GREENCASTLE RESOURCES LTD.

"INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS"

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020

(EXPRESSED IN CANADIAN DOLLARS)

Introduction

The following interim Management's Discussion & Analysis ("Interim MD&A") of Greencastle Resources Ltd. and its subsidiaries ("Greencastle" or the "Company") for the three and nine months ended September 30, 2020 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management's discussion & analysis, being the Management's Discussion & Analysis ("Annual MD&A") for the fiscal year ended December 31, 2019. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual consolidated financial statements for the years ended December 31, 2019, and December 31, 2018, together with the notes thereto, and unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2020, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim consolidated financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of November 25, 2020, unless otherwise indicated.

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

Information about the Company and its operations can be obtained from the offices of the Company or on the System for Electronic Documents Analysis and Retrieval ("SEDAR") and is available for review under the Company's profile on the SEDAR website (**www.sedar.com**).

Cautionary Note Regarding Forward-Looking Statements

This Interim MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this Interim MD&A speak only as of the date of this Interim MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this Interim MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
Potential of the Company's properties to contain economic deposits of gold or silver and/or other metals, as well as economic deposits of oil and gas	Financing will be available for future exploration and development of the Company's properties; the actual results of the Company's exploration and evaluation activities will be favourable; operating, exploration and evaluation costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions will be favourable to the Company; the price of gold or silver and/or other applicable metals and the price of oil and gas and applicable interest and exchange rates will be favourable to the Company; no title disputes exist with respect to the Company's properties	Gold or silver price volatility; ongoing uncertainties relating to the COVID-19 pandemic; oil and gas price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; availability of financing for and actual results of the Company's exploration and evaluation activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff
The Company's ability to meet its working capital needs at the current level for the twelve-month period ending September 30, 2021	The operating and exploration activities of the Company for the twelve-month period ending September 30, 2021, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to the Company	Changes in debt and equity markets; ongoing uncertainties relating to the COVID-19 pandemic; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions
The Company's ability to carry out anticipated exploration on its property interests	The exploration activities of the Company for the three months ended December 31, 2020, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company	Changes in debt and equity markets; ongoing uncertainties relating to the COVID-19 pandemic; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and

		exchange rate fluctuations; changes in economic conditions; receipt of applicable permits
Management's outlook regarding future trends	Financing will be available for the Company's exploration and operating activities; the price of gold or silver and/or other applicable metals and oil and gas will be favourable to the Company	Gold or silver price volatility; oil and gas price volatility; ongoing uncertainties relating to the COVID-19 pandemic; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions
A total of $10,000 has been estimated for the Company's plans for its oil and gas projects A total of $82,000 has been estimated for the Company's plans for its mineral properties A total of $125,000 is estimated per quarter for corporate expenses	Actual costs of the various line items of the budget are consistent with the costs that management anticipates	Costs could vary from management's expectations

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please see the risk factors outlined in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments of the business are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

The Company is a diversified company with interests in gold and base metal exploration and oil and gas exploration and royalties. It also has strategic investments in other companies.

The Company has a royalty interest in one oil and gas property in Alberta which generated modest income during the current quarter. There has been no income received from the Primate property in Saskatchewan since 2016. The Company's gold properties are at the exploration stage and, therefore, produce no revenues. The Company continues to evaluate new gold exploration opportunities in Ontario and Nevada.

The Company is a reporting issuer under applicable securities legislation in the provinces of Alberta, British Columbia and Ontario, and its outstanding shares are listed on the TSX Venture Exchange ("TSXV") under the symbol "VGN".

Trends and Economic Conditions

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.

Due to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- Global gold, base metal and oil and gas prices;
- Demand for gold, base metal and oil and gas and the ability to explore for gold and base metal;
- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labour availability and supply lines;
- Availability of government supplies, such as water and electricity;
- Purchasing power of the Canadian dollar; and
- Ability to obtain funding.

At the date of this Interim MD&A, the Canadian federal government and the provincial government of Ontario have not introduced measures that have directly impeded all the operational activities of the Company. Although cash in the Company has declined, management believes the business will continue and, accordingly, the current situation has not impacted management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Apart from these and the risk factors noted under the heading "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements", 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.

