
The following discussion and analysis of the operations, results and financial position of Deer Horn Capital Inc. (the "Company" or "Deer Horn") for the year ended July 31, 2020 should be read in conjunction with the audited financial statements for the year ended July 31, 2020, which can be found on SEDAR at www.sedar.com.

This Management Discussion and Analysis ("MD&A") is dated November 30, 2020 and discloses specified information up to that date. The Company is classified as a "venture issuer" for the purposes of National Instrument 51-102. The Company's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") in Canada. Unless otherwise cited, references to dollar amounts are in Canadian dollars.

The Company is a reporting issuer in each of the provinces of British Columbia, Alberta and Ontario. Its head office is located at 381 – 1440 Garden Place, Delta, BC, V4M 3Z2. Its registered records office is located at Suite 1100 - 736 Granville Street, Vancouver, BC, V67 1G3.

Forward-looking Information

Certain statements in this MD&A and the documents incorporated by reference contain forward-looking information, which includes forward-looking statements within the meaning of applicable Canadian securities laws. Forward-looking statements are statements which relate to future events or our future performance, including our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", or "potential" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause the Company's or the industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. No assurance can be given that any of the events anticipated by the forward-looking information and statements will occur or, if they do occur, what benefits the Company will obtain from them. This MD&A contains forward-looking information and statements, which may include but are not limited to: statements with respect to the financial and operating performance of the Company; investments objectives and strategies; the business goals and strategies; forecast operating and financial results; planned capital expenditures; potential future market for products, business prospects and opportunities; costs and timing of developmental new projects; management's assessment of future plans and operations; and requirements for additional capital.

Overview

Deer Horn is a publicly-traded, Vancouver-based, diversified issuer. The Company has a 50% interest in the Deer Horn Property, located in British Columbia. The Company is refocusing its efforts on mineral exploration and intends to complete further equity financing in order to resume exploration and development on its mineral property interest while seeking additional opportunities in the junior mining sector to expand its property portfolio. The Company also has a 49% equity interest in Cheona Metals Inc., whose focus is on exploring unstaked and largely underexplored mineral territory in Northern Columbia. Additionally, the Company has a 49% equity interest in Cheona Health Inc., whose focus is on providing health testing kits to Indigenous and other communities in Canada for the detection of infectious diseases.

Strategy, Performance and Outlook

In March 2020 the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak, which continues to spread, has adversely affected workforces, economies, and financial markets, leading to an economic downturn. It has also disrupted the normal operations of many businesses, and it is not possible for the Company to estimate the duration or magnitude of these adverse conditions.

Due to the current market conditions and operational restrictions, the Company's plan to undertake a spring/summer 2020 exploration campaign on its Deer Horn Property was delayed, however; it has retained the services of an engineering firm to manage permitting and development for a 10,000-tonne bulk sample program.

The Company continues to further its partnership contributions with Cheona Metals Inc. and is in planning stages for joint prospecting in northern British Columbia.

Additionally, the Company has acquired a 49% interest in Cheona Health Inc., a privately-held corporation formed to help Canada and Indigenous communities through the provision of health testing kits for detection of infectious diseases.

On January 10, 2020, the Company completed a debt settlement transaction, issuing 2,182,500 units to settle debt of \$109,125. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.10 per share for a period of two years. A fair value of \$73,601 was attributed to the compensatory warrants. The Company recognized a loss on settlement of \$73,601 on the settlement of debt.

On February 19, 2020, the Company completed the first tranche of a non-brokered private placement, issuing 2,300,000 units at a price of \$0.05 per unit for total proceeds of \$115,000. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.10 per share for a period of two years. No value was attributed to the warrant portion of the units.

On February 19, 2020, the Company completed a debt settlement transaction, issuing 1,600,000 units to settle debt of \$80,000. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.10 per share for a period of two years. The common shares were issued with a fair value of \$192,000 and the warrants were issued with a fair value of \$151,200. The Company recognized a loss on settlement of \$263,200 on the settlement of debt.

