PROSPECT PARK CAPITAL CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

INTRODUCTION

This Management's Discussion and Analysis ("**MD&A**") is dated January 28, 2021, unless otherwise indicated and should be read in conjunction with the audited financial statements of Prospect Park Capital Corp. (the "**Company**") for the years ended September 30, 2020 and 2019 and the related notes thereto. This MD&A was written to comply with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*. 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 presented for the year ended September 30, 2020 are not necessarily indicative of the results that may be expected for any future period.

The Company applies International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and interpretations issued by the IFRS Interpretations Committee ("**IFRIC**").

Further information about the Company and its operations can be obtained from the offices of the Company or from **www.sedar.com**.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk and Factors" section below. Readers are cautioned that such risk factors, uncertainties and other factors are not exhaustive. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the Company's ability to meet its working capital needs at the current level for the next twelve-month period; management's outlook regarding future trends; sensitivity analysis on financial instruments, which may vary from amounts disclosed; and general business and economic conditions.

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

DESCRIPTION OF BUSINESS

The Company was incorporated under the *Business Corporations Act* (Ontario) on September 7, 2012 as a public healthcare focused investment corporation listed for trading on the TSX Venture Exchange (the "**TSXV**") under the symbol PPK. On October 2, 2020 the Company amended its statement of investment policies and procedures to change the focus of the Company from healthcare investments to investments in the resource sector.

DISCUSSION OF OPERATIONS

On January 22, 2020, the Company and Prospect Park Management Inc., the general partner of Prospect Park Management Limited Partnership (the "**Manager**"), the manager of the Company, mutually agreed to terminate the management agreement (the "**Management Agreement**") dated September 25, 2014 whereby the Manager was appointed the manager of the Company to provide management, investment, valuation and administrative services and facilities to the Company and be responsible for the day-to-day operations of the Company. The senior officers of the Company, under the supervision of the board of directors of the Company, resumed the management of the day-to-day operations of the Company. In addition, on January 22, 2020, Samuel Herschkowitz (CEO and director), Jeffrey Barnes (director) and Seymour Fein (director) resigned and their vacancies were filled by James Greig (CEO and director) and Toby Pierce (director). On June 12, Josh Kornberg (director) resigned. The current directors are working on filling the vacancy with a new independent director.

In January 2020, the Company issued unsecured promissory notes (the "**Notes**") for an aggregate principal amount of $100,010. The Notes have a term of 12 months and bear interest at a rate of 12% per annum payable on maturity.

On July 14, 2020, the Company closed of a non-brokered private placement (the "**2020 Offering**"). Pursuant to the 2020 Offering, the Company raised gross proceeds of $312,412.50 through the issuance of 2,777,000 units of the Company at $0.1125 per unit. Each unit consisted of one (1) common share of the Company, and one (1) transferable common share purchase warrant, with each warrant entitling the holder thereof to acquire one additional common share of the Company at $0.23 per share for twenty-four months from closing. In connection with the 2020 Offering the Company paid finder's fees of an aggregate of $24,993 and issued compensation options for 222,160 common shares at $0.1125 per share for twenty-four months from closing.

During the quarter the Company entered into debt settlement agreements to settle debt with a carrying value of $216,021 in exchange for $70,659 (resulting in a gain on settlement of $145,363.

As at September 30, 2020, the Company had assets (all cash and cash in trust) of $233,765 compared to $7,491 at September 30, 2019, and liabilities (all current) of $149,003 (September 30, 2019 - $249,029), consisting of accounts payable and accrued liabilities of $48,993 and the Notes for $100,010.

For the year ended September 30, 2020, the Company had a net income of $54,140 (with basic and diluted income per share of $0.02, compared to a net loss of $(156,692) (with basic and diluted loss per share of $(0.02) for 2019. The following is a summary of operations for the year ended September 30, 2020 and 2019:

	2020	2019
Net investment gains (losses)		
Loss on sale of investments	$ -	$(1,015,860)
Gain on foreign exchange	-	803
Net change in unrealized loss on investments	-	1,015,156
Net investment gains (losses)	-	99
Impairment of loan and interest receivable	-	(124,514)
Gain on settlement of debt	145,363	-
Interest income	-	9,837
	145,363	(114,578)
Expenses:		
Operating, general and administrative	82,623	42,114
Interest expense	8,600	-
Net income (loss) and comprehensive income (loss)	$ 54,140	$ (156,692)

Loss on investments represented the realized loss and change in unrealized loss on investments (which were all sold in January 2019). Interest income had been accrued on a loan receivable. No interest had been accrued in the current period as the loan was considered fully impaired at September 30, 2019.

The breakdown of operating, general and administrative expenses are as follows:

	2020	2019
Legal fees and disbursements paid by legal	$ 34,435	$ 6,340
Accounting and audit	15,964	22,922
Regulatory fees	12,857	8,619
Transfer agent	11,626	3,809
Other	7,741	424
	$ 82,623	$ 42,114

SELECTED ANNUAL INFORMATION

The following is selected financial data derived from the audited financial statements of the Company as at September 30, 2020, September 30, 2019 and September 30, 2018 and for the years then ended:

	Year ended September 30, 2020	**Year ended September 30, 2019**	**Year ended September 30, 2018**
Total revenues	nil	nil	nil
Total Income (loss) (1)(2)	54,140	(156,692)	79,031
Net income (loss) per share – basic (3)(4)	0.02	(0.02)	0.01
Net income (loss) per share – diluted (3)(4)	0.02	(0.02)	0.01
	As at September 30, 2020	**As at September 30, 2019**	**As at September 30, 2018**
Total assets	233,765	7,491	126,637
Total non-current financial liabilities	nil	nil	nil
Distribution or cash dividends (5)	nil	nil	nil

(1) Income (loss) from continuing operations, in total.
(2) Net (income) loss from operations, in total.
(3) Income (loss) from continuing operations, on a per-share and diluted per share basis.
(4) Net income (loss) from operations, on a per-share and diluted per-share basis.
(5) Declared per-share for each class of share.

As the Company has no material revenue, its ability to fund its operations is dependent upon completing one or more debt or equity financings or through the sale of assets. See “Risk Factors” below.

SUBSEQUENT EVENTS

On January 19, 2021, the Company closed a non-brokered private placement (the “**2021 Offering**”). Pursuant to the 2021 Offering, the Company raised gross proceeds of $998,512 through the issuance of 4,754,821 common shares of the Company at $0.21 per share. In connection with the 2021 Offering, the Company paid registered dealers and finders (i) an aggregate cash commission of $62,947, and (ii) non-transferable finder’s warrants to purchase 299,748 common shares of the Company at an exercise price of $0.21 per share for a period of twenty-four months from closing. All three directors of the Company participated in the 2021 Offering.

In addition, on January 19, 2021, the Company closed a securities for debt transaction with seven lenders, pursuant to which it issued an aggregate of 526,713 units of the Company at a deemed price of $0.21 per unit in satisfaction of $110,610 (including accrued interest) of indebtedness pursuant to the Notes. Each unit consisted of one common share of the Company and one warrant with each warrant exercisable for one common share of the Company at $0.28 per share for twenty-four months from closing.

Subsequent to the year-end, 87,949 stock options issued to former officers and directors expired unexercised.

Subsequent to the year-end, 760,000 common shares of the Corporation were issued on the exercise of 760,000 warrants for proceeds of $174,800.

SELECTED QUARTERLY INFORMATION

A summary of selected financial information for the previous eight quarters is presented below:

Three Months Ended	Net Revenues ($)	Net Income (Loss)	
		Total ($)	Basic and Diluted Income (Loss) Per Share[(1)] ($)
September 30, 2020	-	(13,925)	(0.01)
June 30, 2020	-	(20,884)	(0.01)
March 31, 2020	-	94,230	0.05
December 31, 2019	-	(5,281)	(0.00)
September 30, 2019	-	(133,769)	(0.10)
June 30, 2019	-	(7,165)	(0.00)
March 31, 2019	-	(14,073)	(0.01)
December 31, 2018	-	(1,685)	(0.00)

(1) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

LIQUIDITY AND CASH FLOW

At September 30, 2020, the Company had cash and cash in trust of $233,765 (September 30, 2019 - $7,491), and working capital of $84,762 (September 30, 2019 - working capital deficit of $241,538).

