# GTA FINANCECORP INC.

## MANAGEMENT'S DISCUSSION & ANALYSIS

## FOR THE YEAR ENDED MARCH 31, 2019

## Overview

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of GTA Financecorp Inc. (formerly GTA Resources and Mining Inc.) ("GTA" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended March 31, 2019. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of the Company for the years ended March 31, 2019 and 2018 together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the period presented are not necessarily indicative of the results that may be expected for any future period. The Company is presently a "Venture Issuer" as defined in NI 51-102.

The Company's financial statements and the financial data included in the MD&A have been prepared in accordance with International Financial Reposting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee that are effective as at March 31, 2019.

The IFRS accounting policies set forth in Note 2 of the financial statements have been applied in preparing the financial statements for the years ending March 31, 2019 and 2018.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of GTA's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity

The MD&A was reviewed and approved by the Audit Committee and the Board of Directors and is effective as of July 24, 2019.

## Forward Looking Information

Certain information regarding the Company within Management's Discussion and Analysis ("MD&A") may include "forward-looking statements" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such thing as future business strategy, goals, expansion and growth of the Company's business, plans and other such matters are forward-looking statements. When used in this MD&A the words "estimate", "plan", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements. Such statements by their nature involve certain risks and uncertainties that could cause actual results to differ materially from those contemplated by such statements. The Company considers the assumptions on which these forward-looking statements are based to be reasonable at the time they were prepared, but cautions the reader that these assumptions regarding future events, many of which are beyond the control of management, may ultimately prove to be incorrect. The reader should not rely solely on these forward-looking statements.

### Nature of the Business

The Company was currently engaged in exploration and evaluation of mineral properties and does not have any source of revenue or operating assets. During the year, the Company sold all of its exploration and evaluation assets. The recoverability of the amounts shown for exploration and evaluation assets ("mineral properties") is dependent upon the ability of the Company to obtain necessary financing to complete exploration, technical studies and, if warranted, development and future profitable production or proceeds from the disposition of properties. The amounts shown as mineral properties represent costs to date and do not necessarily represent present or future values.

The Company is a reporting issuer under applicable securities legislation in the provinces of Ontario, Alberta and British Columbia and its outstanding common shares ("Common Shares") were listed on the TSX Venture Exchange (the "TSX.V") under the symbol "GTA" until February 8, 2019 at which time the shares were delisted at the request of the Company.

### Financing

The Company completed no financing during the year ended March 31, 2019.

### Selected Annual Information

| | | **Year Ended March 31, 2019** | | **Year Ended March 31, 2018** | | **Year Ended March 31, 2017** |
|---|---|---|---|---|---|---|
| Revenue | $ | - | $ | - | $ | - |
| Net Loss | $ | 4,651,714 | $ | 1,004,182 | $ | 743,893 |
| Net Loss per Share | $ | (4.50) | $ | (1.00) | $ | (1.00) |
| Total Assets | $ | 1,226,112 | $ | 5,375,928 | $ | 5,825,501 |
| Total Liabilities | $ | 1,761,622 | $ | 154,170 | $ | 54,107 |

### Selected Quarterly Financial Information

The following table sets out the selected financial information for the three months ended:

| | March 31, 2019 | December 31, 2018 | September 30, 2018 | June 30, 2018 |
|---|---|---|---|---|
| Total assets | $ 1,226,112 | $ 5,843,412 | $ 5,345,074 | $ 5,285,931 |
| Working capital | $ (535,510) | $ (377,805) | $ (159,847) | $ (92,912) |
| Net loss for the period | $ 4,487,071 | $ 30,261 | $ 20,059 | $ 114,323 |
| Loss per share | $ 4.50 | $ 0.00 | $ 0.00 | $ 0.00 |

| | March 31, 2018 | December 31, 2017 | September 30, 2017 | June 30, 2017 |
|---|---|---|---|---|
| Total assets | $ 5,375,928 | $ 5,525,994 | $ 5,304,855 | $ 5,795,876 |
| Working capital | $ (55,127) | $ 32,243 | $ 81,130 | $ 19,022 |
| Net loss for the period | $ 71,237 | $ 117,120 | $ 711,452 | $ 104,373 |
| Loss per share | $ 0.00 | $ 0.00 | $ 1.00 | $ 0.00 |

GTA reported no discontinued operations for any period presented.

The following section discusses the reasons for some of the variations in the quarterly and annual numbers but, as with most junior mineral exploration companies, the results of operations are not the main factor in establishing the financial health of the Company. Of far greater significance are the mineral properties in which the Company has, or may earn an interest in, its working capital and how many shares it has outstanding. The variation seen over and between individual quarters is primarily dependent upon the success of the Company's exploration activities on its current properties, none of which are possible to predict with any accuracy. There are no general trends regarding the Company's quarterly results, and the Company's business of mineral exploration is not seasonal.

