

BLACKHAWK GROWTH CORP.
(Formerly Blackhawk Resource Corp.)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FORM NI51-102F1

FOR THE YEAR ENDED JUNE 30, 2020

October 9, 2020

BLACKHAWK GROWTH CORP. (Formerly Blackhawk Resource Corp.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

Management's Discussion and Analysis should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2020. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

Except as otherwise indicated below, all financial data in this MD&A has been prepared, in accordance with International IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

All dollar amounts in this MD&A are reported in Canadian dollars.

BUSINESS DESCRIPTION

Blackhawk Growth Corp. ("Blackhawk" or the "Company") continues to review both equity and debt investment opportunities. The goal of this strategy is to build a portfolio of investments, which is expected to include equity and debt instruments. The Company has focused its investments in the health, cannabis and CBD industries, in both Canada and the US.

In May and July 2019 the Company reached agreements to acquire the rights to a total of three leases for The Green Room's retail cannabis dispensary locations, all in British Columbia. The first store is located Nelson while the other two are located in Powell River. Blackhawk acquired all of the outstanding share capital of 1202465 B.C. Ltd. and 1216372 B.C. Ltd. in consideration for the issuance of 20 million common shares of Blackhawk each.

During the year ended June 30, 2020, the Company sold 100% of its interests in these leases for The Green Room's retail cannabis dispensary locations to Gaia Grow Corp. ("GAIA"), whose common shares are traded on the TSX-V, for 30,000,000 of GAIA's common shares.

In August 2019 the Company announced that it is taking its first step into the US cannabis and CBD market with the proposed acquisition of KO Logistics LLC in Shasta Lake, California ("KOBrands"). Blackhawk views an investment in KO Brands as another opportunity for its shareholders to be a part of a fragmented and fast-growing US cannabis market. Blackhawk and KO Brands have entered into a term sheet dated August 21, 2019, to review a potential acquisition. After careful consideration, the Company decided not to pursue the acquisition of KO Brands.

In April 2020, the Company acquired a 51% interest in NuWave Foods Inc., a privately held, fully licensed commercial kitchen and baked goods manufacturer located in Edmonton, Alberta, Canada. NuWave is developing shelf-stable baked goods with no preservatives, solving a long-time issue in baked food.

In April 2020, the Company acquired the ongoing rights to distribute 2019-nCoV Ab test kits used in the detection of COVID-19 from Emergence Technology Pty. Ltd ("Emergence") with a cost of \$480,500 (note 8). During the year ended June 30, 2020, the investment was written down to \$Nil.

In July 2020 the Company acquired all of the outstanding share capital of SAC Pharma Partners Inc. SAC Pharma is a privately-owned British Columbia company which, through its wholly-owned subsidiary, SAC Pharma Partners USA, Inc. ("SAC Pharma USA"), operates a

BLACKHAWK GROWTH CORP. (Formerly Blackhawk Resource Corp.)
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

facility for the licensed production of cannabis in California. SAC Pharma now forms part of the Company’s existing portfolio of investments in the cannabis sector. SAC Pharma’s existing management will continue to retain responsibility for overseeing day-to-day operations, based upon an agreed budget.

In August 2020, the Company entered into a distribution agreement with Medigen Biotechnology Corporation and its affiliate company TBG Biotechnology Corp. to distribute certain diagnostic products, including an ExProbe SARS-CoV-2 Testing Kit and a SARS-CoV-2 IgG/IgM Rapid Test Kit (collectively, the “Test Kits”) used in the detection of antibodies associated with COVID-19.

The Company continues the direction of increased exposure to the health care sector and to further address Canada's surge in digital health care requirements. In April 2020, the Company has launched a telemedicine platform called Talk to Doc, an on-line clinic that connects doctors to their existing patients and allows new patients near-instant access to a doctor from the comfort of their home. The launch of the platform is part of the Company's ongoing efforts to expand its investment portfolio into the health care sector.

In March 2020 the Company changed its name to Blackhawk Growth Corp. and has continued its jurisdiction of incorporation into British Columbia. The change of name and continuation were previously approved by shareholders of corporation at a special meeting held on February 21, 2020. The change of name is intended to better reflect the company's continuing focus on investments across a variety of sectors in North America. The continuation is intended to provide management of the company with increased flexibility, and to reduce administrative costs.

In March 2020, the World Health Organization declared a global pandemic known as COVID-19. This is causing significant financial market and social dislocation. This has also resulted in significant economic uncertainty and consequently, it is difficult to reliably measure the potential impact of this uncertainty on the Company’s future financial results.