Financial and Operational Highlights

Corporate

On January 19, 2020, 1,900,000 options with an exercise price of $0.10 expired unexercised.

On June 17, 2020, the Company announced that, subject to regulatory approval, it will conduct a normal course issuer bid (the "Bid"). The Bid will be for up to 3,183,372 common shares of the Company over a period of one year (the "Bid Period"), being approximately 8.2% of the Company's issued and outstanding common shares and being 10% of the Public Float of the Company's issued and outstanding common shares, with up to 636,674 common shares of the Company purchasable over any 30-day period within the Bid Period, being 2% of the Company's issued and outstanding common shares. The Bid Period will commence on June 22, 2020, and will continue until the earlier of June 21, 2021, or the date by which the Company has acquired the maximum number of common shares which may be purchased under the Bid.

During the nine months ended September 30, 2020, according to the option agreement with Golden Lake Exploration Inc. ("Golden Lake"), the Company received 1,000,000 shares of Golden Lake (valued at $185,000).

During the nine months ended September 30, 2020, 550,000 common shares were purchased for cash consideration of $37,290 in accordance with the Bid. The amount by which the repurchased amount was less than the stated capital of the shares has been credited to deficit.

On November 5, 2020, the Company entered into an option agreement to earn an undivided 100% interest in the Seagrave Property. The property consists of 131 claim units in the Birch-Uchi Greenstone Belt, Red Lake Mining Division in northwestern Ontario and is approximately 12 kilometers south of the Springpole Gold Deposit of First Mining Gold Corp. The terms of the agreement call for the Company to pay Gravel Ridge Resources Ltd. (50%) and 1544230 Ontario Inc. (50%) a total of $95,000 cash, issue a total of 600,000 shares of Greencastle subject to TSXV approval, and complete a total of $350,000 in exploration expenditures to earn a 100% interest in the Property, subject to a 1.5% Net Smelter Return Royalty. Greencastle retains the option to purchase sole rights to 0.5% of the 1.5% Net Smelter Return Royalty from the vendors for a payment of $500,000.

On November 23, 2020, the Company announced the reception of 2 million common shares of Golden Lake according to the option agreement.

Exploration update for mining interests

Information relating to exploration results is based on data collected under the supervision of James Pirie, Ph.D., P. Eng., the President and a director of the Company and is a Qualified Person within the meaning of National Instrument 43-101. Mr. Pirie has approved the disclosure contained under the subheading "Exploration update for mining interests" under the heading "Financial and Operational Highlights" and has verified the scientific and technical data contained herein.

At our Jewel Ridge Property, near Eureka, Nevada, Golden Lake has intersected classic Carlin type gold mineralization in its initial reverse circulation drill program around the Eureka Tunnel area. A second diamond drill program was initiated in late October to follow up and extend the zone which returned encouraging intersections including 2.80 g/t Au and 5.9 g/t Ag over 22.98 meters and 1.25 g/t Au and 5.5 g/t Ag over 16.76 meters.

During the three and nine months ended September 30, 2020, the Company expensed (recovered) $6,329 and $(173,210), respectively (net of shares received for option of $185,000) on exploration expenditures, compared to $36,208 and $50,409 during the three and nine months ended September 30, 2019. The increase in recovery is mainly due to 1,000,000 shares received from Golden Lake according to the option agreement and the timing of the Company's exploration activities. See "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors".

<u>Jewel Ridge</u>

The following table summarize the Company's current exploration plans for the Nevada gold properties and total estimated expenditures for each in the current year.

Summary of Completed Activities (Nine Months Ended September 30, 2020)	(A) Spent During the Nine months ended September 30, 2020	Plans for the Project	(B) Planned Expenditures
Nine months ended September 30, 2020 – property exploration continues to be carried out under the supervision of Golden Lake personnel The project claims are in good standing until August 31, 2021	$887	The property has been optioned to Golden Lake which plans to continue surface exploration and drilling through 2020	$nil
Subtotals	**$887**		**$nil**
Total (A+B)			**$887**

During the nine months ended September 30, 2020, according to the option agreement with Golden Lake, the Company received 1,000,000 shares of Golden Lake (valued at $185,000).