Quarterly results can vary significantly depending on the activity level of the Company, whether the Company has granted stock options or hired new employees/contractors. These are the factors that account for material variations in the Company's quarterly net losses, none of which are predictable. General operating costs other than the specific items noted above tend to be quite similar from period to period.

### Results of Operations

Years ended March 31, 2019 and 2018

The Company incurred a net loss of $4,651,714 for the year ended March 31, 2019, compared to a net loss of $1,004,182 for the year ended March 31, 2018. It is comprised of $219,228 (2018 - $358,733) general and administrative expenses, and deferred income tax recovery of $34,647 (2018 - $20,203). In 2019 there was a loss on sale of exploration and evaluation assets of $4,334,995 (2018 - $nil), in 2019 there was a write-down of exploration and evaluation assets in the amount of $nil (2018 - $574,538), and share-based compensation of $45,631 (2018 - $41,166).

Changes in expenses resulted from the following:

- Travel decreased from $17,223 to $262 mainly due to decreased travel related to decreased exploration activity.
- Management remuneration decreased from $197,500 to $72,940 resulting from reduced compensation for officers.
- Consulting expenses increased to $103,000 compared to $76,945 for fiscal 2018. The increase resulted from the cost of consultants in connection with the sale of the exploration and evaluation assets.
- The Company incurred share-based compensation expense of $45,631 in the current year versus $41,166 in the comparative year as a result of 24,500 incentive stock options granted to officers, directors and consultants during the current year (2018 - 24,000).
- Deferred income tax benefit reflects the fulfilment of flow-through share commitment during the current year in the amount of $34,647 versus $20,203 in the comparative year.
- Increase in interest expense from $nil to $17,563 related to interest payable on the loan.
- Professional fees increased to $62,727 from $28,875 due to an increase in legal fees relating to the sale of exploration and evaluation assets and the Company delisting from the TSXV.

<u>Three months ended March 31, 2019 and 2018</u>

During the three months ended March 31, 2019, the Company incurred a loss of $4,494,171 (2018 - $71,237). It is comprised of $125,139 (2018 - $63,614) general and administrative expenses, and a loss on sale of exploration and evaluation assets in the amount of $4,334,995 during Q4 2019.

During the three months ended March 31, 2019, the Company entered into transactions with related parties in the normal course of operations. Included in related party transactions were key management personnel remuneration of $15,000 (2018 - $40,000) accrued or paid. Office rent, supplies and equipment acquired from related parties during the period was $nil (2018 - $1,000). In addition, the Company paid or accrued $nil (2018 - $nil) for mineral property exploration consulting fees.

Accounts payable and accrued liabilities include $33,813 (2018 - $41,042) due to related parties. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

**Liquidity and Capital Resources**

This section should be read in conjunction with the audited statements of financial position for the year ended March 31, 2018, and the corresponding notes thereto.

The Company has total assets of $1,226,112 (2018 - $5,375,928). The primary assets of the Company are cash and cash equivalents of $52,723 (2018 - $72,189), miscellaneous receivables of $18,230 (2018 - $16,382), prepaid expenses of $3,974 (2018 - $10,472), investment in CBLT Inc. of $1,151,185 (2018 - $nil), and exploration and evaluation assets of $nil (2018 - $5,276,885). The Company has no long-term liabilities and has working capital deficiency of $535,510 (2018 – $55,127).

The Company has not yet realized profitable operations and has incurred significant losses to date resulting in a cumulative deficit of $11,047,761. As at March 31, 2019, the Company had cash and cash equivalents of $52,723 to settle current liabilities of $1,761,622.

To continue operations and to fund future obligations, the Company will be required to raise funds through equity or other financing alternatives. Recent global economic conditions and market uncertainty may have an impact on the Company's ability to raise funds through the equity markets. Management believes that there are sources of financing available. The Company has been successful in securing subsequent financing.

The Company relies on issuance of equity securities and alternative sources of financing, if required, to maintain adequate liquidity to support its ongoing working capital commitments. The following table is a summary of quantitative data that the Company manages as capital:

| | | **March 31, 2018** | | **March 31, 2018** | | **Change** |
|---|---|---|---|---|---|---|
| Cash and cash equivalents | $ | 52,723 | $ | 72,189 | $ | (19,466) |
| Share capital | $ | 10,293,208 | $ | 10,293,208 | $ | - |
| Contributed surplus | $ | 219,043 | $ | 218,959 | $ | 84 |
| Accumulated deficit | $ | (11,047,761) | $ | (5,290,409) | $ | (5,757,352) |

The Company monitors these items to assess its ability to fulfill its ongoing financial obligations.

