Vatic Ventures Corp.

Management's Discussion & Analysis

For The Six Months Ended

August 31, 2020

OVERVIEW

The following management discussion and analysis ("MD&A") is a review of the operations, current financial position and outlook for Vatic Ventures Corp. (the "Company") and should be read in conjunction with the unaudited condensed consolidated interim financial statements for the period ended August 31, 2020 and the audited consolidated financial statements for the years ended February 29, 2020 & February 28, 2019, which are filed on the SEDAR website: www.sedar.com.

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"). This document has been reviewed by the Audit Committee of the Board of Directors of the Company and has been approved by the Board of Directors on January 26, 2021. All amounts are expressed in Canadian dollars unless otherwise stated.

The financial information in this MD&A is derived from the Company's consolidated financial statements. This MD&A may contain forward looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of risk factors beyond its control. Actual results may differ materially from the expected results.

DESCRIPTION OF THE COMPANY'S BUSINESS

The Company was incorporated on October 30, 2007 and was classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). Until January 26, 2011, the principal business of the Company was the identification and evaluation of assets of a business and once identified or evaluated, to negotiate an acquisition of or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities (as that term is defined in Policy 2.4).

On May 17, 2010 and further amended on January 13, 2011, the Company announced that it entered into an option agreement to acquire an undivided 100% interest in a property consisting of 14 claims, covering 7,176 hectares in the southwest of Merritt, British Columbia (see "Mineral Interests"). On January 26, 2011, the Exchange accepted the filing of the Company's Qualifying Transaction. As a result, the Company is listed on the Exchange as a Tier 2 mining exploration issuer and the common shares resumed trading on the Exchange on January 27, 2011 under the TSX-V symbol "VCV".

On June 20, 2012, the Company incorporated two wholly owned subsidiaries VV Mining Exploration Services Mexico S. DE. R. I. and VV Mining Mexico S. DE R. I. C. V. to carry out the exploration of the La Silla West claims in the State of Sinaloa, Mexico. As at February 28, 2019, the two subsidiaries were inactive.

On January 21, 2017, the Company announced that it had completed the acquisition of 80% of the issued and outstanding shares of Saksrithai Development Co. Ltd., a Thai company which holds two special prospecting licenses for the exploration of potash (See "Mineral Interests").

(a) determine if an economic mineral deposit exists on the acquired mineral properties;
(b) find one or more economic mineral deposits and bring them to commercial production; and
(c) deliver a return on capitalization to shareholders.

On December 11, 2018, the Company announced that Nasim Tyab and Gerald Wright had resigned as directors and officers of the Company, Loren Currie had joined the board of directors and Barry Coughlan, an existing director of the Company, had been appointed as interim CEO.

The Company was engaged in exploration and development of mineral properties and is currently focused on projects in Thailand and other potential areas in other parts of the world. At this time, the Company does not own any operating mines and has no operating income from mineral production. Funding for operations is raised primarily through public and private share offerings. Future operations and the Company's ability to meet its mineral interest commitments are dependent on the Company's ability to raise sufficient funds through share offerings, debt, or operations to support current and future expenditures.

On March 19, 2019, the Company announced that pursuant to an assignment agreement dated February 21, 2019 (the "Assignment Agreement") with R7 Capital Ventures Ltd. ("R7") the Company has acquired R7's right's under a letter of intent (the "LOI") dated December 20, 2018 among R7, Tim Rogers and CannOps Africa, which has a pending name change to Indian Ocean Organics Ltd. ("Indian Ocean") to acquire from Tim Rogers 70% of the issued shares of Indian Ocean (the "Shares").

On October 31, 2019, the Company signed a binding letter of intent (the "LOI") for a share exchange to acquire Indian Ocean Organics Ltd. ("Indian Ocean") which has the right to acquire 70% of a company which holds an exclusive permit for the exploration, cultivation, production, transport and export of THC, CBD and its derivative medicinal plants and seeds (the "Permit") in a west African country (the "Permitted Jurisdiction"). Indian Ocean is an arm's length private company incorporated pursuant to the laws of the Province of British Columbia, Canada. It is intended that the LOI will be replaced by a formal agreement in due course (the "Share Exchange Agreement"). This LOI supersedes and replaces the previously announced February 21, 2019 Assignment Agreement.

The shares of the Company were voluntarily halted on February 21, 2019 and will reinstated for trading up the Exchange approval of the Company's approval of it Change of Business to Life Sciences.

