

GTA FINANCECORP INC.
(formerly GTA RESOURCES AND MINING INC.)

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE THREE MONTHS ENDED JUNE 30, 2019

Introduction

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 three months ended June 30, 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, as well as the unaudited condensed interim financial statements for the three months ended June 30, 2019, 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 interim period presented are not necessarily indicative of the results that may be expected for any future period.

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 effective date of this report is August 27, 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 things 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.

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Nature of the Business and Overall Performance

The Company was incorporated on August 9, 2006 under the Business Corporations Act (Ontario).

The Company was engaged in exploration and evaluation of mineral properties and does not have any source of revenue or operating assets. During the 2019 fiscal 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 did not complete any financing during the three months ended June 30, 2019.

Selected Quarterly Financial Information

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

	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sept 30, 2018
Total assets	\$ 847,373	\$ 1,226,112	\$ 5,843,412	\$ 5,345,074
Working capital	\$ (896,601)	\$ (535,510)	\$ (377,805)	\$ (159,847)
Net loss for the period	\$ 361,091	\$ 4,487,071	\$ 30,261	\$ 20,059
Loss per share	\$ 0.35	\$ 4.50	\$ 0.00	\$ 0.00

	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Sept 30, 2017
Total assets	\$ 5,285,931	\$ 5,375,928	\$ 5,525,994	\$ 5,304,885
Working capital	\$ (92,912)	\$ (55,127)	\$ 32,243	\$ 81,130
Net loss for the period	\$ 114,323	\$ 71,237	\$ 117,120	\$ 711,452
Loss per share	\$ 0.11	\$ 0.00	\$ 0.00	\$ 0.00

GTA reported no discontinued operations for any period presented.

Results of Operations

General and Administrative

Three months ended June 30, 2019 and 2018

The Company incurred a net loss of \$361,091 for the three months ended June 30, 2019, compared to a net loss of \$114,323 for the three months ended June 30, 2018. Details of the more significant changes over last year are as follows:

- An decrease in deferred tax benefit to \$nil (2018 - \$1,846) reflecting the fulfilment of flow-through share commitments during 2018;
- The Company incurred share-based compensation expense of \$nil in the current year versus \$45,631 in the comparative year as no incentive stock options were granted to officers, directors and consultants during the current year (2018 – 1,225,000);
- A decrease in general and administration to \$26,915 (2018 - \$62,340). Included in the amount is a decrease in management remuneration of \$30,000, decrease in office expense of \$5,165 decrease in travel and meals/entertainment of \$1,500 and a decrease in consulting fees of \$9,000;
- A decrease in filing and transfer agent fees to \$827 (2018 - \$2,626); and
- An unrealized loss on investments of \$326,913.

As at June 30, 2019, the Company has cash and cash equivalents of \$16,236 (2018 - \$17,227), miscellaneous receivable of \$6,378 (2018 - \$16,146), prepaid expenses of \$487 (2018 - \$6,580), accounts payable and accrued liabilities of \$167,789 (2018 - \$100,064), and liability for flow-through shares of \$nil (2018 - \$32,801) for total working capital deficiency of \$896,601 (2017 – \$92,912).

Liquidity and Capital Resources

This section should be read in conjunction with the unaudited condensed interim statements of financial position for the three months ended June 30, 2019, and the corresponding notes thereto.

The Company has total assets of \$847,373 (2018 - \$5,285,931). The primary assets of the Company are cash and cash equivalents of \$17,227 (2016 - \$17,227), miscellaneous receivable of \$6,378 (2018 - \$16,146), prepaid expenses of \$487 (2018 - \$6,580), and mineral properties and deferred exploration expenditures of \$nil (2018 - \$5,245,978). The Company has no long-term liabilities and has working capital deficiency of \$896,601 (2017 – \$92,912).

The Company's financial statements have been prepared on a going concern basis, under which the Company is assumed to be able to realize its assets and discharge its liabilities in the normal course of operations. The Company currently has no revenue to finance its operations. It is therefore required to fund its activities through

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the issuance of equity securities and other financing alternatives. The Company's ability to continue as a going concern is therefore dependent upon its ability to raise funds.

The Company has not yet realized profitable operations and has incurred significant losses to date resulting in a cumulative deficit to date of \$11,408,852. As at June 30, 2019, the Company had cash and cash equivalents of \$16,236 to settle current liabilities of \$1,743,974.