## Mineral Property Interests

| | Northshore | Auden | Burnt Pond | Big Duck Lake | Total |
|---|---|---|---|---|---|
| | March 31, 2019 | March 31, 2019 | March 31, 2019 | March 31, 2019 | March 31, 2019 |
| Opening balance – Acquisition costs | $ 662,377 | $ 573,470 | $ 60,305 | $ 91,250 | $ 1,387,402 |
| Additions | 454 | - | - | 1,000 | 1,454 |
| Subtotal | $ 662,831 | $ 573,470 | $ 60,305 | $ 92,250 | $ 1,388,856 |
| Write-down of costs | - | - | - | - | |
| Proceeds from sale | (130,689) | (39,168) | (13,229) | (90,626) | (273,712) |
| Loss on sale | (532,142) | (534,302) | (47,076) | (1,624) | (1,115,144) |
| Closing balance – Acquisition costs | - | - | - | - | - |
| | | | | | |
| Balance, beginning of period – Exploration and Evaluation Expenditures | $ 2,893,493 | $ 630,439 | $ 223,356 | $ 142,195 | $ 3,889,483 |
| | | | | | - |
| Assaying | 12,191 | - | - | - | 12,191 |
| Prospecting | - | - | - | - | - |
| Geological | 53,032 | - | 1,025 | 43,300 | 97,357 |
| Geophysical | - | - | - | 200 | 200 |
| Line Cutting | - | - | - | - | - |
| Trenching | - | - | - | - | - |
| Diamond Drilling | 108,041 | - | - | - | 108,041 |
| Core Shack | 23,185 | - | - | 4,918 | 28,103 |
| Miscellaneous | 600 | - | - | (400) | 200 |
| Subtotal | $3,090,542 | $630,439 | $224,381 | $190,213 | $4,135,575 |
| Proceeds of JEAP grant | - | - | (34,794) | (3,457) | (38,251) |
| Proceeds from sale | (609,358) | (43,058) | (41,589) | (183,468) | (877,473) |
| Loss on sale | (2,481,184) | (587,381) | (147,998) | (3,288) | (3,219,851) |
| Closing balance – Exploration and Evaluation Expenditures | $ - | $ - | $ - | $ - | $ - |
| Total | $ - | $ - | $ - | $ - | $ - |

| | Northshore<br>March 31, 2018 | Auden<br>March 31, 2018 | Burnt Pond<br>March 31, 2018 | Big Duck Lake<br>March 31, 2018 | Total<br>March 31, 2018 |
|---|---|---|---|---|---|
| Opening balance – Acquisition costs | $ 62,377 | $ 839,208 | $ 63,955 | $ - | $ 1,565,540 |
| Additions | - | - | - | 91,250 | 91,250 |
| Subtotal | $ 662,377 | $ 839,208 | $ 63,955 | $ 91,250 | 1,656,790 |
| Write-down of costs | - | (265,738) | | - | 265,738 |
| Government rebate | | | 3,650 | - | 3,650 |
| Closing balance – Acquisition costs | 662,377 | 573,470 | 60,305 | 91,250 | 1,387,402 |
| | | | | | |
| Balance, beginning of period – Exploration and Evaluation Expenditures | $ 2,943,513 | $ 936,919 | $ 242,346 | $ - | $ 4,122,778 |
| | | | | | - |
| Assaying | - | - | - | - | - |
| Prospecting | - | - | - | 2,400 | 2,400 |
| Geological | - | - | - | 2,000 | 2,000 |
| Geophysical | - | - | - | - | - |
| Line Cutting | - | - | - | - | - |
| Trenching | - | - | - | - | - |
| Diamond Drilling | - | - | - | 118,340 | 118,340 |
| Core Shack | 10,320 | - | - | | 10,320 |
| Miscellaneous | 9,576 | 2,320 | 1,610 | 19,455 | 32,961 |
| Subtotal | $ 19,896 | $ 2,320 | $ 1,610 | $ 142,195 | 166,021 |
| Write-down of expenditures | - | (308,800) | - | - | (308,800) |
| Proceeds of JEAP grant | (69,916) | - | ( 20,600) | - | (90,516) |
| Closing balance – Exploration and Evaluation Expenditures | $ 2,893,493 | $ 630,439 | $ 223,356 | $ 142,195 | $ 3,889,483 |
| Total | $ 3,555,870 | $ 1,203,909 | $ 283,661 | $ 233,445 | $ 5,276,885 |

On March 12, 2019, the Company sold all of its exploration and evaluation assets for aggregate consideration of $1,151,185 comprised of 21,000,000 units of CBLT with each unit consisting of one common share and one common share purchase warrant exercisable at $0.08 for a period of 24-months after the date of issue. As a result, there was an aggregate loss on the sale recorded in the amount of $4,334,995. The sale proceeds have been allocated among the properties on an estimated basis of their fair value at the date of sale.

