PKS CAPITAL CORP.

MANAGEMENT DISCUSSION AND ANALYSIS
For the three months ended MAY 31, 2020 and 2019

1.1 Date

This Management Discussion and Analysis ("MD&A") of PKS Capital Corp. ("PKS" or the "Company") has been prepared by management as of July 29, 2020 and should be read in conjunction with the condensed interim financial statements and related notes thereto of the Company as at and for the three months ended May 31, 2020 and 2019, and the audited financial statements and related notes thereto of the Company for the years ended February 29, 2020 and for the period from incorporation date (January 29, 2019) to February 28, 2019, which was prepared in accordance with International Accounting Standards using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC"), and the annual Management Discussion and Analysis ("MD&A") of the Company prepared by management as of June 29, 2020.

This MD&A contains forward-looking information which reflects management's expectations regarding the Company's growth, results of operation, performance and business prospects and opportunities. The use of words such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", believe", outlook", "forecast" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements in this MD&A include, but not limited to, the Company's expectation of future activities and results, of its working capital needs and its ability to identify, evaluate and pursue suitable business opportunity. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results of events to differ materially from those anticipated in these forward-looking statements. Readers should not put undue reliance on forward-looking information.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

1.2 Over-all Performance

The Company was incorporated under the laws of the Province of British Columbia on January 29, 2019. The Company is a Capital Pool Company ("CPC") as its principal business is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT") in accordance with Policy 2.4 of the TSX Venture Exchange ("Exchange").

On August 15, 2019, the Company completed its Initial Public Offering ("IPO") on the Exchange raising $250,000 through the issuance of 2,500,000 common shares of the Company at $0.10 per share. The Company's common shares were approved for listing on the Exchange and commenced trading effective August 19, 2019 under the symbol "PKS.P".

On June 1, 2020, the Company entered into a letter of intent ("LOI") with Horizon Gold Ltd. ("Horizon Gold"), whereby the Company is proposing to acquire 100% of Horizon Gold by way of business combination. Horizon Gold is a company incorporated in the United Kingdom, focused on gold exploration in mineral-rich Sweden. See *1.11 Proposed Transactions.*

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

The Company has not commenced operations and has no assets other than cash, short-term investment in GIC and prepaid expenses. The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition, or business, or an interest therein. Such an acquisition will be subject to the approval of the regulatory authorities concerned and in the case of a non-arms' length transaction, of the majority of the minority shareholders.

1.3 Selected Annual Information

	Year Ended February 29, 2020	Date of Incorporation (January 29, 2019) to February 28, 2019
Net Loss	$ (120,541)	$ (14,480)
Loss per share	$ (0.09)	$ (0.01)
Total assets	$ 245,032	$ 137,492
Total long-term liabilities	Nil	Nil
Cash dividends declared per share for each class of share	Nil	Nil

1.4 Results of Operations

Three months ended May 31, 2020

During the three months ended May 31, 2020, the Company reported a net loss of $7,415 or $0.00 per share as compared to a net loss of $28,973 or $0.01 per share during the three months ended May 31, 2019, a decrease in net loss of $21,558.

The overall decrease in net loss of $21,558 was primarily due to reduction in costs in professional fees by $11,841 and regulatory fees by $10,665. The decrease in professional and regulatory fees were incurred in connection to the Company's IPO and listing of its common shares on the Exchange in the prior year. There were no such costs in the current fiscal quarter.

The Company recorded interest of $181 (2019 - $Nil) accrued on its short term redeemable GIC investment of $200,000 (February 29, 2020 - $200,000). The investment matures within one year and yields a variable interest rate dependent on the market prime rate per annum. The counter-party is a financial institution.

Administrative fees incurred pursuant to the Company's administrative services agreement with Varshney Capital Corp. ("VCC") *See 1.9 Transactions with Related Parties*.

1.5 Summary of Quarterly Results

The following is a summary of financial information concerning the Company for each of the reported quarters since its incorporation.

Quarter ended	Loss	Loss per share
May 31, 2020	$ (7,415)	$ (0.00)(*)
February 29, 2020	$ (1,151)	$ (0.00)(*)
November 30, 2019	$ (5,551)	$ (0.00)(*)
August 31, 2019	$ (84,866)	$ (0.20)(*)
May 31, 2019	$ (28,973)	$ (0.01)
February 28, 2019	$ (14,480)	$ (0.01)

(*) 2,650,000 seed shares issued to directors and officers of the Company prior to the completion of the IPO were placed into an escrow. The escrow shares are not included in the calculation of the weighted average number of common shares outstanding during the reporting period for the purpose of computing the loss per share.

1.6 Liquidity and Capital Resources

As at May 31, 2020, the Company reported a working capital of $319,098 (February 29, 2020 - $224,302) consisting of cash and cash equivalents of $323,868 (February 29, 2020 - $244,393), prepaid expenses of $3,470 (February 29, 2020 - $639), less trade payables and accrued liabilities of $6,675 (February 29, 2020 - $20,730) and due to related parties of $1,565 (February 29, 2020 - $Nil).

The Company's operating activities have been funded to date through the issuance of 2,650,000 seed common shares at a price of $0.05 per share for gross proceeds of $132,500 and 2,500,000 common shares issued in the IPO at a price of $0.10 per share for gross proceeds of $250,000.