BLACKHAWK GROWTH CORP. (Formerly Blackhawk Resource Corp.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

SELECTED ANNUAL INFORMATION

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
	(audited)	(audited)	(audited)	(audited)
Investment revenue (loss)	\$(153,593)	\$(1,908,988)	\$(109,199)	\$2,660,574
Net petroleum revenue after royalties	-	-	42,390	51,946
Net comprehensive income (loss)	(1,865,221)	(2,310,616)	(710,326)	2,153,219
Total Assets	2,283,357	4,830,711	5,461,333	5,761,366
NAV	\$0.01	\$0.01	\$0.12	\$0.13
Basic and diluted net income (loss) per share	\$(0.01)	\$(0.05)	(0.02)	0.05

SELECTED QUARTERLY INFORMATION

	<u>Three-month period ended</u>			
	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019
Investment revenue (loss)	\$ (117,406)	\$ -	\$ -	\$(36,187)
Net comprehensive income (loss)	(1,169,599)	(313,464)	(126,130)	(256,028)
Basic and diluted – comprehensive income (loss) per share	(0.01)	(0.00)	(0.00)	(0.00)
	<u>Three-month period ended</u>			
	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018
Investment revenue (loss)	\$(2,166,554)	\$ -	\$ -	\$257,566
Net comprehensive income (loss)	(2,404,098)	49,633	(128,152)	172,001
Basic and diluted – comprehensive income (loss) per share	(0.06)	0.00	(0.00)	0.00

BLACKHAWK GROWTH CORP. (Formerly Blackhawk Resource Corp.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JUNE 30, 2020

Net investment income (loss)

For the three months ended June 30, 2020, the Company recorded unrealized investment income of \$957,887 (2019 – loss of \$2,168,995), realized investment loss of \$1,150,000 (2019 – gain of \$10,000), interest and dividends of \$74,707 (2019 - \$7), and other investment revenue of \$Nil (2019 - \$Nil).

Other revenue

In addition to investment income, the Company had other income of \$19,860 consisting of a recovery of bad debt of \$15,550 (2019 - \$Nil) and the sale of COVID-19 test kits for \$4,350, net of costs (2019 - \$Nil).

Expenses

Total expenses for the three months ended June 30, 2020 were \$595,213 compared with \$245,111 for the three months ended June 30, 2019. General and administrative expense of \$159,216 (2019 - \$142,009) is composed of office expense, insurance expense, travel and vehicle expense. The remaining expense is composed consulting and director fees of \$258,624 (2019 - \$Nil), professional fees of \$125,202 (2019 - \$97,584), a recovery of share-based compensation of \$734 (2019 - \$Nil), bad debt expense of \$51,945 (2019 - \$Nil) and finance costs of \$1,148 (2019 - \$5,518).

Net comprehensive loss

The net comprehensive loss of \$1,169,599 (\$0.01 per share) for the three months ended June 30, 2020 (2019 – \$2,404,099) has decreased due to:

- Lower investment loss of \$117,406 for the three months ended June 30, 2020, compared to investment losses of \$2,158,988 during the three months ended June 30, 2019.
- Additional income from the sale of COVID-19 test kits of \$4,350 for the three months ended June 30, 2020, compared to \$Nil for the three months ended June 30, 2019.
- Additional interest and dividends of \$74,707 for the three months ended June 30, 2020, compared to \$7 for the three months ended June 30, 2019.

The greater income was partially offset by increased expenses for the three months ended June 30, 2020 compared to 2019.

- Increase in Consulting Fees by \$258,624 from \$Nil in 2019, to \$258,624 in 2020. The increase is due to Company's efforts to expand its business into multiple areas such as tele-health, cannabis and CBD industries, in both Canada and the US
- Increase in write-off of investments by \$527,300 from \$Nil in 2019, to \$527,300 in 2020. The increase is due to the suspension of the distribution license of COVID-19 test kits that was entered into in April of 2020.

BLACKHAWK GROWTH CORP. (Formerly Blackhawk Resource Corp.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

RESULTS OF OPERATIONS FOR THE YEAR ENDED JUNE 30, 2020

Net investment income (loss)

For the year ended June 30, 2020, the Company had investment losses of \$153,593 compared to losses from investments of \$1,908,988 for the year ended June 30, 2019. During the year ended June 30, 2020, the Company recorded unrealized investment gains of \$917,725 (2019 – loss of \$2,168,995), realized investment loss of \$1,150,000 (2019 – gain of \$10,000), interest and dividends of \$78,682 (2019 - \$7) and other investment revenue of \$Nil (2019 - \$250,000).