*Big Duck Lake Property*

Big Duck Lake is located roughly 25 km north of the Northshore Property and 100 km west of the Hemlo Gold Mine. It is only 4 km west of the past-producing polymetallic Winston Lake Mine, which produced 2.68 million tonnes of 1.05% copper, 12.05% zinc, 1.07 g/t of gold and 31.37 g/t of silver.

Big Duck Lake consists of 65 claim units over six square kilometres, is within the Hemlo-Schreiber Greenstone Belt, and is centred on an altered gold-rich porphyry which in Management's view is similar to rocks which host the Hemlo Gold Mine mineralization. It contains numerous gold and base metal showings.

The Company earned a 100% interest in Big Duck Lake by making cash payments to the arm's length vendors in the amount of $45,000 and issuing 750,000 common shares. The Vendors will retain a 2% net smelter return ("NSR") on Big Duck Lake and the Company will have the right to buy back 1% of the NSR for $1,000,000.

During the year ended March 31, 2018 the Company carried out a limited drill program of 512 metres. Results of the drill program were disclosed in a press release dated January 15, 2018 and is available on SEDAR (www. sedar.com).

During fiscal 2019 Big Duck Lake received $3,457 from the Junior Exploration Assistance Program funded by the Ontario Prospectors Association.

The Company has incurred exploration expenditures of $186,756 to March 31, 2019.

*Northshore Property*

The Northshore Property is located four kilometres south of the town of Schreiber in Ontario and approximately 70 kilometres west along the Trans-Canada Highway from the Hemlo gold deposit in the Schreiber-Hemlo greenstone belt. The property consists of two unpatented and 5 patented mineral claims (approximately 322.26 hectares) situated in the Township of Priske, Thunder Bay Mining Division, Ontario.

High grade gold mineralization has been identified along several vein systems which include the Audney, Caly and former producing Northshore vein systems. The Audney and Caly veins are part of a broader zone of gold mineralization referred to as the Afric Zone which encompasses both high-grade veins and broad zones of strongly anomalous gold values located in the altered country rock hosting the veins. The Afric Zone is the current focus of exploration on the Property with expansion of the high-grade vein system a secondary priority.

On July 27, 2011 the Company entered into an Option Agreement with Balmoral Resources Ltd. to acquire up to a 70% interest in the Northshore Property by making cash payments in aggregate totaling $150,000, issuing in favour of Balmoral 3,500,000 common shares and completing $5,500,000 in eligible work expenditures on the Property over a 5 year period.

Since acquisition and prior to March 2016, the Company has completed 52 drill holes, totalling 11,390 m, and has identified the Afric Zone as an intrusive-related porphyry style gold system. In general, most holes encountered significant gold intersections within a strongly altered felsic porphyry, often including multiple occurrences of visible gold. The drilling completed by GTA, has delineated the gold zone over a surface area of approximately 500 m by 350 m, to a depth of 350 m beneath the surface and containing a shallow, central higher grade sub-zone. Results from the central part of the Afric Zone included an intersection of 12.49 grammes per tonne (g/t Au) over 33.2 m within a zone assaying 3.21 g/t Au (1.20 g/t cut) over 152 m in hole WB-11-11. The zone remains open in several directions. In addition, the Gino vein was identified as a separate, narrow, high grade quartz-carbonate vein to the north of the Afric Zone. Highlights included intercepts of 46.4 g/t Au over a 1.0 m, 41.6 g/t Au over 1.0 m in two separate drill holes.

During the spring of 2014, the Company retained consulting geologists to complete a NI 43-101 compliant mineral resource estimate for the Afric Zone. In a press release the Company reported that it had filed on SEDAR a technical report outlining the maiden 43-101 compliant resource estimate for the Afric Zone. The report outlined an indicated resource of 391,000 oz gold in 12,360,000 tonnes at a grade of 0.99 g/t Au, and an inferred resource of 824,000 oz gold in 29,580,000 tonnes at a grade of 0.87 g/t Au gold, using a 0.5 g/t Au cutoff grade (see GTA press release dated June 10, 2014).

On July 14, 2014 the Company, pursuant to the Northshore Option Agreement, delivered to Balmoral the Exercise Notice to vest the Company's initial 51% interest in the Northshore Property and subsequently advised Balmoral that it has elected to form a 51/49 joint venture on the Property with Balmoral. The Company will be the initial joint venture operator. Since this notification, Balmoral has opted not to participate in the subsequent proposed exploration programs and have been diluted pro rata to 45.93 %

On June 1, 2016, the Company staked three claim units near but not contiguous with the Northshore property.

