MAGNETIC NORTH ACQUISITION CORP.
(FORMERLY BLACK BULL RESOURCES INC.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

(Expressed in Canadian Dollars)

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Magnetic North Acquisition Corp. ("Magnetic North" or the "Company") (formerly "Black Bull Resources Inc.") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended September 30, 2019. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of the Company for the years ended September 30, 2019 and 2018, together with the notes thereto. The Company's financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee. Accordingly, they do not include all of the information required for full annual financial statements by IFRS. Information contained herein is presented as of January 28, 2020, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Magnetic North common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on Magnetic North's website at www.magneticnac.com or on SEDAR at www.sedar.com.

Description of Business

Black Bull Resources Inc. with the registered and head office at P.O. Box 698 Shelburne, Nova Scotia was incorporated under the Business Corporations Act (Alberta) on July 18, 1997. On June 12, 2008 the Company continued under the Canada Business Corporations Act. On October 22, 2019, the Company changed its name to Magnetic North Acquisition Corp.

The Company is in the business of mining, processing, and marketing quartz from its White Rock claim in Nova Scotia, Canada. The Company also investigated the commercialization of its kaolin resource.

On October 22, 2019, the Company completed an asset purchase transaction with a group of investment and business professionals to effect an arm's length "Change of Business" (as defined in Policy 5.2 of the TSXV) transaction (the "Transaction") within the meaning of such terms in the policies of the TSXV. With the completion of the Transaction, the Company changed its primary business to merchant banking and changed its name to Magnetic North Acquisition Corp. The common shares of the Company resumed trading on the TSXV under the symbol MNC.

After the completion of the Transaction, the Company will carry on the business of hands-on merchant banking comprised of a team of highly-experienced professionals in finance, operations, and strategy. The industries that will be of particular focus will include, but are not limited to clean power technology, special situations, and consumer products, oilfield services, manufacturing and technology inclusive of software and hardware.

The Company will continue to attempt to raise capital to meet its ongoing operating activities.

Highlights

- On October 22, 2019, the Company completed its transaction with a group of investment and business professionals to effect an arm's length "Change of Business" (as defined in Policy 5.2 of the TSXV) transaction (the "Transaction") within the meaning of such terms in the policies of the TSXV.

  Under the Transaction, the Company acquired certain shareholdings (the "Purchased Assets") from Mr. Kevin Spall, Mr. Ian Wild and Mr. Andrew Osis (the "Vendors") in exchange for the issuance of 38,000,000 Common Shares of the Company at a deemed price of $0.05 per share and the creation and issuance to the Vendors of 100,000 Preferred Series A Shares of the Company at a deemed price of $10.00 per Preferred Series A Share. The Purchased Assets comprised of all the Vendors' equity interests in Bioshield Corp., Ignite Collaboration Services Group, Inc., Power Symmetry Inc. and Previcare Corp.

  As a condition of closing of the Transaction, the Company was required to complete a private placement financing for not less than $3 million of gross proceeds. That financing was completed and closed in various tranches over time to total more than $3.1 million. The Company has incurred $405,102 of deferred costs for this Transaction.

  With the completion of the Transaction, the Company changed its name to Magnetic North Acquisition Corp. The common shares of the Company resumed trading on the TSXV under the symbol MNC.

  On closing of the Transaction, the Board of Directors and senior management were replace by the following individuals:

Andrew Osis	Co-Chief Executive Officer and director
Kevin Spall	Co-Chief Executive Officer and director
Ian Wild	Chairman of the Board
David Marinucci	Senior Vice President
Trent Larson	Director

- In December 2019, Jeff Davison and John Kowal joined the Board of Directors.

- On December 2, 2019, the Company granted 2,000,000 stock options to officers, directors and consultants of the Company at an exercise price of $0.095 and expiring five years from date of grant. These options vest as follows: 25% immediately, 25% 12 months from date of grant, 25% 24 months from date of grant and 25% 36 months from date of grant.

