

**WINSTON**  
**RESOURCES INC.**

**FOR THE NINE MONTHS ENDED APRIL 30, 2020**

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MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”) AS OF JUNE 29, 2020 TO ACCOMPANY THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS OF WINSTON RESOURCES INC. (THE “COMPANY” OR “WINSTON”) FOR THE NINE MONTHS ENDED APRIL 30, 2020

This MD&A is dated June 29, 2020.

The following MD&A should be read in conjunction with the unaudited condensed interim financial statements of the Company for the nine months ended April 30, 2020 and with the audited financial statements for the year ended July 31, 2019, which were prepared in accordance with International Financial Reporting Standards (“IFRS”) and the notes thereto. All financial amounts are stated in Canadian currency unless stated otherwise.

This MD&A contains certain forward-looking statements based on the best beliefs, and reasonable assumptions of the management of the Company. There are many risks and uncertainties attached to the mineral exploration business. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements. (See “Risks and Uncertainties” in this MD&A for more information).

## **DESCRIPTION OF THE BUSINESS**

### **Overview**

As of April 30, 2020, the Company has entered into a binding letter agreement to effect a business combination with PlantX Life Inc.

### **Acquisition of PlantX Life Inc.**

On March 27, 2020, the Company entered into a Share Exchange Agreement, which sets out the basic terms and conditions for the Acquisition by the Company of all of the issued and outstanding common shares in the capital of PlantX Life Inc. (“PlantX”), in exchange for common shares in the capital of the Company. The Acquisition will constitute a “fundamental change” for the Company pursuant to the rules and policies of the Canadian Securities Exchange (“CSE”).

The Acquisition is an arm's-length transaction. Upon successful completion of the Acquisition, the Company will change its name to “Vegaste Technologies Corp.” and will continue the business of PlantX as furthered detailed below.

Pursuant to the terms of the Share Exchange Agreement and in consideration for the Acquisition, on closing thereof (“Closing”), the Company will issue an aggregate of 61,072,220 common shares in the capital of the Company (the “Payment Shares”) to the holders of PlantX common shares at a deemed price of \$0.25 per Payment Share on a post-consolidated basis.

At Closing, all outstanding unexercised options to acquire PlantX common shares pursuant to outstanding PlantX options (“PlantX Options”) will be cancelled. In consideration for such disposition, the holders of PlantX Options will receive the right (a “Replacement Option”), to acquire one common share in the capital of the Company (a “Common Share”). The exercise price under each Replacement Option will be equal to the exercise price at the time of Closing under the particular PlantX Option that was cancelled in consideration for such Replacement Option.

Prior to the Closing, the Company will consolidate its share capital on a ten (10) old shares for one (1) new share basis.

The Payment Shares will be subject to escrow conditions and/or resale restrictions as required by applicable securities laws and the policies of the CSE.

In connection with the Acquisition, the Company will also issue 6,000,000 Common Shares on a post-consolidated basis to an arm's length third party at a deemed price of \$0.25 per Common Share as a finder's fee.

Closing of the Acquisition remains subject to certain closing conditions, including, completion of the Offering (as defined below), obtaining all necessary approvals, including, approval of the CSE, and if applicable, shareholders of the Company. There can be no assurance that the Transaction will be completed as proposed or at all.

The Company also intends to complete a non-brokered private placement offering of not less than 6,000,000 Common Shares on a post-consolidated basis at a price of \$0.25 per Common Share for gross proceeds of not less than \$1,500,000 (the "Offering").

Closing of the Offering is subject to a number of conditions, including receipt of all necessary corporate and regulatory approvals, including the CSE.

As of April 30, 2020 and June 29, 2020, the transaction has not yet closed.

### **Management Changes**

On December 3, 2019, Suzette Ramcharan and Domenic Minichiello resigned from the board of directors, and Dave Jenkins was appointed as a director of the Company.

### **FINANCIAL STATEMENTS GOING CONCERN ASSUMPTION**

The condensed interim financial statements of the Company have been prepared on the basis of accounting principles applicable to a going concern under IFRS. The use of these principles under IFRS assumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge its liabilities in the normal course of operations. The Company incurs operating losses, which casts significant doubt about the Company's ability to continue as a going concern.

Management's current strategy is careful cost control while pursuing opportunities within various market sectors. Management recognizes the Company's need to increase its cash reserves if it intends to adhere to its plans and has evaluated its potential sources of funds. Although management intends to assess and act on these options throughout the course of the year, there can be no assurance that the steps management take will be successful.

In the event that cash flow from operations, together with the proceeds from any future financings are insufficient to cover planned expenditures, management will allocate available resources in such manner as deemed to be in the Company's best interest. This may result in a significant reduction in the scope of existing and planned operations.

As at April 30, 2020, the Company has not generated any revenues from operations and has a deficit of \$13,897,000 (July 31, 2019 - \$13,525,372). The Company is actively seeking additional sources of financing. In assessing whether the going concern assumption is appropriate. Management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of uncertainties related to events or conditions that may cast significant doubt upon its ability to continue as a going concern that these uncertainties are material and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

Accordingly, these condensed interim financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore to realize its assets and discharge its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying condensed interim financial statements. These adjustments could be material.

### **RESULTS OF OPERATIONS**

For the nine months ended April 30, 2020, the Company recorded a net loss of \$371,628 (2019 - \$167,899) and loss per share of \$0.01 (2019 - \$0.01). The net loss during the period was mainly attributable to the operating expenses incurred during the current period.

The increase in operating expenses during the nine months ended April 30, 2020 was largely due to increase in consulting fees to \$260,050 from \$86,620 during the previous comparative period due to higher fees charged by consultants during the current period. Management fees increased to \$16,000 from \$Nil during the previous comparable period due to no managerial fees incurred during the previous comparative period. Travel expenses increased to \$11,031 from \$4,423 during the previous comparative period due to higher business travel expenses incurred during the current period. Professional fees increased to \$57,251 from \$31,996 during the previous comparative period due to higher legal fees incurred during the current period. Transfer agent and filing and listing fees increased to \$13,782 from \$13,533 during the previous comparative period due to higher regulatory filing fees incurred during the current period. The increase in these expenses are partially offset by the decrease in office and rent expenses to \$10,948 from \$29,137 during the previous comparative period due to lesser office and rent expenses incurred during the current period.

For the three months ended April 30, 2020, the Company recorded a net loss of \$137,353 (2019 - \$14,684) and loss per share of \$0.01 (2019 - \$0.00). The net loss during the period was mainly attributable to the operating expenses incurred during the current period.

The increase in operating expenses during the three months ended April 30, 2020 was largely due to increase in consulting fees to \$59,750 from \$19,750 during the previous comparative period due to higher fees charged by consultants during the current period. Management fees increased to \$10,000 from \$Nil during the previous comparable period due to no managerial fees incurred during the previous comparative period. Travel expenses increased to \$1,708 from \$873 during the previous comparative period due to higher business travel expenses incurred during the current period. Professional fees increased to \$58,136 from a recovery of \$23,677 during the previous comparative period due to higher legal fees incurred during the current period. The increase in these expenses are partially offset by the decrease in office and rent expenses to \$5,812 from \$13,008 during the previous comparative period due to lesser office and rent expenses incurred during the current period. Transfer agent and filing and listing fees decreased to \$1,721 from

## WINSTON RESOURCES INC. MD&A FOR THE NINE MONTHS ENDED APRIL 30, 2020

\$2,736 during the previous comparative period due to lower regulatory filing fees incurred during the current period.

For the nine months ended April 30, 2020, the net cash used in operating activities was \$380,694 (2019 - \$273,437). For the nine months ended April 30, 2020, the cash used in investing activity was \$Nil (2019 - \$1,500). There was no financing activity during the nine months ended April 30, 2020 and 2019.

Depending on future events, the rate of expenditures and general and administrative costs could increase or decrease.

### Selected Annual Financial Information

For the years ended July 31,	2019	2018	2017
	\$	\$	\$
Net Income (Loss) and Comprehensive Income (Loss)	(345,777)	1,814,058	(1,040,927)
Current Assets	562,330	931,701	1,923,046
Total Assets	562,330	931,701	2,048,046
Total Liabilities	130,333	153,927	84,330
Total Shareholder's Equity	431,997	777,774	1,963,716

### Selected Quarterly Financial Information

Quarters ended	Apr. 30, 2020	Jan. 31, 2020	Oct. 31, 2019	Jul. 31, 2019
	\$	\$	\$	\$
Net Loss	(137,353)	(149,009)	(85,266)	(177,878)
Current Assets	190,787	286,142	441,154	562,330
Total Assets	190,787	286,142	441,154	562,330
Total Liabilities	130,418	88,420	94,423	130,333
Total Shareholder's Equity	60,369	197,722	346,731	431,997

Quarters ended	Apr. 30, 2019	Jan. 31, 2019	Oct. 31, 2018	Jul. 31, 2018
	\$	\$	\$	\$
Net Loss	(14,684)	(62,724)	(90,491)	(4,359,111)
Current Assets	666,477	719,251	882,944	931,701
Total Assets	666,477	719,251	882,944	931,701
Total Liabilities	56,602	94,692	195,661	153,927
Total Shareholder's Equity	609,875	624,559	687,283	777,774

### Fiscal 2020

During the third quarter of fiscal 2020, the Company recorded a loss of \$137,353 compared to a loss of \$149,009 in the second quarter of fiscal 2020. The change is mainly due to lower consulting expenses and travel expenses incurred during the third quarter.

During the second quarter of fiscal 2020, the Company recorded a loss of \$149,009 compared to a loss of \$85,266 in the first quarter of fiscal 2020. The change is mainly due to higher consulting expenses and travel expenses incurred during the second quarter.

## WINSTON RESOURCES INC. MD&A FOR THE NINE MONTHS ENDED APRIL 30, 2020

During the first quarter of fiscal 2020, the Company recorded a loss of \$85,266 compared to a loss of \$177,878 in the fourth quarter of fiscal 2019. The change is mainly due to lower travel expenses and no professional fees incurred during the first quarter.

### Fiscal 2019

During the fourth quarter of fiscal 2019, the Company recorded a loss of \$177,878 compared to a loss of \$14,684 in the third quarter of fiscal 2019. The change is mainly due to higher consulting fees, professional fees and travel expenses incurred during the fourth quarter.

During the third quarter of fiscal 2019, the Company recorded a loss of \$14,684 compared to a loss of \$62,724 in the second quarter of fiscal 2019. The change is mainly due to lower consulting fees incurred during the third quarter and recovery of professional fees.

During the second quarter of fiscal 2019, the Company recorded a loss of \$62,724 compared to a loss of \$90,491 in the first quarter of fiscal 2019. The change is mainly due to lower professional fees incurred during the second quarter.

During the first quarter of fiscal 2019, the Company recorded a loss of \$90,491 compared to a loss of \$4,359,111 in the fourth quarter of fiscal 2018. The change is mainly due to lower consulting fees incurred during the first quarter and due to loss on dilution of ownership incurred during the fourth quarter of fiscal 2018.

### Fiscal 2018

During the fourth quarter of fiscal 2018, the Company recorded a loss of \$4,359,111 compared to a loss of \$169,346 in the third quarter of fiscal 2018. The change is mainly due to loss in dilution of ownership incurred during the fourth quarter.

### Liquidity and Solvency

The Company will need access to equity capital to pursue its business plan and there is no guarantee that equity may be available, and if available it may not be on terms that management finds is in the interest of the Company. Some of the management fees have been accrued by management and as a result do not represent a cash requirement for the Company; however, there is no assurance that management fees will be accrued in the future. The Company would need to raise additional equity capital in order to pursue other investment or business opportunities or to support special projects.

The following table summarizes the Company's cash on hand, working capital and cash flow:

For the nine months ended April 30,	2020	2019
	\$	\$
Cash	106,312	594,756
Working Capital Equity	60,369	609,875
Cash Used in Operating Activities	(380,694)	(273,437)
Cash Used in Investing Activity	-	(1,500)
Cash Provided in Financing Activity	-	-
Net Change in Cash	(380,694)	(274,937)

The Company is dependent on the sale of newly issued shares to finance its operational activities and general and administrative costs. The Company may have to raise additional funds in the future to continue its operations. There can be no assurance, however, that the Company will be successful in its efforts. If such funds are not available or other sources of financing cannot be obtained, then the Company may be forced to curtail its business activities.

### **Capital Resources**

The Company's primary capital assets as at April 30, 2020, are cash and receivables. The Company has no commitments for capital expenditures, and there are no known trends or expected fluctuations in the Company's capital resources.

### Common Shares

The authorized capital of the issuer consists of an unlimited number of common shares without par value of which 25,133,840 are outstanding as of April 30, 2020 and June 29, 2020. Holders of the issuer's common shares are entitled to vote at all meetings of shareholders declared by the directors, and subject to the rights of holders of any shares ranking in priority to or on a parity with the common shares, to participate ratably in any distribution of property or assets upon the liquidation, winding up or dissolution of the Issuer.

The following is a summary of the Company's outstanding stock options and warrants data as of June 29, 2020.

### Winston Stock Options

Options to purchase common shares in the capital of Winston are granted by Winston's Board of Directors to eligible persons pursuant to Winston's 2016 Stock Option Incentive Plan. During the nine months ended April 30, 2020, Winston granted no stock options and Nil options are outstanding as at April 30, 2020 and June 29, 2020.

### Winston Warrants

The Company has Nil subscribers and broker's warrants outstanding as at April 30, 2020 and June 29, 2020.

### **Outlook and Capital Requirements**

There is no guarantee that market conditions will be conducive to raising additional equity capital. Depending on future events, the rate of Company expenditures and general and administrative costs could increase or decrease.

## WINSTON RESOURCES INC. MD&A FOR THE NINE MONTHS ENDED APRIL 30, 2020

### Related Party Transactions

The following transactions occurred between related parties during the nine months ended April 30, 2020 and 2019:

		2020	2019
Management fees paid to a former director	\$	6,000	\$ -
Management fees paid to a current director		3,000	-
Management fees paid to a company controlled by a director		10,000	-
Consulting fees paid to the CEO and directors		50,550	32,620
Consulting fees paid to companies controlled by directors		24,500	-
	\$	94,050	\$ 32,620

The following transactions occurred between related parties during the three months ended April 30, 2020 and 2019:

		2020	2019
Management fees paid to a current director	\$	2,000	\$ -
Management fees paid to a company controlled by a director		10,000	-
Consulting fees paid to the CEO and directors		13,500	10,750
Consulting fees paid to companies controlled by directors		5,250	-
	\$	30,750	\$ 10,750

As at April 30, 2020, \$9,263 (July 31, 2019 - \$2,225) was payable to related parties and is included in accounts payable and accrued liabilities.

### Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet transactions.

### Subsequent Event

No subsequent event.

### Proposed Transactions

There are no proposed transactions that will materially affect the performance of the Company other than those disclosed in this MD&A.

### Accounting Policies

#### *Future accounting pronouncements*

There are no other IFRS or International Financial Reporting Interpretations Committee interpretation that are not yet effective that are expected to have a material impact on the Company's financial statements.



### **Conflicts of Interest**

Certain directors and officers of the Company may also serve as directors and officers of other companies involved in gold and precious metal or other natural resource exploration and development and consequently the possibility of conflict exists. Any decisions made by such directors or officers involving the Company will be made in accordance with the duties and obligations of directors and officers to deal fairly and in good faith with the Company and such other companies. In addition, such directors declare their interest and refrain from voting on any matters in which such directors may have a conflict of interest.

### **Management's Responsibility for Financial Statements**

The information provided in this report is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the condensed interim financial statements.

### **Trends**

Trends in the industry can materially affect how well any junior minerals company is performing. The price of precious metals has undergone a recent retracement, although worldwide exploration is being maintained. Company management believes that the retracement is a short-term anomaly and that the general trend will show precious metals prices to be higher over time. However, the Company's investments are in the mineral exploration sector and the presently depressed market for mining companies and their valuations can adversely affect the Company's ability to successfully complete transactions.

### **Outlook**

The outlook for precious metals is uncertain and has seen a recent decline on prices. As of April 30, 2020, the Company's focus is the Share Exchange Agreement with PlantX.

### **Cautionary Statement**

This document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding the Company's expectation of future trends in the mineral exploration sector, its development plans and the Company's future plans and objectives are forward-looking statements that involve various risks and uncertainties. The material factors and assumptions that management has used to determine such forward-looking statements include, without limitation: (1) estimates of share-based compensation expense; (2) expectations of industry trends; (3) expectations of future funding; (4) expectation of exploration activities; and (5) expectation of successful negotiation with First Nations. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statement important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies the Company is bound. Forward-looking statements are based on the estimates and opinions of management on the date of statements are made, and the Company endeavors to update corporate information and material facts on a timely basis. Forward-looking statements are subject to risks, uncertainties and other actors, including risks associated with corporate finance and mergers and acquisitions activities, investment portfolio risk, and operational and political risks.

## **COVID-19**

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, the Company anticipate this outbreak might increase the difficulty in capital raising which may negatively impact the Company's business and financial condition.

## **Personnel**

### Current Directors and Officers

Quinn Field-Dyte, CEO, Director  
David Whitney, CFO, Director  
Richard Grieve, Director  
Von Torres, Director  
Dave Jenkins, Director

## **Other**

Additional information relating to the Company's operations and activities can be found by visiting the Company's website at [www.winstonresources.com](http://www.winstonresources.com) and its profile on SEDAR at [www.sedar.com](http://www.sedar.com).