Recently, GTA contracted the mining engineering services of Moose Mountain to outline areas of higher grade, near surface gold mineralization hosted within the Afric Zone. Moose Mountain designed pit shells based upon geological models provided by Messrs. Giroux and Blanchflower using a Lerchs Grossman (LG) pit design software program and generated a sequence of pits which ranged from 5,000 to 1,500,000 tonnes. The results of this pit design process identified two potential open pit mining areas with near-surface gold mineralization. A smaller and larger pit option has been defined in each area.

Detailed information for these selected pit areas was disclosed in a press release dated June 17, 2015 which is available on SEDAR (www.sedar.com).

Of particular interest, each of these proposed pit shells encompass near-surface, higher grade gold mineralization that GTA believes could possibly be extracted with minimal surface disturbances by selective open cut mining operations. In addition, the proposed pit shells exhibit very low strip ratios (waste tonnes to mill feed tonnes).

Between June and September 2016, GTA completed two phases of in-fill drilling and assay results were disclosed in press releases dated August 22, 2016 and November 1, 2016 which are available on SEDAR (www.sedar.com). A total of 51 (NQ size) holes (1463 m) were completed. Drilling focused on delineation and expansion of the near surface, higher grade mineralization of the Afric Zone, specifically the previously identified Caly and Audney vein systems. Most of the drilling (49 holes) consisted of a series of short holes (11 to 41 m) targeted to fill-in the gaps on both the Caly and Audney systems. Drilling continued to intersect very high grade (> 1 oz/ton), near surface, gold mineralization (including 139.00 g/t gold over 1.20 metres, 72.40 g/t gold over 1.0 metre and 39.3 g/t gold over 1.50 metres.

The results from the 2016 drilling are being compiled into an updated model, concentrating on the near surface higher grade zones. Once completed, GTA will focus on the economics of the near surface gold mineralization, prior to deciding upon the parameters of a proposed bulk sampling program. GTA as an ongoing process is investigating pricing and other logistics for potential infill drilling, base line environmental studies, road upgrades, mining, trucking, and milling with the idea of extracting a mini bulk sample.

In addition, during fiscal 2017 fiscal year GTA staked an additional three claim units near but not contiguous to the Northshore property.

The Company has incurred exploration expenditures of $3,090,543 to March 31, 2019.

*Auden Property*

The Auden Property is located north of Highway 11 between the towns of Hearst and Longlac, in northern Ontario. The Auden Property consists of 844 claim units covering approximately 10,000 hectares and the property covers virtually an entire Archean aged greenstone belt. This belt has been interpreted to be the eastern extension of the Beardmore-Geraldton greenstone belt, which lies approximately 110 kilometres to the east. The Beardmore-Geraldton greenstone belt has historic gold production in excess of 4 million ounces. The Auden claims are all located in the Porcupine Mining Division, in Auden Township, Pitopiko River Area, Feagan Lake Area, Fintry Township, Mulloy Township, Rowlandson Township, Shuel Township and Limestone Rapids.

Based on historical drilling, encouraging gold mineralization is known to occur on the Auden Property, and gold mineralization occurs in a variety of geological settings. Previous exploration on the Auden Property has identified gold mineralization associated with sulphide facies iron formation, silica facies iron formation, quartz - carbonate - tourmaline veining and disseminated mineralization hosted by conglomerates and volcanic rocks.

On October 24, 2013, the Company entered into an Exploration Agreement with Constance Lake First Nation ("CLFN") with respect to exploration activity on the Auden Property. The Exploration Agreement allows for compensation to CLFN for cultural and environmental impacts and includes the issuance of 100,000 GTA common shares on signing and the issuance of 200,000 common share purchase warrants on the first to the third anniversary dates (subject to regulatory approval). The agreement also allows for local work opportunities and business ventures, and for continued consultation on land use issues.

During the year ended March 31, 2014, the Company completed an airborne geophysical survey of the Auden property as well as line cutting activities and ground geophysics. Diamond drilling of ten holes totalling 1217 metres targeting a weak EM anomaly for graphite was completed. As reported in a press release dated April 30, 2014, no graphite horizons were encountered. The Auden Property hosts several other EM anomalies which are currently being evaluated.

As at March 31, 2018, the Auden property consisted of 82 unpatented mining claims comprising 844 claim units covering 10,000 hectares in a largely contiguous block. During the year the Company allowed 386 claim units to expire resulting in the recording of an impairment of $574,538.

The Company has incurred exploration expenditures of $630,440 to March 31, 2019.

*Burnt Pond Property*

In May 2015, the Company acquired a 100% interest in the Burnt Pond Zn-Cu Property in central Newfoundland. The property consists of six separate claim licences (103 units), located in the Tally Pond volcanic belt which hosts Teck Resources Ltd's Duck Pond Mine and a number of other Cu-Zn-Ag-Au massive sulphide deposits.

