BLACK LION CAPITAL CORP.
(A Capital Pool Company)

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
NINE MONTH PERIOD ENDED JULY 31, 2019

The following management discussion and analysis for *Black Lion Capital Corp.* ("the Company") is prepared as of **September 16, 2019** and should be read together with the unaudited condensed interim financial statements for the nine month period ended July 31, 2019 and related notes attached thereto (Financial Statements), which were prepared in accordance with the International Financial Reporting Standards ("IFRS"). The reader should also refer to the Company's audited financial statements and accompanying notes for the year ended October 31, 2018.

All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information related to the Company is available for view on SEDAR under the Company's profile at www.sedar.com.

Description of Business

The Company was incorporated under the Business Corporations Act (British Columbia) on January 20, 2015. The Company completed its Initial Public Offering ("IPO") on April 4, 2016. The Company is classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The Company's common shares were listed for trading on the TSX-V on April 5, 2016 under the symbol BLC.P. The principal business of the Company is the identification and evaluation of assets or a business (Qualifying Transaction) and, once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

The Company was unable to complete a QT prior to April 4, 2018. As a result, the TSX-V suspended the Company's common shares from trading on April 9, 2018. As per TSX-V rules, the Company was required to complete a QT by July 9, 2018 or transfer to the NEX which is a separate board of the TSX-V.

The Company held its annual and special meeting of shareholders on June 18, 2018 at which time, pursuant to the CPC Policy, it received shareholder approval to transfer its listing to the NEX and to cancel an aggregate of 1,175,000 escrow shares.

The Company's listing was transferred to the NEX effective July 9, 2018 under the trading symbol BLC.H.

Overall Performance

As at July 31, 2019, the Company had $732,128 (October 31, 2018 - $753,221) in cash and working capital was $736,065 (October 31, 2018 – $750,304). The Company incurred a net loss of $14,239 (2018- $24,738) during the nine month period ended July 31, 2019.

Events and Transactions during the nine month period ended July 31, 2019:

The Company continued to search for and identify assets or a business so that it can complete its QT.

Summary of Quarterly Results

	Three month period ended July 31, 2019	Three month period ended April 30, 2019	Three month period ended January 31, 2019	Three month period ended October 31, 2018
Total assets	$ 738,300	$ 741,357	$ 746,075	$ 760,358
Working capital	736,065	739,071	740,594	750,304
Shareholders' equity	736,065	739,071	740,594	750,304
Net comprehensive loss	(3,006)	(1,523)	(9,710)	(12,419)
Loss per share	(0.00)	(0.00)	(0.00)	(0.00)
	Three month period ended July 31, 2018	Three month period ended April 30, 2018	Three month period ended January 31, 2018	Three month period ended October 31, 2017
Total assets	$ 767,237	$ 779,128	$ 764,667	$ 769,534
Working capital	762,723	772,215	752,342	756,632
Shareholders' equity	762,723	772,215	752,342	756,632
Net comprehensive loss	(9,492)	(9,966)	(5,280)	(13,107)
Loss per share	(0.00)	(0.00)	(0.00)	(0.00)

Over the last eight quarters, there were no significant transactions due to reduced operations as the Company continued its search for a QT.

During the three month period ended July 31, 2018, the Company cancelled 1,175,000 common shares held in escrow pursuant to TSX-V Policy 2.4 for non-completion of its QT within a 24 month period. During the three month period ended April 30, 2018, the Company issued 298,394 common shares pursuant to the exercise of 298,394 agent's options for gross proceeds of $29,839. During the three month period ended April 30, 2018, the Company issued 298,394 common shares pursuant to the exercise of agent's options for gross proceeds of $29,839. During the three month period ended January 31, 2018, the Company issued 9,900 common shares pursuant to the exercise of 9,900 agent's options for gross proceeds of $990.

Results of Operations

Nine month period ended July 31, 2019:

During the nine month period ended July 31, 2019, the Company incurred a net comprehensive loss of $14,239 (2018 - $24,738). The net comprehensive loss is comprised of the following items:

- Bank charges and interest of $79 (2018 - $90).
- Professional fees of $6,292 (2018 - $15,952) are comprised of $906 (2018 - $8,205) for legal fees and $5,386 (2018 - $7,747) for audit, accounting and administration fees. Current period fees were lower due to a decrease in activity.
- Registration and filing fees of $5,716 (2018 - $7,809) decreased from the prior period due to the current period fees being billed on a quarterly basis.
- Transfer agent costs of $4,550 (2018 - $4,868) decreased during the current period because an administrative charge was applied to the cancellation of escrow shares in the comparative period.
- Travel and related costs of $4,416 (2018 - $130) were incurred by management to travel to and attend trade conferences and network with potential businesses.
- Website design and maintenance costs of $634 (2018 - $855) related to the design, development and implementation of the Company's website.