Other revenue

In addition to investment income, the Company had other income of \$19,860 consisting of a recovery of bad debt of \$15,550 (2019 - \$Nil), income from sale of COVID-19 test kits for \$4,350, net of costs (2019 - \$Nil) and a gain on settlement of debts of \$50,647 (2019 – \$Nil).

Expenses

Total expenses for the year ended June 30, 2020 were \$1,254,835 compared with \$517,615 for the year ended June 30, 2019, an increase of \$737,220. General and administrative expense of \$333,008 (2019 - \$353,339) is composed of office expense, insurance expense, travel and vehicle expense. The remaining expense is composed consulting and director fees of \$591,024 (2019 - \$Nil), professional fees of \$197,581 (2019 - \$155,896), share-based compensation of \$79,689 (2019 - \$Nil), bad debt of \$51,945 (2019 - \$Nil) and finance costs of \$1,588 (2019 - \$8,380).

Net comprehensive loss

The net comprehensive loss of \$1,865,221 (\$0.01 per share) for the year ended June 30, 2020 (2019 – \$2,310,615) has decreased due to:

- Lower investment loss of \$153,593 for the year ended June 30, 2020 compared to investment losses of \$1,908,988 during the year ended June 30, 2019.
- Additional income from the sale of COVID-19 test kits of \$4,350 for the year ended June 30, 2020, compared to \$Nil in 2019.
- Additional interest and dividends of \$78,682 for the year ended June 30, 2020 compared to \$7 for the year ended June 30, 2019.

The greater income was partially offset by increased expenses for the year ended June 30, 2020 compared to 2019.

- Increase in Consulting Fees by \$582,274 from \$Nil for the year ended June 30, 2019, to \$582,274 for the year ended June 30, 2020. The increase is due to Company's efforts to expand its business into multiple areas such as tele-health, cannabis and CBD industries, in both Canada and the U.S.
- Increase in share-based compensation by \$79,689 from \$Nil during the year ended June 30, 2019, to \$79,689 during the year ended June 30, 2020. The increase is due to the grant of 3,600,000 stock option to directors, management, employees and consultants.

BLACKHAWK GROWTH CORP. (Formerly Blackhawk Resource Corp.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

- Decrease from Income from Discontinued Operations by \$115,988 from \$115,988 during the year ended June 30, 2019 to \$Nil for the year ended June 30, 2020.

Cash flow from operations

The Company used \$745,958 in continuing operations during year ended June 30, 2020 as compared to \$886,041 during the previous year. During the year ended June 30, 2020 the Company did not dispose of any investments for cash. During the year ended June 30, 2020, the Company advanced \$59,609 in loans as compared to \$535,050 during the same period of the previous year. During the year period ended June 30, 2019 the Company also received a termination fee of \$250,000.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2020, the Company will require additional funds to continue its investment strategy for the next twelve months. The Company will source funds through either debt or equity financing and such funds may not be available when needed. As of June 30, 2020, the company had a working capital of \$334,603 (June 30, 2019 - \$253,838).

TRANSACTIONS WITH KEY MANAGEMENT AND RELATED PARTIES

a) Key management compensation

Key management personnel are composed of the Company's Directors and Officers.

For the year ended June 30, 2020, the Company incurred consulting fees of \$52,897 (2019–\$101,250), and directors fees of \$8,850 (2019 - \$26,250), paid to companies which are controlled by key management of the Company. At June 30, 2020, \$4,125 in directors fees (2019 – \$9,000) and in consulting fees \$560 (2019 - \$Nil) remained outstanding.

b) Related party transactions (not mentioned elsewhere in the financial statements.

During the year ended June 30, 2020, the Company incurred legal costs of \$Nil (2019 - \$62,637) with a law firm in which the Corporate Secretary is a Partner. The legal costs incurred were in the normal course of operations and were based on the fair value of the service provided. \$Nil was payable to this law firm at June 30, 2020 (June 30, 2019 - \$40,674).

OFF-BALANCE SHEET TRANSACTIONS

As at the date of this report the Company does not have any off-balance sheet arrangements.

ACCOUNTING POLICIES

The consolidated financial statements and related MD&A have been prepared on a historical cost basis except as disclosed in note 4 of the Company's consolidated financial statements for the years ended June 30, 2020 and 2019.

A summary of the company's significant accounting policies under IFRS is presented in note 4 – "Significant accounting policies" in the Company's consolidated financial statements for the years ended June 30, 2020 and 2019. These policies have been applied consistently for all periods presented in the consolidated financial statements.