On February 26, 2020, the Company completed the second tranche of a non-brokered private placement, issuing 1,300,000 units at a price of \$0.05 per unit for total proceeds of \$65,000. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.10 per share for a period of two years. No value was attributed to the warrant portion of the units.

On March 13, 2020, the Company completed the third and final tranche of a non-brokered private placement, issuing 3,050,000 units at a price of \$0.05 per unit for total proceeds of \$152,500. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.10 per share for a period of two years. No value was attributed to the warrant portion of the units.

On June 1, 2020, the Company completed a non-brokered private placement, issuing 2,000,000 units at a price of \$0.06 per unit for total proceeds of \$120,000. Each unit consisted of one common share and one share purchase warrant exercisable at \$0.10 per share for a period of two years. No value was attributed to the warrant portion of the units.

Deer Horn Property

The Company intends to pursue its exploration efforts on its 50% interest in the Deer Horn Property to include both exploration of additional targets on new showings as well as further in-fill and step-out drilling with a view to upgrade and expand the existing resource, and advance to prefeasibility status.

On June 6, 2018, the Company announced results of a revised and updated Preliminary Economic Assessment (“PEA”) for the property. The amended and restated PEA, prepared in accordance with NI 43-101, is available in the Company’s disclosure record located on SEDAR (www.sedar.com). The PEA estimated that the project will carry a 9-year mine life with a 1.6-year payback period.

The PEA describes a 74,000 tonnes per year seasonal, open-pit mining operation and conventional flotation mill which would produce a combined gold/silver/tellurium concentrate. The Project may be permitted under the Mines Act of BC as a small mine, without the requirement for a provincial environmental assessment (EA) as the project mining tonnage does not exceed the legislated reviewable project threshold of 75,000 tonnes per year. Waste to ore cut-offs were determined using metal prices of US\$1,300 per ounce gold, US\$17 per ounce silver, US\$100 per kilogram tellurium, US\$3 per pound for copper and \$1 per pound for zinc for net smelter return calculations. Net smelter return cut-off for the PEA pit delineated resource was assumed to be \$29/tonne.

The initial capital cost of the Project is estimated to be \$28.3 million. Average mine, process and G&A operating costs over the Project’s life (including pre-stripping and waste handling) are estimated to be \$94 per tonne milled. A base case economic evaluation was undertaken incorporating historical three-year trailing averages for metal prices as of May 31, 2018.

It should be noted that this PEA is preliminary in nature as it includes inferred mineral resources which are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the PEA forecast will be realized or that any of the resources will ever be upgraded to reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The Company also applied for a five-year exploration permit as part of its permit application for a 10,000 bulk sample permit. The permit will be used for drilling and other exploration to expand the property’s current NI 43-101 resource of gold, silver and tellurium.

Cheona Metals Inc.

The Company entered into a partnership with a First Nation entrepreneur, forming a company, Cheona Metals Inc. (“Cheona Metals”), in which it holds a 49% equity interest. Cheona Metals will focus on exploration in highly prospective areas in northern British Columbia.

In July 2020, the Company undertook prospecting activity near the “Golden Horseshoe,” or Golden Triangle region of northern British Columbia. The prospecting focused on ground that had seen little, if any, prior investigation by prospectors. The Company anticipates Cheona will have results and follow-up exploration plans in early 2021.

Cheona Health Inc.

The Company entered into a partnership Cheona Health Inc. (“Cheona Health”), in which it holds a 49% equity interest. Cheona Health was formed to help Indigenous communities achieve better health and well-being. Cheona Health’s focus is to reduce the spread of Covid-19 in Canada and facilitate



convenient and effective testing for the disease. Cheona Health's first step in this mission is to supply safe, fast and affordable FDA-approved Covid-19 test kits to Tribal communities.

Selected Financial Information

The following selected financial data have been prepared in accordance with IFRS and should be read in conjunction with the Company's financial statements. The following table sets forth selected financial data for the Company for and as of the end of the last three completed financial years to the year ended July 31, 2020.

	2020	2019	2018
Revenue			
- From continuing operations	-	-	-
- From discontinued operations	-	-	-
Cost of sales			
- From discontinued operations	-	-	-
Net revenue	-	-	-
General and administrative expenses	(525,202)	(672,615)	(479,680)
Loss and comprehensive loss	(862,003)	(672,615)	(479,680)
Earnings (loss) per share – basic and diluted	(0.04)	(0.04)	(0.04)
Total assets	293,245	110,879	175,855
Shareholders' equity	(304,998)	(514,297)	(396,226)
Working capital	(443,702)	(600,373)	(482,498)

Revenue and Expense Summary

Year ended July 31, 2020

Results of Operations for the Twelve Months Ended July 31, 2020

This review of the Results of Operations should be read in conjunction with the financial statements of the Company for the year ended July 31, 2020.

For the year ended July 31, 2020, the Company had a loss and comprehensive loss of \$(862,003) compared to a loss and comprehensive loss of \$672,615 for the year ended July 31, 2019. The loss and comprehensive loss amount in July 31, 2020 was significantly higher than that recorded in the prior fiscal year, mainly due to amounts recorded on settlement of debt, however; this was offset somewhat by a large reduction in advertising and marketing expenses. The Company did not earn any revenue during the year ended July 31, 2020.

Expenses – Twelve Months Ended July 31, 2020

General and administrative expenses totaled \$525,202 for the year ended July 31, 2020 compared to \$672,615 for the year ended July 31, 2019. Details of the largest changes and significant general and administrative items are as follows:

- Advertising and promotion decreased by \$296,247 to \$74,107 from \$370,354 and is due to the expiration of advertising contracts and a general reduction in costs incurred for promotional efforts and marketing.
- Consulting fees increased by \$30,000 to \$60,000 from \$30,000 and is due to fees incurred a twelve month period for corporate development whereas fees were incurred for a six month period in the prior year.
- Exploration expenses increased by \$12,937 to \$10,960 from \$(1,977) and is due to geological consulting fees incurred relating to preparation of permitting on its Deer Horn Property.
- Investor relations and shareholder information decreased by \$7,315 to \$16,042 from \$23,357, due to the termination of investor relations services and reduced costs incurred for shareholder information.
- Office and miscellaneous expenses increased slightly by \$1,697 to \$28,171 from \$26,474, primarily a result of office rental costs. Management fees increased slightly by \$10,000 to \$130,000 from \$120,000 and is due payment of director's compensation for the year.
- Professional fees increased nominally by \$5,609 to \$59,362 from \$53,753. The increase is due increased legal fees incurred for corporate actions.
- Regulatory and filing fees increased by \$4,589 to \$23,971 from \$19,382 and is due to an increase in filing fees.
- Travel expenses decreased by \$10,735 to \$2,690 from \$13,425, as a result of a reduction in travel relating to business development purposes.

In addition, the Company recorded \$84,282 in share based compensation for the vesting of options granted in Q3 2020 as opposed to \$1,176 in the prior year due to a reversal of unvested options.

Interest expense increased slightly to \$20,939 for the year ended July 31, 2020 compared to \$18,826 for the same period 2019 due mainly to interest and finance charges relating to professional fees.

There was an equity loss pick-up expense of \$6,541 for the year ended July 31, 2020 compared to \$nil for the year ended July 31, 2019 relating to the Company's share of the equity loss from Cheona Metals Inc.

Exploration Expenses

The Company incurred exploration expenses of \$10,960 during the year ended July 31, 2020 (2019 - \$(1,977)).