- Recovered $203 (2018 – $Nil) in costs paid a prior fiscal period.

- Earned $7,245 (2018 – $6,867) as interest income from funds held at the Company's financial institution.

Three month period ended July 31, 2019:

During the three month period ended July 31, 2019, the Company incurred a net comprehensive loss of $3,006 (2018 - $9,492). The most significant changes occurred in the following categories: professional fees of $721 (2018 - $8,082), registration and filing fees of $1,312 (2018 - $525) and transfer agent fees of $2,209 (2018 - $1,436).

Related Party Transactions

The Company entered into the following transactions with related parties during the six month period ended April 30, 2019:

i) Incurred $906 (2018 - $8,205) in legal fees, which have been included in professional fees, to a partnership in which a director of the Company, William Macdonald, is a partner.

ii) Incurred $3,279 (2018 - $5,640) in accounting and administration fees to a company controlled by a director, Ron Schmitz.

Included in accounts payable and accrued liabilities is $1,013 (October 31, 2018 - $2,186) due to directors and officers and companies controlled by directors.

Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

There was no other compensation paid to key management during the nine month periods ended July 31, 2019 and 2018.

Liquidity and Capital Resources

The financial statements have been prepared on a going concern basis which assumes that the Company will be able realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

	July 31, 2019	October 31, 2018
Working capital	$ 736,065	$ 750,304
Deficit	(335,662)	(321,423)

Net cash used in operating activities for the period was $21,093 (2018 – $31,962). This amount consists of a net operating loss of $14,239 (2018 - $24,738) and changes in non-cash working capital items comprising a change in receivables of $1,517 (2018 – $639), a change in prepaid expenses of $2,482 (2018 - $525) and a change in accounts payable and accrued liabilities of $7,819 (2018 – $8,388).

There were no financing activities during the current period. During the comparative period financing activities provided net cash of $30,829 pursuant to the exercise of 308,294 agent's options.

There were no investing activities during the current and comparative periods.

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Company may seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

The Company has sufficient funds to cover anticipated administrative expenses throughout the year.

Financial Instruments and Risk Management

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

• Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
• Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
• Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's receivable and accounts payable and accrued liabilities approximate their carrying value.

The Company's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(a) *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The Company has deposited the cash with its bank from which management believes the risk of loss is remote.

(b) *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. Accounts payable and accrued liabilities are due within the current operating period. The Company has a sufficient cash balance to settle current liabilities.

(c) *Market ri*sk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(d) *Currency risk*

The Company's operations and financing activities are conducted in Canadian dollars and as a result, the Company is not subject to significant exposure to market risks from changes in foreign currency rates.

(e) *Interest rate risk*

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term certificates of deposits issued by its bank. The Company periodically monitors the investments it makes and is satisfied with the credit rating of its bank.

Capital Disclosure and Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue the completion of a Qualifying Transaction. Therefore, the Company monitors the level of risk incurred in its expenditures relative to its capital structure.

The Company considers its capital structure to consist of components of shareholders' equity. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the potential underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favourable terms and approved by the TSX-V.

As a CPC, the Company is subject to externally imposed cash restrictions as outlined in TSX-V Policy 2.4. The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements as at July 31, 2019.

Outstanding Share Data

The following table summarizes the Company's outstanding share data as of the date of this Management Discussion and Analysis:

	Number of shares issued or issuable
Common shares	11,653,294
Stock options	1,026,500

The common shares are subject to escrow restrictions and will be released from escrow in tranches over 36 months upon completion of a Qualifying Transaction. As at the date of this Management Discussion and Analysis there are 2,615,000 common shares held in escrow.

Critical Judgments and Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates on the resulting effects of the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

All of the Company's significant accounting policies and estimates are included in Note 3 of the unaudited condensed interim financial statements for the nine month period ended July 31, 2019.

New Standards Adopted

IFRS 9 - Financial Instruments: Classification and Measurement. The Company adopted accounting standard IFRS 9, Financial Instruments: Classification and Measurement, effective for annual periods beginning on or after November 1, 2018. The adoption of IFRS 9 did not result in any changes to the classification, measurement, or carrying amounts of the Company's existing financial instruments on transition date.

The new standard brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39, Financial Instruments: Recognition and Measurement. The standard retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value.

The Company continues to classify and measure its financial instruments at fair value through profit or loss with changes in fair value recognized in profit or loss as they arise ("FVTPL"), unless restrictive criteria regarding the objective and contractual cash flows of the instrument are met for classifying and measuring at either amortized cost or fair value through other comprehensive income.