The consolidated financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency.

BLACKHAWK GROWTH CORP. (Formerly Blackhawk Resource Corp.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

INVESTMENTS AT FAIR VALUE AND FINANCIAL HIERARCHY

Financial hierarchy:

Fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The level in the hierarchy within which the fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Equity investments by sector consist of the following as at June 30, 2020:

Sector	Cost	Level 1	Level 2	Level 3	Total fair value	% of total fair value
Technology and Esports	\$ 420,000	—	—	420,000	420,000	36%
Hemp and Cannabis	1,100,050	750,000	—	—	750,000	64%
Total Investments at Fair Value	\$ 1,520,050	\$ 750,000	\$ —	\$ 420,000	\$ 1,170,000	100%

Equity investments by sector consist of the following as at June 30, 2019:

Sector	Cost	Level 1	Level 2	Level 3	Total fair value	% of total fair value
Mining	\$ 508,166	\$ —	\$ —	\$ —	\$ —	0%
Cannabis	1,350,050	—	—	42,113	42,113	51%
Technology and Esports	455,268	—	40,162	—	40,162	49%
Total Investments at Fair Value	\$ 2,313,484	\$ —	\$40,162	\$42,113	\$82,275	100%
Investments due to shareholders	\$ 1,358,000	\$ —	\$ —	\$4,089,280	\$4,089,280	

BLACKHAWK GROWTH CORP. (Formerly Blackhawk Resource Corp.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

Level 1 instruments include shares and warrants actively traded in an active market, level 2 instruments include warrants held in public companies and, level 3 instruments include common shares held in private companies.

The fair value of the level 1 investments of \$750,000 (2019 - \$Nil) is subject to market risk, commodity risk and change in demand in the technology and other industries. A 5% change in the stock price used to fair value these instruments will result in a corresponding \$37,500 (2019 - \$Nil) change in the value of the investment.

At June 30, 2019 the fair value of warrants was estimated using the Black-Scholes pricing model, taking into account amounts that are believed to approximate the volatility of the trading price of the company's shares, the expected lives of the warrants, the fair value of the company's stock and the risk-free interest rate, as determined at the grant date. At June 30, 2020 all warrants had expired, and their value is \$Nil.

The fair value of the level 3 investments of \$420,000 (2019 - \$42,113 and \$4,089,280) have been evaluated based on available data from the Company's involved and the purchase value of the investment and are subject to market risk, commodity risk and change in demand in the mining, technology and other industries. A 5% change in the stock price used to fair value these instruments will result in a corresponding \$21,000 (2019 - \$2,106 and \$204,464) change in the value of the investment.

The sensitivity analysis is intended to reflect the uncertainty inherent in the valuation of these investments under current market conditions. The analysis does not indicate a probability of such changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of these investments. Any management actions that may be taken to mitigate the inherent risks are not reflected in this analysis.

In accordance with IFRS 10, the fair value of the Company's investments includes the fair value of entities that are controlled by the Company.

The fair value of Noble Line Inc. ("Noble") was determined to be \$Nil and is included in level 3. As at June 30, 2020 and June 30, 2019, the Company owned 71,500 common shares with an initial value of \$0.70 per share, representing 13.5% ownership. The investment has been evaluated based on available data from Noble, and given the need for Noble to find additional capital funding, the higher than expected costs of start up and the increased competition in the industry, the Company has taken a write down of this investment of \$50,050 during the year ended June 30, 2019.

On May 17, 2019, the Company acquired 100% of the common shares of 1202465 BC Ltd., a company that has applied for a retail cannabis license at a lease location in BC, with a cost of \$1,300,000 and was included in level 3. During the year ended June 30, 2019 the Company recognized a write down of this investment of \$1,257,887.

On July 29, 2019, the Company acquired 100% of the common shares of 1216372 BC Ltd., a company that has applied for a retail cannabis license at a leased location in BC, with a cost of \$900,000 and was included in level 3.

On April 3, 2020, the Company acquired 51% of the common shares of NuWave Foods Inc., a privately held, fully licensed commercial kitchen and baked goods manufacturer located in

BLACKHAWK GROWTH CORP. (Formerly Blackhawk Resource Corp.)
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

Edmonton, Alberta, Canada NuWave is developing shelf-stable baked goods with no preservatives, solving a long-time issue in baked food.