Indian Creek

The following table summarizes the Company current exploration activity at the Indian Creek Project and total estimated expenditures for the current year

Summary of Completed Activities (Nine Months Ended September 30, 2020)	(A) Spent During the Nine months ended September 30, 2020	Plans for the Project	(B) Planned Expenditures
Nine months ended September 30, 2020 – no activities were completed The project claims are in good standing until August 31, 2021	$4,516	Care and maintenance until the Company completes a financing Seeking a joint venture partner to undertake a new exploration program	$7,000
Subtotals	**$4,516**		**$7,000**
Total (A+B)			**$11,516**

Project Generation

In Q4, the Company expects to spend $60,000 on compiling exploration information and acquiring new gold properties in NW Ontario.

Exploration update for oil and gas interests

Following is the anticipated plan for the Company's Saskatchewan and Alberta oil and gas projects:

Project Name	Plans for Project	Planned Expenditures for Fiscal 2020 (approx.)	Spent During the Nine Months Ended September 30, 2020 (approx.)	Timing for Completion of Planned Activities (approx.)
Primate and Primate North	Oil and gas consulting, fees	$2,000 (1)	$1,813	December 2020
Ferrier Project	Lease maintenance and find a JV partner	$8,000 (1)	$4,574	Undetermined

(1) Discretionary and subject to change

During 2020, Tourmaline Oil, the operator, has completed two additional wells at our Spirit River royalty property which adds to production as the earlier wells naturally deplete.

Major Shareholder and Related Party Disclosures

Major Shareholder

To the knowledge of the directors and senior officers of the Company, as at September 30, 2020, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than as set out below:

Major shareholder	Number of common shares	Percentage of outstanding common shares
Anthony Roodenburg, Chief Executive Officer ("CEO") and a director	6,118,449	15.84%

None of the Company's major shareholders have different voting rights than other holders of the Company's common shares.

The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company.

Related Party Disclosures

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

The below noted transactions are in the normal course of business and are measured at the fair value, as agreed to by the parties, and approved by the Board in strict adherence to conflict of interest laws and regulations.

(a) Remuneration of key management of the Company was as follows:

The Company defines key management as its CEO, Chief Financial Officer ("CFO") and Board.

Names	Nine months ended September 30, 2020 $	Nine months ended September 30, 2019 $
Carmelo Marrelli, CFO (i)	41,215	32,191
Anthony Roodenburg, CEO and a director (ii)	162,000	162,000
James Pirie, President and a director (iii)	22,500	22,500
Total	**225,715**	**216,691**

Names	Three Months Ended September 30, 2020 $	Three Months Ended September 30, 2019 $
Carmelo Marrelli, CFO (i)	10,795	10,408
Anthony Roodenburg, CEO and a director (ii)	54,000	54,000
James Pirie, President and a director (iii)	7,500	7,500
Total	**72,295**	**71,908**

Director fees	Nine months ended September 30, 2020 $	Nine months ended September 30, 2019 $
Chris Irwin, director (iv)	15,000	15,000
Michael Power, director (iv)	15,000	15,000
Total	**30,000**	**30,000**

Director fees	Three Months Ended September 30, 2020 $	Three Months Ended September 30, 2019 $
Chris Irwin, director (iv)	7,500	7,500
Michael Power, director (iv)	7,500	7,500
Total	**15,000**	**15,000**

(i) During the three and nine months ended September 30, 2020, the Company incurred professional fees and disbursements of $10,795 and $41,215, respectively (three and nine months ended September 30, 2019 - $10,408 and $32,191, respectively) to Marrelli Support Services Inc. ("Marrelli Support"), an organization of which Carmelo Marrelli is Managing Director. Mr. Marrelli is the CFO of Greencastle. These services were incurred in the normal course of operations for general accounting and financial reporting matters. Marrelli Support also provides bookkeeping services to the Company. All services were made on terms equivalent to those that prevail with arm's length transactions. As at September 30, 2020, Marrelli Support was owed $6,074 (December 31, 2019 - $2,155) and this amount was included in accounts payable and accrued liabilities.

(ii) During the three and nine months ended September 30, 2020, the Company paid management fees of $54,000 and $162,000, respectively (three and nine months ended September 30, 2019 - $54,000 and $162,000, respectively) to Anthony Roodenburg as CEO of Greencastle, included in office and general. The amounts charged by Anthony Roodenburg are conducted on normal market terms and are recorded at their exchange value. As at September 30, 2020, Anthony Roodenburg was owed $3,747 (December 31, 2019 - $9,925) and this amount was included in accounts payable and accrued liabilities.

(iii) For the three and nine months ended September 30, 2020, the Company paid management fees of $7,500 and $22,500, respectively (three and nine months ended September 30, 2019 - $7,500 and $22,500, respectively) to James Pirie for performing the duties of president of Greencastle, included in office and general. The amounts charged by James Pirie are conducted on normal market terms and are recorded at their exchange value.

(iv) During the three and nine months ended September 30, 2020, directors of Greencastle received $15,000 and $30,000, respectively (three and nine months ended September 30, 2019 - $15,000 and $30,000, respectively) in director fees. Included in the September 30, 2020 accounts payable and accrued liabilities is $15,000 due to directors of Greencastle (December 31, 2019 - $nil).

(b) Other related party disclosures:

Names	**Nine months ended September 30, 2020 $**	**Nine months ended September 30, 2019 $**
DSA Corporate Services Inc. ("DSA") (i)	12,307	11,564
Irwin Lowy LLP ("Irwin") (ii)	14,788	10,738
Total	**27,095**	**22,302**

Names	**Three months ended September 30, 2020 $**	**Three months ended September 30, 2019 $**
DSA (i)	3,603	6,688
Irwin (ii)	13,497	944
Total	**17,100**	**7,632**

(i) During the three and nine months ended September 30, 2020, the Company incurred professional fees and disbursements of $3,603 and $12,307, respectively (three and nine months ended September 30, 2019 - $6,688 and $11,564, respectively) to DSA, an organization which Mr. Marrelli controls. Mr. Marrelli is also the corporate secretary and sole director of DSA. These services were incurred in the normal course of operations of corporate secretarial matters. All services were made on terms equivalent to those that prevail with arm's length transactions. As at September 30, 2020, DSA was owed $2,734 (December 31, 2019 - $1,978) and this amount was included in accounts payable and accrued liabilities.

(ii) Legal fees paid to Irwin, a company controlled by Chris Irwin, a director of Greencastle. As at September 30, 2020, Irwin was owed $1,693 (December 31, 2019 - $nil) and this amount was included in accounts payable and accrued liabilities.

(iii) During the three and nine months ended September 30, 2020, the Company received corporate advisory fees of $nil (three and nine months ended September 30, 2019 - $nil and $9,000, respectively) from Deveron Corp. ("Deveron") which is included as other income in the unaudited condensed interim consolidated statements of loss.

(iv) During the three and nine months ended September 30, 2020, the Company earned rental income of $7,500 and $22,550, respectively (three and nine months ended September 30, 2019 - $7,500 and $22,500, respectively) from Deveron which is included as rental revenue in the unaudited condensed interim consolidated statements of loss. Included in the September 30, 2020 sundry receivable is $8,532 due from Deveron (December 31, 2019 - $nil) for rent.

Financial Highlights

Financial Performance

Three months ended September 30, 2020 compared with three months ended September 30, 2019

Greencastle's net loss totalled $246,343 for the three months ended September 30, 2020, with basic and diluted loss per share of $0.01. This compares with a net loss of $276,823 with basic and diluted loss per share of $0.01 for the three months ended September 30, 2019. The decrease of $30,480 in net loss was principally due to the following:

- Unrealized gain on marketable securities for the three months ended September 30, 2020, was $107,820 (three months ended September 30, 2019 – unrealized loss of $28,209). This increase in unrealized gain of $136,029 during the three months was attributable to the change in fair market value of investments that created a higher gain during the three months ended September 30, 2020, compared to the three months ended September 30, 2019.

- Realized gain on marketable securities for the three months ended September 30, 2020, was $15,532 (three months ended September 30, 2019 – realized gain of $1,545). This increase in realized gain of $13,987 during the three months was attributable to the change in fair market value of investments that were sold during the period and comparative period.

