- Accounting and related fees were $22,744 compared to $25,305. These related primarily to the annual audit and tax filing related fees;
- Advertising and promotion was $2,995 (2020 - $nil) due to new release distribution costs;
- Amortization of $nil (2020 - $318) reflects the disposal of depreciable assets by the Company;
- Bank charges and interest of $482 and $7,188 respectively (2020 - $3,939) are due primarily to interest related to the loans received and outstanding for the respective periods, while bank charges were comparable;
- Legal expense of $10,461 was comparable to the $10,306 incurred in 2020 which both resulted from legal fees for corporate activities and filings with regulatory bodies;
- Management fees of $116,250 (2020 - $150,000) were reduced due to the passing of Mr. Duncan in the period;
- During 2020, $2,740 of reclamation mineral expenditures were incurred. There were no similar expenses in 2021, although this could change if such work is directed by the regulators as a result of their evaluation of the properties for which bonds are still held, or if the Company renews its current Quebec claims;
- Office expense of $8,761 (2020 - $54,641) reflect the cost to maintain the operations of the Company, primarily with respect to the now closed head office lease in 2020, and general corporate expenses. Expenses were lower overall due to cost controls implemented; and
- Transfer agent and filing fees of $16,310 (2020 - $31,339) reflect the ongoing costs to maintain listings, transfer services and the timing of corporate activities.

Non-operating items affecting the loss for the period include:

- Foreign exchange was a gain of $822, and a loss of $574 in 2020 due to the variations in the value of the Canadian dollar relative to the US dollar during the periods; and
- Interest income was $nil year to date compared to $117 in 2020.

Summary of Quarterly Results (Unaudited)

The following is a summary of the results from the eight previously completed financial quarters:

	Fiscal 2021			
	Q4 **March 31, 2021**	**Q3** **December 31, 2020**	**Q2** **September 30, 2020**	**Q1** **June 30, 2020**
Comprehensive loss	(51,427)	(33,909)	(53,284)	(45,749)
Income (loss) per share	-	-	-	-
Total assets	162,620	21,142	21,818	26,352
Working capital	(114,369)	(380,322)	(346,413)	(293,129)

	Fiscal 2020			
	Q4 **March 31, 2020**	**Q3** **December 31, 2019**	**Q2** **September 30, 2019**	**Q1** **June 30, 2019**
Interest income and other	-	-	-	117
Exploration and evaluation expenditure	-	-	-	2,740
Comprehensive income (loss)	(35,407)	(91,269)	221,665	(71,413)
Income (loss) per share	-	(0.01)	0.01	(0.01)
Total assets	34,414	38,211	36,778	34,369
Working capital	(247,380)	(199,223)	(120,704)	(343,748)

Q4, 2021 results

The results in Q4 2021 were comparable to the losses in the previous quarters of fiscal 2021 except that during Q4 estimated audit fees for the annual audit of $20,000 were accrued, interest on the shareholders loans was reduced, and management fees were also reduced as there is currently only one executive officer in the Company.

Interest Income
Interest income fluctuated with the amount of interest earning assets held and the interest rate earned thereon.

Net Loss
Net loss varies based on normal corporate expenditures and certain periodic expenses, such as share-based compensation. Share-based compensation varies with the timing of vesting of option grants.

Working Capital
Working Capital for many quarters presented above decreased due to exploration and administrative costs, and increased when assets were sold, or when debt settlements occurred.

Selected Annual Information

	2021 Canadian $	2020 Canadian $	2019 Canadian $
Interest income	-	117	261
Share Based Payments	-	-	5,696
Exploration and evaluation expenditures	-	2,740	46,774
Comprehensive income (loss) for the year	(184,369)	23,576	(81,568)
Income (loss) per share, basic and fully diluted	(0.11)	0.01	(0.11)
Total assets	162,620	34,414	48,738
Total non-current liabilities	18,458	20,773	89,788
Working capital	(114,369)	(247,380)	(272,653)

Capital Expenditures

During the year ended March 31, 2021, the Company incurred net capital expenditures of $nil (2020 - $nil).