During the year ended June 30, 2020 the Company sold 100% of its interest in 1202465 BC Ltd. and 1216372 BC Ltd. to Gaia Grow Corp. (“GAIA”), whose common shares are traded on the TSX-V for 30,000,000 of GAIA’s common shares valued at \$1,050,000. The Company realized a loss of \$1,150,000 on its investments in 1202465 BC Ltd. and 1216372 BC Ltd. combined. The shares of GAIA are included in level 1 and had a fair value of \$750,000 at June 30, 2020 (2019 - \$Nil). The Company recorded an unrealized loss of \$300,000 for its investment in GAIA during the year ended June 30, 2020 (2019 - \$Nil).

On April 22, 2020, the Company acquired the ongoing rights to distribute 2019-nCoV Ab test kits used in the detection of COVID-19 from Emergence Technology Pty. Ltd with a cost of \$480,500. During the year ended June 30, 2020, the investment was written down to \$Nil.

The fair value of \$4,089,280 of the UMG Media Corp. (“UMG”) common shares included in level 3 as at June 30, 2019 was due to shareholders and was a related party investment (a related party with two directors and two officers in common as at June 30, 2019 – as a June 30, 2020, the companies are not related). The investment has been evaluated based on available data from UMG, including prior private placements. As at June 30, 2019, the Company owned 3,197,000 common shares, representing a 19.2% ownership. All of the shares were distributed to the Company’s shareholders as a return of capital during the year ended June 30, 2020, which was declared on April 8, 2019.

Short term loan investments consist of the following:

	June 30, 2020	June 30, 2019
Short term loans	\$349,609	\$290,000
Total loan investments	\$349,609	\$290,000

The carrying value of the Company’s short term loans approximates their fair value due to the short term nature of these loans and would be included in level 3 of the financial instruments hierarchy. Short term loans include loans issued for a period of 12 months or less at an average interest rate of 16% starting July 1, 2019.

On June 30, 2019, the Company evaluated the value of a loan to Noble of \$195,000 and determined that based on the need for the company to secure additional capital funding, that the collectability of the loan was uncertain. The Company has taken a write down of the loan of \$195,000 as at June 30, 2019 and will continue to re-evaluate the collectability on a month by month basis. As at June 30, 2020 the value of the loan was estimated to be \$Nil.

As at June 30, 2020, the Company’s short term loans included one (2019 – two) related party loans for a total of \$259,609 (June 30, 2019 - \$90,000).

During the year ended June 30, 2020, the Company recorded interest income of \$78,621 (2019 - \$Nil) for the outstanding short-term loans of which \$46,800 related to the Noble loan was written down to \$Nil (2019 - \$Nil). At June 30, 2020, interest receivable of \$31,821 is included in trade and other receivables.

BLACKHAWK GROWTH CORP. (Formerly Blackhawk Resource Corp.)
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

DISCLOSURE OF OUTSTANDING SHARE DATA

Authorized and Issued Share Capital as of the Financial Statement Date

Class	Par Value	Authorized	Issued at June 30, 2020	Issued at October 9, 2020
Common	Nil	Unlimited	174,068,518	312,468,499
Preferred	Nil	Unlimited	Nil	Nil

Description of Issued Warrants as of the Financial Statement Date and the Date of this MD&A

Security type	Number	Exercise Price	Expiry date
Warrants	46,000,000	\$0.05	December 17, 2024
Warrants	5,000,000	\$0.06	April 24, 2022

Description of Stock Options Outstanding as of the Financial Statement Date

Security Type	Number	Exercise Price	Expiry Date	Recorded Value
Options	500,000	\$0.10	August 4, 2020	N/A
Options	1,600,000	\$0.10	July 29, 2024	N/A

Description of Stock Options Outstanding as of the Date of this MD&A

Security Type	Number	Exercise Price	Expiry Date	Recorded Value
Options	10,000,000	\$0.05	August 11, 2022	N/A
Options	1,600,000	\$0.10	July 29, 2024	N/A

CAUTION REGARDING FORWARD LOOKING INFORMATION

Certain information contained in this MD&A constitutes forward-looking information, which is information regarding possible events, conditions or results of operations of the Company that is based upon assumptions about future economic conditions and courses of action and which is inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as “seek”, “anticipate”, “budget”, “plan”, “continue”, “estimate”, “expect”, “forecast”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information contained in this MD&A includes, without limitation, our expectations regarding anticipated investment activities, our ability to repay amounts which may become due and payable, the impact of changes in accounting policies and other factors on our operating results, and the performance of global capital markets and interest rates.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these

