CBLT Inc.

(the "Corporation")

Management's Discussion and Analysis
For the Year Ended May 31, 2020

General

The following discussion and analysis should be read in conjunction with the Corporation's audited financial statements for the year ended May 31, 2020 including all notes, risk factors and information contained therein. The following discussion and analysis provides information that management believes is relevant to the assessment and understanding of the Corporation's results of operations and financial condition. Certain statements herein contain forward-looking statements relating to the operations or to the environment in which we operate, which are based on our operations, forecasts, and projections.

Forward Looking Information

Certain information regarding the Corporation within Management's Discussion and Analysis ("MD&A") may include "forward-looking statements" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Corporation expects or anticipates will or may occur in the future, including such thing as future business strategy, goals, expansion and growth of the Corporation's business, plans and other such matters are forward-looking statements. When used in this MD&A the words "estimate", "plan", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements. Such statements by their nature involve certain risks and uncertainties that could cause actual results to differ materially from those contemplated by such statements. The Corporation considers the assumptions on which these forward-looking statements are based to be reasonable at the time they were prepared, but cautions the reader that these assumptions regarding future events, many of which are beyond the control of management, may ultimately prove to be incorrect. The reader should not rely solely on these forward-looking statements.

Date

This Management's Discussion and Analysis ("MD&A") is dated September 25, 2020 and is in respect of the year ended May 31, 2020.

Nature of Business

CBLT Inc. was incorporated under the Canada Business Corporations Act on April 28, 2008 and was continued under the Ontario Business Corporations Act on April 24, 2017. The fiscal year end of the Corporation is May 31.

The Corporation is a public company engaged in the acquisition, directly and indirectly, sale, and exploration of mineral properties in Canada.

Financing

During the year the Corporation did not enter into a financing transaction.

Overview of Activities

During the year ended May 31, 2020, the Corporation entered into an agreement of purchase and sale for its Northshore property. As of the date of this MD&A the sale transaction has been completed and sale consideration comprised of cash of $350,000 and shares of the vendor of $1,100,000 has been received.

Results of Operations

Year Ended May 31, 2020

During the year ended May 31, 2020, the Corporation recorded a net loss of $556,343, or $(0.01) per share, compared to a net loss of $2,118,357, or $(0.04) per share for the year ended May 31, 2019. The changes in operational expenses are more specifically set out below.

- increase in filing and transfer agent fees of $3,175 reflecting additional activity during fiscal 2020 compared to fiscal 2019 related to the sale of a mineral property;
- general and administrative expenses decreased by approximately $60,000, and within the category, decreases in management expense of $15,000, admin expense of $5,000, consulting expense of $16,000, investor relations expense of $10,000, travel of $4,000, and insurance expense of $3,000 account for most of the decrease;
- increase in deferred income tax benefit to $nil (2019-$81,485). The 2019 figure reflects the expenditure of flow-through funds for exploration and evaluation activities and the shortfall in expenditure of flow-through funds for exploration and evaluation activities within the required time frame. There were no such amounts in the current fiscal year;
- decrease in provision for indemnification of flow-through subscribers to $nil (2019- $240,000) to reflect the estimated cost to indemnify flow-through subscribers for their expected personal income tax reassessments resulting from the shortfall in qualifying exploration and evaluation expenditures within the required time frame during 2019;
- decrease in impairment of exploration and evaluation assets of $24,377 (2019- $1,700,821) reflecting recording of impairment in connection with all of the Corporation's exploration and evaluation assets during the previous year;

The net loss includes certain non-cash items including an unrealized loss on investments in the amount of $376,826 (2019- $140,617), impairment of mineral property of $24,377 (2019- $1,700,820) and gain on disposal of mineral properties of $50,000 (2019-$247,248).

Fiscal Quarter ended May 31, 2020

During the quarter ended May 31, 2020, the Corporation recorded net loss of $380,622 compared to net loss of $1,976,868 for fiscal 2019, the largest components of the difference being impairment of mineral properties of $24,377 for 2020 compared to $1,695,531 for 2019, an unrealized loss on investments in the amount of $348,620 compared to a loss of $66,666 for 2019. The 2019 figure included provision for indemnification of flow-through share subscribers of $65,000 compared to $nil for 2020.

Liquidity and Capital Resources

As at May 31, 2020, the Corporation had $23,930 of cash, compared to $22,564 of cash as at May 31, 2019. This balance was derived largely from its sale of mineral properties during the year. The Corporation has working capital deficit of $ (607,427) (2019- $ 51,084).