- On January 15, 2020, the Company has executed an Indicative Offer of Finance (the "Offer") with Infrastructure Commodities Limited ("ICML") to explore and mine, the Company's wholly owned White Rock property (the "Property") located in Yarmouth County, Nova Scotia. The Offer gives ICML the right to explore and mine the Property for quartz, kaolin and mica, and refine and produce quartz, kaolin and mica for sale therefrom (the "Mining Assets").

  The Offer terms include, but are not limited to the following conditions:

  a) An initial investment by ICML for US$1,000,000 in the form of a convertible loan that shall convert into an equity interest of 20% of the Mining Assets located at White Rock. The use of proceeds for this initial investment will be utilized by ICML and their consultants, over a 12-month period to bring the Mining Assets to an operational state.

b) Follow-on investment of up to an additional US$4,000,000 will be provided by ICML upon completion of the initial investment period to implement commercialization plans for the Mining Assets. Upon completion of the initial investment phase, ICML will provide commercialization plans and associated budgets for the use of proceeds of the follow-on investment.

c) If the total funding of US$5,000,000 is provided in return to Magnetic North for development of the Mining Assets by ICML, ICML shall receive no less than 45% equity interest in the Mining Assets.

Both Magnetic North and ICML look forward to entering into a binding offer to finance in the near term and expect the initial investment phase to commence in the first quarter of 2020.

- Subsequent to September 30, 2019, the $1 million advance to Previcare Corp. was converted to a promissory note bearing interest of 7% per annum and due on demand.

Overall Objective

In October 2019, Magnetic North changed its business objective to merchant banking comprised of a team of highly-experienced professionals in finance, operations, and strategy. The industries that will be of particular focus will include, but are not limited to clean power technology, special situations, consumer products, oilfield services, manufacturing and technology inclusive of software and hardware. Before the change of business, the Company was engaged in the acquisition, exploration and evaluation of mineral properties of the Company's current holdings in Nova Scotia, Canada.

In furtherance of the Company's new business objective, the Company will invest in opportunities based upon criteria that may include, but are not limited to, the following investee characteristics:

(a) management expertise and funding to expand, or improve the investee's business model, strategy, or geographic reach;

(b) an opportunity to exercise a level of control over the investee's businesses or assets through board representation and other active management methods;

(c) nearly cash flow positive or have a slightly positive cash flow and where through improvements in structure, operations or consolidation, cash flow can be positively impacted and may provide sustainable cash flow;

(d) identifiable business improvements, expansion, consolidation, or acquisition opportunities that enhance the value of operations, and will result in the investee company's valuation increasing from less than $10 million to over $80 million.

See "Risks and Uncertainties" below.

Trends

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Strong equity markets are favourable conditions for completing a public merger, financing or acquisition transaction. Apart from these and the risk factors noted under the heading "Risks and Uncertainties", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Off-Balance-Sheet Arrangements

As of the date of this MD&A, the Company does not have any 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, including, and without limitation, such considerations as liquidity, capital expenditures and capital resources that would be material to investors.

Outlook

For the immediate future, the Company plans to continue to search for financing, and once funds are raised, develop an exploration program for its projects. The Company is continually evaluating direct or indirect acquisitions of additional properties. The Company continues to monitor its spending and will amend its plans and budgets based on exploration results and expectations of being able to raise financing as and when required.

Mineral Assets

Company currently owns the White Rock Assets. The White Rock Assets is comprised of an exploration licence consisting of 78 claims and a mineral lease (formerly called a mining permit) (the "Mineral Lease"). They cover approximately 1,650 hectares of land in Yarmouth County, Nova Scotia. The claims are oriented NE-SW in a block about 7 km long by about 3 km wide. The center of the property is approximately 65º 36′ West, 44º 04′ North. It is located on Crown Land in Yarmouth County, Nova Scotia, approximately 45 km north of the town of Shelburne and about 65 km east of the town of Yarmouth.