BLACKHAWK GROWTH CORP. (Formerly Blackhawk Resource Corp.)
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking information contained in this MD&A include, but are not limited to: risks relating to investment performance, our ability to realize sufficient proceeds from the disposition of our investments in order to fund our obligations as they become due (which will be based upon market conditions beyond our control), market fluctuations, fluctuations in prices of commodities underlying our interests and equity investments, the strength of the Canadian, U.S. and other economies, and other risks included elsewhere in this MD&A under the headings “Risk Factors” and “Financial Instruments” and in the Company’s current public disclosure documents filed with certain Canadian securities regulatory authorities and available under Blackhawk’s profile at www.sedar.com.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. The forward-looking information contained in this MD&A is provided as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

RISK FACTORS

An investment in our securities is subject to certain risks, including those set out below and should be carefully considered by an investor before making any investment decision. Additional risks not currently known to us, or that we currently believe to be immaterial, may also affect our business and negatively impact upon an investment in our securities.

Portfolio Exposure

Given the nature of our activities, our results of operations and financial condition are dependent upon the market value of the securities that comprise our portfolio. Market value can be reflective of the actual or anticipated operating results of our portfolio companies and/or the general market conditions that affect the sectors in which we invest. Macro factors such as fluctuations in commodity prices and global political and economical conditions could have an adverse effect on one or more sectors to which we are exposed, thereby negatively impacting one or more of our portfolio companies concurrently. Company-specific risks could have an adverse affect on one or more of our portfolio companies at any point in time. Company-specific and industry-specific risks which materially adversely affect our portfolio investments may have a materially adverse impact on our operating results.

BLACKHAWK GROWTH CORP. (Formerly Blackhawk Resource Corp.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

Cash Flow/Revenue

We generate revenue and cash flow primarily from our financing activities and proceeds from the disposition of our investments, in addition to interest and dividend income earned on our investments and fees generated from securities lending and other activities. The availability of these sources of income and the amounts generated from these sources are dependent upon various factors, many of which are outside of our direct control. Our liquidity and operating results may be adversely affected if our access to the capital markets is hindered, whether as a result of a downturn in the market conditions generally or to matters specific to us, or if the value of our investments decline, resulting in capital losses for us upon disposition.

Illiquid Securities

We also invest in illiquid securities of public issuers. A considerable period of time may elapse between the time a decision is made to sell such securities and the time we are able to do so, and the value of such securities could decline during such period. Illiquid investments are subject to various risks, particularly the risk that we will be unable to realize our investment objectives by sale or other disposition at attractive prices or otherwise be unable to complete any exit strategy. In some cases, we may be prohibited by contract or by law from selling such securities for a period of time or otherwise be restricted from disposing of such securities. Furthermore, the types of investments made may require a substantial length of time to liquidate.

We may also make direct investments in publicly-traded securities that have low trading volumes. Accordingly, it may be difficult for us to make trades in these securities without adversely affecting the price of such securities.

Possible Volatility of Stock Price

The market price of our common shares may be subject to wide fluctuations in response to factors such as actual or anticipated variations in our consolidated results of operations, changes in financial estimates by securities analysts, general market conditions and other factors. Market fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations may adversely affect the market price of our common shares. The purchase of our common shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Our common shares should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in our common shares should not constitute a major portion of an investor's portfolio.

Trading Price of Common Shares Relative to Net Asset Value

We are neither a mutual fund nor an investment fund, and due to the nature of our business and investment strategy and the composition of our investment portfolio, the market price of our common shares, at any time, may vary significantly from our net asset value per share. This risk is separate and distinct from the risk that the market price of our common shares may decrease.

BLACKHAWK GROWTH CORP. (Formerly Blackhawk Resource Corp.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

Available Opportunities and Competition for Investments

The success of our operations will depend upon: (i) the availability of appropriate investment opportunities; (ii) our ability to identify, select, acquire, grow and exit those investments; and (iii) our ability to generate funds for future investments. We can expect to encounter competition from other entities having investment objectives similar to ours, including institutional investors and strategic investors. These groups may compete for the same investments as us, may be better capitalized, have more personnel, have a longer operating history and have different return targets than us. As a result, we may not be able to compete successfully for investments. In addition, competition for investments may lead to the price of such investments increasing which may further limit our ability to generate desired returns. There can be no assurance that there will be a sufficient number of suitable investment opportunities available to us to invest in or that such investments can be made within a reasonable period of time. There can be no assurance that we will be able to identify suitable investment opportunities, acquire them at a reasonable cost or achieve an appropriate rate of return. Identifying attractive opportunities is difficult, highly competitive and involves a high degree of uncertainty. Potential returns from investments will be diminished to the extent that we are unable to find and make a sufficient number of investments.