Financing Activities

During the year ended March 31, 2021 the Company:

- received from the former CEO of the Company an advanced $23,542 to the Company for expenses related to the 2020 audit and filing fees. Interest of $2,354 was accrued with respect to this debt which was repaid in full during the year;
- completed a private placement to raise $250,000 through the issuance of up to 500,000 shares at $0.50 per unit. Each unit consisted of one share and one transferable share purchase warrant exercisable at $0.80 per share expiring February 9, 2023; and
- converted the shareholder loan and accrued interest, totalling $67,380, issuing 134,762 common shares were at $0.50 per common share.

During the year ended March 31, 2020, the Company:

- announced that the proposed reverse takeover by Bocana had been terminated. As a result of a mutually agreed settlement, the loan received from Bocana had been forgiven. Accordingly, during the year ended March 31, 2020, the Company recorded a gain of $88,198 (2021 - $nil) as a result of the settlement of the Bocana loan;
- entered into a loan agreement with a shareholder, and received a loan of $60,000, and bearing interest at a rate of 10% per annuum, repayable on October 29, 2020. The loan is convertible to common shares of the Company at the lesser of $0.75 per share, or such price the company has then most recently issued shares on a private or public basis (subject to a minimum of five cents per share), and may be prepaid, provided a full 12 months of interest is paid. The Company issued 50,000 bonus shares to the lender at a fair value of $nil.

Liquidity and Capital Resources

The Company's aggregate operating, investing and financing activities for the year ended March 31, 2021 resulted in a cash increase of $136,919 (2020 - decrease of $12,544). As at March 31, 2021, the Company's cash balance was $140,580 (2020 - $3,661) and the Company had a working capital deficit of $114,369 (2020 - $247,380).

The Company has not yet put into commercial production any of its mineral properties and as such has no operating revenues. Accordingly, the Company is dependent on the equity markets as its sole source of operating working capital. The Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.

The Company will continue to require funds to meet its obligations and as a result, will have to continue to rely on equity and debt financing during such period. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company. The Company continues to review its mineral property holdings on an annual basis. The Company does not have any other commitments for material capital expenditures either in the near or long term over normal operating requirements and none are presently contemplated other than as disclosed above.

Transactions with Related Parties

Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include the Company's CEO and CFO. Payments to key management are recorded as management fees. Share-based payments were incurred for both key management and directors. No directors' fees were paid during the applicable years.

The following key management compensation was incurred:

	Year ended March 31, 2021	2020
Management fees and salaries	$ 116,250	$ 150,000
	$ 116,250	**$ 150,000**

Management fees and are payable in Canadian dollars. The fees were accrued as payable to Bruce Duncan, the CEO of the Company and later to his estate, and to a company controlled by Charles Jenkins, the CFO of the Company. Unpaid and accrued management fees as of March 31, 2021 were $161,250 (2020 - $95,000) and are included in accounts payable and accrued liabilities. During the period, the late CEO of the Company advanced $23,542 to the Company for expenses. Interest of $2,354 was accrued with respect to this debt. The loan and interest were repaid during the year.

Off Balance Sheet Arrangements

To the best of management's knowledge, there are no other off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the company.

Critical Accounting Estimates and Changes in Accounting Polices

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 estimates and assumptions of the Company are set out in Note 4 to the Financial Statements for the year ended March 31, 2021, which are incorporated herein by reference. The reader is referred to the Financial Statements for a detailed discussion of the accounting policies.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

The assumption that the Company will be able to continue as a going concern is subject to critical judgments of management with respect to assumptions surrounding the short- and long-term operating budget, expected profitability, investing and financing activities, and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

Future Accounting Changes

The Company did not adopt any new or amended standards for the year beginning April 1, 2020.

Financial Instruments

The Company is exposed to risks that arise from its use of financial instruments.

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, while 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 finance function.

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.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk.

Interest Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to significant interest rate risk due to the short term to maturity of its financial instruments.

Commodity Price Risk

Commodity price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate as a result of changes in commodity prices. The Company is not exposed to significant commodity price risk.

