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

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND TWELVE MONTHS ENDED SEPTEMBER 30, 2020

(Expressed in Canadian Dollars)

Introduction

This management's discussion and analysis ("MD&A") for Magnetic North Acquisition Corp. ("Magnetic North", the "Company", "we", "us" or "our") (formerly Black Bull Resources Inc.) dated November 26, 2020, should be read in conjunction with our unaudited condensed interim financial statements and accompanying notes for the three and twelve months ended September 30, 2020 (as compared with the same periods in 2019), the September 30, 2019 audited annual financial statements and accompanying notes, and the September 30, 2019 MD&A.

All financial information, unless otherwise noted, presented in this MD&A is reported in Canadian dollars and has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Additional information relating to the Company, including the annual and quarterly financial statements and MD&A, is available on SEDAR at www.sedar.com.

In September 2020, the Company changed its financial year end from September 30 to December 31. The annual audited financial statements of the transition year will be 15 months and will include the period starting October 1, 2019 and ending December 31, 2020.

This MD&A addresses matters we consider important for an understanding of the Company's business, financial condition and results of operations as at and for the three and twelve months ended September 30, 2020.

Description of Business and Overview

Magnetic North with the registered and head office at 1000, 250 2nd Street SW, Calgary, AB T2P 0C1, 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 TSX Venture Exchange ("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 Previcare, Inc. ("Previcare"), Ignite Alliance Corp. ("Ignite"), and Power Symmetry Inc. With the completion of the Transaction, the Vendors were appointed officers and directors of the Company, 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.

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. After the completion of the Transaction, Magnetic North carried on the business of hands-on merchant banking comprised of a team of highly experienced professionals in finance, operations, and strategy. Market segments we invest in include, but are not limited to, clean power technology, oilfield services, consumer products, and technology (software and hardware).

In furtherance of the Company's new business objective, we 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 increasing the investee company's valuation.

See "Risks and Uncertainties" below.

Quarter Ended September 30, 2020 Highlights

Financial:

- Reported revenue of $92,824 relating to advisory fees from investees (no revenue in the comparable period);
- General and administrative expenses increased by $583,616 over 2019, to $619,079;
- Loss was $516,319 and loss per share was $0.01;
- Completed a non-brokered private placement of 122,660 Series A preferred shares at $10.00 per share for gross proceeds of $1,226,600;
- Paid dividends of $71,163 on the Series A preferred shares; and
- Issued 350,000 Series A preferred shares at $10.00 per share and paid $700,000 in cash (inclusive of GST) for the demonstration machine discussed below.

Twelve Months ended September 30, 2020 Highlights

Financial:

- Reported revenue of $92,824 relating to advisory fees from investees (no revenue in the comparable period);
- General and administrative expenses increased by $1,418,581 over 2019, to $1,617,245;
- Reversed the impairment charge of $1,250,000 relating to advances to private companies from September 30, 2019;
- Loss was $701,821 and loss per share was $0.01;
- Issued 100,000 Series A preferred shares at $10.00 per share to the Vendors in connection with the Transaction, as previously discussed;
- Advanced an additional $350,000 to Previcare totaling $1,350,000. The Company converted the entire advance balance into an additional 1,000,000 common shares of Previcare, which increased the Company's ownership of Previcare to 32%;
- Entered into a nine-month loan agreement to provide Previcare with a secured bridge loan of US$500,000 ($666,960) at an annual interest rate of 15.0%;
- Completed multiple non-brokered private placements of 406,787 Series A preferred shares at $10.00 per share for gross proceeds of $4,067,870;
- Issued 350,000 Series A preferred shares at $10.00 per share and paid $700,000 in cash (inclusive of GST) for the demonstration machine discussed below; and
- Paid dividends of $148,874 on the Series A preferred shares.

Operational:

- Executed an Indicative Offer of Finance ("Offer") with Infrastructure Commodities Limited ("ICML") to explore, mine, refine and produce minerals such as quartz, kaolin and mica on the Company's wholly owned White Rock property located in Yarmouth County Nova Scotia. 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;
- Engaged Colwell Capital to provide investor relations services;

- Entered into an asset purchase agreement with Cirque Innovations Ltd. ("Cirque") to purchase a demonstration machine that uses technology to recycle and refine or convert plastics and other hydrocarbon-related substances into market-ready petro-chemicals and associated products to be used by CXTL Recycling (Canada) Corp. ("CXTL"). CXTL is a recycling company that will be jointly owned on a 50/50 basis by Magnetic North and Cirque. Cirque will contribute the technology and staff, and Magnetic North will contribute capital, and management expertise as needed.
- Appointment of Stephen McCormick as Vice President, Capital Markets;
- Appointment of Ha Tran as Chief Financial Officer; and
- Entered into a purchase agreement with Intergild Advanced Recycling Technologies ("Intergild") to acquire all of its issued and outstanding shares for 400,000 Series A preferred shares of Magnetic North at $10.00 per share. Upon completion of this transaction, Magnetic North intends to merge Intergild with CXTL as the technology from Intergild will augment CXTL's e-waste recycling solution.