- Loss from investment in and loans to associate for the three months ended September 30, 2020, was $117,762 (three months ended September 30, 2019 – loss of $95,554). This increase of $22,208 was attributable to the retained investment in Deveron which is accounted for as an equity investment.

- Exploration expenditure for the three months ended September 30, 2020, were $6,329 (three months ended September 30, 2019 – expenditures of $36,208). The change for the three months ended September 30, 2020, was a decrease in exploration expenditures of $29,879 compared to the same period in 2019. The decrease was attributable to lower expenditures during the three months ended September 30, 2020 for the Jewel Ridge Project.

- All other expenses related to working capital expenditures.

Nine months ended September 30, 2020 compared with nine months ended September 30, 2019

Greencastle's net loss totalled $312,327 for the nine months ended September 30, 2020, with basic and diluted loss per share of $0.01. This compares with a net loss of $548,846 with basic and diluted loss per share of $0.01 for the nine months ended September 30, 2019. The decrease of $236,519 in net loss was principally due to the following:

- Unrealized gain on marketable securities for the nine months ended September 30, 2020, was $57,374 (nine months ended September 30, 2019 – unrealized gain of $1,471). This increase in unrealized gain of $55,903 during the nine months was attributable to the change in fair market value of investments that created a higher gain during the nine months ended September 30, 2020, compared to the nine months ended September 30, 2019.

- Realized loss on marketable securities for the nine months ended September 30, 2020, was $1,403 (nine months ended September 30, 2019 – realized gain of $48,925). This increase in realized loss of $50,328 during the nine months was attributable to the change in fair market value of investments that were sold during the period and comparative period.

- Loss from investment in and loans to associate for the nine months ended September 30, 2020, was $260,985 (nine months ended September 30, 2019 - $320,368). This decrease of $59,383 was attributable to the retained investment in Deveron which is accounted for as an equity investment.

- Other income decreased by $9,000 for the nine months ended September 30, 2020 compared to the nine months ended September 30, 2019. The decrease is attributable to corporate advisory services fees of $nil (nine months ended September 30, 2019 - $9,000) received from Deveron.

- Exploration expenditure recovery for the nine months ended September 30, 2020, were $173,210 (nine months ended September 30, 2019 – expenditures of $50,409). The change for the nine months ended September 30, 2020, was an increase in exploration expenditures recovery of $223,619 compared to the same period in 2019. The increase was attributable to the shares received from Golden Lake during the nine months ended September 30, 2020 for the Jewel Ridge Project.

- All other expenses related to working capital expenditures.

Greencastle's total assets at September 30, 2020 were $4,388,714 (December 31, 2019 - $4,718,714) against total liabilities of $170,227 (December 31, 2019 - $162,538). The decrease in total assets of $330,000 resulted from cash spent on investment in associate, operating costs and purchase of marketable securities which was offset by cash received from proceeds from sale of marketable securities and interest and dividends received. The Company has sufficient current assets to pay its existing liabilities of $170,227 at September 30, 2020.

Cash Flow

At September 30, 2020, the Company had cash and cash equivalents deficit of $nil. The decrease in cash and cash equivalents of $474,482 from the December 31, 2019 cash and cash equivalents balance of $474,482 was as a result of cash outflow in operating activities of $297,795, cash outflow from financing activities of $37,290 and cash outflow from investing activities of $151,325. Operating activities were affected by adjustments of depreciation of $25,425, unrealized gain on marketable securities of $57,374, realized loss on marketable securities of $1,403, interest expense of $14,903, loss from investment in and loans to associate of $260,985, shares received in connection with mineral property of $185,000, lease payments of $40,039 and net change in non-cash working capital balances of $30,469 because of an increase in sundry receivable of $783, an increase in prepaid expenses of $1,574 and an increase in accounts payable and accrued liabilities of $32,826. Financing activities were affected by share repurchase of $37,290. Investing activities were affected by proceeds from sale of marketable securities of $420,363, interest and dividends received of $36,240, which was offset by purchase of marketable securities of $607,928.

Liquidity and Financial Position

The Company expects to be financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. There is no assurance that future equity capital will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to it, if at all. See "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors".

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of September 30, 2020, the Company is compliant with TSXV Policy 2.5.

