

BLUE MOON ZINC CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020

The following management discussion and analysis of Blue Moon Zinc Corp. ("Blue Moon" or the "Company") is dated August 27, 2020 and provides an analysis of the Company's results of operations for the three and six months ended June 30, 2020.

This discussion is intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as certain forward-looking statements relating to its potential future performance. The information should be read in conjunction with the Blue Moon unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2020, the Blue Moon audited consolidated financial statements for the year ended December 31, 2019, and the notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Blue Moon's accounting policies are described in note 3 of the aforementioned audited consolidated financial statements. All of the financial information presented herein is expressed in Canadian dollars, unless otherwise indicated.

The operations of the Company are speculative due to the high-risk nature of the mining industry. Blue Moon faces risks that are generally applicable to its industry and others that are specific to its operations. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. Such risk factors could materially affect the value of the Company's assets, and future operating results of the Company and could cause actual results to differ materially from those described in the forward looking statements contained in this management discussion and analysis. *Reference is made to the discussion of forward-looking statements at the end of this document.*

DESCRIPTION OF THE BUSINESS

Blue Moon is a Canadian-based publicly-traded mineral exploration and development company with a primary focus of advancing its Blue Moon zinc property in California, USA and the Yava zinc property in Nunavut. Blue Moon is listed on the TSX Venture Exchange under the symbol "MOON" and in the US under "BMOOF".

CORPORATE DEVELOPMENT

Strategic Joint Venture

On October 24, 2019, the Company completed its previously announced strategic joint venture where Platina Resources Limited ("Platina") (ASX: PGM) can earn up to a 70% interest in the Blue Moon project. In conjunction with closing, the Company issued Platina six million common shares for gross proceeds of \$300,000 which was issued at a 100% premium to the last trading price of the Company's shares.

Highlights of the Transaction

- Platina can earn an initial 50% interest ("Stage 1") in the Blue Moon property by spending a minimum of \$3 million within eighteen months (February 2021) which will include a minimum of 10,000 metres of drilling and \$400,000 of metallurgical test work. To date, Platina has completed approximately 1,100 metres of drilling.
- Platina is required to pay the Company \$250,000 in cash or Platina shares prior to completion of Stage 1, at the Company's sole option.
- Upon Platina earning its initial 50% interest in Stage 1, Platina has 20 days in which to elect to earn an additional 20% interest ("Stage 2") in the Blue Moon property by spending a minimum of \$3.75 million within eighteen months which will include the completion of a pre-feasibility study as

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well as a minimum of \$1,750,000 of drilling, \$250,000 of metallurgical test work and \$500,000 of environmental and permitting expenditures.

- Platina is required to pay the Company \$500,000 in cash or Platina shares prior to completion of Stage 2, at the Company's sole option.
- Upon Platina earning its 70% interest in the Blue Moon property, the Company has 20 business days to elect for Platina to fund the next \$5 million in expenditures, including the Company's share of funding.

The Company and Platina continue to have discussions on the future of the joint venture.

PROPERTY OVERVIEW AND DEVELOPMENT**Blue Moon Property (California, USA)**

On February 3, 2020, the Company announced that its exploration partner, Platina, confirmed significant intersections of high-grade zinc, gold and silver mineralization at its Blue Moon zinc-copper-gold project.

The mineralization intercepted in BMZ80 is located 50 metres (164 feet) north of hole BMZ79 and has confirmed a wide, high grade zinc, gold and silver mineralized zone in the northern edge of the main mineralized horizon. In addition, the deeper intercept from 450 metres represents a northern extension of the western mineralized horizon. Table 2 includes the main mineralized intervals intercepted by holes BMZ79 and BMZ80.

Drill Table

Collar locations for the first two holes are outlined in Table 1.

Table 1 – Drill hole collar location and intercept information						
Drill Hole	East	North	RL	Azimuth	Dip	Hole Depth (M)
BMZ79	742493	416170	388	253	-58	560
BMZ80	742495	416172	388	264	-57	572

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Mineralized intersections for Holes BMZ80 and BMZ79 are outlined in Table 2.