On January 29, 2020, the Company announced the termination of its change of business as per its November 6, 2019 and March 19, 2019 news releases. From February 21, 2019, when trading in the shares of the Company was halted at the request of the Company, to the date hereof, the Company had been carrying out due diligence in order to secure a valid and viable opportunity in the cannabis industry. As a result of due diligence, it decided to no longer pursue the opportunities announced previously.

On August 14, 2020, the Company announced that T. Barry Coughlan and Tom Wilson resigned as directors and officers of the Company and Gordon Fretwell resigned as an officer of the Company. Loren Currie, an existing director of the Company, was appointed interim CEO.

Subsequent to the six months ended August 31, 2020, on November 25, 2020, the BCSC issued the Company a Partial Revocation Order of the failure-to-file cease trade order in order to complete a series of loans in the aggregate amount of $125,125 (the "Loans"). Such Loans are to carry a 15% per annum interest rate.

MINERAL INTERESTS

Khorat Basin Property, Thailand

On June 2, 2016 the Company entered into an assignment and purchase agreement (the "Agreement") to acquire 80% of the issued and outstanding shares (the "Shares") of Saksrithai Development Co. Ltd. ("Saksrithai"), a Thailand company which holds two special prospecting licenses ("SPLs") for the exploration of potash.

The two licenses, which are contiguous, are located in the northern Thailand province of Nakhon Ratchasima and comprise an area of approximately 32 km2. The property is located in the western part of the Khorat Basin in the Khorat Plateau which contains a large evaporate basin of Cretaceous age.

Pursuant to the Agreement the Company acquired the rights of Red Branch Investments Ltd. ("Red Branch") a Hong Kong incorporated company to acquire the Shares pursuant to a memorandum of understanding entered into among the holders of the Shares of Saksrithai (the "Saksrithai Shareholders"), and Red Branch dated February 26, 2016 which was superseded on June 2, 2016 by a share purchase agreement (the "Underlying Acquisition Agreement"). In accordance with the terms of the Underlying Acquisition Agreement, as assigned to the Company, the Company purchased the Shares by paying the Saksrithai Shareholders THB 8,000,000 (8,000,000 Thai Baht, the currency of Thailand, which equates to approximately US$220,000). The Underlying Acquisition Agreement also provides that the Company fund a THB 50,000,000 (approximately US$1,400,000) first stage exploration and development program which will include sufficient funding to satisfy work and expenditure commitments under the SPLs and to pay the Thailand project expenses and funding for general and administrative expenses in Thailand and Canada. In the event that the full amount of THB 50,000,000 is not expended, the Saksrithai Shareholders will be entitled to a cash payment of 20% of the unspent balance.

As consideration for the Agreement, on October 21, 2016, the Company issued 1,733,333 common shares to Red Branch plus a 1% NSR on the property. The NSR can be purchased by the Company at any time for US$1,000,000. Upon closing of the transaction Gerry Wright, the principal of Red Branch, joined the board of directors of the Company. Mr. Wright is a Professional Engineer and holds a Doctorate in Engineering from Queen's University, Belfast. He has over 30 years' experience in the minerals exploration and development industry in Asia, North America, Europe and Africa, serving as a Senior Officer and Director of a number of public and private companies. He has extensive experience and knowledge of the potash resources underlying Thailand's Khorat Plateau and the regional potash industry. As CEO of Asia Pacific Resources Ltd., he was directly responsible for acquisition, financing and development of Asia's most significant potash discovery.

During the year ended February 28, 2019, management has decided to abandon the property. On January 19, 2019, the Company announced that it had given notice to Red Branch prior to December 31, 2018, that it was terminating the option agreement on the Khorat Basin Thailand property and returning the shares in Saksrithai to Red Branch from whom it had purchased. As a result, the Company has written off the carrying value of the property.

Wabunk Bay Property, Ontario

On June 28, 2018, the Company announced that it had signed a memorandum of understanding (the "MOU") with Falcon Gold Corp. ("Falcon") for the Wabunk Bay cobalt claims (the "Property") adjoining Uchi mine, northwestern Ontario, Canada. Vatic has the right to earn a 60% interest from Falcon (the "Option") by meeting certain expenditure and consideration requirements on the Property. Falcon has an underlying agreement with the property owner whereby it has the right to acquire a 100% interest in 2 (cobalt, copper, nickel & PGE's) mining claims in Earngey Township in the Kenora District of northwestern Ontario. The claims comprise 19 claim units and cover an area of approximately 304 hectares (see the Falcon press release of June 13, 2018). The Wabunk Bay property is highly prospective for cobalt, and the Company believes that it can explore and develop potential in a short timeframe there.