Share Prices of Investments

Our investments in securities of public companies are subject to volatility in the share prices of the companies. There can be no assurance that an active trading market for any of the subject shares is sustainable. The trading prices of the subject shares could be subject to wide fluctuations in response to various factors beyond our control, including, quarterly variations in the subject companies' results of operations, changes in earnings (if any), estimates by analysts, conditions in the industry of the subject companies and general market or economic conditions. In recent years equity markets have experienced extreme price and volume fluctuations. These fluctuations have had a substantial effect on market prices, often unrelated to the operating performance of the specific companies. Such market fluctuations could adversely affect the market price of our investments.

Concentration of Investments

We may participate in a limited number of investments and, as a consequence, our financial results may be substantially adversely affected by the unfavourable performance of a single investment, or sector. Completion of one or more investments may result in a highly concentrated investment by us in a particular company, business, industry or sector.

Dependence on Management

We are dependent upon the efforts, skill and business contacts of key members of management, for among other things, the information and deal flow they generate during the normal course of their activities and the synergies which exist amongst their various fields of expertise and knowledge. Accordingly, our continued success will depend upon the continued service of these individuals who are not obligated to remain employed with us. The loss of the services of any of these individuals could have a material adverse effect on our revenues, net income and cash flows and could harm our ability to maintain or grow our existing assets and raise additional funds in the future.

BLACKHAWK GROWTH CORP. (Formerly Blackhawk Resource Corp.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

Additional Financing Requirements

We anticipate ongoing requirements for funds to support our growth and may seek to obtain additional funds for these purposes through public or private equity or debt financing. There are no assurances that additional funding will be available to us at all, on acceptable terms or at an acceptable level. Any additional equity financing may cause shareholders to experience dilution, and any additional debt financing may result in increased interest expense or restrictions on our operations or ability to incur additional debt. Any limitations on our ability to access the capital markets for additional funds could have a material adverse effect on our ability to grow our investment portfolio.

No Guaranteed Return

There is no guarantee that an investment in our securities will earn any positive return in the short term or long term. The task of identifying investment opportunities, monitoring such investments and realizing a significant return is difficult. Many organizations operated by persons of competence and integrity have been unable to make, manage and realize a return on such investments successfully. Our past performance provides no assurance of our future success.

Management of our Growth

Significant growth in our business, as a result of acquisitions or otherwise, could place a strain on our managerial, operational and financial resources and information systems. Future operating results will depend on the ability of senior management to manage rapidly changing business conditions, and to implement and improve our technical, administrative and financial controls and reporting systems. No assurance can be given that we will succeed in these efforts. The failure to effectively manage and improve these systems could increase our costs, which could have a material adverse effect on us.

Due Diligence

The due diligence process that we undertake in connection with investments may not reveal all facts that may be relevant in connection with an investment. Before making investments, we conduct due diligence that we deem reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, we may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, we rely on the resources available to us, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that we will carry out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Changes to Tax Laws

Potential changes to, or interpretations of, tax laws, may negatively impact our business.

BLACKHAWK GROWTH CORP. (Formerly Blackhawk Resource Corp.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

Non-controlling Interests

Our investments include debt instruments and equity securities of companies that we do not control. These instruments and securities may be acquired by us in the secondary market or through purchases of securities from the issuer. Any such investment is subject to the risk that the company in which the investment is made may make business, financial or management decisions with which we do not agree or that the majority stakeholders or the management of the company may take risks or otherwise act in a manner that does not serve our interests. If any of the foregoing were to occur, the values of our investments could decrease and our financial condition, results of operations and cash flow could suffer as a result.

Subsequent Note

On July 28, 2020 the Company acquired all of the outstanding share capital of SAC Pharma Partners Inc. SAC Pharma is a privately-owned British Columbia company which, through its wholly-owned subsidiary, SAC Pharma Partners USA, Inc. ("SAC Pharma USA"), operates a facility for the licensed production of cannabis in California. SAC Pharma now forms part of the Company's existing portfolio of investments in the cannabis sector. SAC Pharma's existing management will continue to retain responsibility for overseeing day-to-day operations, based upon an agreed budget.

The acquisition of SAC Pharma proceeded pursuant to an amalgamation agreement between the Company, a wholly owned subsidiary of the Company ("Subco") and SAC Pharma (the "Definitive Agreement"). Pursuant to the Definitive Agreement, SAC Pharma amalgamated with Subco, and the resulting amalgamated entity is now a wholly-owned subsidiary of the Company (the "Transaction"). In consideration for the completion of the Transaction, the Company has issued 120,000,000 common shares to the shareholders of SAC Pharma in exchange for every share of SAC Pharma they held.