The core claims (56 claim units) were staked by GTA in March 2015. Two other licences (47 claim units) were purchased from an arm's length vendor in May 2015. Consideration for the 46 claim units included cash in the amount of $3,055 and the issuance of 1,200,000 common shares. The transaction was measured based on market value of the equity instruments at $0.05 per share rather than the fair value of the property acquired as there was no reliable measurement.

Burnt Pond allows GTA to diversify into a zinc-copper project, in a producing belt with excellent infrastructure and a mining friendly jurisdiction.

An additional 26 claim units were staked in August 2015 resulting in a total of 136 claim units.

During the year ended March 31, 2017, GTA carried out a sampling program targeting altered and mineralized felsic fragmentals on strike from the Duck Pond Cu-Zn massive sulphide mine. This program was successful in defining two target areas recommended for follow-up. Linecutting and electromagnetic surveys were completed on both the South Moose B target and the Burnt Pond Prospect northeast extension resulting in the definition of well defined conductive zones proximal to strongly altered felsic volcanic rocks. In January-February, 2017, GTA completed a three hole 874 m drill program testing both targets. Highlights from this initial stage of drilling included the extension of the Burnt Pond Prospect base metal horizon an additional 250 meters to the northeast and had a best intersection of 0.72% Zn, and 5.1g/t Ag over 4.2 meters.

During fiscal 2019 Burnt Pond received $34,794 from the Junior Exploration Assistance Program funded by the government of Newfoundland and Labrador.

The Company has incurred exploration expenditures of $282,636 to March 31, 2019.

## Qualified Person and QA/QC

Wayne Reid P.Geo, a qualified person as defined by NI 43-101, has reviewed the scientific and technical information that forms the basis for the disclosure regarding the Company's properties in this MD&A and has approved the disclosure herein. Mr. Reid is not independent of the Company, as he is the Vice President, Exploration and a Director, and holds common shares and incentive stock options.

## Critical Accounting Estimates

The preparation of the audited financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These audited financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the recoverability of miscellaneous receivables that are included in the audited statements of financial position;
- the impairment and recoverability of exploration and evaluation expenditures incurred on the Company's mineral property interests; and
- the inputs used in accounting for share based payment transactions included in financial assets at fair value through profit or loss.

## Adoption of New Accounting Standards

### *Recent Accounting Adoptions*

IFRS 9 *Financial Instruments* ("IFRS 9")

On April 1, 2018, the Company adopted IFRS 9 *Financial Instruments* ("IFRS 9"). IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"), introduces new requirements for the recognition and measurement of financial assets and liabilities, a single, forward looking "expected loss" impairment model and a reformed approach to hedge accounting. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules previously under IAS 39. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The International Accounting Standards Board ("IASB") requires an entity to apply IFRS 9 for annual periods beginning on or after January 1, 2018.

Application of IFRS 9 to the Company's other financial instruments also has no impact on the Company's financial position or results of operations and there is no financial impact that requires disclosure.

IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15")

On April 1, 2018, the Company adopted IFRS 15 – Revenue from Contracts with Customers ("IFRS 15"). IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 supersedes the current revenue recognition guidance including IAS 18 – Revenue, IAS 11 – Construction Contracts and the related interpretations. In adopting the guidance, the Company has opted to use the modified retrospective basis in accordance with the transitional provisions of IFRS 15 whereby the cumulative effect of initially applying the standard has been recognized as an adjustment to the opening deficit at April 1, 2018 and comparative figures are not restated and continue to be reported under the accounting standards in effect for those periods.

The Company has no revenue and management has determined that the application of IFRS 15 did not result in any adjustment to the financial statements.

## Recent Accounting Pronouncements

IFRS 16 *Leases* ("IFRS 16") eliminates the classification of leases as either operating or finance leases for a lessee. Instead all leases are capitalized by recognizing the present value of lease payments and recognizing an asset and a financial liability representing an obligation to make future lease payments. The principles in IFRS 16 provide a more consistent approach to acquiring the use of an asset whether by leasing or purchasing the asset.

The new leasing standard is applicable to all entities and will supersede current lease accounting standards under IFRS. Prospective application is required beginning on or after January 1, 2019 with early adoption permitted only if an entity early adopts IFRS 15 as well. The Company does not anticipate a significant impact on the financial results from adopting the standard.

## Financial Instruments

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as fair value through profit or loss ("FVTPL"), directly attributable transaction costs. Financial instruments are recognized when the Company becomes party to the contracts that give rise to them and are classified as amortized cost, fair value through profit or loss or fair value through other comprehensive income, as appropriate.