Foreign Currency Risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and United States dollar or other foreign currencies will affect the Company's operations and financial results. The Company has exposure to foreign exchange rate fluctuation. The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in United States dollars. The Company has not entered into any foreign currency contracts to mitigate this risk. The Company holds balances in United States dollars that could give rise to exposure to foreign exchange risk.

Sensitivity to a plus or minus 10% change in the foreign exchange rate of the US dollar to the Canadian dollar would affect the reported loss and comprehensive loss by approximately $725 (2020 - $817) as detailed below:

United States Dollar Denominated Balances	**March 31,2021**	**March 31, 2020**
Accounts payable	$ (5,756)	$ (5,756)
10% change in exchange rate impact	**$ (725)**	**$ (817)**

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 that are potentially subject to credit risk for the Company consist primarily of cash and cash equivalents. Cash and cash equivalents are maintained with financial institutions of reputable credit and may be redeemed upon demand.

The carrying amount of financial assets represents the maximum credit exposure. The Company has gross credit exposure at

March 31, 2021 and March 31, 2020 relating to cash of $140,580 and $3,661, respectively, held in deposits at a Canadian chartered bank. The Company considers this credit risk to be minimal for all cash assets based on changes that are reasonably possible at the 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 ensure that it will always 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. 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. To achieve this objective, the Company prepares annual capital expenditure budgets, which are regularly monitored and updated as considered necessary. Further, the Company utilizes authorizations for expenditures on exploration projects to further manage expenditures.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable. The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

Accounts payable and other liabilities	Up to 3 months	Between 3 and 12 months	Between 1 and 2 years	Over 5 years	Total
March 31, 2021	$ 258,531	$ -	$ -	$ -	$ 258,531
March 31, 2020	$ 198,473	$ 62,548	$ -	$ -	$ 261,021

Outstanding Share Data

As of March 31, 2021, and the Report Date, the following table summarizes the outstanding share capital of the Company:

	March 31, 2021	Report Date
Common Shares	2,257,000	2,257,000
Stock Options	112,400	99,000
Warrants	600,000	600,000
Total, Fully Diluted	**2,969,400**	**2,956,000**

During the year ended March 31, 2021, the Company completed a private placement to raise $250,000 through the issuance of up to 500,000 shares at $0.50 per unit. Each unit consisted of one share and one transferable share purchase warrant exercisable at $0.80 per share expiring February 9, 2023; and converted the shareholder loan and accrued interest, totaling $67,380, issuing 134,762 common shares were at $0.50 per common share.

On July 23, 2021, the Company consolidated its common shares on the basis of ten pre-consolidated common shares for one post-consolidation common shares of the Company. The 22,569,994 pre-consolidation common shares issued and outstanding were adjusted to 2,257,000 post-consolidation common shares. All references to share capital, common shares, warrants, options and per share amounts in these consolidated financial statements and the accompanying notes for time periods prior to the share consolidation have been restated to reflect the one-for-ten share consolidation.

Risks and Uncertainties

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

Operational risks include: the Company may not be able to find and develop reserves economically, the Company cannot guarantee title to its properties, the Company may have difficulty in marketing production and services, the Company must manage changing governmental law and regulations, the Company may have difficulty in hiring and retaining skilled employees and contractors, there are significant risks and hazards related to mining that are beyond the Company's control, there is no assurance that the Company will acquire additional mineral properties and any acquisitions may expose the Company to new risks, and the mining industry is intensely competitive for the acquisition of new properties, access to capital and hiring of skilled personnel. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations.

Financial risks include commodity prices, interest rates and fluctuating foreign exchange rates, all of which are beyond the Company's control. Additional financial risks are the Company's ability to raise capital to continue funding its operations.

Regulatory risks include the possible delays in getting regulatory approval to, and permits for, the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings, the introduction of ever more complex reporting requirements the cost of which the Company must meet in order to maintain its exchange listing.

Events after the reporting period

The Company has evaluated its activities subsequent to March 31, 2021 and has determined that there were no material events to be reported.