In accordance with the terms of the MOU Vatic can exercise the Option by:

a) paying to Falcon a $25,000 deposit;
b) issuing to Falcon an initial 200,000 units at $0.18 per unit, each unit consisting of one common
c) share plus a warrant to purchase a further common share for $0.25 exercisable for two years (the "Initial Units");
d) completing exploration expenditures of $750,000 on the Property by June 27, 2019;
e) issuing by June 27, 2019 an additional 200,000 units on the same terms as the Initial Units; and
f) paying to Falcon an additional $275,000 by June 27, 2019.

The Property is subject to a 2 kilometer area of interest and is subject to a 1% NSR in favor of the underlying owner which can be purchased for $1 million any time before commercial production. Upon exercise of the Option the Company and Falcon will form a 60/40 joint venture for further development of the Property subject to the right of the Company to acquire Falcon's 40% interest by issuing shares of the Company to Falcon based on a valuation to be conducted by at least three valuators.

On September 17, 2018, the Company terminated its Option on the Wabunk Bay Property. Under the terms of the MOU, the Company had paid Falcon a non-refundable deposit of $25,000.

OVERALL PERFORMANCE

Loans payable, deferred transaction costs and other

As at February 28, 2018, loans payable consisted of two loans with a total carrying value of $43,163. Both of the loans are unsecured, due on demand and bear interest at 10% or 12% per annum. During the year ended February 28, 2018, two of the debt holders assigned their debts to other parties and waived any payment of interest from the beginning of the year up until the date of the transfer. One of the loans was transferred to a related party with a carrying amount of $21,806 at February 28, 2018.

During the year ended February 28, 2019, the Company has repaid the full balance of the loan. The loan did not incur any interest during the year.

On May 8, 2018, the Company received TSX Venture Exchange approval to amend its share structure by consolidating its issued and outstanding common shares on the basis of one (new) post consolidation share for each three (old) pre-consolidation shares (the "Consolidation").

On February 5, 2018, the Company met the requirement to be listed as a TSX Venture Tier 2 Company. Therefore, effective at the opening of trading, Monday February 5, 2018, the Company's listing was transferred from the NEX board to the TSX Venture Exchange and the Company's classification was changed from NEX to Tier 2.

The exercise or conversion price and the number of common shares issuable under any of the Company's outstanding warrants and stock options have been proportionately adjusted to reflect the Consolidation in accordance with the respective terms thereof.

On August 24, 2018, the Company announced the closing of its rights offering (the "Rights Offering") previously announced on June 18, 2018. Under the Rights Offering, on August 24, 2018 (the "Closing Date"), 1,122,736 units of the Company (the "Units") were distributed at a price of $0.18 per Unit for gross proceeds of approximately $202,092. Each Unit consisted of one common share in the capital of Vatic (a "Share") and one transferable common share purchase warrant (each, a "Warrant"), with each Warrant exercisable into one Share at an exercise price of $0.25 for a period of 24 months from the Closing Date. The Warrants will not be listed for trading on the TSX Venture Exchange (the "Exchange"), as the minimum distribution and other listing requirements of the Exchange were not satisfied. A total of 1,017,403 Units were subscribed for by rights holders pursuant to the basic subscription privilege attached to the rights, and a total of 105,333 Units were subscribed for by rights holders pursuant to the additional subscription privilege attached to the rights. No Units were subscribed for by insiders of the Company under the basic subscription privilege or the additional subscription privilege. As previously announced, Mackie Research Capital Corporation ("Mackie") acted as exclusive soliciting dealer on a commercially reasonable efforts basis in connection with the Rights Offering in consideration for: (i) a corporate finance fee of $40,000 plus GST; (ii) a cash commission equal to 10% of the proceeds of the Rights Offering; (iii) the issuance of non-transferable options to acquire 694,444 Shares at a price of $0.18 per Share for a period of 24 months from the Closing Date; and (iv) the issuance of nontransferable options to acquire 112,273 Units. Vatic intends to use the net proceeds of the Rights Offering for further exploration and development of its Saksrithai potash project in Thailand and for working capital.

