

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

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
QUARTERLY HIGHLIGHTS

FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2020

(Expressed in Canadian Dollars)

Introduction

The following Interim Management's Discussion & Analysis ("Interim MD&A") of Magnetic North Acquisition Corp. ("Magnetic North" or the "Company") (formerly "Black Bull Resources Inc.") for the three and six months ended March 31, 2020 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management discussion & analysis, being the Management's Discussion & Analysis ("Annual MD&A") for the fiscal year ended September 30, 2019. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A. This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual financial statements for the years ended September 30, 2019 and 2018, together with the notes thereto, and unaudited condensed interim financial statements for the three and six months ended March 31, 2020, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of June 1, 2020, unless otherwise indicated.

For the purposes of preparing this Interim 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

Magnetic North (previously Black Bull Resources Inc.) with the registered and head office at 2110, 250 5th Street SW, Calgary, AB T2P 0R4, and offices in Toronto, ON, 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 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 carried 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 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 price of \$0.10 per share and 100,000 Preferred Series A Shares of the Company at a 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. ("Previcare").

As a condition of closing of the Transaction, the Company completed a private placement for gross proceeds of \$3.1 million. The private placement was completed in various during the year ended September 30, 2019. The Company incurred \$442,078 of transaction 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.

- 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").

Both Magnetic North and ICML look forward to entering into a binding offer to finance in the near term however with the emergence of COVID 19, the progress of this Offer has been delayed.

- On October 31, 2019, the \$1.0 million advance to Previcare was converted to a promissory note bearing interest of 7% per annum and due on demand and was later converted into equity on January 12, 2020.
- On February 12, 2020, the Company announced that Colwell Capital had agreed to provide investor relations services and will receive \$5,000 per month for 12 months and 400,000 options with a strike price of \$0.1575 in connection with providing such services.
- On March 31, 2020, Magnetic North closed the first tranche of the Company's non-brokered private placement of Series A Preferred Shares for gross proceeds of up to \$3.0 million previously announced on March 20, 2020. As part of the first closing the Company issued 51,330 Series A preferred shares at a price of \$10 per Series A preferred shares for gross proceeds of \$513,300.

Magnetic North Acquisition Corp. (formerly Black Bull Resources Inc.)
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Three and Six Months Ended March 31, 2020
Discussion dated: June 1, 2020

- On May 12, 2020, the Company announced the closing of the second tranche of its non-brokered private placement with the issuance of 80,334 Series A preferred shares at a price of \$10 per Series A preferred shares for gross proceeds of \$803,340. The Company paid finder's fees of \$38,070 for the completion of this tranche.
- On May 21, 2020, the Company announced the approval of a quarterly dividend on the Company's Series A preferred shares of \$0.125 per share.
- Commencing in March 2020 and continuing after the period ended March 31, 2020, the outbreak of the novel strain of coronavirus known as "COVID19" has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID19 pandemic is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods.

Investee Company Highlights

- On February 12, 2020, the Company also announced the completion of its investment in Previcare, Inc. ("Previcare"). Magnetic North completed the purchase of 32% of the common shares through the principals of the Company vending in their 12% interest, as disclosed in the Company's press release dated October 22, 2019, and the Company providing \$1.0M USD to Previcare in exchange for an additional 20% as governed by an executed term sheet between the two parties dated December 31, 2018.
- On April 6, 2020, the Company announced that Previcare, has signed a multi-year agreement with a major distributor that serves global retailers and drug store chains throughout North America (the "Agreement"). The Agreement stipulates an initial weekly purchase order for Previcare's hand sanitizer commencing immediately. Jeffrey Fredenburgh, President and CEO of Previcare stated, "We are very excited to have this agreement in place as it provides incredible access to the US and Mexican markets through a series of global retailers and drug store chains. We anticipate Previcare to generate \$30 million of revenue in this calendar year."
- On April 9, 2020, Magnetic North announced that one of its investee companies, Previcare has entered into an agreement (the "Agreement") with a Homeland Security consulting firm to assist and provide guidance in connection with the sale of products related to the COVID-19 pandemic, to certain US Federal and State government agencies and organizations. As an initial action under the Agreement, Previcare is working on a purchase order to supply its proprietary disinfectant concentrate to Government agencies. The company has commenced the process for its initial weekly delivery of approximately US\$2.0 million of product. It is expected that these weekly orders will last for a period of up to six months. Additional recurring purchase orders are under discussion.

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.

Outlook

For the immediate future, the Company plans to continue to implement its investment strategy, as described above, and focus on investments in, but are not limited to, clean power technology, special situations, consumer products, oilfield services, manufacturing and technology inclusive of software and hardware. The Company will also continue to explore and evaluate the option of finding a joint venture partner for its exploration property. The Company continues to monitor its spending and will amend its plans and budgets based on operational results and expectations of raising financing as and when required.

Discussion of Operations

Three Months Ended March 31, 2020, Compared With Three Months Ended March 31, 2019

Magnetic North's net loss totaled \$314,502, for the three months ended March 31, 2020, with basic and diluted loss per share of \$0.01. This compares with a net loss of \$132,533 with basic and diluted loss per share of \$0.04 for the three months ended March 31, 2019. The difference of \$181,969 was principally because:

- During the three months ended March 31, 2020, general and administrative increased by \$176,751 compared to the three months ended March 31, 2019. 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 completion of the Transaction and the Company's change of business.
- During the three months ended March 31, 2020, the Company recorded \$44,186 of share-based payments compared to \$nil for the three months ended March 31, 2019. Share-based payment expense will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date.
- All other expenses related to general working capital purposes.

Six Months Ended March 31, 2020, Compared With Six Months Ended March 31, 2019

Magnetic North's net income totaled \$237,708, for the six months ended March 31, 2020, with basic and diluted income per share of \$0.00. This compares with a net loss of \$154,904 with basic and diluted loss per share of \$0.04 for the six months ended March 31, 2019. The difference of \$392,612 was principally because:

- During the six months ended March 31, 2020, the Company recorded a reversal of impairment of advances to private companies of \$1,250,000. The reversal was necessary to enable the Company to convert the advance to a promissory note receivable.
- During the six months ended March 31, 2020, the Company recorded \$442,078 of transaction costs which was related to the completion of the Transaction to acquire the investments.
- During the six months ended March 31, 2020, general and administrative increased by \$425,196 compared to the six months ended March 31, 2019. 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 completion of the Transaction and the Company's change of business.
- During the six months ended March 31, 2020, the Company recorded \$123,216 of share-based payments compared to \$nil for the six months ended March 31, 2019. Share-based payment expense will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date.
- All other expenses related to general working capital purposes.

Cash Flow

At March 31, 2020, the Company had cash of \$574,358 compared to \$1,452,417 at September 30, 2019. The decrease in cash of \$878,059 from the September 30, 2019 cash balance of \$1,452,417 was as a result of cash outflow in operating activities and investing activities of \$761,591, and \$559,409, respectively offset by cash inflow from financing activities of \$442,941.

Operating activities were affected by adjustments for accretion of \$2,397, share-based payments of \$123,216, reversal of impairment of advances to private companies of \$1,250,000 and net change in non-cash working capital balances of \$125,088 because of an increase in receivables of \$42,429, an increase in prepaid expenses and advances of \$125,925, a decrease in deferred costs of \$405,102 and a decrease in payable and accrued liabilities of \$111,660.

Financing activities generated cash of \$442,941 from the issue of Series A preferred shares for proceeds of \$513,300 offset by share issue costs of \$34,712 and \$35,647 of dividends paid.

Investing activities used cash of \$559,409 by the advancing of \$559,409 to investees.

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 March 31, 2020, the Company had a working capital \$1,375,167 (September 30, 2019 – \$1,571,302).

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 March 31, 2021. The Company will have to raise additional 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.

	Three Months Ended March 31, 2020 \$	Three Months Ended March 31, 2019 \$	Six Months Ended March 31, 2020 \$	Six Months Ended March 31, 2019 \$
Consulting fees for key management personnel	77,000	4,650	141,500	6,850
Share-based payments	24,393	nil	85,641	nil
	101,393	4,650	227,141	6,850

- (i) As at March 31, 2020, related parties were owed \$nil (September 30, 2019 - \$22,023), which is included in payables and accrued liabilities. In addition related parties owed the Company \$102,445 (September 30, 2019 - \$nil), which is included in prepaid expenses and advances.

Risks and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risks and Uncertainties" in the Company's Annual MD&A for the fiscal year ended September 30, 2019, available on SEDAR at www.sedar.com.

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 interim 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 interim 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.