The Tobeatic Wilderness Area is northeast of the claim block. The former East Kemptville open pit tin mine is approximately 10 kilometres to the northwest. The claim group is accessible from paved Highway 203. It cuts across the northeast edge of the property. The production pit is adjacent the highway. Access roads have been developed.

Mineral Lease (No. 03-3) consists of 27, contiguous, unpatented claims that are in good standing. The Mineral Lease and exploration licence are registered to Company Resources Inc. Company holds 100 % interest in the mineral rights, subject to a 2 % NSR (Net Smelter Return) royalty that is payable to C.A.G. Enterprises of Antigonish, Nova Scotia.

The property has been explored using a combination of geophysics, trenching, diamond drilling and bulk sampling. Regional exploration surveys for tin and other minerals during the 1970s and 1980s (geological mapping, regional till geochemistry, and air- borne geophysical surveys) led to the discovery of the quartz-kaolin breccia zone. In 1997, CAG Enterprises Ltd. of Antigonish, NS conducted claim staking, geological mapping and shallow drilling in the area of the White Rock project. They collected samples from the Flintstone Rock and Barclay Brook quartz showings.

CAG subsequently optioned the property to Company Resources Inc. In 1998, Company carried out trenching and test pit work over the quartz kaolin zones of the Flintstone Rock occurrence. In 1999, Company drilled 30 diamond drill holes to outline the quartz- kaolin mineralization over a strike length of 1.2 km. This work outlined a large, moderately dipping quartz kaolin breccia within a tectonic shear zone, 100 to 175 metres in width.

In 2000, a 7,000 tonne bulk sample of the quartz breccia was excavated, crushed and screened. An additional thirty-six diamond drill holes were drilled between December 2001 and July 2002 to further outline the quartz and kaolinite body. Analyses of drill core and bulk samples for silica and major oxides, was carried out at the Mineral Engineering Centre (MEC), Dalhousie University, Halifax, Nova Scotia. Additional

product development and testing of quartz material was carried out by Mineral Research Laboratory, Asheville, North Carolina, U.S.A. Kaolin samples from the drill core and from the bulk sample stockpiles were sent to firms in the USA and England for mineral process testing.

Quartz mining was carried out during June-July 2004. Approximately 40,000 tonnes was mined, crushed to various sizes in a portable crushing and screening plant and stockpiled on site. Company intended to market the rock as aggregate.

Thus far Company has been unsuccessful in developing the mine, and has ceased any further development work. With respect to the White Rock Assets, Company does currently have a bond with the Province of Nova Scotia in the amount of $296,219 and a letter of credit in favour of the Province for $17,400 for a total of $313,619. The estimated retirement obligation for the White Rock Assets is $263,296.

Selected Annual Financial Information

	Year ended September 30, 2019 ($)	Year ended September 30, 2018 ($)	Year ended September 30, 2017 ($)
Revenue	nil	nil	nil
Net loss	(1,468,182)	(114,750)	(175,829)
Net loss per share – basic and diluted	(0.16)	(0.03)	(0.05)
	As at September 30, 2019 ($)	**As at September 30, 2018 ($)**	**As at September 30, 2017 ($)**
Total assets	2,188,075	334,528	342,921
Total long-term liabilities	nil	nil	nil

Summary of Quarterly Results

Three Months Ended	Profit and (Loss)		Total Assets ($)
	Total ($)	Basic and Diluted Loss Per Share [9] [10] ($)	
2019-September 30	(1,287,137) [1]	(0.05)	2,188,075
2019-June 30	(26,141) [2]	(0.00)	1,490,860
2019-March 31	(133,235) [3]	(0.01)	1,477,305
2018-December 31	(21,669) [4]	(0.01)	332,202
2018-September 30	(25,977) [5]	(0.01)	334,528
2018-June 30	(26,874) [6]	(0.01)	347,068
2018-March 31	(40,987) [7]	(0.01)	324,601
2017-December 31	(20,912) [8]	(0.01)	327,580

The Company was an exploration-stage mineral resources company. Issues of seasonality have not had an impact on our results or operations as the Company's mineral properties are in "care and

maintenance". Over the past eight quarters, variations in the quarterly net income (loss) were caused by fluctuations in exploration and evaluation expenditures and general and administrative expense.