During the year ended February 28, 2019, The Company incurred $912,806 business development costs for the Rights Offering.

On February 21, 2019, the Company and R7 Capital Ltd. ("R7") entered into an agreement (the "Assignment Agreement") whereby the Company has acquired R7's rights under the letter of intent (the "LOI") dated December 20, 2018 to, among other rights, acquire 70% of the interest in CannOps Africa (Comoros) SARLU ("CannOps") from one of its shareholders ("CannOps Shareholder") and acquire 70% of the shares of a company that has a pending CBD permit in Uganda. CannOps has permits for the cultivation and exclusive production of CBD in Comoros.

In consideration of assignment of the R7's rights under the LOI, the Company is to:

i. Issue 500,000 common shares to R7 upon regulatory approval of the transaction;
ii. Issue a further 500,000 common shares on the later of the regulatory approval date and the date upon which the Uganda permit is assigned to the Company; and
iii. Assume the obligations of R7 under the LOI.

The Assignment Agreement is subject to the approval of the TSX Venture Exchange.

Under the terms of the LOI, R7 or its assignee shall pay the following to the CannOps Shareholder:

i. A non-refundable deposit of US$150,000 by December 20, 2018; and
ii. Shares of R7 or its assignee with an aggregate value of $2,500,000 due on the closing of the transaction. The value of the shares will based on the maximum allowing discount to the last trading price of the shares.

During the year ended February 28, 2019, the Company advanced CannOps US$150,000 (C$197,457) in satisfaction of the non-refundable deposit. During the year ended February 29, 2020, the Company entered into a loan agreement with CannOps whereby the payment of US$150,000 is to be repaid by CannOps by December 31, 2019. The loan is unsecured and non-interest bearing.

On October 31, 2019, the Company signed a binding letter of intent (the "LOI") for a share exchange to acquire Indian Ocean Organics Ltd. ("Indian Ocean") which has the right to acquire 70% of a company which holds an exclusive permit for the exploration, cultivation, production, transport and export of THC, CBD and its derivative medicinal plants and seeds (the "Permit") in a west African country (the "Permitted Jurisdiction"). Indian Ocean is an arm's length private company incorporated pursuant to the laws of the Province of British Columbia, Canada. It is intended that the LOI will be replaced by a formal agreement in due course (the "Share Exchange Agreement"). This LOI supersedes and replaces the previously announced February 21, 2019 Assignment Agreement.

On October 9, 2019, Indian Ocean signed a memorandum of understanding ("MOU") with Global Medicinals Ltd. and Partners ("Global Medicinals") and its major shareholder Kingsley Pungong (the "Major Shareholder") for the right to acquire 70% of the issued shares of Global Medicinals, the holder of the Permit, which was issued by the government of the Permitted Jurisdiction on April 4, 2019. Global Medicinals is a private company incorporated in the Permitted Jurisdiction. Under the MOU, Indian Ocean, Global Medicinals and the Major Shareholder (the "Parties") will enter into a definitive agreement (the "Definitive Agreement") whereby Indian Ocean will acquire 70% of the issued shares of Global Medicinals to develop the Permit for the cultivation, production, harvesting, processing marketing and export of cannabis for medicinal and scientific purposes.

The signing of the Definitive Agreement will coincide with the COB. The proposed transaction is arm's length and complying with the terms of the LOI and the Share Exchange Agreement and the MOU will constitute a change of business ("COB") for Vatic as that term is defined by the policies of the TSX Venture Exchange (the "Exchange").

1. Indian Ocean and Green Ocean Organics Ltd.("Green Ocean"), the sole shareholder of Indian Ocean , have agreed to enter into the Share Exchange Agreement with Vatic for the purchase by Vatic of 100% of the issued and outstanding shares of Indian Ocean (the "Shares") which will include the assumption by Vatic of the obligations of Indian Ocean to issue certain shares to various parties as outlined below. Green Ocean is controlled by Tim Rogers, its sole shareholder. Upon completion of the COB Vatic will, in accordance with the policies of the Exchange, be classified as a company in the life sciences. The assets of Indian Ocean (collectively referred to as the "Rights") include:
   (a) The right to acquire 70% of Global Medicinals with the resulting rights associated with the Permit including any other cultivation land that Indian Ocean or Global Medicinals secures, including any agreements Indian Ocean or Global Medicinal signs for permits or rights in other countries; and
   (b) The right to fund the Distribution Initiative and to acquire the rights associated with the Distribution Initiative.

2. Vatic will, on the closing of the COB (the "Closing"), complete the following:
   (a) Share Issuance to Green Ocean: Vatic will issue 33,333,333 common shares of Vatic at a deemed price of $0.075 per share with a value of Cdn$2,500,000 in exchange for 33,333,333 common shares of Indian Ocean held by Green Ocean;
   (b) Unit Issuance to Holders of Subscription Receipts: Indian Ocean has received funds from various investors and has issued subscription receipts (the "Subscription Receipts") to such investors which can be converted into units of Indian Ocean (the "Company Units") each such Indian Ocean Unit being comprised of one common share and one-half of a share purchase warrant with each whole warrant entitling the holder to acquire a further common share of Indian Ocean for $0.10 for a period of two years from the date the subscription receipts are converted to Indian Ocean Units. There are currently 8,665,600 Subscription Receipts outstanding that were issued at a price of $0.075 per Subscription Receipt. On closing of the COB Vatic will issue units ("Vatic Units") to holders of Subscription Receipts, such units to have the same characteristics as Indian Ocean Units. In the event that Indian Ocean requires further funding prior to the Closing ("Pre Closing Funding") such funds advanced to Indian Ocean will result in additional Subscription Receipts being issued and on Closing Vatic will, subject to regulatory approval, issue Vatic Units on conversion of such additional Subscription Receipts;
   (c) R7 Capital Ventures Ltd.: Indian Ocean owes R7 Capital Ventures Ltd. ("R7") a fee of 500,000 common shares for the introduction of Global Medicinals and the Permit and will owe a further 500,000 common shares on the successful addition of a project in a second country. On Closing Vatic will assume Indian Ocean's obligations to R7; and

(d) Milestone Shares: Under the MOU between Indian Ocean, Global Medicinals and the Major Shareholder, subsequent to the signing of the Definitive Agreement the shareholding of Global Medicinals will be 70% in the name of Indian Ocean and 30% in the name of Global Medicinals' remaining shareholders. In consideration of the transfer of 70% of the shares of Global Medicinals to Indian Ocean, the Major Shareholder will receive up to a total of 5,000,000 common shares of Indian Ocean, or of such company as will acquire or will have acquired Indian Ocean, in staged milestones disclosed in the MOU transactions details hereunder.

Under certain financial agreements with the Company, Indian Ocean has agreed to assume responsibility for the advance by the Company of certain funds including a $205,000.00 (US$150,000.00) deposit of which $64,481.00 has been repaid by Indian Ocean during the year ended February 29, 2020, leaving an outstanding balance of $195,516, and a due diligence costs balance of $175,277.

On January 29, 2020, the Company announced the termination of its change of business as per its November 6, 2019 and March 19, 2019 news releases. From February 21, 2019, when trading in the shares of the Company was halted at the request of the Company, to the date hereof, the Company had been carrying out due diligence in order to secure a valid and viable opportunity in the cannabis industry. As a result of due diligence, it decided to no longer pursue the opportunities announced previously.

The Company's Board of Directors decided to terminate the October 31, 2019 letter of intent for a share exchange to acquire Indian Ocean Organics Ltd. due to certain conditions precedent not being met, as per the letter of intent disclosed in the November 6, 2019 news release. Vatic was not satisfied with its due diligence including but not limited to its review of the financing environment of the cannabis sector and the political and the regulatory environment in certain jurisdictions as it relates to the cannabis industry. The Company believed that due to the softening of the cannabis financing market and a recovering minerals resources financing market a strategic shift to the mineral resources industry will be essential in delivering long-term sustainable shareholder value.

Under certain financial agreements with Vatic, Indian Ocean agreed to assume responsibility for the advance by the Company of certain funds including a $205,000.00 (US$150,000.00) deposit of which $64,481.00 was repaid by Indian Ocean leaving an outstanding balance of $140,519.00 (the "Advance"), as well as a due diligence costs outstanding balance of $175,277.53. The $205,000 was advanced by Vatic under a guarantee agreement (the "Guarantee") with the former President of the Company, for related party fees. On January 29, 2020, with the termination of its change of business, the Company called the Guarantee thereby writing down the Advance and reducing the related party fees by $115,519.00, leaving the Advance balance at $25,000.00.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

SELECTED ANNUAL INFORMATION

Summary of financial information for years ended February 29, 2020, February 28, 2019 and 2018 as follows,

	Years ended		
	February 29, 2020	**February 28, 2019**	**February 28, 2018**
Continued operations			
Net and comprehensive loss for the year	$ (277,089)	$ (3,976,165)	$ (637,335)
Basic and diluted loss per share	(0.01)	(0.16)	(0.05)
Total assets	7,194	424,510	1,311,281
Total liabilities	701,249	863,976	886,339

RESULTS OF OPERATIONS

The Company had a net and comprehensive loss of $50,807 for the period ended August 31, 2020 (2019 - $113,642). The Company's expenses related primarily to business development, office and miscellaneous, professional fees for accounting and legal, consulting fees, management fees, and transfer agent and filing fees.

The overall expenses for the Company decreased, during the period ended August 31, 2020, due to disposition of the Company's subsidiary in Thailand in prior year.

Consulting fees of $18,000 (2019 - $56,500) related to fees paid to consultants of the Company.

Professional fees of $5,715 (2019 - $42,397) related to legal, engineering and accounting expenses in connection with reporting and compliance for the operations of the Company.

Rent payment is to $12,905 (2019 - $3,580). The company utilizes more space due to increase of business activities.

Management fees of $Nil (2019 - $57,000) related to fees paid to officers of the Company for management for the overall work required for the acquisition of a new property and the private placements to funds for purchase of the new property and other operating expenses.

Transfer agent and filing fees of $7,530 (2019 - $1,732) primarily relate to private placements and Rights Offering.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The Company's quarterly operating results for the period from November 30, 2018 to August 31, 2020 are summarized as follows:

	November 30, 2018	February 28, 2019	May 31, 2019	August 31, 2019	November 30, 2019	February 29, 2020	May 31, 2020	August 31, 2020
Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net income (loss)	(221,586)	(2,289,908)	(140,663)	27,021	(67,833)	(95,614)	(21,190)	(29,617)
Basic and diluted net loss per share	(0.01)	(0.07)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

Fluctuations in the Company's expenditures reflect the ongoing efforts of the Company to raise capital for its projects. Variations in losses during quarters were due to the changes in business development fees, management fees, consulting fees, directors' fees and professional fees that were incurred. Also, as the Company attends to its mineral projects, office and administrative expenses could increase to support the operation of these projects.

Major variations between the quarter ended November 30, 2018 and August 31, 2018, were primarily due to the decrease in management fees during the quarter ended November 30, 2018.

Major variations between the quarter ended November 30, 2018 and February 28, 2019, were primarily due to the loss of disposal of the Company's subsidiary in Thailand during the quarter ended February 28, 2019.

Major variations between the quarter ended February 28, 2019 and May 31, 2019, were primarily due to the loss of disposal of the Company's subsidiary in Thailand during the quarter ended February 28, 2019.

Major variations between the quarter ended May 31, 2019 and August 31, 2019, were primarily due to recovery of expenses.

Major variations between the quarter ended August 31, 2019 and November 30, 2019, were primarily due to recovery of expenses.

Major variations between the quarter ended November 30, 2019 and February 29, 2020, were primarily due to audit related fees during the quarter ended February 29, 2020.

Major variations between the quarter ended February 29, 2020 and May 31, 2020, were primarily due to audit related fees during the quarter ended February 29, 2020.

Major variations between the quarter ended May 31, 2020 and August 31, 2020, were primarily due to rent and office expenses during the quarter ended August 31, 2020.

LIQUIDITY AND CAPITAL RESOURCES

As of August 31, 2020, the Company had a net working capital deficiency of $715,245 (February 29, 2020 - $694,055) and cash of $84 (February 29, 2020 – $143). The Company anticipates that given its current cash position it will have to raise funds for the coming periods to support future expenditures.

Cash Flow Activities:

Cash balances increased by $12 during the period ended August 31, 2020 and decreased by $202,294 during the period ended August 31, 2019. Below are detailed discussions related to the Company's cash flows.

Operating Activities

During the period ended August 31, 2020, cash used in operating activities was $12, compared to cash used in operating activities of $224,794 during the period ended August 31, 2019.

Financing Activities

Cash provided by financing activities during the period ended August 31, 2020 was $Nil, compared with cash provided by financing activities of $22,500 during the period ended August 31, 2019.