Cash and cash equivalents, marketable securities and trade receivables continue to be recorded at FVTPL and other receivables and loans, initially at FVTPL, and subsequently at amortized cost using the effective interest rate method. Trade and other payables are classified and measured as financial liabilities

New Standards Not Yet Adopted

IFRS 16, Leases, is a new standard to set out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17, *"Leases"*, and instead introduces a single lessee accounting model. It provides a single model in order to depict the transfer of promised goods or services to customers. The standard is effective for the Company on or after November 1, 2019. The Company is assessing the impact of this new standard and has determined that it will not have a material impact on the financial statements.

Risks and Uncertainties

The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to generate earnings or pay dividends in the immediate or foreseeable future. The Company was only recently incorporated and does not own any ongoing business operations, and has no assets other than cash. The Company has not identified a proposed Qualifying Transaction and has not entered into an Agreement in Principle. There is no assurance that the Company will identify and successfully negotiate the acquisition of any potential corporations, properties, assets or businesses, or any interests therein, nor that any such opportunities or businesses acquired will be profitable. Moreover, additional funds may be required to successfully complete an acquisition, and the Company may not be able to obtain such financing or may not be able to raise sufficient funds to take a meaningful position in a potential target. If the acquisition is financed by the issuance of shares from the Company's treasury, control of the Company may change and shareholders may suffer additional dilution. The directors and the officers of the Company will only be devoting a portion of their time to the affairs of the Company. Potential conflicts of interest may result from the ordinary course of business of the Company and of the directors and the officers of the Company. The directors and the officers of the Company currently beneficially own, directly or indirectly, 10.51% of the issued and outstanding common shares**.**

The TSX-V may suspend from trading or delist the common shares where the Company has failed to complete a Qualifying Transaction within 24 months of the date of listing. The Company may be issued an interim cease trade order if the common shares are suspended delisted from trading on the TSX-V. In addition, delisting of the common shares will result in the cancellation of all of the currently issued and outstanding common shares held by insiders that are discount seed shares within the meaning of the CPC Policy.

On March 7, 2018, the TSX-V issued a bulletin that stated, "The shares of the Company were listed on TSX Venture Exchange on April 4, 2016. The Company, which is classified as a Capital Pool Company ("CPC"), is required to complete a Qualifying Transaction ("QT") within 24 months of its date of listing, in accordance with Exchange Policy 2.4.

The records of the Exchange indicate that the Company has not yet completed a QT. If the Company fails to complete a QT by its 24-month anniversary date of April 4, 2018, the Company's trading status may be changed to a halt or suspension without further notice, in accordance with Exchange Policy 2.4, Section 14.6".

The Company was unable to complete a QT prior to April 4, 2018. As a result, the TSX-V suspended the Company's common shares from trading on April 9, 2018. As per TSX-V rules, the Company was required to complete a QT by July 9, 2018 or transfer to NEX which is a separate board of the TSX-V.

The Company held its annual and special meeting of shareholders on June 18, 2018 at which time, pursuant to the CPC Policy, it received shareholder approval to transfer its listing to the NEX and to cancel an aggregate of 1,175,000 Seed Shares (as defined by the TSX-V) held by non-arm's length parties of the CPC (including the officers, directors and insiders of the Company).

The Company's listing was transferred to NEX effective July 9, 2018 under the trading symbol BLC.H.

Outlook

The Company's current objective is to complete a Qualifying Transaction.

Corporate Governance

The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Audit Committee of the Company fulfills its role of ensuring the integrity of the reported information through its review of the interim and audited annual financial statements prior to their submission to the Board of Directors for approval. The Audit Committee, comprised of three directors, all of whom are independent, meets with management of the Company on a quarterly basis to review the financial statements, including the MD&A, and to discuss other financial, operating and internal control matters as required.

Forward-Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Readers are cautioned not to put undue reliance on forward-looking statements. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These forward-looking statements include statements regarding the future price of gold, the timing and amount of estimated future production, costs of production, capital expenditures, the success of exploration activities, permitting time lines, currency fluctuations, the requirements of future capital, drill results and the estimation of mineral resources and reserves. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements contained into this report should not be unduly relied upon. These statements speak only as of the date of this report. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- the supply and demand for, deliveries of, and the level and volatility of prices of gold as well as petroleum products;
- the availability of financing for the Company's development of the Project on reasonable terms;
- the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the ability to attract and retain skilled staff;

These forward-looking statements involve risks and uncertainties relating to, among other things, changes in commodity and, particularly, gold prices, access to skilled mining development personnel, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, actual performance of facilities, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors hereinabove. **Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The forward-looking statements contained in this report are expressly qualified by this cautionary statement.**