The Corporation will continue to seek additional financing as required to fund exploration activities with respect to its mineral properties and to fund general and administrative costs.

Selected Financial Information

The following selected financial data is derived from the financial statements of the Corporation.

Selected Financial Information (unaudited)

	Year Ended May 31, 2020	Year Ended May 31, 2019	Year Ended May 31, 2018
Total Revenue	**-**	-	-
Net Loss	**$ 556,343**	$ 2,118,357	$ 62,225
Net Loss per Share	**$ (0.01)**	$ (0.04)	$ (0.00)
Total Assets	**$ 70,255**	$ 419,196	$ 1,523,904
Total Liabilities	**$ 677,682**	$ 470,280	$ 262,925

Quarterly Information (unaudited)

	Three Months Ended			
	May 31, 2020	**February 29, 2020**	**November 30, 2019**	**August 31, 2019**
Net Income (Loss)	$ (380,622)	$ (44,182)	$ (49,838)	$ (81,701)
Weighted average number of shares outstanding, basic and diluted	70,235,359	70,235,359	70,235,359	70,235,359
Net Loss per Share	$ (0.00)	$ (0.01)	$ (0.00)	$ (0.00)
Total Assets	$ 70,255	$ 387,392	$ 375,537	$ 377,327
Total Liabilities	$ 677,682	$ 615,378	$ 559,360	$ 510,112

	Three Months Ended			
	May 31, 2019	**February 28, 2019**	**November 30, 2018**	**August 31, 2018**
Net Income (Loss)	$ (1,976,868)	$ (283,151)	$ (70,552)	$ 212,214
Weighted average number of shares outstanding, basic and diluted	53,833,141	49,235,359	49,235,359	49,368,435
Net Loss per Share	$ (0.04)	$ (0.01)	$ (0.00)	$ (0.00)

Total Assets	$ 419,196	$ 1,608,772	$ 1,619,002	$1,695,495
Total Liabilities	$ 470,280	$ 487,741	$ 214,821	$ 220,762

Mineral Property Interests

	May 31, 2018	Acquisition Costs	Deferred Exploration Costs	Sale/Option	Impairment	May 31, 2019
Copper Prince	$212,848	$ 4,929	$ (4,848)	$ -	$ (212,929)	$ -
Chilton Cobalt	96,175		44,544	-	(140,719)	-
Gowganda Cobalt	-	1,980	-	-	(1,980)	-
MacTrack	28,083		-	(28,083)	-	-
Dickson	20,175		-	(20,175)	-	-
Otto Lake	1,271		5,566	-	(6,837)	-
Geneva Lake	341,360	-	-	-	(341,360)	-
Ryliejack	41,788	-	-	-	(41,788)	-
Mikayla	113,417	-	28,161	-	(141,578)	-
Northshore	-	522,112	-	-	(522,112)	-
Big Duck Lake	-	194,345	-	-	(194,345)	-
Auden	-	58,304	-	-	(58,304)	-
Burnt Pond	-	38,869	-	-	(38,869)	-
	$855,117	$ 820,539	$ 73,423	$ (48,258)	$(1,700,821)	$ -

	May 31, 2019	Acquisition Costs	Deferred Exploration Costs	Sale/Option	Impairment	May 31, 2020
Copper Prince	$ -	$ 4,928	$ 1,700	$ -	$ (6,628)	$ -
Chilton Cobalt	-		44,544	-	(140,719)	-
Gowganda Cobalt	-	-	175	-	(175)	-
MacTrack	-	-	-	-	-	-
Dickson	-	-	-	-	-	-
Otto Lake	-	-	-	-	-	-
Geneva Lake	-	-	-	-	-	-
Ryliejack	-	-	-	-	-	-
Mikayla	-	-	350	-	(350)	-
Northshore	-	13,857	3,367	-	(17,224)	-
Big Duck Lake	-	-	-	-	-	-
Auden	-	-	-	-	-	-
Burnt Pond	-	-	-	-	-	-
	$ -	$ 18,785	$ 5,592	$ -	$(24,377)	$ -

Copper Prince

On June 14, 2016, the Corporation acquired a 100% interest in the Copper Prince property. As consideration the Corporation made a cash payment of $10,000 and issued 200,000 common shares at $0.08 per common share in favour of the vendor. The property consists of eleven patented claims located near Sudbury, Ontario.

The property is subject to a 2% net smelter return royalty.

On August 4, 2016 the Corporation staked 4 mineral claims for a cash cost of $4,400. The claims are near but not adjacent to the Copper Prince property.