Revenue and Expense Summary

Three months ended July 31, 2020

Expenses – Three Months Ended July 31, 2020

General and administrative expenses totaled \$129,802 for the three months ended July 31, 2020 compared to \$102,557 for the three months ended July 31, 2019. Details of the largest changes and significant general and administrative items are as follows:

- Advertising and promotion decreased by \$29,780 to \$nil from \$29,780 and is due to the expiration of advertising contracts and a general reduction in costs incurred for promotional efforts and marketing.
- Consulting fees decreased by \$10,000 to \$5,000 from \$15,000 and is due to a reduction in fees incurred for corporate development.
- Investor relations and shareholder information increased by \$3,147 to \$3,147 from \$nil, due to an increase in shareholder information costs.
- Office and miscellaneous expenses increased by \$7,021 to \$7,545 from \$524 as a result of an rental for office premises and increased office expenditures.
- Management fees increased by \$10,000 to \$40,000 from \$30,000 due to an increase in fees paid to directors.
- Professional fees decreased by \$18,414 to \$31,291 from \$49,705. The decrease is due to a reduction in legal costs due to reduced corporate activity.
- Regulatory and filing fees decreased by \$2,500 to \$6,857 from \$9,357. The increase is due to decreased regulatory filing fees.
- Travel expenses decreased by \$10,753 to \$2,609 from \$13,425, as a result of a reduction in travel relating to business development purposes.

In addition, the Company recorded \$nil in share based compensation for the vesting of options granted in Q4 2020 as opposed to \$(1,176) in the prior year due to a reversal of unvested options.

Interest expense increased to \$7,757 for the year ended July 31, 2020 compared to \$3,815 for the same period in 2019. The decrease is due mainly to increased interest and finance charges unsecured loans and convertible notes.

There was an equity loss pick-up expense of \$6,541 for the three months ended July 31, 2020 compared to \$nil for the year ended July 31, 2019 relating to the Company's share of the equity loss from Cheona Metals Inc.



Exploration Expenses

The Company incurred exploration expenses of \$10,960 during the year ended July 31, 2020 (2019 - \$(1,977)).

Summary of Quarterly Results

Quarter Ended	2020	2020	2020	2019	2019	2019	2018
	July 31	Apr. 30	Jan. 31	Oct. 31	July 31	Apr. 30	Jan. 31
	Q4	Q3	Q2	Q1	Q4	Q3	Q2
	\$	\$	\$	\$	\$	\$	\$
G&A Expenses (recoveries)	102,557	134,904	108,017	68,197	154,669	145,229	235,040
Share-based payments	-	78,309	5,973	-	-	-	9,810
Loss and comprehensive loss	102,557	(213,213)	(113,990)	(68,197)	(154,669)	(145,229)	(235,040)
Net Loss							
per share	\$0.01	\$0.01	\$0.01	-	\$0.01	\$0.01	\$0.02
per share (diluted)		-	-	-	-	-	-
Total Assets	293,245	224,512	134,167	107,229	110,879	134,870	247,728
Working Capital (Deficiency)	(304,998)	(389,742)	(584,483)	(658,550)	(600,323)	(470,810)	(315,628)
Share Capital:							
Authorized	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Outstanding	28,443,431	24,843,431	18,193,000	16,010,931	16,010,931	16,010,931	13,970,931
Warrants	12,673,500	10,673,500	2,423,500	2,281,000	2,281,000	2,281,000	241,000
Options	2,120,000	2,120,000	1,070,000	970,000	970,000	970,000	1,104,000

The variation in quarterly losses has been relatively stable since the year ended July 31, 2019, with the exception of Q2 2019, which is due to increased corporate activity, most significantly in legal and regulatory as well as investor relations and shareholder information expenses, and is expected to remain consistent in future periods as the Company continues its efforts to explore its current property and assess opportunities to acquire other mineral interests as well as increase promotional efforts, and Q1 2020, which is due to cost-cutting measures undertaken to preserve working capital in anticipation of completion of equity financings.

Liquidity and Capital Resources

Deer Horn is currently in the exploration stage and earns no revenue from operations. The Company invests its cash and cash equivalents with major Canadian financial institutions with investment grade credit ratings. Deer Horn has no outstanding bank debt as at July 31, 2020.

As at July 31, 2020, the Company has interest-bearing debenture loans in the principal amount of \$182,000. The loans bear an annual interest rate of 10%, payable annually to the debenture holders and mature on March 2, 2021. The Company was previously not in compliance with the terms of the loan as it has not paid the annual interest to the debenture holders in accordance with the terms of the loan, resulting in the loans being due on demand. In fiscal 2018, the Company made the required interest payments under the loan agreements, however; the Company has not received a waiver of the previous breach of terms and, accordingly, the loans are presented as current. The Company is therefore currently in default for interest payments due for the most previously-ended fiscal year.

As at July 31, 2020, the Company also has a loan with a third party with a principal amount of \$25,000. The loan is unsecured, non-interest bearing and without fixed terms of repayment.

At July 31, 2020, Deer Horn had \$120,292 in cash and cash equivalents (July 31, 2019 - \$6,212) and a working capital deficiency of \$443,702 (July 31, 2019 – working capital deficiency of \$600,373). Additional debt or equity financing will be required to meet the Company's business objectives, to address its working capital deficiency and to service its debt.

Deer Horn assesses its financing requirements and its ability to access debt or equity markets on an ongoing basis. Given the current conditions of the financial markets, the company will seek to maintain financial flexibility and will monitor and assess its financing requirements as its activities progress. The Company's ability to access the equity or debt markets in the future may be affected by prolonged market instability. The inability to access the equity or debt markets for sufficient capital, at acceptable terms, and within required timeframes, could have a materially adverse effect on the Company's financial condition, results of operations and prospects.

Future exploration and subsequent development of the Company's properties beyond currently planned expenditures will depend on the Company's ability to obtain additional financing. The Company has limited financial resources and there is no assurance that additional funding will be available which could result in the delay or indefinite postponement of further exploration.

The Company's financial performance is dependent on many external factors. The Company expects that any revenues it may earn from its operations in the future will be from the sale of minerals. Both prices and markets for metals and minerals are cyclical, difficult to predict, volatile, subject to government price fixing and controls and respond to changes in domestic and international political, social, and economic environments. In addition, the availability and cost of funds for exploration, development and production costs are difficult to predict. These changes in events could materially affect the financial performance of the Company.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.



Related Party Transactions - Key Management Compensation

The Company's related parties consist of companies with directors and officers in common and companies owned in whole or in part by executive officers, directors or close family members of those individuals as follows:

Name	Nature of transactions
Docherty Capital Corp. (Tyrone Docherty)	Management fees charged as CEO, expense allowances, share-based compensation
Saulnier Business Consulting LLC (Pamela Saulnier)	Management fees charged as CFO, expense allowances, , share-based compensation
Dunbar Law Corporation (Tony Fogarassy)	Consulting fees charged by a director, expense allowances, share-based compensation
Allen Schwabe	Directors fees
Matt Wayrynen	Directors fees

The Company incurred the following fees with individuals and / or companies owned, or partially owned, by key management which the Company defines as officers and directors.

For the year ended	July 31, 20	July 31, 2019
Management fees CEO	\$ 90,000	\$ 90,000
Management fees CFO	30,000	30,000
Directors fees (included in management fees)	10,000	-
Consulting fees	60,000	30,000
Rent (included in office and miscellaneous)	24,000	7,500
Share-based compensation	67,315	-
Total	\$ 257,315	\$ 157,500

The Company owes amounts to key management personnel as follows:

	As at July 31, 2020	As at July 31, 2019
Due to key management or companies controlled by key management personnel	\$ 231,544	\$ 245,234
Total	\$ 231,544	\$ 245,234

Balances owed to related parties are unsecured and non-interest bearing.

During fiscal 2020, the Company settled related party debt of \$125,000 by way of issuance of units with a fair value of \$418,551, resulting in a loss on settlement of debt of \$293,551. The terms of the units and measurement of compensatory warrants are described in Note 13.

The Company has a long term loan receivable from an associated company that has been allocated to the investment.