Investing Activities

Cash used in investing activities was $Nil during the period ended August 31, 2020 and 2019.

Summary of Share and Other Activities:

As of August 31, 2020, the Company had a shareholders' equity deficiency of $744,862 (February 29, 2020 – $694,055). The Share Capital to date was from proceeds received from the issuance of common shares. The Company did not have any revenues during the periods ended August 31, 2020 and 2019. Until the Company's property interests generate profits sufficient to maintain operations, the ability of the Company to meet financial liabilities and commitments is primarily dependent upon the continued issuance of equity to new or existing shareholders.

At August 31, 2020, there were 43,823,967 issued and outstanding common shares.

Authorized:
Unlimited common shares, without par value.

	Number of shares		Share capital
Balance, February 28, 2019	43,823,967	$	8,419,541
Fair value reversal of warrant expired	-		7,339
Balance, February 29, 2020	43,823,967		8,426,880
Fair value reversal of warrant expired	-		41,446
Balance, August 31, 2020	43,823,967		8,468,326

<u>During the year ended February 29, 2020:</u>

There were no private placements during the year ended February 29, 2020 for the Company.

<u>During the period ended August 31, 2020:</u>

There were no private placements during the period ended August 31, 2020 for the Company.

As of the date of this report, the Company had the following outstanding:

- 43,823,967 common shares
- 7,462,411 warrants
- Nil options

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at August 31, 2020 or as of the date of this report.

TRANSACTIONS WITH RELATED PARTIES

The amounts due to related parties are amounts due to the officer and director of the Company. The balances are unsecured, non-interest bearing and have no specific terms for repayment. These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

		August 31, 2020		February 29, 2020
Former President	$	96,113	$	95,987
Former CEO		225,051		225,051
CEO		30,000		30,000
CFO		48,384		47,333
Total	$	399,548	$	398,371

During the periods ended August 31, 2020 and 2019, the Company paid and accrued management fees to its officers as follows:

Management fees		
	Six months ended	
	August 31, 2020	August 31, 2019
CFO	-	27,000
CEO	-	30,000
	$ -	$ 57,000

PROPOSED TRANSACTIONS

The Company has no proposed transactions as at the date of this report.

CRITICAL ACCOUNTING ESTIMATES

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

1) Estimated Useful Lives of Assets

The estimation of the useful lives of assets has been based on historical and industry experience. Adjustments to useful life are made when considered necessary.

2) Share-Based Payments

Equity-settled share-based awards are recognized as an expense based on their fair value at date of grant. The fair value of equity-settled share options is estimated through the use of an option valuation model – Black-Scholes, which require inputs such as the risk-free interest rate, expected dividends, expected volatility and the expected option life, and is expensed over the vesting period. Using different input estimates or models produces different option values, which would result in the recognition of a higher or lower expense.

For a detailed summary of the Company's significant accounting policies, the reader is directed to Note 3 of the Notes to the consolidated audited financial statements for the period ended February 29, 2020 available on SEDAR at www.sedar.com.

RISKS AND UNCERTAINTIES

The Company believes that the following risks and uncertainties may materially affect its success.

Limited Operating History

The Company is a relatively new company with limited operating history and no history of business or mining operations, revenue generation or production history. The Company was incorporated on October 30, 2007 and has yet to generate a profit from its activities. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

Exploration, Development and Operating Risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in an increase in the Company's resource base.

The Company's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity; flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

Fluctuating Mineral Prices

The economics of mineral exploration is affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, it may be determined that it is impractical to continue the mineral exploration operation.

Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the Property.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the establishment of the Company's current and planned mining operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, and pursue only those development plans that can be funded through cash flows generated from its existing operations.

Regulatory Requirements

The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for the facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulation would not have an adverse effect on any exploration and development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulation and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs or require abandonment or delays in the development of new properties.

Financing Risks and Dilution to Shareholders

The Company will have limited financial resources, no operations and no revenues. If the Company's exploration program on its properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

Title to 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. The Company cannot give an assurance that title to the Property will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company, as the case may be, does not have title to the properties could cause the Company to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

Requirement for Permits and Licenses

As the Company holds an option to acquire the properties, subject to the NSR and it and may need to acquire further permits or licenses necessary to carry on proposed exploration activities on the properties. A substantial number of permits and licenses may be required should the Company proceed beyond exploration; such licenses and permits may be difficult to obtain and may be subject to changes in regulations and in various operational circumstances. It is uncertain whether the Company will be able to obtain all such licenses and permits.