During the previous year, as part of its mandate to stimulate exploration activity in its region, the Sudbury District Geologist's Office collected eight samples from Copper Prince. The efforts were carried out on its own timetable and at its own expense. The results of those samples were made available to CBLT and disclosed in a press release dated January 9, 2018.

Highlights from the work carried out by the Sudbury District Geologist's Office included 3.43, 3.57, 6.58, and 27.84 g/t Au, and 1.15% Cu. Three of the eight samples returned values that exceeded the upper detection limit for cobalt and copper. The overlimit samples were reported in a press release dated March 5, 2018, and included include 2.43% Cu, 0.21% Co, and 0.44% Co.

During the 2018 fiscal year the Corporation carried our exploration and evaluation activities totalling $21,797 and received proceeds under the Junior Exploration Assistance Program in the amount of $20,823.

During the 2019 fiscal year the Corporation recovered $4,848 of exploration and evaluation expenses as a result of receiving a grant under the Junior Exploration Assistance Program.

During the 2019 fiscal year, management determined there were indicators of impairment on the property, and accordingly, recorded an impairment charge of $212,929.

During the 2020 fiscal year, the Company carried out minimal exploration and evaluation activities.

Chilton Cobalt

On February 27, 2017, the Corporation acquired a 100% interest in the Chilton Cobalt property located in the Laurentian Region of Quebec. As consideration the Corporation issued 150,000 common shares at $0.07 per common share and 150,000 share purchase warrants exercisable at $0.10 per common share in favour of the vendor. The property consists of 9 mineral claims covering 497 hectares and is located in the Laurentian region of Quebec.

During the 2018 fiscal year the Corporation carried out exploration and evaluation activities totalling $53,798.

During the 2019 fiscal year the Corporation carried out exploration and evaluation activities totalling $44,544.

During the 2019 fiscal year, management determined there were indicators of impairment on the property, and accordingly, recorded an impairment charge of $140,719.

During the 2020 fiscal year, the Company carried out no exploration and evaluation activities.

Gowganda Cobalt

On May 12, 2017, the Corporation acquired a 100% interest in the Gowganda Cobalt property located near Gowganda, Ontario. As consideration the Corporation made a cash payment of $67,650 and issued 562,500 common shares at $0.08 per common share and issued 562,500 share purchase warrants exercisable at $0.10 in favour of the vendor. The property consists of 15 mineral claims and is located near Gowganda, Ontario.

The property is subject to a 2% net smelter return royalty of which the Corporation can purchase a 50% interest at any time for $1,000,000.

During the 2018 fiscal year the Corporation carried out exploration and evaluation activities totalling $19,766.

During the 2019 fiscal year the Corporation carried out exploration and evaluation activities totalling $nil.

During the fiscal year ended May 31, 2018, the Corporation sold and/or optioned certain mineral claims comprising the Gowganda Cobalt property. The Corporation received as consideration cash in the amount of $114,903 and securities with a market value of $185,576.

During the 2020 fiscal year, the remaining claims comprising the Gowganda Cobalt property lapsed.

MacTrack

On February 2, 2018, the Corporation acquired a 100% interest in the MacTrack property located in Northern Ontario. As consideration the Corporation made a cash payment of $10,000 and issued 211,500 common shares with a deemed value of $16,920, including 24,000 finders fee shares, at $0.08.

During the 2018 fiscal year the Corporation carried out minimal exploration and evaluation activities. During the 2019 fiscal year the Corporation sold the property along with the Dickson property and realized a gain on sale in aggregate of $247,248.

Dickson

On April 6, 2018, the Corporation acquired a 100% interest in the Dickson property located in Northern Ontario. As consideration the Corporation made a cash payment of $20,000.

During the year the Corporation carried out minimal exploration and evaluation activities.

During the 2019 fiscal year the Corporation sold the property along with the Dickson property and realized a gain on sale in aggregate of $247,248.

Otto Lake

On February 16, 2017, the Corporation acquired a 100% interest in the Otto Lake property consisting of 4 unpatented mineral claims located near Kirkland Lake, Ontario.

As consideration the Corporation entered into a net smelter return royalty (NSR) agreement whereby it will pay a 3% NSR on the first 200,000 ounces of gold produced and a 2% NSR on amounts greater than 200,000 ounces of gold produced. In the event the Corporation completes and files form NI 43-101 containing a resource estimate of at least one million ounces of gold at an average grade of two grams per tonne on the Otto Lake property, a bonus of $USD 250,000 is payable within thirty days of such filing.