Subsequent Events:

- On October 9, 2020, the Company announced a new non-brokered private placement of Series A preferred shares for gross proceeds of up to $2,000,000. On October 26, 2020, the Company announced the closing of this private placement with the issuance of 165,697 Series A preferred shares for gross proceeds of $1,656,970.
- On October 28, 2020, the Company announced that it has closed its acquisition of Intergild as previously announced on August 26, 2020. Pursuant to the share purchase agreement dated effective August 24, 2020, Magnetic North acquired all issued and outstanding shares of Intergild in consideration for (a) the issuance of an aggregate of 400,000 Series A preferred shares at $10.00 per share, (b) a cash payment in the amount of $53,000, and (c) a promissory note in the amount of $377,000, which is due and payable within 60 days of the closing date. In addition, the Company issued 300,000 stock options of the Company to Graham Fritz, Founder and former CEO of Intergild, who has joined the Magnetic North Board of Advisors, and 300,000 warrants of the Company to the other shareholder of Intergild, with each option and warrant entitling the holder to acquire one common share of the Company at a price of $0.70 per share for a term of five years.
- On November 3, 2020, the Company announced that the TSXV has approved to list the Company's Series A preferred shares for trading. The trading began on November 6, 2020 under the symbol MNC.PR.A.
- On November 10, 2020, the Company announced that its disinterested common shareholders approved the adoption of an omnibus incentive plan for purposes of attracting, retaining and motivating key individuals. The Company also announced a stock option grant of 100,000 options at an exercise price of $0.79 per share to an officer of the Company.

Investments

Below is a discussion of Magnetic North's two largest investments.

Previcare, Inc.

Previcare is a healthcare company focused on the research, development, sales, and marketing of industry leading hand sanitizer and hard surface disinfectant products. With offices in Toronto, Ontario and Buffalo, New York, Previcare serves retail consumers, wholesalers, institutional clients and government agencies throughout North America.

In April 2020, Previcare signed a multi-year agreement with a major United States ("US") distributor that serves global retailers and drug store chains throughout North America. The agreement stipulated an initial weekly purchase order for Previcare's hand sanitizer, commencing immediately. The distributor has however not met its purchase obligations as per the terms of the agreement. Previcare has marketed its hand sanitizer products to several alternate potential customers and expects to begin deliveries to some of those customers prior to year-end. Revenues from these customers should, if Previcare's marketing and sales efforts are successful, meet or exceed the revenues initially anticipated under the multi-year agreement with the major US distributor.

In April 2020, Previcare entered into an 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. Previcare worked initially with the consulting firm on a purchase order which anticipated initial weekly delivery of approximately US$2.0 million of disinfectant concentrate product for a period of up to six months; the final purchase order however has not been issued. Previcare has, working with the consulting firm, subsequently responded to several Requests for Proposals for similar disinfectant products and, separately, for its hand sanitizer products. Previcare expects to receive notifications on at least one of the Department of Homeland Security bids it has submitted prior to year-end. Revenue from any successful bid could meet or exceed the revenue level anticipated under the initial purchase order.

On April 14, 2020, the Company entered into a loan agreement to provide Previcare with a secured bridge loan ("Bridge Loan") of up to US$500,000. The Bridge Loan has a nine-month term from the closing date and accrues interest at 15.0% per annum. The Bridge Loan entitles the Company to receive a total of 50,000 warrants to acquire common shares of Previcare, on a one-for-one basis at a cost of $10.00 per common share. The warrants vested immediately upon execution of the loan agreement and will expire three (3) years from the execution date. The Bridge Loan is secured by current and non-current assets of Previcare and its subsidiaries (including but not limited to accounts receivable, intellectual property and contractual relationships). As at September 30, 2020, the Company has provided US$500,000 ($666,950) to Previcare and has accrued interest of US$30,329 ($40,446).