During fiscal 2020, the Company's corporate head office costs are estimated to average $125,000 per quarter. Head office costs include professional fees, reporting issuer costs, business development costs and general and administrative costs. Head office costs exclude exploration expenses. The cost of acquisition and work commitments on the new acquisitions cannot be accurately estimated.

See "Risk Factors".

Based on the Company working capital of $2,530,015 at September 30, 2020 (December 31, 2019 - $2,612,882), it is anticipated the Company will have sufficient funds to fund its exploration budget of $82,000, plans for its oil and gas prospects of $10,000, current liabilities of $133,195 and estimated remaining operating expenses of $125,000 ($125,000 per quarter), for fiscal 2020.

Equity Investments

During the year ended December 31, 2017, the Company concluded that in accordance with IFRS it no longer has control of Deveron since the number of common shares held by the Company decreased from 53.34% to 42.04%. As a result of the deemed loss of control the Company no longer consolidates Deveron's financial position and performance. After deconsolidation, the retained investment in Deveron is accounted for as an equity investment.

As at September 30, 2020, Greencastle's holdings in Deveron was 20% (December 31, 2019 – 28%).

The Company is considered to have significant influence over Deveron due to the percentage of its equity interest in Deveron and its representation on Deveron's board of directors. Accordingly, Greencastle accounts for its investment in Deveron using the equity method.

Under the equity method, the Company's investments are initially recognized at cost, and the carrying amounts are increased or decreased to recognize the Company's share of the profit or loss after the date of acquisition. loss on the equity investment was $117,762 and $260,985, respectively for the three and nine months ended September 30, 2020.

The carrying value of the equity investment in Deveron is $1,666,177 as at September 30, 2020 (December 31, 2019 - $1,927,162).

The fair value of the Company's equity investment in Deveron is $2,130,801 based on the closing share price, as at September 30, 2020.

Description of Deveron

At present, Deveron is a leading agriculture technology company focused on providing data acquisition services and data analytics to the farming sector in North America. Through its on-demand network of drone pilots and soil sampling technicians, the company is providing scalable data acquisition solutions in the imagery and soil space. Additionally, through its wholly owned subsidiary Veritas Farm Business Management ("Veritas"), the company provides growers in North America with independent data insight on the data it collects and is being generated on today's farm. The primary office is located at The Canadian Venture Building, 82 Richmond Street East, Toronto, Ontario, M5C 1P1.

On July 19, 2016, Deveron's common shares started trading on the CSE under the symbol "DVR". On August 31, 2020, Deveron changed its corporate name from Deveron UAS Corp. to Deveron Corp. Deveron's new stock symbol on the CSE is "FARM" and commenced trading under the new name and ticker symbol on market opening on September 3, 2020.

On September 21, 2020, Deveron was accepted for listing on the TSXV as a Tier 2 issuer, and its common shares commenced trading on September 21, 2020, on the TSXV under the symbol "FARM".

Corporate Update

On January 7, 2020, Deveron and Huron Tractor Limited ("Huron Tractor") limited jointly announced a continuation of the collaborative initiative between Huron Tractor and Veritas, a wholly owned subsidiary of Deveron.

On April 6, 2020, Deveron closed a non-brokered private placement (the "Offering") of units ("Units") with a group of strategic investors led by Bill Linton. The Offering was completed at a price of $0.10 per Unit for gross proceeds of $655,000 and a total of 6,550,000 Units issued.

On April 16, 2020, Deveron announced the closing of a second and final tranche of a non-brokered private placement ("Second Offering") of units ("Second Units") with a group of strategic investors. The final tranche was completed at a price of $0.10 per Second Unit for gross proceeds of $700,000 and a total of 7,000,000 Second Units issued.

On May 11, 2020, Deveron announced that it has acquired all of the operating assets of Better Harvest Inc. ("Better Harvest"), a Texas, United States based agronomy solutions business. Better Harvest provides unbiased agronomic advice, nitrogen management solutions and optimization of irrigation programs for over 100,000 acres of long-standing customers.

The total consideration payable in connection with the acquisition of Better Harvest is US$265,000, which will consist of the following: (i) US$165,000 paid in cash upon the closing of the transaction; and (ii) a time-based earn out of US$100,000 payable in equal annual payments over the following two years.