During the 2019 fiscal year the Corporation carried out exploration and evaluation activities totalling $5,566 on the Otto Lake property and subsequently allowed the claims comprising the Otto Lake property to lapse.

Geneva Lake

On November 12, 2012, the Corporation acquired a 100% interest in the Geneva Lake property. As consideration, the Corporation issued 200,000 common shares at a deemed price of $0.10 per common share and 200,000 share purchase warrants exercisable at $0.20 per common share in favour of the vendor.

The property is subject to a 2.0% net smelter return royalty of which the Corporation can purchase a 50% interest at any time for $500,000.

A Phase 1 diamond drilling program was completed during the 2013 fiscal year to make an initial assessment of the claims, and in particular, of volcanogenic massive sulphide-style, base metal mineralization remaining underground in proximity to the historic underground workings, and to help locate such workings relative to surface. Results were reported on February 4, 2013 and showed low grade, but anomalous, base metal mineralization over widths between 2.00 and 9.00 m.

During the year ended May 31, 2014 geological, geophysical, preparatory surveys and prospecting was carried out on the property.

During the year ended May 31, 2015 limited exploration and evaluation work was carried out on the property.

During the years ended May 31, 2017, May 31, 2018, and May 31, 2019 no exploration and evaluation work was carried out on the property.

During the 2019 fiscal year, management determined there were indicators of impairment on the property, and accordingly, recorded an impairment charge of $341,360.

During the 2020 fiscal year, the Company carried out no exploration and evaluation activities.

Northshore

On March 12, 2019, the Corporation acquired a 56% interest in the Northshore property along with a 100% interest in the Big Duck Lake property, a 100% interest in the Auden property and a 100% interest in the Burnt Pond property by issuing 21,000,000 common shares at $0.025 and 21,000,000 share purchase warrants exercisable at $0.08. The share purchase warrants were assigned a fair value of $288,629 using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%; volatility of 154%; risk-free interest rate of 1.57%; and an expected maturity of two years. The purchase price was allocated among the four properties on the basis of management's judgement as follows: Northshore-$522,112, Big Duck Lake-$194,345, Auden-$58,304, and Burnt Pond-$38,869.

The Northshore property, located in Northern Ontario, is co-owned pursuant to a joint venture agreement with Balmoral Resources Ltd. Under the terms of the joint venture agreement, the Corporation is the operator under the joint venture agreement.

During the 2019 fiscal year, management determined there were indicators of impairment on the property, and accordingly, recorded an impairment charge of $522,112.

During the year the Company entered into a sale agreement for the Northshore property. Consideration for the sale includes cash of $350,000 and common shares of the purchaser with a value of $1,100,000. Pursuant to the sale agreement, the Company received a non-refundable deposit in the amount of $50,000. The transaction closed subsequent to the year end.

Big Duck Lake

On March 12, 2019, the Corporation acquired a 56% interest in the Northshore property along with a 100% interest in the Big Duck Lake property, a 100% interest in the Auden property and a 100% interest in the Burnt Pond property by issuing 21,000,000 common shares at $0.025 and 21,000,000 share purchase warrants exercisable at $0.08. The share purchase warrants were assigned a fair value of $288,629 using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%; volatility of 154%; risk-free interest rate of 1.57%; and an expected maturity of two years. The purchase price was allocated among the four properties on the basis of management's judgement as follows: Northshore-$522,112, Big Duck Lake-$194,345, Auden-$58,304, and Burnt Pond-$38,869.

The Big Duck Lake property, located in Northern Ontario, is subject to a 2% net smelter return royalty in favour of previous owners of the claims. The Corporation may purchase one-half of the royalty for an aggregate amount of $1,000,000 at any time.

During the 2019 fiscal year, management determined there were indicators of impairment on the property, and accordingly, recorded an impairment charge of $194,375.

During the 2020 fiscal year, the Company carried out no exploration and evaluation activities.

Auden

On March 12, 2019, the Corporation acquired a 56% interest in the Northshore property along with a 100% interest in the Big Duck Lake property, a 100% interest in the Auden property and a 100% interest in the Burnt Pond property by issuing 21,000,000 common shares at $0.025 and 21,000,000 share purchase warrants exercisable at $0.08. The share purchase warrants were assigned a fair value of $288,629 using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%; volatility of 154%; risk-free interest rate of 1.57%; and an expected maturity of two years. The purchase price was allocated among the four properties on the basis of management's judgement as follows: Northshore-$522,112, Big Duck Lake-$194,345, Auden-$58,304, and Burnt Pond-$38,869.

The Auden property, located in Northern Ontario, is subject to a 3% net smelter return and a 10% gross overriding in royalty in favour of previous owners of the claims. The Corporation may purchase one-half of each royalty for an aggregate amount of $2,000,000 at any time.

During the2019 fiscal year, management determined there were indicators of impairment on the property, and accordingly, recorded an impairment charge of $58,304.

During the 2020 fiscal year, the claims comprising the Auden property lapsed.

Burnt Pond

On March 12, 2019, the Corporation acquired a 56% interest in the Northshore property along with a 100% interest in the Big Duck Lake property, a 100% interest in the Auden property and a 100% interest in the Burnt Pond property by issuing 21,000,000 common shares at $0.025 and 21,000,000 share purchase warrants exercisable at $0.08. The share purchase warrants were assigned a fair value of $288,629 using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%; volatility of 154%; risk-free interest rate of 1.57%; and an expected maturity of two years. The purchase price was allocated among the four properties on the basis of management's judgement as follows: Northshore-$522,112, Big Duck Lake-$194,345, Auden-$58,304, and Burnt Pond-$38,869.

The Burnt Pond Zinc-Copper Property in central Newfoundland is located in the Tally Pond volcanic belt which hosts Teck Resources Ltd's Duck Pond Mine and a number of other Copper-Zinc-Silver-Gold massive sulphide deposits.

During the 2019 fiscal year, management determined there were indicators of impairment on the property, and accordingly, recorded an impairment charge of $38,869.

During the 2020 fiscal year, the Company carried out no exploration and evaluation activities.

Ryliejack

On January 31, 2012, the Corporation acquired a 100% interest in the Peggy, Ryliejack and SK West property. Pursuant to the purchase agreement, the Corporation made a cash payment of $7,500 and issued 500,000 common shares and 100,000 share purchase warrants of the Corporation in favour of the vendor.

The property is subject to a 2.5% net smelter return royalty of which the Corporation can purchase a 50% interest at any time for $1,000,000.

During the 2013 fiscal year impairment in the amount of $11,070 was recorded with respect to two mining tenures

During the 2014 fiscal year limited geological, preparatory surveys and prospecting was carried out on the properties and impairment in the amount of $40,810 was recorded with respect to three mining tenures.

During the 2015 fiscal year impairment in the amount of $57,937 was recorded with respect to five mining tenures.

During the years ended May 31, 2018 and May 31, 2019, no work was carried out on the Ryliejack property.

During the 2019 fiscal year, management determined there were indicators of impairment on the property, and accordingly, recorded an impairment charge of $41,788.

During the 2020 fiscal year, the Company carried out no exploration and evaluation activities.

Mikayla

On March 2, 2012, the Corporation acquired a 100% interest in the Mikayla, Tat and Chess properties. Pursuant to the purchase agreement, the Corporation made a cash payment in the amount of $9,294 and issued 150,000 common shares at a deemed price of $0.20 per common share.

The properties are subject to a 2.5% net smelter return royalty of which the Corporation can purchase a 50% interest at any time for $1,000,000.

During the 2013 fiscal year the Corporation determined that it would not renew the tenures comprising the Tat and Chess properties when they became due for renewal subsequent to the year end and consequently wrote down the carrying value of the properties. Consequently, impairment in the amount of $34,365 was recognized for these tenures resulting in the Tat and Chess properties being written down to nil.

During the years ended May 31, 2017 and May 31, 2018, no work was carried out on the Mikayla property.

During the 2019 fiscal year, the Corporation carried out $28,162 of exploration and evaluation activities on the Mikayla property.

During the 2019 fiscal year, management determined there were indicators of impairment on the property, and accordingly, recorded an impairment charge of $141,578.

During the 2020 fiscal year, the Company carried out minimal exploration and evaluation activities.

Qualified Person and QA/QC

Jessica Daniel M.Sc., P.Geo, a qualified person as defined by NI 43-101, has reviewed the scientific and technical information that forms the basis for the disclosure regarding the Corporation's properties in this MD&A and has approved the disclosure herein. Ms. Daniel is not independent of the Corporation, as she is a director and holds incentive stock options.

Investments

The investment in Ionic Brands Corp., Global Health Clinics Ltd., and Speakeasy Cannabis Club Ltd. represent 133, 960, and 4,000 common shares respectively.