The Company advanced Previcare $1,000,000 and $350,000 during the 2019 fiscal year and 2020 fiscal year, respectively, for a total of $1,350,000. As at November 30, 2019, the Company converted this amount into an additional 1,000,000 common shares of Previcare which increased Magnetic North's equity ownership of Previcare to 32%.

The Company is now entitled to a monthly advisory fee from Previcare in accordance with the equity ownership terms. As at September 30, 2020, the Company reported advisory fees revenue of $92,824.

CXTL Recycling (Canada) Corp.

CXTL is a plastic and e-waste recycling company, based in Calgary, Alberta. It uses technology to recycle and refine or convert plastics and other hydrocarbon-related substances into market-ready petro-chemical and associated products. CXTL serves groups including municipalities across North America and industries such as mining, hydrocarbon production and waste management.

CXTL will be jointly owned by Magnetic North and Cirque Innovations Ltd, a privately-owned company. Magnetic North will contribute capital and management expertise as needed, while Cirque will contribute the technology and staff.

During the twelve months ended September 30, 2020, Magnetic North invested a total of $5,575,340 into CXTL's operations.

Subsequent to September 30, 2020, Magnetic North closed its acquisition of Intergild, as discussed above. The Company intends to merge Intergild into CXTL as the technology from Intergild will augment CXTL's e-waste recycling solution.

Results of Operations

The following table sets forth a summary of Magnetic North's results of operations for the three and twelve months ended September 30, 2020 and 2019.

	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2020	2019	**2020**	2019
Revenue	$ 92,824	$ -	$ 92,824	$ -
General and administrative expenses	619,079	35,463	1,617,245	198,664
Other (expenses) income	9,936	(1,251,674)	822,600	(1,269,518)
Loss	(516,319)	(1,287,137)	(701,821)	(1,468,182)
Loss per share - basic and diluted	(0.01)	(0.05)	(0.01)	(0.16)

Revenue

During the three and twelve months ended September 30, 2020, the Company reported revenue of $92,824 as compared to $nil in the same periods in 2019. Revenue is comprised of advisory fees from investees.

General and Administrative Expenses ("G&A")

G&A increased by $583,616 for the three months ended September 30, 2020 compared to the same period in 2019. G&A include consulting fees, professional fees, investor relations, share-based compensation expense, regulatory fees and other office expenses. The increase in G&A resulted from increased corporate activity related to the completion of the Transaction and the Company's change of business. The majority of the increase were due to increases in professional fees of $306,593 and share-based compensation expense of $252,635. There were no options granted during 2019. Share-based compensation expense will vary from period to period depending upon the number of options granted and vested during each period and the fair value of the options calculated as at the grant date. The remainder of the increase of $24,388 were from other office expenses.

G&A increased by $1,418,581 for the twelve months ended September 30, 2020 compared to the same period in 2019. The increase in G&A resulted from increased corporate activity related to the completion of the Transaction and the Company's change of business. The majority of the increase were due to increases in share-based compensation expense of $582,291, professional fees of $345,089, consulting fees of $228,875. There were no options granted during 2019. The remainder of the increase of $262,326 were from investor relations, regulatory fees and other office expenses.

Other (Expenses) Income

Other expenses are comprised of exploration and evaluation expenses, accretion, finance income (net), transaction costs and impairment/recovery of advances to private companies.

Other income for the three months ended September 30, 2020 were $9,936 compared to other expense of $1,251,674 for the same period in 2019. During the three months ended September 30, 2019, the Company recorded an impairment of advances to private companies of $1,250,000. There was no such impairment during the current period.

Other income for the twelve months ended September 30, 2020 were $822,600 compared to other expenses of $1,269,518 for the same period in 2019. During the twelve months ended September 30, 2019, the Company recorded an impairment of advances to private companies of $1,250,000. During the twelve months ended September 30, 2020, the Company reversed this impairment of $1,250,000 due to the conversion of the advance into additional common shares of Previcare. The reversal of the impairment was partially offset by transaction costs of $450,409 in connection with the completion of the Transaction during the twelve months ended September 30, 2020.