During the year, the Company had an increase in cash and cash in trust of $226,274 (2019 - $2,776). Cash used in operating activities was $145,896 compared to $4,568 in 2019. The increase is the result of corporate restructuring expenses and settling of various payables. During the year, the Company received $100,010 from the issuance of the Notes, and proceeds of $312,412 from the 2020 Offering.

CAPITAL RESOURCES

The Company relies upon various sources of funds for its ongoing operating and investing activities. These sources include proceeds from dispositions of investments, interest income from investments, capital raising activities such as private placement debt and equity financings, and corporate borrowings from the Company's bank and brokers.

Management recognizes the need for improved cash flow and liquidity for future operations and growth. Management closely monitors the Company's current cash position and the short-term and long-term cash requirements. The Company may be required to obtain additional funding to take advantage of the market opportunities. If additional funding is required, an issuance of common shares or debt will most likely be a component of the funding.

The Company's operations currently generate negative cash flow and may depend on equity sales or other means of financing to assist in financing its operations, cover administrative costs and finance growth. The ability of the Company to continue operations is dependent upon obtaining additional financing. The timing and ability to do so will depend on the liquidity of the financial markets as well as the acceptance of investors to small cap companies, in addition to the results of the Company's operation. There can be no guarantee that the Company will be able to secure any required financing.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this filing, 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, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

RELATED PARTY TRANSACTIONS

Related parties include officers of the Company, the board of directors, close family members, enterprises and others that the Company does not deal with at arm's length. The below noted transactions are in the normal course of business. The Company considers its directors and officers to be key management.

(i) During the year, the Company was charged $4,520 (2018 - $27,120) in monthly fees, and $2,825 in accounting services by CFO Advantage Inc., a company owned by Kyle Appleby, the Chief Financial Officer of the Company. In January 2020, the Company entered into an agreement to settle $95,740 of debt with CFO Advantage Inc. in exchange for $45,000, and terminated the monthly management agreement with CFO Advantage Inc. As at September 30 2020, $1,325 (September 30, 2019 - $91,220) is included in accounts payable and accrued liabilities for outstanding fees.

(ii) During the year, the Company was billed $45,887 (2019 - $6,340) by DLA Piper (Canada) LLP for legal expenses. Robbie Grossman is a partner of DLA Piper (Canada) LLP and an officer and director of the Company. Included in the September 30, 2020 accounts payable and accrued liabilities is $21,535 (2019 - $6,340) due to DLA Piper (Canada) LLP for legal fees and disbursements.

(iii) Pursuant to the Management Agreement the Manager was appointed the manager of the Company to provide management, investment, valuation and administrative services and facilities to the Company and be responsible for the day-to-day operations of the Company. Effective January 22, 2020, the Management Agreement was terminated.

(iv) As at September 30, 2020, $nil (September 30, 2019 - $14,434) was owed to Joshua Kornberg (a former director of the Company) for expenses paid on behalf of the Company.

(v) $20,000 principal amount of the Notes were issued to individuals (James Greig and Toby Pierce) who became directors of the Company subsequent to the issuance of the Notes.

(vi) Toby Pierce and James Greig, directors of the Company, each subscribed for 300,000 units under the 2020 Offering.

RISK FACTORS

An investment in the Company and the common shares should be considered highly speculative and investors should carefully consider all of the information disclosed in this MD&A prior to making an investment. In addition to the other information presented in this MD&A, the following risk factors should be given special consideration when evaluating an investment in the Company or the common shares.

The value of the shares of the Company will fluctuate based on the value of the Company's investment portfolio and general market conditions. There can be no assurance that shareholders will realize any gains from their investment in the Company and may lose their entire investment.

There is no assurance that the investment objectives of the Company will actually be achieved. The value of the shares of the Company will increase or decrease with the value of its investment portfolio and general economic conditions beyond the control of the Company's management, including the level of interest rates, corporate earnings, economic activity, the value of the Canadian dollar and other factors.

Investments made by the Company may lack liquidity.