The cash disbursements were primarily related to legal fees associated with the filing of the Company's prospectus and completing the IPO, listing of the Company's shares on the Exchange, monthly administrative service fees and regulatory and transfer agent fees.

During the three months ended May 31, 2020, the Company completed a non-brokered private placement of 1,100,000 common shares at a price of $0.10 per common shares for gross proceeds of $110,000. The Company paid $6,000 and issued 60,000 finder's warrants as finder's fees and paid $1,789 in share issuance costs in connection to this private placement.

A concurrent private placement financing will be held in connection to the proposed qualifying transaction. *See 1.11 Proposed Transactions*.

Pursuant to the policies of the Exchange, 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 for administrative and general expenses. These restrictions apply until completion of the Company's Qualifying Transaction as defined by Exchange Policy 2.4.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern with a view of completing its QT. The Company will have no revenue, and significant expenses are expected in the process of identification and acquisition of qualifying asset.

The Company may continue to have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing, subject to the Exchange policies and approval.

There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

1.7 Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

1.8 Risk and Uncertainties

The Company's financial performance is likely to be subject to the following risks:

- Although management of the Company is working diligently to complete the QT, there is no assurance that a QT will be entered into nor completed.
- The Company was recently incorporated, has not commenced commercial operations, has not generated any revenue and has no assets other than cash and prepaid regulatory fees.
- Until completion of a QT, the Company is not permitted to carry on any business other than the identification and evaluation of potential QTs.
- The Company has limited funds, with which to identify, evaluate and complete a potential QT and continue its business operations.
- Completion of the QT is subject to a number of conditions including acceptance by the Exchange, securities regulatory authorities and the shareholders' approval, if required.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk
Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk. The Company's cash and cash equivalents include cash and cashable term deposits with maturities of twelve months or less, which are held in accounts with a major Canadian financial institution. The funds may be withdrawn at any time without penalty.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and seeking equity financing when needed.

Management believes the Company has sufficient working capital to cover its general and administrative expenses in the process of identifying, evaluating and completing its QT. As at May 31, 2020, the Company's current assets consisted of $123,030 (February 29, 2020 - $43,736) in cash and $200,838 (February 29, 2020 - $200,657) in a redeemable GIC investment (prime -2.7% with a minimum of 0.25%). The Company's current liabilities consisted of accrued accounting and transfer agent fees of $6,675 (February 29, 2020 - $20,730), and $1,565 (February 29, 2020 - $Nil) in reimbursement of regulatory filing fees due to a director and officer of the Company *See 1.9 Transactions with Related Parties*. The Company's trade payables and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company is not exposed to significant interest rate risk.

(b) Foreign currency risk
The Company currently does not have assets or liabilities in a foreign currency, and, therefore, is not exposed to foreign currency risk.

(c) Price risk
The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potentially adverse impact on the Company's ability to obtain equity financing due to movements in individual equity prices or general movements in the level of the stock market. The Company is not exposed to significant price risk.

1.9 Transactions with Related Parties

On February 1, 2019, the Company entered into a rent and administrative services agreement with Varshney Capital Corp. ("VCC"), a company with two directors in common, for office rent and administrative services provided to the Company on a month to month basis in exchange for a monthly fee of $1,250 plus taxes.

During the three months ended May 31, 2020, the Company paid $3,937 (2019 - $3,937) for rent and administrative fees to VCC.

As at May 31, 2020, $1,565 (February 29, 2020 - $Nil) was due to a director and officer of the Company for reimbursement of the regulatory filing fees paid on behalf of the Company.

1.10 Fourth Quarter

None.

1.11 Proposed Transactions

On Jun 1, 2020, the Company entered into a LOI dated June 1, 2020 with Horizon Gold proposing to acquire 100% of Horizon Gold by way of business combination (the "Proposed Transaction"). The Company intends that the Proposed Transaction will constitute its Qualifying Transaction, as such term is defined in the policies of the Exchange. Upon completion of the Proposed Transaction, the resulting issuer will operate under the name Horizon Gold Corp. (the "Resulting Issuer"), or such other name as may be approved by the board and the Exchange. In connection with the Proposed Transaction, the Resulting Issuer will apply to list its common shares on the Exchange, and it is anticipated that the Resulting Issuer will be a Tier 2 mining company. The Proposed Transaction is an arm's length transaction.

1.12 Critical Accounting Estimates

Not applicable to venture issuers.

1.13 Changes in Accounting Policies including Initial Adoption

The financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards. Our significant accounting policies are set out in Note 3 of the condensed interim financial statements of the Company, as at and for the period ended May 31, 2020.

1.14 Financial Instruments and Other Instruments

The Company's financial instruments at May 31, 2020 are as follows:

		FVTPL		*Amortized cost*
Financial assets				
Cash and cash equivalents	$	323,868	$	–
Financial Liabilities				
Trade payables and accrued liabilities		–		6,675
Due to related parties		–		1,565
	$	323,868	$	8,240

1.15 Other Requirements

Summary of Outstanding Share Data as of July 29, 2020:

Authorized: Unlimited number of common shares without par value.
Issued and outstanding: 6,250,000 (including 2,650,000 held in escrow)
Stock options outstanding: 515,000
Agent's warrants outstanding: 310,000

Additional disclosures pertaining to the Company's filing statements and other information are available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors, thank you for your continued support.

"Hari Varshney"

Hari Varshney
President, CEO, CFO and Director