Related party transactions are measured at their exchange amounts, which is the amount of consideration paid or received as agreed by the parties. The Company has no contractual obligations or commitments with key management personnel.

Summary of new accounting policies

The Company has adopted the following new accounting policies upon implementation of IFRS 16 on August 1, 2019:

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct cost incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are depreciated on a straight-line basis over its lease term. Right-of-use assets are subject to evaluation of potential impairment.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments). The lease payments also include the exercise price of purchase options, if any, reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term or a change in the in-substance fixed lease payments.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of properties (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below \$5,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Classification of financial instruments

Financial instruments measured at fair value are classified into one of three levels using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value (“FV”) hierarchy has the following levels:

Level 1- quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2- inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e.; as prices) or indirectly (i.e.; derived from prices); and

Level 3- inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company’s financial instruments consist of cash, receivables, accounts payable and accrued liabilities, loans payable and due to related parties.

Fair values

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The fair value of cash is measured at Level 1 of the fair value hierarchy. The carrying value of receivables, deposits and accounts payable and accrued liabilities, loans payable and due to related parties approximate their fair value because of the short term nature of these instruments.

Financial instrument risk exposure and risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company’s risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance. The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company’s exposure to credit risk includes cash and receivables. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The Company’s receivables consist primarily of tax receivables due from federal government agencies. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company’s ability to continue as a going concern is dependent on management’s ability to raise required funding through future equity issuances or debt financings. The Company manages its liquidity risk by



forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

Interest rate risk

The Company has cash balances but no external debt. The Company's current policy is to invest excess cash in investment grade short-term demand deposit certificates issued by its banking institutions. The company periodically monitors the investments it makes and is satisfied with the credit rating of its banks. The Company is marginally exposed to interest rate risk.

Foreign currency risk

The Company is not exposed to foreign currency risk.

Commodity price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

OTHER MD&A REQUIREMENTS

Additional Disclosure for Venture Issuers without Significant Revenue:

The following is a breakdown of the material costs incurred:

	Year ended July 30, 2020	Year ended July 30, 2019
General and Administration Expenses	\$ 525,202	\$ 672,615

Disclosure of Outstanding Share Data

The Company's authorized share capital consists of unlimited common shares without par value.

As at July 31, 2020 and November 30, 2020 the Company had 28,443,431 issued and outstanding common shares.

The following is a summary of stock options outstanding as at November 30, 2020 and July 31, 2020:

Expiry Date	Exercise Price Per Share	Number of Shares Remaining Subject to Options (November 30, 2020)	Number of Shares Remaining Subject to Options (July 31, 2020)
June 16, 2021	\$0.25	120,000	120,000
April 5, 2028	\$0.14	850,000	850,000
January 27, 2030	\$0.10	100,000	100,000
March 6, 2030	\$0.10	1,050,000	1,050,000
Total		2,120,000	2,120,000

The following is a summary of warrants outstanding as at November 30, 2020 and July 31, 2020:

Expiry Date	Exercise Price Per Share	Number of Shares Remaining Subject to Warrants (November 30, 2020)	Number of Shares Remaining Subject to Warrants (July 31, 2020)
June 1, 2022	\$0.10	2,000,000	
March 13, 2022	\$0.10	3,050,000	3,050,000
February 26, 2022	\$0.10	1,300,000	1,300,000
February 19, 2022	\$0.10	1,600,000	1,600,000
February 19, 2022	\$0.10	2,300,000	2,300,000
January 10, 2022	\$0.10	2,182,500	2,182,500
August 3, 2020	\$0.60	100,000	100,000
August 13, 2020	\$0.60	100,000	100,000
August 29, 2020	\$0.60	41,000	41,000
Total		12,673,500	12,673,500

Management Responsibility for the Financial Statements

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of a 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 was made, with respect to the period covered by these filings, and these financial statements together with the other financial information included in these filings. The Board of Directors approves the Financial Statements and MD&A and ensures that management has discharged its financial responsibilities.

Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com.