Due to market conditions beyond its control, including investor demand, resale restrictions, general market trends and regulatory restrictions, the Company may not be able to liquidate investments, including its investments and any other target companies without a listed market for their securities, when it would otherwise desire to do so in order to operate in accordance with its investment policy and strategy. Such lack of liquidity could have a material adverse effect on the value of the Company's investments and, consequently, the value of the shares of the Company.

There is no guarantee that the Company will be able to reduce its investment risk by diversifying its investment portfolio. Expenses incurred by the Company may exceed any gains realized by the Company on its investments.

The Company intends to participate in a limited number of investments and, as a consequence, the aggregate returns realized by the Company may be substantially and adversely affected by the unfavourable performance of even a single investment. Accordingly, there can be no assurance that the Company will be able to reduce its investment risk by diversifying its portfolio. The resulting lack of diversification may adversely impact the ability of the Company to achieve its desired investment returns.

The long–term viability for the Company will depend, in part, on its ability to raise additional investment capital.

If the Company is unable to raise additional investment capital either through investment returns or new financing through securities offerings, then it will be limited in its ability to fulfill its investment objectives. This may adversely affect its long–term viability. To raise additional capital, the Company may have to issue additional shares which may dilute the interests of existing shareholders.

The Company faces competition from other capital providers and there can be no assurance that suitable investments will be found.

The Company faces competition from other capital providers, all of which compete for investment opportunities. These competitors may limit the Company's opportunities to acquire interests in investments that are attractive to the Company. The Company may be required to invest otherwise than in accordance with its investment policy and strategy in order to meet its investment objectives. If the Company is required to invest other than in accordance with its investment policy and strategy, its ability to achieve its desired rates of return on its investments may be adversely affected.

The Company will be dependent on attracting key personnel.

The Company's success will depend on its ability to attract and retain its key personnel. The inability of the Company to retain its directors or officers, as a result of volatility or lack of positive performance in the Company's stock price, may adversely affect the Company's ability to carry out its business.

Shareholders will be required to rely on the Company to conduct the business of the Company. The services provided by the Directors will not be exclusive to the Company and conflicts of interest may arise in the ordinary course of business.

Shareholders will be required to rely on the business judgment, expertise and integrity of the directors and officers of the Company. The Company must rely substantially upon the knowledge and expertise of its directors and officers in entering into any investment agreement or investment arrangements, in determining the composition of the Company's investment portfolio, and in determining when and whether to dispose of securities owned by the Company. The death or disability of any of the Company's directors and officers could adversely affect the ability of the Company to achieve its objectives.

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company, but will be devoting such time as may be required to effectively manage the Company. Certain of the directors and officers of the Company are engaged and will continue to be engaged in the search for investments for themselves and on behalf of others, including other private and public corporations. Accordingly, conflicts of interest may arise from time to time. Any conflicts will be subject to the procedures and remedies under the *Business Corporations Act (Ontario)*.

Shareholders may face dilution in the event of the issuance of additional securities.

The Company is authorized to issue an unlimited number of shares. In order to fund further investments, the Company may have to issue additional securities including, but not limited to common shares, or some form of convertible security, the effect of which will result in a dilution of the equity interest of any existing shareholders.

The Company is not required to pay dividends.

To date, the Company has not paid dividends on any of its shares and the Company does not intend, and is not required, to pay any dividends on its shares in the foreseeable future. Any decision to pay dividends will be made on the basis of the Company's earnings, financial requirements and other conditions.

The market price of securities of the Company may be volatile.

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market price of securities of many junior companies have experienced wide fluctuations in price. The market price of the shares may be volatile and could be subject to wide fluctuations due to a number of factors. Broad market fluctuations, as well as economic conditions generally and in the healthcare industry specifically, may adversely affect the market price of the shares.

Loss of Foreign Private Issuer Status.

If the Company lost its status as a foreign private issuer, the Company could, subject to an exemption, be required to commence reporting on forms required of U.S. domestic companies, such as Forms 10-K, 10-Q and 8-K. It could also become subject to U.S. proxy rules, and certain holders of its equity securities could become subject to the insider reporting and "short swing" profit rules under Section 16 of the Securities Exchange Act of 1934, as amended. In addition, any securities issued by the Company if it lost foreign private issuer status would become subject to certain rules and restrictions under the Securities Act of 1933, as amended, even if they are issued or resold outside the United States. Compliance with the additional disclosure, compliance and timing requirements under these securities laws would likely result in increased expenses and would require the Company's management to devote substantial time and resources to comply with new regulatory requirements.

