This Management Discussion and Analysis ("MD&A") of La Jolla Capital Inc. (the "Company" or "La Jolla") (formerly MicroCoal Technologies Inc. and previous to that Carbon Friendly Solutions Inc. ("MicroCoal"), has been prepared by management as of October 18, 2018 and should be read in conjunction with the consolidated financial statements for the year ended June 30, 2018 and related notes thereto of the Company.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in the Company's presentation currency which is Canadian dollars.

FORWARD LOOKING INFORMATION

The following discussion contains, in addition to historical information, forward-looking statements that involve risks and uncertainties. These forward-looking statements may include, among other things, statements concerning plans, objectives and future economic prospect, expectations, beliefs, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements and industry result, to be materially different from what is said or implied with such forward-looking statements.

COMPANY OVERVIEW

The Company was incorporated on April 6, 1990 as a provincial company under the laws of British Columbia, and on June 19, 1997 the Company continued as a federal corporation under the Canada Business Corporation Act. On September 2, 2008, the Company completed a share exchange with Global CO2 Reduction Inc. (Global CO2) and changed its name to Carbon Friendly Solutions Inc. On June 25, 2013 the Company changed its name to MicroCoal Technologies Inc. ("MicroCoal" or "MTI"). MicroCoal was listed on the Canadian Securities Exchange ("CSE") under the symbol "MTI" and the Frankfurt Stock Exchange under the symbol "0FS-FRA" ("zero FS-FRA"). On May 21, 2015, pursuant to a Plan of Arrangement the Company transferred certain assets in exchange for shares of a new entity called Targeted Microwave Solutions Inc. ("TMS"). The common shares of MicroCoal were delisted from the CSE concurrent with the listing of the TMS common shares.

The Company changed its name to La Jolla Capital Inc. and continues to be a reporting issuer in the Provinces of British Columbia, Alberta and Ontario. The Company currently intends to apply to list the La Jolla Shares with the CSE once it has met the listing criteria.

Until May 2015, the Company was in the business of researching and developing a coal technology using patented technologies to dewater, decontaminate and upgrade low-rank coals for use by power utilities and coal companies. Subsequent to the Plan of Arrangement, the principal business is the exploration and development of mineral properties.

Plan of Arrangement

On May 21, 2015, the Company completed a previously announced Plan of Arrangement under the Canada Business Corporations Act (the "Plan of Arrangement" or "Arrangement") with its security holders and its wholly-owned subsidiary Targeted Microwave Solutions Inc. ("TMS"). Pursuant to the Arrangement, the Company caused substantially all of its business, operations, assets and liabilities to be transferred to TMS. Following completion of the Arrangement, the Company and TMS had substantially the same management and consultants as MicroCoal had prior to the Arrangement.

As a result of the Arrangement, among other things: (i) each holder of MicroCoal's common shares as at the effective time of the Arrangement was entitled to receive 1 common share of TMS for each common share of MicroCoal held at the effective time of the Arrangement; and (ii) the shareholders of MicroCoal received 100% of the common shares of TMS in the same proportion as they previously held in TMS and holders of warrants to purchase MicroCoal shares or units are entitled to receive warrants to purchase TMS shares or units.

Share Consolidation

On May 21, 2015, pursuant to the Plan of Arrangement, the Company consolidated its issued and outstanding common shares on a 50:1 basis (the "Share Consolidation"). This Share Consolidation resulted in the pre-consolidation issued and outstanding total shares of 179,500,076 being consolidated on a 50:1 basis. After effecting all transactions, there were 3,589,990 issued and outstanding common shares which became the new share capital of the Company. The Share Consolidation affected all of MicroCoal's issued and outstanding common shares on May 21, 2015. Fractional shares were not issued. Pre-consolidation there were 32,913,886 MicroCoal warrants issued and outstanding. These warrants were transferred to TMS and do not exist post-consolidation. Prior to the Plan of Arrangement, there were 3,220,000 stock options all of which were cancelled. Certain comparative information regarding issued and outstanding common shares, warrants, stock options and weighted average number of share amounts have been re-presented on a post-consolidation basis.

Operations

La Jolla intends to focus on the exploration and development of mineral properties and/or considering a range of opportunities across various industry segments to create shareholder value.