Competition

There is competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of minerals claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Reliance on Management and Dependence on Key Personnel

The success of the Company will be largely dependent upon on the performance of the directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

No Mineral Reserves or Mineral Resources

The property in which the Company holds an interest is considered to be an early exploration stage property, however no mineral reserve or mineral resource estimates have been prepared in respect of the property. Mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates, may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different mineral grades, may cause a mining operation to be unprofitable in any particular accounting period.

Environmental Risks

The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

Governmental Regulations and Processing Licenses and Permits

The activities of the Company are subject to Canadian, provincial and Thailand approvals, various laws governing prospecting, development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Although the Company believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Company. Further, the mining licenses and permits issued in respect of its projects may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of the Company's investments in such projects may decline.

Local Resident Concerns

Apart from ordinary environmental issues, work on, or the development and mining of the properties could be subject to resistance from local residents that could either prevent or delay exploration and development of the properties.

Conflicts of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The British Columbia Business Corporations Act ("BCBCA") provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director must disclose his interest in such contract or agreement and refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company shares. The Company does not intend to maintain insurance against environmental risks.

Litigation

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

Dividends

To date, the Company has not paid any dividends on its outstanding shares. Any decision to pay dividends on the shares of the Company will be made by its board of directors on the basis of the Company's earnings, financial requirements and other conditions.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements. Forward-looking statements are projections of events, revenues, income, future economic performance or management's plans and objectives for future operations. In some cases, you can identify forward-looking statements by the use of terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. Examples of forward-looking statements made in this MD&A include statements about the Company's business plans; the costs and timing of its developments; its future investments and allocation of capital resources; success of exploration activities; requirements for additional capital; government regulation of mining operations. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including: general economic and business conditions, fluctuations in worldwide prices and demand for minerals; our lack of operating history; the actual results of current exploration activities; conclusions or economic evaluations; changes in project parameters as plans continue to be refined; possible variations in grade and or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes or other risks of the mining industry; delays in obtaining government approvals or financing or incompletion of development or construction activities, any of which may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

While these forward-looking statements and any assumptions upon which they are based are made in good faith and reflect our current judgment regarding the direction of the Company's business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Except as required by applicable law, including the securities laws of Canada, the Company does not intend to update any of the forward-looking statements to conform these statements to actual results.

CHANGES IN ACCOUNTING POLICIES

New Accounting policies

There were no new or amended IFRS pronouncements effective January 1, 2020 that impacted the Company's interim financial statements.

FINANCIAL AND OTHER INSTRUMENTS

The IFRS requires disclosure about the inputs used in making fair value measurements, including their classification within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.
The financial assets and liabilities consist of cash, amounts receivable, amounts to third parties, due to related parties, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant credit, liquidity or market risks arising from these financial instruments. With the exception of cash the fair value of these instruments approximates their carrying value due to the short-term nature of their maturity.

Cash is valued using Level 1 inputs.

Fair Values

The following table outlines the Company's financial assets and liabilities measured at fair value by level with the fair value hierarchy described above. Assets and liabilities are classified in their entirely based on the lowest level of input that is significant to the fair measurement.

	As at August 31, 2020			
Assets	Level 1	Level 2	Level 3	Total
Cash	$ 155	$ -	$ -	$ 155
Total	$ 155	$ -	$ -	$ 155

	As at February 29, 2020			
Assets	Level 1	Level 2	Level 3	Total
Cash	$ 143	$ -	$ -	$ 143
Total	$ 143	$ -	$ -	$ 143

All other financial assets and liabilities approximate their fair value due to their short term nature of these instruments.

OTHER MATTERS

Legal proceedings

The Company is not aware of any legal proceedings.

Contingent liabilities

At the date of report, management is unaware of any outstanding contingent liability relating to the Company's activities.

OFFICERS AND DIRECTORS

Current directors and officers of the Company are as follows:

Loren Currie, CEO and Director
Matthew Mikulic, Director
Anthony Clements, Corporate Secretary and Director

OUTLOOK

The Company's primary focus for the foreseeable future will be on reviewing its financial position, and continuing exploration and development activities on its mineral properties.

OTHER REQUIREMENTS

Additional disclosure of the Company's material documents including information circular, material change reports, new release, and other information can be obtained on SEDAR at www.sedar.com.