Discussion of Operations

Year Ended September 30, 2019, Compared With Year Ended September 30, 2018

Magnetic North's net loss totaled $1,468,182 for the year ended September 30, 2019, with basic and diluted loss per share of $0.16. This compares with a net loss of $114,750 with basic and diluted loss per share of $0.03 for the year ended September 30, 2018. The difference of $1,353,432 was principally because:

- During the year ended September 30, 2019, the Company recorded an impairment of advances to private companies of $1,250,000 due to the lack of sufficient financial information to substantiate the fair value of the advances to the private companies as September 30, 2019.

- During the year ended September 30, 2019, general and administrative increased by $119,433 compared to the year ended September 30, 2018. General and administrative include professional fees, investor relations, consulting fees and other office expenses. The increase in general and administrative fees resulted from increased corporate activity related to the Transaction completed subsequent to year end.

- During the year ended September 30, 2019 operation and overhead decreased by $13,777 compared to the year ended September 30, 2018. The decrease resulted from putting the mineral properties in care and maintenance.

- All other expenses related to general working capital purposes.

Three Months Ended September 30, 2019, Compared With Three Months Ended September 30, 2018

Magnetic North's net loss totaled $1,287,137, for the three months ended September 30, 2019, with basic and diluted loss per share of $0.05. This compares with a net loss of $25,977 with basic and diluted loss per share of $0.01 for the three months ended September 30, 2018. The difference of $1,261,160 was principally because:

- During the three months ended September 30, 2019, the Company recorded an impairment of advances to private companies of $1,250,000 due to the lack of sufficient financial information to substantiate the fair value of the advances to the private companies as September 30, 2019.

- During the three months ended September 30, 2019, general and administrative increased by $16,721 compared to the three months ended September 30, 2018. General and administrative include professional fees, investor relations, consulting fees and other office expenses. The increase in general and administrative fees resulted from increased corporate activity related to the Transaction completed subsequent to three months end.

- During the three months ended September 30, 2019 operation and overhead decreased by $4,032 compared to the three months ended September 30, 2018. The decrease resulted from putting the mineral properties in care and maintenance.

- All other expenses related to general working capital purposes.

Cash Flow

At September 30, 2019, the Company had cash of $1,452,417 compared to $28,195 at September 30, 2018. The increase in cash of $1,424,222 from the September 30, 2018 cash balance of $28,195 was as a result of cash outflow in operating activities and investing activities of $428,356 and 1,255,712, respectively offset by cash inflows from financing activities of $3,108,290.

Operating activities were affected by adjustments for accretion of $4,794, amortization of $460, impairment of advances to private companies of $1,250,000 and net change in non-cash working capital balances of $215,428 because of an increase in receivables of $14,797, an increase in prepaid expenses of $4,174, an increase in deferred costs of $385,950 and an increase in payable and accrued liabilities of $189,493.

Financing activities provided cash of $3,108,290 from the net proceeds from private placements in the amount of $3,055,070 and from the proceeds of demand loans in the amount of $53,220.

Investing activities used cash of $1,255,712 through the advance of $1,250,000 to private companies and $5,712 paid to other assets.

Liquidity and Financial Position

The activities of the Company, now merchant banking and formerly the acquisition, exploration and evaluation of mineral properties, are financed through equity offerings and demand loans. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The Company has no operating revenues and therefore must utilize its current cash reserves and other financing transactions to maintain its capacity to meet ongoing discretionary and committed exploration and operating activities.