The Company is at arms-length from SAC Pharma and its shareholders. The Transaction neither constitutes a fundamental change nor a change of business for the Company, nor has it resulted in a change of control of the Company within the meaning of applicable securities laws and the policies of the Canadian Securities Exchange. In connection with the completion of the Transaction, the Company has issued 6,000,000 common shares to an arms-length third-party who assisted with facilitating the Transaction.

On August 3, 2020 the Company entered into a Memorandum of Understanding (the "MOU") with Medigen Biotechnology Corporation ("MBC") and its affiliate company, TBG Biotechnology Corp. ("TBG") to distribute an ExProbe SARS-CoV-2 Testing Kit and a SARS-CoV-2 IgG/IgM Rapid Test Kit (collectively, the "Test Kits") used in the detection of antibodies associated with COVID-19.

The MOU contemplates that Blackhawk will be granted the non-exclusive right to distribute the Test Kits in North and South America, including Canada and the United States. The ExProbe SARS-CoV-2 Testing Kit has received Emergency Use Authorization (EUA) from the U.S. Food and Drug Administration (FDA) for use in the United States by authorized laboratories, as of June 10, 2020, and the SARS-CoV-2 IgG/IgM Rapid Test Kit has been listed by the FDA, under the Emergency Use Authorization (EUA) for use in the United States by authorized laboratories as of May 6, 2020.

BLACKHAWK GROWTH CORP. (Formerly Blackhawk Resource Corp.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

While the sale of both the ExProbe SARS CoV-2 Testing Kit and the SARS CoV-2 IgG/IgM Rapid Test is permitted in the United States, neither of the Test Kits have been approved by Health Canada. Blackhawk intends to submit the Test Kits for Health Canada approval once a final agreement has been negotiated with MBC and TBG. There can be no guarantee that Health Canada approval will be received once an application is completed.

On August 31, 2020, the Company entered into a definitive distribution agreement (the "Distribution Agreement") with MBC its affiliate company, TBG and a local agent, Boshic Advanced Materials Co., Ltd. ("Boshic") to distribute certain diagnostic products, including an ExProbe SARS-CoV-2 Testing Kit and a SARS-CoV-2 IgG/IgM Rapid Test Kit (collectively, the "Test Kits") used in the detection of antibodies associated with COVID-19. The Distribution Agreement replaces the memorandum of understanding entered into between Blackhawk, MBC and TBG, dated effective August 3, 2020.

On August 11, 2020, the Company granted 10,000,000 stock options to officers, directors and consultants of the Company. The options vest quarterly over the twelve month period and are exercisable at a price of \$0.05 for a period of 24 months.

In August 2020, the Company entered into debt settlement agreements with two arm's length creditors to settle an aggregate of \$240,000 in debt for services provided by the creditors to the Company. In final settlement and satisfaction of the debt in connection with the services, the Company has issued to the creditors an aggregate of 12,000,000 common shares.

On August 14, 2020, the Company added a member to its strategic advisory board to consult with the Board of Directors and Senior Management of the Company. Blackhawk has appointed Dr. Krista Leicht as its newest member to the advisory board. Dr. Leicht's involvement and medical expertise will be a valuable addition to the team and will greatly assist Blackhawk in realizing its vision and investment goals. Blackhawk will continue to bolster its board with medical and scientific advisors to advance its current and future planned initiatives.

Dr. Krista Leicht is a Canadian-trained and Alberta-licensed Medical Doctor and Psychiatrist, who brings over twenty years of Clinical experience to the team. She has divided her time in a busy practice, between inpatient and outpatient care, treating both the General Adult Psychiatry population, and specializing in addressing the complex needs of Developmentally Handicapped individuals. Dr. Leicht maintains a hospital practice at Alberta Hospital Edmonton and sees outpatients in a South Edmonton clinic. She continues to teach medical students, residents, and provides further education to Family Practice colleagues. Dr. Leicht's goal in clinical practice and in her own life has always been to Go Beyond – to provide unique and innovative treatments that better enrich the lives of patients is her mission.

On August 28, 2020, the Company issued 400,000 common shares to settle debt of \$20,000 to a consultant.

On September 11, 2020, the Company elected to suspend the distribution of the Innovita 2019-nCoV Ab Test Kit in all jurisdictions, due to uncertainty surrounding rights held by the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com.