Summary of Quarterly Results

	Sept 30 2020	Jun 30 2020	Mar 31 2020	Dec 31 2019	Sept 30 2019	Jun 30 2019	Mar 31 2019	Dec 31 2018
Revenue	$ 92,824	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Expenses	619,504	436,784	314,257	267,772	39,527	25,658	132,771	21,305
Operating loss	(526,680)	(436,784)	(314,257)	(267,772)	(39,527)	(25,658)	(132,771)	(21,305)
(Loss) income	(516,319)	(423,210)	(314,502)	552,210	(1,287,137)	(26,141)	(132,533)	(21,669)
Loss per share - basic and diluted	(0.01)	(0.01)	(0.01)	0.01	(0.05)	(0.01)	(0.04)	(0.01)

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.

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.

The Company has minimal 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, 2020, the Company had a working capital $1,567,077 (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 2021, the Company's expected operating expenses are estimated to be $150,000 per month for recurring operating costs.

Subsequent to September 30, 2020, the Company completed a non-brokered private placement of 165,697 Series A preferred shares for gross proceeds of $1,656,970.

The Company is anticipated to have sufficient cash to fund its operating expenses for the twelve months ended September 30, 2021. The Company will have to raise additional capital beyond fiscal 2021 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.

The following table sets out the condensed interim statement of cashflows for the three and twelve months ended September 30, 2020 and 2019.

	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2020	2019	**2020**	2019
Net cash used in operating activities	$ (419,018)	$ (240,904)	$ (1,396,448)	$ (428,356)
Net cash used in investing activities	(1,528,338)	(753,912)	(2,454,316)	(1,255,712)
Net cash provided by financing activities	623,971	1,769,830	2,536,401	3,108,290
Net change in cash and cash equivalents	(1,323,385)	775,014	(1,314,363)	1,424,222
Cash and cash equivalents, beginning of period	1,461,439	677,403	1,452,417	28,195
Cash and cash equivalents, end of period	$ 138,054	$ 1,452,417	$ 138,054	$ 1,452,417

Operating activities for the twelve months ended September 30, 2020 were affected by adjustments for accretion of $4,794, unrealized foreign exchange of $28,050, share-based payments of $582,291, reversal of impairment of advances to private companies of $1,250,000 and net change in non-cash working capital balances of $59,762.

Investing activities for the twelve months ended September 30, 2020 were related to investments made to the Company's various investees.

Financing activities for the twelve months ended September 30, 2020 generated net cash of $2,536,401 from the issue of Series A preferred shares for proceeds of $4,067,870 offset by share issue costs of $349,375, repayment of demand loans of $38,220, dividend payments of $148,874 and facilitated loans of $995,000.

Outstanding Share Data

The total number of fully diluted outstanding and issuable Common Shares is as follows:

	Nov 26, 2020	**Sept 30, 2020**	**Sept 30, 2019**
Common shares	59,051,105	59,051,105	59,051,105
Series A preferred shares	1,607,663	1,041,966	185,179
Stock options(1)	4,790,000	4,090,000	-
Common share purchase warrants(1)	300,000	-	-
Total	65,748,768	64,183,071	59,236,284

Note: (1) Assuming full conversion and ignoring exercise prices.

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.

During the three and twelve months ended September 30, 2020, the Company paid consulting fees of $108,000 and $329,000, respectively, to certain officers of the Company.

As at September 30, 2020, related parties owed the Company $94,214 (September 30, 2019 - $nil), which are included in prepaid expenses and advances.

Financial Instruments and Risk Management

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 Board of Directors.

The Company has exposure to the following risks from its use of financial instruments:

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, trade and other receivables, advances to private companies, bridge loan receivable and loan receivable. Cash and cash equivalents are held with select major Canadian chartered banks. Trade and other receivables consist of sales taxes receivable from government authorities in Canada, advisory fee receivable and interest receivable from various loans. The Company does not have significant concentration risk from cash and cash equivalents and trade and other receivables.

The Company manages credit risk through the careful selection and monitoring of its investments. The advances to private companies, bridge loan receivable and loan receivable are managed through active review of the financial performance of those borrowers.

Liquidity Risk

Liquidity risk is the risk the Company will encounter difficulties in meeting its financial liability obligations. The Company manages its liquidity risk through cash management, which includes monitoring forecasts of the Company's cash and cash equivalent on the basis of projected cash flow. As at September 30, 2020, the Company had a cash balance of $138,054 (September 30, 2019 - $1,452,417) to settle current liabilities of $527,517 (September 30, 2019 - $616,768). Historically, the Company's sole source of funding has been the issuance of equity securities for cash through private placements. As discussed above, the Company completed a non-brokered private placement subsequent to September 30, 2020 for gross proceeds of $1,656,970. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Fair Values of Financial Assets and Liabilities

The fair values of cash and cash equivalents, trade and other receivables, bridge loan receivable, loan receivable, and accounts payable and accrued liabilities included in the condensed statement of financial position approximate their carrying amount due to the short-term maturity of these instruments. The fair value of advances to private companies and investments are measured at fair value through profit or loss and considered to be under Level 3 hierarchy. There were no transfers between levels in the fair value hierarchy during the twelve months ended September 30, 2020.