At September 30, 2019, the Company had a working capital $1,571,302 (September 30, 2018 – deficiency of $455,000).

The Company has traditionally supplemented equity financing from time to time by obtaining loans from related parties. These are used to provide interim, short-term financing to meet day-to-day cash flow needs on occasion, and are not intended to be a long-term source of capital.

The Company's use of cash at present occurs, and in the future will occur, principally in two areas, namely, funding of its general and administrative expenditures and funding of its investment activities. Those investing activities include the purchase of investments and the cash components of the cost of acquiring and exploring its mineral claims. For fiscal 2020, the Company's expected operating expenses are estimated to be $50,000 per month for recurring operating costs.

The Company is anticipated to have sufficient cash to fund its operating expenses for the twelve months ended September 30, 2020. The Company will have to raise additional equity capital beyond fiscal 2020 in amounts sufficient to fund both investment activities and working capital requirements. The major variables are expected to be the size, timing and results of the Company's investment activities and its ability to continue to access capital to fund its ongoing operations.

Related Party Transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

	Year Ended September 30, 2019 $	Year Ended September 30, 2018 $
Consulting fees charged by the Chief Financial Officer	9,425	15,987
Consulting fees charged by contracted management personnel	90,700	nil
	100,125	15,987

(i) Zenith Appraisal & Land Consulting Ltd., a corporation controlled by a director of Magnetic North. was owed $38,220 as at September 30, 2019 (September 30, 2018 - $351,024).

(ii) As at September 30, 2019, related parties were owed $22,023 (September 30, 2018 - $775), which is included in payables and accrued liabilities.

Financial Instruments

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and commodity and equity price risk). Risk management is carried out by the Company's management team with guidance from the Audit Committee and Board of Directors. There have been no changes in the risks, objectives, policies and procedures of the Company during the years ended September 30, 2019 and 2018.

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, receivables and advances to private companies. Cash and cash equivalents are held with select major Canadian chartered banks, from which management believes the risk of loss to be minimal. Receivable consist of sales taxes receivable from government authorities in Canada. Management believes that the credit risk concentration with respect to receivables is minimal. The credit risk associated with respect to advances to private companies is considered to be high and the Company has recorded an impairment for the full amount of the advances.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at September 30, 2019, the Company had cash of $1,452,417 (September 30, 2018 - $28,195) to settle current liabilities of $616,768 (September 30, 2018 - $789,063). All of the Company's short-term financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity. The Company's ability to continually meet its obligations and carry out its planned activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

(iii) Market risk

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

(a) Interest rate risk

The Company has cash balances invested in guaranteed investment certificates that are issued by a Canadian Chartered bank. The Company has no interest- bearing debt. At prevailing market interest rates, the impact on interest income is minimal.

(b) Commodity and equity price risk

The Company is exposed to price risk with respect to commodity prices. 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 as they relate to valuable minerals to determine the appropriate course of action to be taken by the Company.

(iv) Fair value

The fair value of cash and cash equivalents is based on Level 1 inputs. The fair value of advances to private companies is based on Level 3. Receivables and payables and accrued liabilities approximate their fair values based on their liquidity and short-term nature. Demand loans are recognized at their face values given that there is no market for similar loans, the balance owing is due on demand and they are all owed to related parties.

Capital risk management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company's ability to continue to carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

The Company considers its capital to be equity which comprises share capital, contributed surplus and accumulated deficit, which at September 30, 2019, totaled $1,571,307 (September 30, 2018 - deficiency of $454,535).

The Company's capital management objectives, policies and processes have remained unchanged during the year ended September 30, 2019. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of September 30, 2019, the Company is compliant with Policy 2.5.

Share Capital

As of the date of this MD&A, the Company has 59,051,105 common shares, 285,179 Series A preferred shares and 2,000,000 stock options outstanding.