The common shares of Ionic Brands Corp., Speakeasy Cannabis Club Ltd. and Global Health Clinics Ltd. are listed on the Canadian Securities Exchange. The carrying value of the shares has been adjusted to reflect market value resulting in an unrealized loss of $1,868 (2019- $7,620).

The investment in Winmar Resources Limited consists of 16,666,667 common shares. During the year the shares of Winmar Resources Limited were delisted from the Australian Stock Exchange, resulting in an unrealized loss of $374,958.

Additional details with respect to investments are set out in Note 4 of the May 31, 2020 audited consolidated financial statements.

Provision for Indemnification of Flow-Through Subscribers

As at December 31, 2017, the Corporation was committed to incur $ 471,000 in qualifying Canadian exploration expenditures prior to January 1, 2019, pursuant to two 2017 private placements for which flow-through share proceeds had been received by the Corporation and then renounced to Ontario and Quebec subscribers effective December 31, 2017.

The Corporation incurred actual qualifying expenditures of $13,276 in 2017 and $126,549 in 2018, leaving a shortfall of $331,175 as at December 31, 2018. Accordingly, effective December 31, 2018 the Corporation recorded (in other expenses and current liabilities) a $240,000 provision for the estimated cost to indemnify flow-through share subscribers for their expected personal income tax reassessments by Canada Revenue Agency and Revenue Quebec, attributable to each subscriber's proportionate share of the shortfall. The indemnifications are provided for in the underlying subscription agreements for the private placements. The governmental audit/reassessment process may be lengthy; therefore, it may be several months or longer before the Corporation 's final liability is exigible.

The Corporation has made the following assumptions in estimating the subscriber indemnification provision:

- Ontario subscribers have a combined personal income tax rate of 46.16% and are eligible for both the federal 15% and the provincial 5% investment tax credits;
- Quebec subscribers have a combined personal income tax rate of 58.75% and are eligible for the federal 15% investment tax credit and the 120% CEE "super-allowance";
- Of the $331,175 shortfall, $160,303 applies to Ontario subscribers and $170,872 applies to Quebec subscribers; and
- Subscribers will be assessed two year's interest on reassessed amounts.

As at May 31, 2019 and 2020, the Corporation has also accrued in accounts payable and accrued liabilities, the estimated Federal Part XII.6 tax and similar Quebec tax for the 2018 and prior years.

As at December 31, 2018, the Corporation had a $66,235 flow-through share premium liability which was transferred to the deferred tax provision effective December 31, 2018, in recognition of the Corporation's indemnification accrual.

Outstanding Share Data

As at the date of this MD&A, the Corporation has 72,381,359 common shares issued and outstanding as well as: (a) stock options to purchase an aggregate of 3,984,000 common shares expiring at various date between May 2021 and August 2025 and exercisable at prices between $0.05 and $0.11 per common share and, (b) share purchase warrants to purchase an aggregate of 21,000,000 common shares expiring March 2021 exercisable at $0.08 per common share. For additional details of share data, please refer to Notes 7, 8 and 9 of the May 31, 2020 audited consolidated financial statements.

Capital Management

The Corporation's objectives when managing capital are as follows:

i) To safeguard the Corporation's ability to continue as a going concern;

ii) To raise sufficient capital to finance its exploration and development activities on its mineral exploration properties;

iii) To raise sufficient capital to meet its general and administrative expenditures.

The Corporation manages its capital structure and makes adjustments to it based on the general economic conditions, its short-term working capital requirements, and its planned exploration and development program expenditure requirements. The capital structure of the Corporation is comprised of working capital and shareholders' equity. The Corporation may manage its capital by issuing flow through or common shares, or by obtaining additional financing.

The Corporation utilizes capital and operating expenditure budgets to facilitate the management of its capital requirement. These budgets are approved by management and updated for changes in the budgets underlying assumptions as necessary.

There were no changes in the Corporation's approach to managing capital during the year.

Contractual Obligations and Off-Balance Sheet Arrangements.

The Corporation is not party to any industry contracts or arrangements. There are no off balance sheet arrangements.

Accounting Policies including Initial Adoption

The Corporation continues to monitor new and emerging accounting policies and will adopt those which management deems to be relevant to the ongoing measurement and disclosure of the activities of the Corporation.

Adoption of new accounting standards

IFRS 16 *Leases* ("IFRS 16") On June 1, 2019, the Company adopted IFRS 16 *Leases* ("IFRS 16"). IFRS 16 sets out a new model for lease accounting, replacing IAS 17 – Leases. Lessor accounting under IFRS 16 is substantially unchanged; lessors will continue to classify all leases as either operating or finance leases using similar principles as in IAS 17.