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, consumer products, oilfield services, and technology (software and hardware). The Company will also continue to explore and evaluate the option of finding a joint venture partner for its exploration property in Nova Scotia. 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.

Critical Accounting Estimates

The preparation of the financial statements in compliance with IAS 34 requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas where significant judgment and estimates have been made in preparing the financial statements and their effect are disclosed in Note 2 of the Company's 2019 audited annual financial statements and have been updated as necessary to address the impacts of COVID-19 as discussed further below.

COVID-19

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic. COVID-19's impact on global markets was significant throughout the first nine months of 2020. This outbreak 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 COVID-19 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 Company's financial results and condition in future periods.

Changes in Accounting Policies

The Company has adopted a new and revised accounting pronouncement outlined below and has determined this standard did not have a material impact upon adoption on October 1, 2019.

IFRS 15 Revenue from Contracts with Customers

In April 2016, the IASB issued amendments to IFRS 15, *Revenue from Contracts with Customers*. IFRS 15 introduces a single model for recognizing revenue from contracts with customers. The standard requires revenue to be recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the consideration expected to be received in exchange for transferring those goods or services. This is achieved by applying the following five steps:

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenue when (or as) the entity satisfies a performance obligation.

The Company adopted IFRS 15, effective October 1, 2019, using the cumulative effect method. Accordingly, the information presented for the comparative period has not been restated. There was no material impact on the Company's Financial Statements.

Advisory fees from investees

In addition to capital investment, the Company also provides management advisory services to certain of its investees. These advisory services are in the areas of finance, operations and strategy. Revenue from advisory services is recognized on a monthly basis based upon agreed terms with each of the individual investees.

IFRS 16 Leases

In January 2016, the IASB issued IFRS 16, *Leases*, replacing IAS 17, *Leases*. IFRS 16 provides a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases on its statement of financial position, providing the reader with greater transparency of an entity's lease obligations.

The Company adopted IFRS 16, effective October 1, 2019, under the modified retrospective approach. Comparatives for 2019 were not restated. At transition, the Company elected to use the practical expedient available under the standard that allows lease assessments made under IAS 17 and IFRS Interpretations Committee ("IFRIC") 4 to be used for existing contracts. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or modified after October 1, 2019. The Company determined that no transitional adjustment was required.

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:
- Leases of low value assets; and
- Leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by the incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:
- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted if it is reasonably certain to assess that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:
- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognized where the Company is contractually required to dismantle, remove or restore the leased asset.

Lease liabilities, on initial measurement, increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortized over the remaining (revised) lease term.

Future Accounting Pronouncements

Certain accounting 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.

In October 2018, IAS 1, *Presentation of Financial Statements* and IAS 8*, Accounting Policies, Changes in Accounting Estimates and Errors,* were amended to incorporate a new definition of material. 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. In July 2020, IAS 1, *Presentation of Financial Statements*, was amended to clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period, right to defer settlement of a liability and settlement refers to transfer of cash, equity instruments or other assets or services. The amendments are effective for annual reporting periods beginning on or after January 1, 2023.

In October 2018, IFRS 3, *Business Combinations*, was amended to clarify that a business must include, at minimum, an input and a substantive process that together contribute to the ability to create outputs, and assists companies in determining whether an acquisition is a business combination or an acquisition of a group of assets by providing supplemental guidance for assessing whether an acquired process is substantive. For acquisitions that are determined to be acquisitions of assets as opposed to business combinations, the Company allocates the transaction price to the individual identifiable assets acquired and liabilities assumed based on their relative fair values, and no goodwill is recognized. Acquisitions that continue to meet the definition of a business combination are accounted for under the acquisition method. The amendments are effective for annual reporting periods beginning on or after January 1, 2020.

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.

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 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 the Company. Such Forward-Looking Statements involve known and unknown risks and uncertainties that may cause the Company's 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 the Company's future outlook and anticipated events or results and may include statements regarding Company's future business strategy, plans and objectives. The Company has 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 the 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.