Proposed Transactions

There are no proposed transactions of a material nature being considered by the Company at the date of this MD&A, except for those disclosed in "Highlights". However, the Company continues to evaluate properties and corporate opportunities to advance its exploration, development and objectives.

Risks and Uncertainties

An investment in securities of Magnetic North following the completion of the Transaction, should be considered highly speculative and involves a high degree of risk due to the nature of Company's proposed business and the current stage of development. Such an investment should only be made by investors who can afford to lose their entire investment. In evaluating the Company and its prospective business, investors should carefully consider, in addition to other information contained in this MD&A, the risk factors set forth in this MD&A. Additionally, while this MD&A has described the risks and uncertainties related to the Transactions and the business of the Company, it is possible that other risks and uncertainties will arise or become material in the future.

If the Company is unable to effectively address these and other potential risks and uncertainties following a successful completion of the Transaction, the Company's business, financial condition or results of operations could be materially adversely affected. In this event, the value of the Company's Shares could decline after the completion of the Transaction and the Company's Shareholders could lose all or part of their investment.

General

The Company will be in the business of investing in public and private companies with the objective of enhancing the value of the investee companies through augmentation of the investee's management team, management process, acquisitions and/or mergers, which is a highly speculative endeavor. A purchase of any of the securities of the Company involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Company should not constitute a major portion of an individual's investment portfolio and should only be made by Persons who can afford a total loss of their investment. Prospective investors should evaluate carefully the following risk factors associated with an investment in the Company's securities prior to purchasing any securities.

Magnetic North Risk Factors

Magnetic North currently has no active business. The following risk factors therefore relate primarily to the Company on a post-Transactions basis, some of the risk factors listed below will contain references to the Company.

Reliance on Management

The success of the Company after the completion of the Transactions will be largely dependent on the abilities, experience, efforts and industry knowledge of its directors and senior management. The long-term loss of the services of any of these persons for any reason could have a material adverse effect on the

Company's business, financial condition, and results of operations or future prospects. There can be no assurance that the Company can maintain the services of its directors or senior management required to operate its business, and any failure to do so could have a material adverse effect on its business, financial condition, results of operations and future prospects.

Additional Financing

In order to execute the anticipated growth strategy, the Company will require some additional equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms, which are acceptable. The Company's inability to raise financing to support ongoing operations or to fund capital expenditures or acquisitions could limit the Company's growth and may have a material adverse effect upon future profitability. The Company may require additional financing to fund its operations to the point where it is generating positive cash flows.

Volatility of Share Price

Securities markets throughout the world are cyclical and, over time, tend to undergo high levels of price and volume volatility. A publicly-traded company will not necessarily trade at values determined by reference to the underlying value of its business. The prices at which the Company Shares will trade cannot be predicted. The market price of the Company Shares could be subject to significant fluctuations in response to variations in quarterly and annual operating results, the results of any public announcements the Company makes, general economic conditions, and other factors. Increased levels of volatility and resulting market turmoil may adversely impact the price of the Company Shares. If the Company is required to access capital markets to carry out its development objectives (as is expected), the state of domestic and international capital markets and other financial systems could affect its respective access to, and cost of, capital. Such capital may not be available on terms acceptable to the Company or at all, and this could have a material adverse impact on its business, financial condition, results of operations or prospects.

Dilution

The Company will be authorized to issue an unlimited number of Company Shares or other securities for such consideration and on such terms and conditions as may be established by the Company, without the approval of Company Shareholders. In addition, it is currently anticipated that the Company will be required to conduct additional equity financings to develop the business of the Company as currently planned by the Target Companies and envisioned by management of the Company. Any further issuance of Company Shares pursuant to such equity financings may further dilute the interests of existing shareholders.

Impact of Quarterly and Annual Financial Reporting

There can be no assurance that the Company will be profitable on a quarterly or annual basis. The Target Companies' business strategies may not be successful. As a reporting company, the Company will be required to report financial results on an annual and quarterly basis. If its business is not profitable, the Company's share price may decline.