On July 7, 2020, the Company announced that it will be collaborating with Terramera, a global AgTech leader, using drones and data across multiple sites throughout North America for the 2020 growing season. The project will provide Terramera access to the Company's turnkey drone data network.

Deveron Update

There are almost 1 billion acres of farmland in North America, and it is estimated that, currently, data and technology are applied in making input decisions on only 30% of this total area under cultivation.

Science and technology have a huge role to play in improving farm outcomes; including yields, profitability and climate.

Deveron is a growing company focused on the North American agriculture market that provides:

- Data collection services via soil sampling, drones, and other methods
- Data insights to better manage inputs like fertilizer, seed, water and other crop protection that is based on highly localized data and farm variability

Deveron provides these services directly through:

- Our online presence at www.deveronuas.com
- Our growing network of local agronomists and partner channels
- Our digital affiliations with multi-national input companies

Deveron is focused on removing the subjective decision making of farming and making it easier for any grower, using any brand of input or equipment, to use data to make more profit on the farm.

Outlook

The Company intends to continue exploring properties that have the potential to contain economic deposits of gold or silver and/or other metals. In addition, management will review project submissions, and conduct independent research, for projects in such jurisdictions and commodities as it may consider prospective.

The Company continues to monitor its spending and will amend its plans based on business opportunities that may arise in the future.

There is no assurance that equity capital will be available to the Company in the future in the amounts or at the times desired or on terms that are acceptable to the Company, if at all. See "Risk Factors" below.

Risk Factors

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 "Risk Factors" in the Company's Annual MD&A for year ended December 31, 2019, available on SEDAR at www.sedar.com.

Covid-19 Risks

The worldwide emergency measures taken to combat the COVID-19 pandemic may continue, could be expanded, and could also be reintroduced in the future following relaxation. As governments implement monetary and fiscal policy changes aimed to help stabilize economies and capital markets, we cannot predict legal and regulatory responses to concerns about the COVID-19 pandemic and related public health issues and how these responses may impact our business. The COVID-19 pandemic, actions taken globally in response to it, and the ensuing economic downturn has caused significant disruption to business activities and economies. The depth, breadth and duration of these disruptions remain highly uncertain at this time. Furthermore, governments are developing frameworks for the staged resumption of business activities. As a result, it is difficult to predict how significant the impact of the COVID-19 pandemic, including any responses to it, will be on the global economy and our business. We have outlined these risks in more detail below.

Strategic & Operational Risks

The ongoing COVID-19 pandemic could adversely impact our financial condition in future periods as a result of reduced business opportunities via acquisitions and dispositions of exploration and development properties. The uncertainty around the expected duration of the pandemic and the measures put in place by governments to respond to it could further depress business activity and financial markets. Our strategic initiatives to advance our business may be delayed or cancelled as a result.

To date, our operations have remained stable under the pandemic but there can be no assurance that our ability to continue to operate our business will not be adversely impacted, in particular to the extent that aspects of our operations which rely on services provided by third parties fail to operate as expected. The successful execution of business continuity strategies by third parties is outside our control. If one or more of the third parties to whom we outsource critical business activities fails to perform as a result of the impacts from the spread of COVID-19, it could have a material adverse effect on our business and operations.

Liquidity risk and capital management

Extreme market volatility and stressed conditions resulting from COVID-19 and the measures implemented to control its spread could limit our access to capital markets and our ability to generate funds to meet out capital requirements. Sustained global economic uncertainty could result in more costly or limited access to funding sources. In addition, while we currently have a source of liquidity such as cash balances and, there can be no assurance that these sources will provide us with sufficient liquidity on commercially reasonable terms in the future. Extreme market volatility may leave us unable to react in a manner consistent with our historical investment practices.

Market Risk

The pandemic and resulting economic downturn have created significant volatility and declines in financial and commodity markets. Central banks have announced emergency interest rate cuts, while governments are implementing unprecedented fiscal stimulus packages to support economic stability. The pandemic could result in a global recessionary environment with continued market volatility, which may continue to impact our financial condition.

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 unaudited condensed interim consolidated 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 unaudited condensed interim consolidated financial statements; and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flows 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 filed by the Company 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 such 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 unaudited condensed interim consolidated financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The Company'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 such 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.