The Company adopted IFRS 16 using the modified retrospective approach. The Company elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts, that at the commencement date, have a lease term of 12 months or less and do not include a purchase option ("short-term leases"), and lease contracts for which the underlying asset is of low value ("low-value assets").

The Company reviewed all lease contracts in which it is a lessee and has determined that all of the leases are considered immaterial.

IFRIC 23, Uncertainty over Income Tax Treatment (IFRIC 23)- In June 2017, the IASB issued amendments as a clarification to requirements under IAS 12, Income Taxes. IFRIC 23 clarifies the application of various recognition and measurement requirements when there is uncertainty over income tax treatments. The amendments became effective on June 1, 2019. The amendments did not have an impact on the Company.

Recent Accounting Standards and Interpretations

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting years beginning on or after June 1, 2020. Many are not applicable or do not have a significant impact to the Corporation and have been excluded from the list below. The following has not yet been adopted and is being evaluated to determine its impact on the Corporation.

Amendments to IFRS 3, Business Combinations (IFRS 3) - Definition of a Business In October 2018, the IASB issued amendments to the definition of a business in IFRS 3 to help entities determine whether an acquired set of activities and assets is a business or not. The amendments are effective January 1, 2020, with early adoption permitted. The amendments are applied prospectively to transactions or other events that occur on or after the date of first application.

Amendments to IAS 1, Presentation of Financial Statements (IAS 1) and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors (IAS 8) - Definition of Material-In October 2018, the IASB issued amendments to IAS 1 and IAS 8 to align the definition of "material" across the standards and to clarify certain aspects of the definition. The new definition states that, "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." These amendments are effective January 1, 2020.

Amendment to IAS 1, Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current-In January 2020, the IASB issued amendments to paragraphs 69-76 of IAS 1 to clarify the requirements for classifying liabilities as current or non-current. The amendments specify that the conditions which exist at the end of a reporting period are those which will be used to determine if a right to defer settlement of a liability exists. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective January 1, 2022, with early adoption permitted.

The amendments are not expected to have an impact on the Company’s consolidated financial statements.

Transactions with Related Parties

During the year and three months ended May 31, 2020, the Corporation entered into the following transactions with related parties and paid or accrued the following amounts, excluding share-based payment charges in connection therewith:

Name	Relationship	Purpose of Transaction	Three Months Ended	Year Ended
Maplegrow Capital Inc.	Company controlled by the CEO of the Corporation	Consulting	$ 16,500	$ 66,000
Brant Capital Partners Inc.	Company controlled by the CFO of the Corporation	Consulting	$ 16,500	$ 66,000
Brant Capital Partners Inc.	Company controlled by the CFO of the Corporation	Rent, office supplies, telephone, administrative expenses	$ nil	$ 7,000

Risks and Uncertainties

Liquidity and Additional Financing

The Corporation has limited financial resources and no current revenues. There can be no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under applicable agreements. Although the Corporation has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could cause the Resulting Issuer to reduce or terminate its operations.

Regulatory Requirements

Even if the Corporation's properties are proven to host economic reserves of gold or other precious or non-precious metals, factors such as governmental expropriation or regulation may prevent or restrict mining of any such deposits. Exploration and mining activities may be affected in varying degrees by government policies and regulations relating to the mining industry. Any changes in regulations or shifts in political conditions are beyond the control of the Corporation and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation and mine safety.

Nature of Mineral Exploration and Mining

At the present time, the Corporation does not hold any interest in a mining property in production. The Corporation's viability and potential success lie in its ability to discover, develop, exploit and generate revenue out of mineral deposits. Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. The profitability of the Corporation's operations will be in part directly related to the cost and success of its exploration programs, if any, which may be affected by a number of factors beyond the Corporation's control. Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Corporation has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of diamond, precious and non-precious metals, any of which could result in work stoppages, damage to the property, and possible environmental damage. Hazards such as unusual or unexpected formations and other conditions such as formation pressures, fires, power outages, labor disruptions, flooding, explorations, cave-ins, landslides and the inability to obtain suitable adequate machinery, equipment or labor are involved in mineral exploration, development and operation. The Corporation may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on the financial position of the Corporation.

The Corporation will continue to rely upon consultants and others for exploration and development expertise. Substantial expenditures are required to determine if mineralization reserves exist through drilling, to develop processes to extract the precious and non-precious metals from the mineralization and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis or at all. The economics of developing mineral properties are affected by many factors including the cost of operations, variations in the grade of mineralization mined, fluctuations in markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. The remoteness and restrictions on access to any properties in which the Corporation has or may have an interest may have an adverse effect on profitability in that infrastructure costs will be higher.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Corporation may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and cause insolvency and/or a decline in the value of the securities of the Corporation.