Title to Mineral Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed or impugned. Although the Company has investigated its title to the mineral properties for which it holds an option or concessions or mineral leases or licences, there can be no assurance that the Company has valid title to such mineral properties or that its title thereto will

not be challenged or impugned. For example, mineral properties sometimes contain claims or transfer histories that examiners cannot verify; and transfers under foreign law often are complex. The Company does not carry title insurance with respect to its mineral properties. A successful claim that the Company does not have title to a mineral property could cause the Company to lose its rights to mine that property, perhaps without compensation for its prior expenditures relating to the property.

Mineral Exploration

Mineral exploration involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities. The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of some properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining, or to upgrade existing infrastructure. There can be no assurance that the funds required to exploit any mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. The economics of exploiting mineral reserves and resources discovered by the Company are affected by many factors, many outside the control of the Company, including the cost of operations, variations in the grade of ore mined and metals recovered, price fluctuations in the metal markets, costs of processing equipment, and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. There can be no assurance that the Company's mineral exploration and exploitation activities will be successful.

Cautionary Note Regarding Forward-Looking Information

This MD&A includes certain statements and information that constitutes "forward-looking statements" and "forward-looking information" under applicable securities laws (collectively, "**Forward- Looking Statements**", unless otherwise stated). Forward-looking statements appear in a number of places in this MD&A and include statements and information regarding the intent, beliefs or current expectations of Company, the Target Companies and statements relating to the proposed Transactions (as such term is defined herein). Such Forward-Looking Statements involve known and unknown risks and uncertainties that may cause the Company's and the Target Companies' actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such Forward-Looking Statements. When used in this MD&A, words such as "expects", "anticipates", "estimates", "projects", "plans", "goals", "objectives", "outlook", "believe", "could", "intend", "may", "predict", "will", "would" and similar expressions are intended to identify these forward- looking statements. Forward-looking statements may relate to Company's, the Target Companies', and the Resulting Issuer's future outlook and anticipated events or results and may include statements regarding Company's, the Target Companies', and the Resulting Issuer's future business strategy, plans and objectives. Company and the Target Companies have based these Forward-Looking Statements largely on their current expectations and projections about future events. These Forward-Looking Statements were derived using numerous assumptions, and while Company considers these assumptions to be reasonable, based on information currently available, such assumptions may prove to be incorrect. Accordingly, readers are cautioned to not put undue reliance on these Forward-Looking Statements. Forward-looking statements should not be read as a guarantee of future events or results.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements, and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

New Accounting Policies

(i) Financial Instruments

IFRS 9 includes finalized guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 largely retains the existing requirements in IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"), for the classification and measurement of financial liabilities.

The Company adopted IFRS 9 retrospectively on October 1, 2018. Due to the nature of its financial instruments, the adoption of IFRS 9 had no impact on the comparative financial information. The impact on the classification and measurement of its financial instruments is set out below.

All financial assets not classified at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognized at fair value on the statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the statement of loss and comprehensive loss for the period. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

Below is a summary showing the classification and measurement bases of our financial instruments as at October 1, 2018 as a result of adopting IFRS 9 (along with comparison to IAS 39).

Classification	IAS 39	IFRS 9
Cash and cash equivalents	FVTPL	Amortized cost
Receivables	Loans and receivables	Amortized cost
Payable and accrued liabilities	Other financial liabilities	Amortized cost
Demand loans	Other financial liabilities	Amortized cost

The original carrying value of the Company's financial instruments under IAS 39 has not changed under IFRS 9.

Accounting policy under IFRS 9

Financial assets

Initial recognition and measurement
Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either FVTPL or FVOCI, and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVTPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Subsequent measurement – financial assets at amortized cost
After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in the statements of loss.

Subsequent measurement – financial assets at FVTPL
Financial assets measured at FVTPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVTPL are carried at fair value in the statements of financial

position with changes in fair value recognized in the statements of loss. The Company's advances to private companies are measured at FVTPL.