SUMMARIZED ANNUAL FINANCIAL RESULTS

The following table sets out selected annual financial results from the consolidated audited financial statements:

Years ended June 30,	2018	2017	2016
	$	$	$
Revenues	Nil	Nil	Nil
Gross profit (loss)	Nil	Nil	Nil
Operating expense	143,722	152,634	184,406
Other income (expense)	Nil	12,752	(49,343)
Net income (loss) for the year	(143,722)	(139,880)	(233,749)
Earnings (loss) per share	(0.02)	(0.02)	(0.04)
Total assets	1,911	2,824	20,334
Total long-term liabilities	Nil	Nil	Nil
Cash dividends declared	Nil	Nil	Nil

SUMMARY OF QUARTERLY RESULTS

	Q4 2018	Q3 2018	Q2 2018	Q1 2018
	$	$	$	$
Total assets	1,911	2,034	2,034	6,322
Net loss	(39,018)	(33,377)	(33,469)	(37,858)
Loss per share				
- post consolidation	(0.01)	(0.01)	(0.01)	(0.01)

	Q4 2017	Q3 2017	Q2 2017	Q1 2017
	$	$	$	$
Total assets	2,824	2,563	2,564	12,749
Net loss	(42,235)	(33,371)	(39,773)	(24,501)
Loss per share				
- post consolidation	(0.01)	(0.00)	(0.01)	(0.00)

RESULTS OF OPERATIONS

Three months ended June 30, 2018

During the three months ended June 30, 2018, the Company accrued consulting fees of $24,000 (2017 - $24,000) and accounting fees of $9,000 (2017 - $9,000) to related parties. Total loss from operations for the three months was $39,018 (2017 - $42,235).

Year ended June 30, 2018

During the year ended June 30, 2018, the Company accrued consulting fees of $96,000 (2017 - $96,000) and accounting fees of $36,000 (2017 - $36,000) to related parties. Other operating expenses include professional fees of $7,283 (2017 - $8,745), investor relations, agents and fees of $3,295 (2017 - $8,371) and office, premise and other expenses of $1,144 (2017 - $3,518). During the year, the Company wrote-off accounts payable in the amount of $Nil (2017 - $12,754). Total loss from operations for the year was $143,722 (2017 - $139,880).

The Company continues to minimize its office expenses in an attempt to preserve cash.

LIQUIDITY AND CAPITAL RESOURCES

The Company had cash of $50 at June 30, 2018 (2017 - $813) and working capital deficiency of $754,346 (2017 – deficiency of $609,482).

The Company's is currently not generating any cash flows; as such, the Company is dependent on external and related party financing to fund its costs. The Company does not have any working capital and will need to raise additional amount in order to meet its obligations. Companies in this stage typically rely upon equity and debt financing to fund operations. The Company is not listed on a stock exchange at June 30, 2018. There is no certainty with respect to the Company's ability to raise capital.

As at June 30, 2018, the Company had loans in the aggregate amount of $82,734 payable to various unrelated parties and $17,804 payable to directors of the Company. The loans are unsecured, non-interest bearing and are due on demand.

At June 30, 2018, the Company expects that it will be able to obtain funding from investors in order to meet its obligations. Additional financing will need to be obtained for the planned development and exploration of the mining interest and normal course operations.

Outstanding Share Data

The authorized share capital consists of an unlimited number of common shares without par value. As at October 18, 2018, there were 5,983,324 common shares outstanding.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

During the year ended June 30, 2018, the Company accrued accounting fees of $36,000 (2017 - $36,000) to a company controlled by a director of the Company.

During the year ended June 30, 2018, the Company accrued consulting fees of $96,000 (2017 - $96,000) to directors of the Company.

As at June 30, 2018, the Company owed $411,475 (2017 - $378,475) to various directors and their companies, which is included in accounts payable and accrued liabilities.

As at June 30, 2018, the Company had loans payable of $17,804 (2017 - $1,803) to a director of the Company.

BASIS OF PRESENTATION

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The preparation of financial statements in compliance with IFRS requires management to make certain critical judgements and accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. Actual results may differ from this estimate as the estimation process is inherently uncertain.