*Financial assets at* FVTPL

Financial assets at FVTPL include financial assets held for trading and financial assets not designated upon initial recognition as amortized cost or fair value through other comprehensive income ("FVOCI"). A financial asset is classified in this category principally for the purpose of selling in the short term, or if so designated by management. Transaction costs are expensed as incurred. On initial recognition, a financial asset that otherwise meets the requirements to be measured at amortized cost or FVOCI may be irrevocably designated as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets measured at FVTPL are measured at fair value with changes in fair value recognized in the statements of operations and comprehensive loss. Investments in shares and warrants in CBLT Inc. are classified as FVTPL.

*Financial assets at FVOCI*

On initial recognition of an equity investment that is not held for trading, an irrevocable election is available to measure the investment at fair value upon initial recognition plus directly attributable transaction costs and at each period end, changes in fair value are recognized in other comprehensive income ("OCI") with no reclassification to the statements of operations. The election is available on an investment-by-investment basis. Investments in equity securities, where the Company cannot exert significant influence, are designated as financial assets at FVOCI.

*Financial assets at amortized cost*

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and is not designated as FVTPL. Financial assets classified as amortized cost are measured subsequent to initial recognition at amortized

cost using the effective interest method. Cash, miscellaneous receivables and certain other assets are classified as and measured at amortized cost.

*Financial liabilities*

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in net earnings when the liabilities are derecognized as well as through the amortization process. Borrowing liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date. Accounts payable and accrued liabilities are classified as and measured at amortized cost.

De-recognition of financial assets and liabilities

A financial asset is derecognised when either the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party. If neither the rights to receive cash flows from the asset have expired nor the Company has transferred its rights to receive cash flows from the asset, the Company will assess whether it has relinquished control of the asset or not. If the Company does not control the asset then derecognition is appropriate. A financial liability is derecognised when the associated obligation is discharged or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in net loss.

Impairment of financial assets:

A loss allowance for expected credit losses is recognized in OCI for financial assets measured at amortized cost. At each balance sheet date, on a forward-looking basis, the Company assesses the expected credit losses associated with its financial assets carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The impairment model does not apply to investment in equity instruments.

The expected credit losses are required to be measured through a loss allowance at an amount equal to the 12- month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) or full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition.

Financial instruments recorded at fair value:

The fair value of quoted investments is determined by reference to market prices at the close of business on the statement of financial position date. Where there is no active market, fair value is determined using valuation techniques. These include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis; and, pricing models.

Financial instruments that are measured at fair value subsequent to initial recognition are grouped into a hierarchy based on the degree to which the fair value is observable as follows:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at March 31, 2019, the carrying value of investments is recorded at fair value on the statement of financial position. The shares of CBLT Inc. are carried at fair value using the quoted trading share price and would be considered Level 1. The CBLT Inc. warrants are valued using Level 3 inputs as described in Note 4.

*Financial risk*

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency risk and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

**(a) Credit risk**

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and miscellaneous accounts receivable. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents are held with a Canadian Schedule A bank, from which management believes the risk of loss to be minimal.
Miscellaneous accounts receivable consists of sales tax receivable from government authorities in Canada. Amounts receivable are in good standing as of March 31, 2019. Management believes that the credit risk with respect to financial instruments included in miscellaneous accounts receivable is minimal.

**(b) Liquidity risk**

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. The Company intends to continue relying upon the issuance of securities to finance its future activities but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company.

As at March 31, 2019, the Company had cash of $52,723 (2018 - $80,391) to settle current liabilities of $1,761,622 (2018 - $54,107). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms except for the loan payable which is due October 26, 2019. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

**(c) Market risk**

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

(i) Interest rate risk

Cash and cash equivalents are subject to floating interest rates. Sensitivity to a plus or minus 1% change in interest rates would not have a material impact on the reported net income (loss) and comprehensive income (loss) for the three months and year ended March 31, 2019.

(ii) Foreign currency risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the

Company's exposure to foreign currency risk is minimal. The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

**Related Party Transactions**

During the year and three months ended March 31, 2019, the Company entered into the following transactions with related parties and paid or accrued the following amounts, excluding share-based payment charges in connection therewith:

| Name | Relationship | Purpose of Transaction | Three Months Ended | Year Ended |
|---|---|---|---|---|
| Maplegrow Capital Inc. | Company controlled by the President and CEO of the Company | Consulting | $ 7,500 | $ 45,000 |
| Brant Capital Partners Inc. | Company controlled by the CFO of the Company | Consulting | $ 7,500 | $ 45,000 |
| Eastrock Exploration Inc. | Company controlled Vice President Exploration of the Company | Consulting/Technical | $ 8,000 | $ 48,000 |
| HEGIBI Holdings Limited | Company controlled by the Chairman of the Company | Consulting | $nil | $ 12,000 |