Subsequent measurement – financial assets at FVOCI
Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Derecognition
A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets
The Company's financial assets subject to impairment are receivables. The Company has elected to apply the simplified approach to impairment for receivables as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement
Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVTPL. The Company's financial liabilities include payable and accrued liabilities and demand loans which are each measured at amortized cost. All financial liabilities are recognized initially at fair value.

Subsequent measurement – financial liabilities at amortized cost
After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in the statements of loss and comprehensive loss.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in the statements of loss and comprehensive loss.

(ii) Business Combinations

In a business combination, the acquisition method of accounting is used, whereby the purchase consideration is allocated to the fair value of identifiable assets acquired and liabilities assumed at the date of acquisition. Preliminary fair values allocated at a reporting date are finalized as soon as the relevant information is available, with in a period not to exceed twelve months from the acquisition date with

retroactive restatement of the impact of adjustments to those preliminary fair values effective as at the acquisition date. Acquisition related costs are expensed as incurred.

Purchase consideration may also include amounts payable if future events occur or conditions are met. Any such contingent consideration is measured at fair value and included in the purchase consideration at the acquisition date. Subsequent changes to the estimated fair value of contingent consideration are recorded through the statements of income (loss), unless the preliminary fair value of contingent consideration as at the acquisition date is finalized before the twelve month measurement period in which case the adjustment is allocated to the identifiable assets acquired and liabilities assumed retrospectively to the acquisition date.

Where the cost of the acquisition exceeds the fair values of the identifiable net assets acquired, the difference is recorded as goodwill. A gain is recorded through the statements of income (loss) if the cost of the acquisition is less than the fair values of the identifiable net assets acquired.

Non-controlling interests represent the fair value of net assets in subsidiaries that are not held by the Company as at the date of acquisition. Non-controlling interests are presented in the equity section of the statements of financial position.

(iii) Investments

All investments are classified upon initial recognition at fair value through profit or loss, with changes in fair value reported in profit (loss).

Purchases and sales of investments are recognized on the settlement date.

Investments at fair value through profit or loss are initially recognized at fair value. Transaction costs are expensed as incurred in the statements of income (loss). Investments are derecognized when the rights to receive cash flows from the investments have expired or the Company has transferred the financial asset and the transfer qualifies for derecognition in accordance with IFRS 9.

Subsequent to initial recognition, all investments are measured at fair value. Gains and losses arising from changes in the fair value of the investments at fair value through profit or loss category are presented in the statements of income (loss) within net change in unrealized gains or losses on investments on investments in the period in which they arise.

The determination of fair value requires judgment and is based on market information where available and appropriate. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuations in the financial statements.

The Company is also required to disclose details of its investments (and other financial assets and liabilities for which fair value is measured or disclosed in the financial statements) within three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring the fair value, and to provide additional disclosure in connection therewith.

Private investments

All privately-held investments are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of an investment may, depending upon the circumstances, be adjusted using one or more of the valuation indicators described below. These are included in Level 3.

The determinations of fair value of the Company's privately-held investments at other than initial cost are subject to certain limitations. Financial information for private companies in which the Company has investments may not be available and, even if available, that information may be limited and/or unreliable.

Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized or realizable.

Company-specific information is considered when determining whether the fair value of a privately-held investment should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, the Company will take into account trends in general market conditions and the share performance of comparable publicly-traded companies when valuing privately-held investments.

Adjustments to the fair value of a privately-held investment will be based upon management's judgment and any value estimated may not be realized or realizable. The resulting values for non-publicly traded investments may differ from values that would be realized if a ready market existed.

Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after October 1, 2019. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

(i) IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020.

(ii) IFRS 16 – Leases ("IFRS 16") was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. As at October 1, 2019, the Company will adopt IFRS 16 which will not have any impact on the Company's financial position.