CHANGES IN ACCOUNTING STANDARDS NOT YET EFFECTIVE

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning after January 1, 2018 or later periods. The following new standards, amendments and interpretations that have not been early adopted in these financial statements:

Effective for annual years beginning on or after January 1, 2018:

IFRS 9, Financial Instruments – Classification and Measurement. IFRS 9 is a new standard on financial instruments that will replace IAS 39, Financial Instruments: Recognition and Measurement.

IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as de-recognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss. The adoption of this standard is not expected to have a material effect on the Company's consolidated financial statements.

IFRS 15, Revenue from Contracts with Customers. IFRS 15 is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, Construction Contracts, IAS 18, Revenue, IFRIC 13, Customer Loyalty Programs, IFRIC 15, Agreements for the Construction of Real Estate, IFRIC 18, Transfers of Assets from Customers, and SIC-31, Revenue – Barter Transactions involving Advertising Service. The adoption of this standard is not expected to have a material effect on the Company's consolidated financial statements.

Effective for annual years beginning on or after January 1, 2019:

IFRS 16, Leases. IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The extent of the impact of adoption has not yet been determined.

FINANCIAL INSTRUMENTS RISK EXPOSURE

As at June 30, 2018, the Company's financial instruments consist of cash, accounts payable and loans payable. The carrying values of these financial instruments approximate their fair values because of their current nature. All financial assets and financial liabilities are recorded at fair value on initial recognition. All financial assets and financial liabilities are recorded at fair value on initial recognition.

The categories of the fair value hierarchy that reflect the significance of inputs used in making fair value measurements are as follows:

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability;

Level 3 Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity);

At June 30, 2018 and 2017, all financial assets and liabilities were classified in the fair value hierarchy as level 1. There were no transfers between levels during the year ended June 30, 2018.

Liquidity Risk

At June 30, 2018, the Company held cash of $50 (2017 - $813), had negative working capital of $754,346 (2017 - $609,482). At June 30, 2018, the Company expects that it will be able to obtain funding from investors in order to meet its obligations.

Interest rate Risk

Interest rate risk is the result that the fair values and future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company was not exposed to significant interest rate risk as loans payable were at fixed interest rates with short-term maturities.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company was mainly exposed to credit risk from holding cash, which it mitigates from holding balances with major financial institutions.

Currency Risk

The Company is exposed to currency risk related to certain accounts payable and accrued liabilities and other payable amounts which were denominated in US$. As at June 30, 2018, there were US$59,820 denominated in US$ (2017 – US$59,820).

OTHER RISKS AND UNCERTANTIES

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risk, including but not limited to, environmental, metal prices, political and economical.

The mineral exploration business is risky and most exploration projects will not become mines. The Company may offer an opportunity to a mining company to acquire an interest in a property in return for funding all or part of the exploration and development of the property. For the funding of property acquisitions and exploration that the Company conducts, the Company depends on the issue of shares from the treasury to investors. These stock issues depend on numerous factors including a positive mineral exploration environment, positive stock market conditions, a company's track record and the experience of management.

The Company has no significant source of operating cash flow and no revenues from operations. The Company has not yet determined whether its mineral property contains mineral reserves that are economically recoverable. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish reserves.

There is no guarantee that the Company will be able to contribute or obtain all necessary resources and funds for the exploration and exploitation of its permits, and may fail to meet its exploration commitments. The property that the Company has an option to earn an interest in is in the exploration stages only, are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, that are explored, are ultimately developed into producing mines.

Exploration of the Company's mineral property may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters.

FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. They are also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's financial statements for the year ended June 30, 2018 (together the "Annual Filings").
The Chief Executive Officer and Chief Financial Officer of the Company have filed the Venture Issuer Basic Certificate with the Interim and Annual Filings on SEDAR at www.sedar.com.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

TRENDS

Trends in the industry can materially affect how well any junior exploration company is performing and by the capital markets which have made the raising of finance difficult. Under the current economic conditions, the Company is advancing its property as quickly as possible while still remaining prudent when considering large cost items such as drilling and geophysics.

CAUTIONARY STATEMENT

This document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration plans and our other future plans and objectives are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, (i) estimates of exploration investment and scope of exploration programs, and (ii) estimates of stock-based compensation expense. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statement. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date of statements are made, and the Company endeavours to update corporate information and material facts on a timely basis. Forward-looking statements are subject to risks, uncertainties and other actors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks.