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 26, 2021 and should be read in conjunction with the consolidated financial statements for the year ended June 30, 2021 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.

Our financial statements and the management's discussion and analysis are intended to provide a reasonable base for the investor to evaluate our financial situation.

All dollar amounts contained in this MD&A are expressed in Canadian dollars, unless otherwise specified.

Where we say "we", "us", "our", the "Company" we mean La Jolla Capital Inc., as it may apply.

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 prospects, 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 AND DESCRIPTION OF BUSINESS

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

<u>Plan of Arrangement</u> (continued)

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.

On October 29, 2018 and November 14, 2018, shareholders returned a total of 1,650,934 common shares to the treasury as a gift and these common shares were subsequently cancelled.

OVERALL PERFORMANCE

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

SELECTED ANNUAL INFORMATION FOR THE PAST THREE YEARS

The following table summarizes selected financial data for the Company for each of the three most recently completed financial years. The information set forth below should be read in conjunction with the Financial Statements. Financial Statements for all years presented are prepared in accordance with IFRS.

Years ended June 30:	**2021**	2020	2019
	$	$	$
Revenues	**Nil**	Nil	Nil
Gross profit (loss)	**Nil**	Nil	Nil
Operating expense	**137,797**	145,389	135,419
Other income (expense)	**Nil**	Nil	Nil
Net income (loss) for the year	**(137,797)**	(145,389)	(135,419)
Earnings (loss) per share	**(0.03)**	(0.03)	(0.03)
Total assets	**1,363**	1,444	1,133
Total long-term liabilities	**Nil**	Nil	Nil
Cash dividends declared	**Nil**	Nil	Nil

Net losses, loss per share and total assets have remained consistent due to attempts to preserve cash spending on general and administrative expenses and the fact that the Company is still seeking operational opportunities.

RESULTS OF 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.

		2021		2020
Expenses				
Investor relations, agents and fees	$	-	$	6,386
Consulting, management and director fees		96,000		96,000
Office, premise and other		97		828
Professional fees		41,700		42,175
Net loss for the year		(137,797)		(145,389)
Other comprehensive loss				
Foreign currency translation adjustment		7,382		(3,236)
Total comprehensive loss	$	(130,415)	$	(148,625)

During the year ended June 30, 2021, the Company accrued consulting fees of $96,000 (2020 – 96,000) and accounting fees of $36,000 (2020 - $36,000) to related parties. The Company also incurred other operating expenses including investor relations, agents and fees of $nil (2020 - $6,386). Total loss from operations was $137,797 (2020 - $145,389).

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

Cash Flow Analysis

Operating Activities
During the years ended June 30, 2021 and 2020, cash used in operating activities was $10,356 and $9,733, respectively. Cash used from operating activities was consistent for the last two fiscal years.

Investing Activities
During the years ended June 30, 2021 and 2020, there were no investing activities by the Company.

Financing Activities
During the years ended June 30, 2021 and 2020, cash provided by financing activities was $10,000 and $10,000, respectively. Financing activities consisted of proceeds from loans during the periods.

SUMMARY OF QUARTERLY RESULTS

	Q4 2021	Q3 2021	Q2 2021	Q1 2021
	$	$	$	$
Total assets	1,363	1,399	1,399	11,167
Net loss	(34,518)	(34,518)	(33,984)	(34,777)
Loss per share - post consolidation	(0.01)	(0.01)	(0.01)	(0.01)

SUMMARY OF QUARTERLY RESULTS (continued)

	Q4 2020	Q3 2020	Q2 2020	Q1 2020
	$	$	$	$
Total assets	1,444	1,462	1,396	9,385
Net loss	(34,518)	(34,518)	(41,217)	(35,136)
Loss per share				
- post consolidation	(0.01)	(0.01)	(0.01)	(0.01)

Over the eight quarters operational expenses have remained fairly consistent due to attempts to preserve cash spending on general and administrative expenses and the fact that the Company is still seeking operational opportunities. Total assets in quarter one of 2021 and 2020 was higher than the other quarters, as a loan was made shortly before quarter end. Liabilities over the eight quarters have increased as a result of the decrease in cash to fund operations.

LIQUIDITY AND CAPITAL RESOURCES

The Company had cash of $1,004 at June 30, 2021 (June 30, 2020 - $1,360) and working capital deficiency of $1,168,321 (June 30, 2020 - $1,037,906).

The Company is currently not generating any cash flows and as a result 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 capital in order to meet its obligations. Companies in this stage typically rely upon equity and debt financing to fund operations. The Company was not listed on any stock exchanges at October 26, 2021. There is no certainty with respect to the Company's ability to raise capital.

As at June 30, 2021, the Company had loans in the aggregate amount of $82,734 payable to various unrelated parties and $49,104 payable to directors of the Company. The loans are unsecured, non-interest bearing and are due on demand.

At June 30, 2021, 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 the date of this report, there were 4,332,390 common shares outstanding.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The Directors and Executive Officers of the Company are as follows:

Eugene Beukman	Director, President and chief Financial Officer
Damanjit Gahunia	Director and Chief Financial Officer
Aman Tindal	Director and Corporate Secretary

TRANSACTIONS WITH RELATED PARTIES (continued)

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, 2021, the Company accrued accounting fees of $36,000 (2020 - $36,000) to a company controlled by a director of the Company.

During the year ended June 30, 2021, the Company accrued consulting fees of $96,000 (2020 - $96,000) to directors of the Company.

As at June 30, 2021, the Company owed $806,500 to various directors and their companies, which is included in accounts payable and accrued liabilities.

As at June 30, 2021, the Company had loans payable of $49,104 to directors of the Company.

FOURTH QUARTER RESULTS

The following table summarizes selected financial data for the fourth quarter of the Company for each of the two most recently completed financial years. The information set forth below should be read in conjunction with the Financial Statements.

			Three-month period ending		
	Notes		**June 30, 2021**		**June 30, 2020**
Expenses					
Consulting, management and director fees	10		**24,000**		24,000
Office, premise and other			**18**		18
Professional fees	10		**10,500**		10,500
Net loss for the period			**(34,518)**		(34,518)
Other comprehensive loss					
Foreign currency translation adjustment			**1,083**		3,344
Total comprehensive loss		**$**	**(33,435)**	$	(31,174)

Over the two quarters operational expenses have remained fairly consistent due to attempts to preserve cash spending on general and administrative expenses and the fact that the Company is still seeking operational opportunities.

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").

BASIS OF PRESENTATION (continued)

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

As at the date of authorization of these financial statements, the IASB and the IFRS Interpretations Committee had issued certain pronouncements that are mandatory for the Company's accounting periods commencing on or after July 1, 2021. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company had assessed that no material impact is expected upon the adoption of the following amendments on its consolidated financial statements:

Amendments to IAS 1

In January 2020, the IASB issued amendments to IAS 1 which clarify the requirements for classifying liabilities as either current or non-current by: (i) specifying that the conditions which exist at the end of the reporting period determine if a right to defer settlement of a liability exists; (ii) clarifying that settlement of a liability refers to the transfer to the counterparty of cash, equity instruments, other assets or services; (iii) clarifying that classification is unaffected by management's expectation about events after the balance sheet date; and (iv) clarifying the classification requirements for debt an entity may settle by converting it into equity.

The amendments clarify existing requirements, rather than make changes to the requirements, and so are not expected to have a significant impact on an entity's financial statements. However, the clarifications may result in reclassification of some liabilities from current to non-current or vice-versa. Because of this impact, the IASB has provided a longer effective date to allow entities to prepare for these amendments. In July 2020, the IASB issued an amendment to defer the effective date of the amendments by one year from its originally planned effective date to annual periods beginning on or after January 1, 2023 due to the impact of COVID-19. Early application is permitted.

Amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets ("IAS 37")

In May 2020, the IASB issued amendments to update IAS 37. The amendments specify that in assessing whether a contract is onerous under IAS 37, the cost of fulfilling a contract includes both the incremental costs and an allocation of costs that relate directly to contract activities. The amendments also include examples of costs that do, and do not, relate directly to a contract. These amendments are effective for annual periods beginning on or after January 1, 2022. Earlier application is permitted.

CHANGES IN ACCOUNTING STANDARDS NOT YET EFFECTIVE

Other standards have been issued for future adoption. The Company is in the process of assessing the impact of these pronouncements. The extent of the impact has not yet been determined.

FINANCIAL INSTRUMENTS RISK EXPOSURE

As at June 30, 2021, 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.

As at June 30, 2021, 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, 2021 and June 30, 2020, cash was classified in the fair value hierarchy as level 1. There were no transfers between levels during the period ended June 30, 2021.

Liquidity Risk

At June 30, 2021, the Company held cash of $1,004 (June 30, 2020 - $1,360), had negative working capital of $1,168,321 (June 30, 2020 - $1,037,906). At June 30, 2021, 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, 2021, there were US$59,820 denominated in US$ (June 30, 2020 – 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 economic risk.

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.

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.

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 audited financial statements of the Company for the year ended June 30, 2021 (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

FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES (continued)

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 endeavors 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.