Table 2 – Drill hole intercepts information (downhole intersections in metres)

Drill Hole	From (m)	To (m)	Thickness (m)	Zinc Grade (%Zn)	Copper Grade (%Cu)	Lead Grade (%Pb)	Gold Grade (g/t Au)	Silver Grade (g/t Ag)	ZnEq (%)
BMZ79	412.81	420.28	7.47	25.55	0.87	0.02	0.68	17.39	28.46
including	414.65	417.7	3.05	49.6	1.39	0.05	0.91	30.32	54.11
BMZ79	450.37	461.33	10.96	3.11	0.47	0.27	0.16	4.49	4.62
including	457.16	459.24	2.08	4.22	0.24	0.33	0.08	3.3	5.24
BMZ80	398.44	418.02	19.58	8.41	0.49	0.22	1.65	82.75	12.41
including	398.44	399.7	1.26	4.57	0.37	1.51	6.71	513	14.59
including	405.55	407.71	2.16	16.49	0.89	0.32	0.7	35.01	20.90
including	411.99	415.16	3.17	11.47	0.7	0.01	2.29	79.02	16.47
BMZ80	424.54	430.69	6.15	3.6	0.19	0.36	1.97	78.6	7.35
including	424.54	425.42	0.88	1.63	0.09	0.75	9.81	312	8.18
including	425.42	426.49	1.07	7.91	0.37	1.21	2.44	139	14.00
BMZ80	448.89	452.42	3.53	4.27	0.37	2.41	3.76	125.68	12.49
including	448.89	450.43	1.54	7.92	0.76	4.53	6.66	210.97	22.13
including	448.89	449.74	0.85	7.75	0.66	4.25	14.55	325.0.0	31.77
including	449.74	450.43	0.69	8.12	0.88	4.87	2.43	70.5	17.29
BMZ80	463.74	464.52	0.78	7.34	0.37	1.26	0.02	138	10.97

Note: Thicknesses are not true width. True width is approximately 55% of thickness

Drilling completed on the project in 2019 was supervised on-site by Dr. Gustavo Delendatti, a member of the Australian Institute of Geoscientists. Dr Delendatti collected and tracked samples and implemented a full QA/QC program using blanks, standards and duplicates to monitor analytical accuracy and precision.

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Blue Moon Inferred Mineral Resources:

On November 20, 2018, the Company announced a Mineral Resource update for the Blue Moon zinc deposit. The deposit now comprises 7.8 million tons in the Inferred Mineral Resource category grading 8.07% zinc equivalent ("ZnEq"), at a 4.0% ZnEq cut-off grade.

Updated Blue Moon Inferred Mineral Resources:

Cutoff ZnEq %	Tons > Cutoff (tons)	Grade > Cutoff					ZnEq %	Contained Metal (Millions)				
		Zn %	Cu %	Ag oz/t	Au oz/t	Pb %		lbs Zn	lbs Cu	lbs Pb	ozs Ag	ozs Au
1	18,350,000	2.80	0.29	0.74	0.02	0.17	4.64	1,028	106	62	14	0.4
2	13,060,000	3.60	0.34	0.97	0.03	0.22	5.93	940	90	56	13	0.4
3	9,380,000	4.44	0.41	1.21	0.03	0.27	7.29	833	78	50	11	0.3
4	7,790,000	4.95	0.46	1.33	0.04	0.29	8.07	771	71	46	10	0.3
5	6,490,000	5.44	0.50	1.44	0.04	0.32	8.79	707	64	41	9	0.2
6	5,330,000	5.95	0.53	1.54	0.04	0.34	9.51	635	57	36	8	0.2
7	4,200,000	6.54	0.57	1.63	0.04	0.36	10.33	549	48	30	7	0.2
8	3,090,000	7.21	0.63	1.78	0.05	0.38	11.34	446	39	24	6	0.1

The Mineral Resource is based on 1,540 assay results from 82 diamond drill holes, totaling 111,250 feet (33,900 meters) of drilling. The deposit is a past producer with Hecla Mining Company mining 55,000 tons at 12.3% zinc during the second world war. It was during the 1980's that the project experienced extensive drilling leading to Westmin Resources Inc. (now Boliden) taking the project towards a production decision before divesting all its North American assets to focus on Europe.

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Zinc Equivalents (ZnEq)

The Mineral Resource has been stated in terms of ZnEq. The ZnEq formula and the underlying parameters used in its formulation are set out below.

Metal	Price (US\$)	Recovery (%)	Factor
Zinc	1.30/lb	95	24.70
Silver	17.00/oz	65	11.05
Copper	3.00/lb	93	55.80
Gold	1,250.00/oz	70	875.00
Lead	1.00/lb	95	19.00

The metal prices and the recoveries selected represent reasonable estimates of long term metal prices and potential recoveries of metal in concentrate. The Mineral Resource estimate is summarized above at a range of ZnEq cut-off grades. The equation to calculate ZnEq is as follows:

$$\text{ZnEq} = (\text{Zn}\% * 24.70 + \text{Cu}\% * 55.80 + \text{Pb}\% * 19.00 + \text{Ag}(\text{oz}/\text{t}) * 11.05 + \text{Au}(\text{oz}/\text{t}) * 875.00) / 24.70$$

The NI 43-101 report was produced by Gary Giroux, P.Eng. MASc and Lawrence O'Connor, who are Qualified Persons as defined by NI-43-101 and are responsible for the technical material related to the resource calculation. The technical report on the new resource estimate is available on SEDAR at www.sedar.com.

General Exploration Expenses

The Company's general exploration expenses for the periods presented were as follows:

For the six months ended June 30,	2020	2019
	\$	\$
Claims costs	7,722	6,372
Camp operations	-	7,858
Prospecting and geology	-	1,935
TOTAL	7,722	16,165

Yava Property (Nunavut, Canada)

The wholly-owned Yava Property consists of 1,280 hectares of mining leases covering approximately 8 kilometres of strike of the prospective Archean Hackett-Back River greenstone belt. The leases occur 24 km south of Glencore's Hackett River Deposit to 5 kilometres south of the Yava Main Zone massive sulphide occurrence. In the 1970s, former property owner Brascan (now named Brookfield Asset Management) drilled along 500 metres of strike length of the Yava Main Zone testing the mineralization to an 80 metre depth. Brascan estimated that the Yava Main Zone contained 1.3 million tons grading 3.42 opt silver, 4.96% zinc, 1.03% copper, 1.6% lead and 0.008 opt gold. The mineralization remains open on strike and at depth. This estimate predates NI 43-101 and constitutes a historical estimate under that policy. The assumptions and parameters used in the Brascan resource estimation have not been identified by Blue Moon and the

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Company is not treating this historical estimate as current Mineral Resources under NI 43-101. Historical estimates should not be relied upon.

John McClintock, P. Eng, a qualified person as defined by NI 43-101, has reviewed the scientific and technical information that forms the basis for this MD&A. Mr. McClintock is not independent of the Company.

All financial information presented below is expressed in Canadian dollars, unless otherwise indicated.

RESULTS OF OPERATIONS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	\$	\$	\$	\$
General exploration expenses	1,153	3,305	7,722	16,165
Filing and regulatory	4,525	4,022	11,326	10,449
General administrative costs	1,018	4,091	2,248	9,029
Professional fees	(2,753)	4,979	(672)	7,949
Share-based payments	-	1,551	-	6,715
Shareholder communication and travel	280	4,107	1,925	7,537
Consulting fees	18,000	34,000	36,000	73,000
Foreign exchange loss	119	634	119	194
Interest expense	7,629	7,480	15,258	14,073
LOSS AND COMPREHENSIVE LOSS	29,971	64,169	73,926	145,111

THREE MONTHS ENDED JUNE 30, 2020

Blue Moon incurred a loss of \$29,971 (\$nil per common share) for the three months ended June 30, 2020, compared to a loss of \$64,169 (\$nil per common share) over the same period in 2019. During the three months ended June 30, 2020, the Company generally reduced activity due to general market conditions and limited capital.

During the three months ended June 30, 2020, consulting fees were \$16,000 lower than the same period in 2019 as the Company further reduced the number of consultants due to market conditions and limited capital.

SIX MONTHS ENDED JUNE 30, 2020

Blue Moon incurred a loss of \$73,926 (\$nil per common share) for the six months ended June 30, 2020, compared to a loss of \$145,111 (\$nil per common share) over the same period in 2019. During the six months ended June 30, 2020, the Company generally reduced activity due to limited capital and recent market conditions.

During the six months ended June 30, 2020, consulting fees were \$37,000 lower than the same period in 2019 as the Company further reduced the number of consultants due to market conditions and limited capital.

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LIQUIDITY AND CAPITAL RESOURCES

For the six months ended June 30,	2020	2019
	\$	\$
CASH PROVIDED BY (USED IN)		
Operating activities	(46,828)	(70,348)
Financing activities	-	50,000
CHANGE IN CASH AND EQUIVALENTS	(46,828)	(20,348)
Cash and cash equivalents – beginning	95,927	23,053
CASH AND CASH EQUIVALENTS	49,099	2,705

Blue Moon had \$49,099 in cash as at June 30, 2020, compared to \$95,927 in cash as at December 31, 2019. As at June 30, 2020, the Company had a working capital deficit of \$467,126.

The Company will continue to require additional funding to maintain its ongoing exploration and development programs, property maintenance payments and operations. Its principal source of funds is the issuance of common shares. Blue Moon's common shares are publicly traded. As such, the price of its common shares is susceptible to factors beyond management's control including, but not limited to, fluctuations in commodity prices and foreign exchange rates and changes in the general market outlook. Should Blue Moon require funds during a time when the price of its common shares is depressed, the Company may be required to accept significant dilution to maintain enough liquidity to continue operations or may be unable to raise sufficient capital to meet its obligations.

Operating Activities

The main components of cash flows used for operating activities are discussed in the Results of Operations section, above.

Financing Activities

During the six months ended June 30, 2019, the Company received a \$50,000 short term loan from a related party. The loan, together with interest at a rate of 10% per annum, is payable on or before October 31, 2020.

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SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected unaudited quarterly financial information derived from financial information for each of the eight most recent quarters.

As at and for the quarter ended	30-Jun-20	31-Mar-20	31-Dec-19	30-Sep-19
Loss and comprehensive loss	29,971	43,955	63,400	48,644
Loss per share – basic and diluted	-	-	-	-
Cash and cash equivalents	49,099	69,352	95,927	4,580
Total assets	734,350	756,614	784,188	701,147
As at and for the quarter ended	30-Jun-19	31-Mar-19	31-Dec-18	30-Sep-18
Loss and comprehensive loss	64,169	80,942	215,554	679,013
Loss per share – basic and diluted	-	-	-	0.01
Cash and cash equivalents	2,705	14,126	23,053	228,956
Total assets	700,374	713,139	736,537	900,481

Mineral exploration and development is typically a seasonal business, and accordingly, the Company's administrative expenses and cash requirements will fluctuate depending upon the season. The Company's primary source of funding is through the issuance of common shares. When capital markets are depressed, the Company's activity level normally declines accordingly. As capital markets strengthen and the Company is able to secure equity financing on favourable terms, the Company's activity levels and the size and scope of planned exploration and development programs will also increase.

During the three months ended September 30, 2018, the Company incurred significant general exploration expenses as it began its Phase I drill program. The increase in expenditures resulted in a decrease to cash and cash equivalents and total assets.

RELATED PARTY TRANSACTIONS**Management compensation**

The Company's related parties include its directors and officers, who are the key management of the Company. The remuneration of directors and officers during the periods presented was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	\$	\$	\$	\$
Consulting fees - CEO	15,000	30,000	30,000	60,000
Consulting fees - CFO	3,000	4,000	6,000	10,000
Share-based payments	-	1,551	-	4,874
MANAGEMENT COMPENSATION	18,000	35,551	36,000	74,874

As at June 30, 2020, due to related parties included \$139,000 (December 31, 2019 - \$103,000) due to officers of the Company. These amounts due to related parties are unsecured, non-interest bearing and have no specific terms of repayment.

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On November 2, 2018, the Company entered into a loan agreement with a director of the Company for the amount of \$250,000. The Company was loaned an additional \$15,000, \$35,000 and \$6,000 on January 9, 2019, March 21, 2019, and August 21, 2019, respectively, by the same director. The loans are unsecured and bear interest at 10% per annum. The principal value plus interest was originally payable on September 1, 2019, but was extended until October 31, 2020 pursuant to an amended agreement effective January 1, 2020. As at June 30, 2020, the Company recorded \$48,767 (December 31, 2019 - \$33,509) in accrued interest charges, which is included in due to related parties.

OUTSTANDING SHARE DATA

As at the date of this report, the Company has 109,350,707 common shares outstanding. The Company also has 4,300,000 stock options outstanding with exercise price ranging from \$0.07 - \$0.11.

CONTRACTUAL OBLIGATIONS

The Company has no off-balance sheet arrangements, no capital lease agreements, no contractual obligations. Neither the Company nor any of its subsidiaries has any externally imposed capital requirements. The Company has no proposed transactions.

FINANCIAL INSTRUMENT RISK

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to liquidity and credit risks from the use of financial instruments. Financial instruments consist of cash, restricted cash, receivables, due to related parties, and accounts payable and accrued liabilities.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they come due. Certain conditions cast significant doubt on the Company's ability to meet its financial obligations. Refer to Liquidity and Capital Resources for more information regarding the Company's liquidity risk.

Credit risk

The Company is exposed to credit risk on its bank accounts, restricted cash and receivables. To reduce credit risk, substantially all cash is on deposit at Canadian chartered banks. Receivables consist of Canadian excise taxes receivable and other amounts due from government agencies. Restricted cash are deposits held by the Bureau of Land Management in Nevada. Accordingly, the Company considers its exposure to credit risk minimal.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

Interest rate risk

The Company has cash balances which are not subject to significant risks in fluctuating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied

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with the credit ratings of its banks. An increase to interest rates by 1% would have an insignificant effect on the Company's operations.

Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, restricted cash, receivables and accounts payable and accrued liabilities that are denominated in US dollars.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings, or ability to obtain equity financing, due to movements in individual equity prices or general movements in the level of the stock market. The Company's marketable securities are subject to price risk. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of zinc, copper, lead, silver, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Sensitivity Analysis

The Company through a subsidiary operates in the United States and is exposed to exchange risk from changes in the US dollar. At June 30, 2020, a 10% fluctuation in the US dollar against the Canadian dollar would have a minimal impact on the Company's loss and comprehensive loss.

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FORWARD-LOOKING STATEMENTS

This Management Discussion and Analysis contains certain forward-looking statements concerning anticipated developments in Blue Moon's operations in future periods. Statements that are not historical fact are forward looking information as that term is defined in National Instrument 51-102 ("NI 51-102") of the Canadian Securities Administrators. Certain forward looking information should also be considered future-oriented financial information ("FOFI") as that term is defined in NI 51-102. The purpose of disclosing FOFI is to provide a general overview of management's expectations regarding the anticipated results of operations and capital expenditures. Forward-looking statements and information (referred to herein together as "forward-looking statements") are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The material factors or assumptions used to develop forward-looking statements include prevailing and projected market prices and foreign exchange rates, exploitation and exploration estimates and results, continued availability of capital and financing, and general economic, market or business conditions and as more specifically disclosed throughout this document. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of Blue Moon and its subsidiaries may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors.

Blue Moon's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and Blue Moon does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from Blue Moon's expectations include, but are not limited to, closing of the Private Placement and Joint Venture, uncertainties involved in fluctuations in zinc and other commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and geology, continuity and grade of mineral deposits; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and estimated economic return; the need for cooperation of government agencies and First Nations in the exploration and development of properties and the issuance of required permits; the need to obtain additional financing to develop properties and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs or in construction projects and uncertainty of meeting anticipated program milestones; and uncertainty as to timely availability of permits and other governmental approvals.