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. There can be no assurance that the Company will be successful in its future fund-raising activities.

The Company relies on the 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 about what the Company manages as capital:

	June 30, 2019	March 31, 2019	Change
Cash and cash equivalents	\$ 16,236	\$ 52,723	\$ (36,487)
Share capital	\$ 10,293,208	\$ 10,293,208	\$ -
Contributed surplus	\$ 219,043	\$ 219,043	\$ -
Deficit	\$ (11,408,852)	\$ (11,047,761)	\$ (361,091)

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

Mineral Property Interests

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.

Critical Accounting Estimates

The preparation of the unaudited condensed interim 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 unaudited condensed interim financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the unaudited condensed interim 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 unaudited condensed interim statements of financial position;
- 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

Effective April 1, 2019, the Company has adopted IFRS 16 Leases, which was issued in January 2016 and sets out a new model for lease accounting, replacing IAS 17 – Leases. This is the first set of the Company's consolidated financial statements where IFRS 16 has been applied. Changes to the Company's accounting policies, which are also expected to be reflected in the Company's annual consolidated financial statements as at and for the year ending December 31, 2019, are described below. Lessor accounting under IFRS 16 is substantially unchanged; lessors will continue to classify all leases as either operating or finance leases using similar principles as in IAS 17.

The Company adopted IFRS 16 using the modified retrospective approach. The Company elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts, that at the commencement date, have a lease term of 12 months or less and do not include a purchase option ("short-term leases"), and lease contracts for which the underlying asset is of low value ("low-value assets").

The Company reviewed all lease contracts in which it is a lessee and has determined that all of the leases are considered immaterial.

Lease policy applicable from April 1, 2019:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset.

At inception or on reassessment of a contact that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Company recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use asset is periodically reduced by impairment losses.

The lease liability is initially measured at the present value of future lease payments discounted using an implicit interest rate or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets:

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of equipment that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Company recognizes the lease payments associated with these leases in net earnings on a straight-line basis over the lease term.

Financial Instruments

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.

(i) 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 amounts 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.

Amounts receivable consists mainly of sales tax receivable from government authorities in Canada. Amounts receivable are in good standing as of June 30, 2019. Management believes that the credit risk with respect to financial instruments included in amounts receivable is minimal.

(ii) 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. As at June 30, 2019, the Company had cash and cash equivalents of \$16,236 (March 31, 2019 - \$52,723) to settle current liabilities of \$1,743,974 (March 31, 2019 - \$1,761,622). 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.

(iii) 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.

(a) 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 loss and comprehensive loss for the nine months ended June 30, 2019.

(b) 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.

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Related Party Transactions

During the three months ended June 30, 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
Brant Capital Partners Inc.	Company controlled by the CFO of GTA	Consulting	\$ 7,500
Maplegrow Capital Inc.	Company controlled by the CEO of GTA	Consulting	\$ 7,500

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

The Company is not a party to any proposed transactions.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, cash equivalents, miscellaneous receivables, accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The only credit risk identified by management is the risk related to the interest bearing promissory note received as partial payment of the loan receivable. The risk arises from the nature of the security of the promissory note. The fair value of these financial instruments approximates their carrying values.

Outstanding 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 date between November 2019 and April 2023 and exercisable at prices between \$2.50 per common share and \$3.50 per common share and, (b) share purchase warrants to purchase an aggregate of nil common shares.

For additional details of share data, please refer to Notes 7, 8 and 9 of the June 30, 2019 unaudited condensed interim 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 exploration and development activities on its mineral exploration properties;
- 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, its short term working capital requirements, and its planned exploration and development program expenditure 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 issuing flow through or common shares, or by obtaining additional financing.

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 was March 18, 2019 and the payment date is on or about July 19, 2019. During the period, 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 and the common share purchase warrant component of the CBLT units will be paid at a later date.

Risks and Uncertainties

Liquidity and Additional Financing

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.

Reliance on Key Personnel

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.

Dilution

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 Event

On July 19, 2019, the Company paid a dividend in kind to the shareholders of the Company on a pro rata basis in the form of 21,000,000 common shares of CBLT, 21,000,000 common share purchase warrants of CBLT 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.