During the year ended March 31, 2019, the following stock options were granted to insiders.

| Name | Relationship | Grant Date | Number Granted | Exercise Price |
|---|---|---|---|---|
| Peter Clausi | President and CEO of the Company | April 19, 2018 | 3,500 | $ 2.50 |
| Birks Bovaird | Director of the Company | April 19, 2018 | 2,000 | $ 2.50 |
| Brian Crawford | CFO of the Company | April 19, 2018 | 3,500 | $ 2.50 |
| Wayne Reid | VP Exploration of the Company | April 19, 2018 | 3,000 | $ 2.50 |
| Julio DiGirolamo | Director of the Company | April 19, 2018 | 2,000 | $ 2.50 |

**Off-Balance-Sheet Arrangements**

As of the date of this MD&A, the Company does not have any off balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity, capital expenditures and capital resources that would be material to investors.

## Proposed Transactions

As of the date of this MD&A there are no proposed transactions, not otherwise reported herein, where the Board of Directors or senior management believes that confirmation of the decision by the board is probable or with which the board and senior management have decided to proceed.

## Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, cash equivalents, miscellaneous receivables, accounts payable and accrued liabilities and loan payable. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

## Share Data

As of the date of this MD&A, the Company has 1,024,937 common shares issued and outstanding as well as: (a) stock options to purchase an aggregate of 93,700 common shares expiring at various dates between November 2019 and April 2023 and exercisable at prices between $2.50 per common share and $3.50 per common share; and (b) common share purchase warrants to purchase an aggregate 22,500 common shares expiring between April 2019 May 2019 and exercisable between $3.00 and $4.00 per common share.

For additional details of share data, please refer to Notes 7, 8 and 9 of the March 31, 2019 audited financial statements.

## Capital Management

The Company's objectives when managing capital are as follows:

- (i) To safeguard the Company's ability to continue as a going concern;
- (ii) To raise sufficient capital to finance its activities;
- (iii) To raise sufficient capital to meet its general and administrative expenditures.

The Company manages its capital structure and makes adjustments to it based on the general economic conditions, and its short term working capital requirements. The capital structure of the Company is comprised of shareholders' equity which includes share capital, warrants, contributed surplus and deficit. The Company may manage its capital by obtaining additional financing. The Company considers its capital to be total shareholders' equity, comprising share capital, contributed surplus and deficit which at March 31, 2019 totaled $535,510 (March 31, 2018 - $5,221,758).

The Company utilized annual capital and operating expenditure budgets to facilitate the management of its capital requirement. These budgets are approved by management and updated for changes in the budgets underlying assumptions as necessary.

There were no changes in the Company's approach to managing capital during the period.

**Dividend Payable**

On March 18, 2019, the Company declared a dividend payable to the Company's shareholders in the form of the 21,000,000 units of CBLT Inc. ("CBLT") received as consideration for the sale of the Company's exploration and evaluation assets. The Record Date of the dividend is March 18, 2019 and the payment date is on or about July 19, 2019. Subsequent to the year end the Company modified the payment date in that the common share component of the CBLT units will be distributed on or about July 19, 2019 at $0.03 per share and the common share purchase warrant component of the CBLT units will be paid at a later date at $0.02482 per warrant.

**Legal Proceedings**

To the knowledge of the Company, there are no actual or pending legal proceedings to which the Company is or is likely to be a party or of which any of its assets are likely to be subject.

**Risks and Uncertainties**

<u>Liquidity and Additional Financing</u>

The Company has limited financial resources and no sources of revenues and has no assurance that additional funding will be available to it to fulfill its obligations under applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could cause the Company to reduce or terminate its operations.

<u>Reliance on Key Personnel</u>

The Company is dependent on a relatively small number of key people, the loss of any of whom could have an adverse effect on its operations. The Company does not carry any key man insurance.

<u>Dilution</u>

The Company may require additional equity financing to be raised in the future. The Company may issue securities on less than favourable terms to raise sufficient capital to fund its business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

**Commitments and Contingencies**

As of the date of this MD&A, the Company has fulfilled its obligation associated with the flow-through offering that was completed during the fiscal year ended March 31, 2019.

**Subsequent Events**

On April 18, 2019, 8,500 warrants exercisable at $4.00 expired unexercised.

On May 24, 2019, 14,000 warrants exercisable at $3.00 expired unexercised.

On July 19, 2019, the Company paid a dividend in kind to the Company's shareholders on a pro rata basis in the form of 21,000,000 common shares of CBLT with a carrying value of $630,000, 21,000,000 common share purchase warrants of CBLT at $0.02482 per warrant will be distributed to the Company's shareholders at a date to be determined.

**Additional Information**

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