Investments in early-stage companies.

The investments by the Company in the future may, expose the Company to the risks inherent with an investment in early-stage companies. Each of the investment is, and any other investment that the Company may invest in may be, an early-stage company whose products and technologies: are under development; will require further investment; are without a substantial market; are dependent on acceptance by the marketplace of new technologies and products; and face competition from other companies, many of which have greater financial, marketing, technological and personnel resources.

Minority interest in investment companies.

The Company will often hold a minority interest in companies, and may hold minority interests in any future companies and will have a limited ability to influence management of such companies with respect to: business and financial decisions; the issuance of additional securities; and the issue price for additional securities.

COVID-19

In addition, the outbreak of the novel strain of corona virus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

RECENT ACCOUNTING PRONOUNCEMENTS

The following new and amended IFRS standards have been adopted as at October 1, 2019. The adoption of these standards did not have a retrospective impact on any financial statement balances as at that date.

IFRS 16 – Leases – The standard was issued by the IASB on January 13, 2016, and will replace IAS 17, “Leases”. IFRS 16 will bring most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and financing leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. The new standard is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted if IFRS 15 has also been applied. The application of this new IFRS standard has had no impact on the Company's financial statements as it had no leases in place.

In December 2017, the IASB published Annual Improvements to IFRS Standards 2015–2017 Cycle, containing the following amendments to IFRS. These amendments were effective for annual periods beginning on or after January 1, 2019.

IFRS 3 - Business Combinations and IFRS 11 - Joint Arrangements – The amendments to IFRS 3clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

IAS 12 - Income Taxes – The amendments clarify that the requirements in the former paragraph 52B (to recognize the income tax consequences of dividends where the transactions or events that generated distributable profits are recognized) apply to all income tax consequences of dividends by moving the paragraph away from paragraph 52A that only deals with situations where there are different tax rates for distributed and undistributed profits.

IAS 23 - Borrowing Costs – The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. Amendments to Share-based Payment (“IFRS 2”).

The application of these amended IFRS standards has had no impact on the Company's financial statements.

IAS 1, Presentation of Financial Statements

In January 2020, the IASB issued amendments to IAS 1, Presentation of Financial Statements to clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and is unaffected by expectations about whether or not an entity will exercise their right to defer settlement of a liability. The amendments further clarify that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively. The Company is currently evaluating the impact of these amendments on its financial statements and will apply the amendments from the effective date.

Financial Instruments

(a) Credit Risk:

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and cash equivalents and accounts receivable. Cash and cash equivalents are held with a major Canadian chartered bank, from which management believes the risk of loss to be minimal.

(b) Interest Rate Risk:

The Company is not exposed to any significant interest rate risk.

(c) Liquidity Risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash and cash equivalents. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(d) Capital Management:

The Company's capital currently consists of common shares. Its principal source of cash is from the issuance of common shares. The Company's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets. The Company does not have any externally imposed capital requirements to which it is subject. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

(e) Currency Risk:

The Company's functional currency is the Canadian dollar and all major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk is negligible and therefore does not hedge its foreign exchange risk. The Company does not hold material balances in foreign currencies to give rise to exposure to foreign exchange risk.

CAPITAL MANAGEMENT

The Company's capital currently consists of common shares. Its principal source of cash is from the issuance of common shares. The Company's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than that of the TSXV which requires adequate working capital or financial resources of the greater of (i) $50,000, and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of the date hereof, management believes it is compliant with the policies of the TSXV. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

SHARE CAPITAL

As of the date of this MD&A, the Company had 10,782,358 issued and outstanding common shares. In addition, the Company had common share purchase warrants outstanding exercisable for 3,065,621 common shares, and incentive stock options outstanding exercisable for 31,696 common shares. Therefore, the Company had 13,879,675 common shares on a fully diluted basis.