No Assurance of Title to Properties

The acquisition of title to mineral projects is a very detailed and time consuming process. Although the Corporation has taken precautions to ensure that legal title to its property interests is properly recorded in the name of the Corporation where possible, there can be no assurance that such title will ultimately be secured. Furthermore, there is no assurance that the interest of the Corporation in any of its properties may not be challenged or impugned.

Permits and Licenses

The operations of the Corporation may require licenses and permits from various governmental authorities. The Corporation believes that it presently holds all necessary licences and permits to carry on with activities which it is currently conducting under applicable laws and regulations and the Corporation believes it is currently complying in all material respects with the terms of such laws and regulations. However, such laws and regulations are subject to change. There can be no assurance that the Corporation will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

Competition

The mineral exploitation industry is intensely competitive in all its phases. The Corporation competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees. In addition, there is no assurance that even if commercial quantities of minerals are discovered, a ready market will exist for their sale. Factors beyond the control of the Corporation may affect the marketability of any minerals discovered. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Corporation not receiving an adequate return on invested capital or losing its invested capital.

Environmental Regulations

The Corporation’s operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Corporation's operations.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important requirements, which affect capital and operating costs. Unusual or infrequent weather, phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Corporation's operations.

Fluctuating Prices

Factors beyond the control of the Corporation may affect the marketability of any copper, nickel, gold, platinum or any other minerals discovered. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Corporation's control including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, consumption patterns, speculative activities and increased production due to new mine developments and improved mining and production methods. The effect of these factors on the price of gold, base and precious metals and therefore the economic viability of any of the Corporation's projects cannot be accurately predicted.

Reliance on Key Personnel

The Corporation is dependent on a relatively small number of key people, the loss of any of whom could have an adverse effect on its operations. The Corporation does not carry any key man insurance.

Global Uncertainty

The Corporation's business could be adversely affected by the effects of health epidemics, including the global COVID-19 pandemic. In December 2019, a novel strain of COVID-19 was reported in China. Since then, the COVID-19 has spread globally, to include Canada, the United States and several European countries. The spread of COVID-19 from China to other countries has resulted in the World Health Organization (WHO) declaring the outbreak of COVID-19 as a "pandemic," or a worldwide spread of a new disease, on March 11, 2020. Many countries around the world, including Canada, have imposed quarantines and restrictions on travel and mass gatherings to slow the spread of the virus, and have closed non-essential businesses. The spread of COVID-19, which has caused a broad impact globally, may materially affect the Company economically. While the potential economic impact brought by, and the duration of, COVID-19 may be difficult to assess or predict, a widespread pandemic could result in significant disruption of global financial markets, reducing the Corporation's ability to access capital, which could in the future negatively affect the Corporation's liquidity. In addition, a recession or market correction resulting from the spread of COVID- 19 could materially affect the Corporation’s business and the value of the Corporation’s common shares The global outbreak of COVID-19 continues to rapidly evolve. The extent to which COVID-19 may impact the Corporation’s business, operations and clinical trials will depend on future developments, including the duration of the outbreak, travel restrictions and social distancing in Canada and other countries, the effectiveness of actions taken in Canada, the United States and other countries to contain and treat the disease and whether Canada and other countries are required to move to complete lock-down status. The ultimate long-term impact of COVID-19 is highly uncertain and cannot be predicted with confidence.

Subsequent Events

On July 29, 2020, the Corporation issued 2,146,000 common shares at $0.025 per share in exchange for the reduction of debt of $53,650.

On August 18, 2020, the Corporation completed the sale of its interest in the Northshore Property to Omni Commerce Corp. (Omni) and received as consideration cash in the amount of $325,000 and shares of Omni valued at $1,100,000. Omni has applied to list its shares on the Canadian Securities Exchange.

On August 20, 2020, the Corporation granted 1,200,000 stock options to directors and officers of the Corporation. The options vested upon grant, have a term of five years and are exercisable at $0.05 per share.

On August 26, 2020, the Company received a non-interest bearing loan of $40,000 from the Government of Canada through the Canada Emergency Business Account (CEBA) program. The loan is due on December 31, 2022 and payment by the due date will result in $10,000 forgiveness of the loan.

Additional information relating to the Corporation and its operations is available on SEDAR at www.sedar.com.