PROJECT ONE RESOURCES LTD

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS

AND RESULTS OF OPERATIONS

FOR THE THREE- AND TWELVE-MONTH PERIODS ENDED AUGUST 31, 2020

The following is management's discussion and analysis ("MD&A") of the financial condition and results of operations of Project One Resources Ltd. (the "Company") for the three- and twelve-month periods ended August 31, 2020. This MD&A should be read in conjunction with the Company's audited financial statements and the related notes contained therein for the years ended August 31, 2020 and 2019 (the "Financial Statements"). The Financial Statements summarize the financial impact of the Company's financings, investments, and operations. The accompanying Financial Statements and related notes are presented in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Please refer to the *Cautionary Notices Regarding Forward Looking Statements* in this MD&A, especially regarding forward looking statements. All figures are in Canadian dollars unless otherwise stated.

This MD&A has been reviewed by the Company's Audit Committee and approved and authorized for issue by the Company's Board of Directors on December 22, 2020. The information contained within this MD&A is current to the same date.

Cautionary Notices Regarding Forward Looking Statements

While the Company believes that the assumptions underlying any forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this document. The Company disclaims any intention or obligation to update or revise any forward-looking statement, whether it should be revised because of new information, future events or otherwise, unless required to do so by the applicable securities laws.

OVERVIEW

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. The impact of the COVID-19 pandemic has major implications for all economic activity, including that of the Company.

At this time, it is not possible to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business but believes that the COVID-19 Pandemic will likely have only a minimal impact on the Company's activities, most notably in curtailment of travel and access to projects due to travel and social distancing restrictions. There is no material disruption to the Company's current operations.

The Company was incorporated on March 22, 2018 in the Province of British Columbia, Canada by registration of its Incorporation Application and Notice of Articles pursuant to the BC Act. The Company's business and registered office address is located at Suite 1710–1177 West Hastings Street, Vancouver, British Columbia, V6E 2L3.

The Company's common shares trade on the Canadian Stock Exchange ("CSE") under the symbol PJO.

The Company's primary business to date has been to identify, explore and develop opportunities in the resource sector through acquisition or joint venture. The Company's current property is the Christa-Aura Property (the "Property") situated in the New Westminster Mining Division in South Western British

Columbia. The Company's objective is to explore and develop the property which consists of four map staked mineral claims comprising 1,950,5059 hectares.

During 2020, management has been assessing various other business opportunities besides mining, including the cybersecurity industry. At the present time, the Company is examining one particular acquisition opportunity and, if acceptable, would intend to submit a change of business application to the Canadian Securities Exchange.

History and Description of the Company

Since incorporation, the Company has undertaken steps to develop its business, including, recruiting directors and officers with the skills required to operate a public company. During 2018, the Company entered into a Mineral Property Purchase Agreement to acquire the Property for shares, raised sufficient capital to commence initial exploration on the Property, engaged Carl von Einsiedel, P.Geo. to prepare a qualifying Technical Report, and engaged an agent to assist in obtaining a listing on the CSE.

Based on the results published by Noranda and Longacre, the Company acquired the Project in March of 2018 and completed a follow up program designed to assess the potential for discovery of additional mineralized breccia zones, consisting of airborne magnetic and radiometric surveys, satellite image analysis, digital elevation modelling and a systematic evaluation of available stream, soil, and rock geochemical data for the project area.

On August 28, 2018, the Company raised $174,500 through the issuance of 3,290,000 common shares at $0.05 per share.

The Company completed an initial exploration program consisting of airborne magnetic and radiometric surveys, satellite image analysis and digital elevation modelling and a systematic evaluation of available stream, soil, and rock geochemical data for the project area. The total cost of this exploration program was $81,597.

On June 12, 2019, the Company closed a public offering and raised $400,000 in gross proceeds through the issuance of 4,000,000 common shares at a price of $0.10 per share. At the same time, the Company's common shares began trading on the CSE.

After the closing of the public offering, the Company contracted with Ram Explorations to carry out the next phase of exploration work. This was completed during July through September of 2019 at a cost of $105,295.

These funds were expended as follows:

Project planning and evaluation of GIS data sets required for field operations	$5,200
Field operations	$72,887
Sample analysis	$10,032
Data interpretation and technical reporting	$12,163

Exploration Work Completed to date

Results of the exploration programs to date were encouraging. The 2018 airborne geophysical survey identified a cluster of three high priority target areas centred approximately 1.5 kilometers north of the Noranda Target and identified a series of magnetic lineaments interpreted as possible structurally controlled mineralization localized at or near the bedrock - overburden interface approximately 2.5 kilometers west of the Noranda Target. Satellite imaging and alteration analysis and results of the compilation studies show that the cluster of new targets to the north of the Noranda target are overburden covered but are localized upslope of a strong "gold in stream" anomaly reported by the BCGS. The series of magnetic lineaments reported to the west of the Noranda Target exhibit sericite – illite alteration responses in satellite imagery and are localized along the projected extension of a northwest trending series of precious and base metal, vein type occurrences (reported by the BCGS Minfile database) located on mineral tenures controlled by unrelated third parties.

The field program results confirmed the initial anomalies with positive results from soil sampling. The program was designed to follow up on the encouraging results of a 2018 aeromagnetic survey completed on the property and which were detailed in the Company's Technical Report dated July 15, 2018. A compilation of the historic 3D IP geophysical and the recent aeromagnetic survey indicated that there is an anomaly coincident with the Noranda showing, a mineralized quartz-breccia zone discovered by Noranda in 1988.

A total of 420 soil samples were collected over three new grids that overlay the three priority geophysics targets that are in the central portion of the property. Sample lines were separated by 50 metres with samples being taken every 25 metres on each line. Two of the grids returned anomalous gold values in excess of 15 ppb. The most significant anomaly was identified in the southern part of the three target areas and consists of an east west trending response that was traced for 300 meters with gold values ranging from 15 to 66 ppb and is open to both the east and west.

This new target lies approximately one kilometer north of the Noranda showing. The target area is heavily forested and will require prospecting and geological mapping as neither of those have been performed through these new target areas. Extension of the soil grids would also be important in determining the potential extent of the mineralization.

The soil samples from the 2019 field program were packaged in sealed plastic bags and transported to the ALS Global assay facility in North Vancouver and were analyzed by standard fire assay (AuAA23) and multi-element trace metal analysis (ME-ICP41).

Follow up IP surveys and drilling would be warranted however the costs of these programs cannot be estimated at this stage. This type of follow up work will require permitting through the Ministry of Mines and consultation with affected First Nations.

Mineral Activities during fiscal year 2019/2020

Due to required permitting and additional extensive financing needed for any ongoing major exploration work on the Aura property, the Company has attempted to identify other project opportunities, both mineral properties and other business entities that could be acquired. The advent of COVID-19 in early 2020, slowed activities considerably.

Corporate Update

- In June 2020, the Company announced that it had concluded a share for debt transaction with two officers and directors to convert $49,375 in accounts payable and loans outstanding to common shares at a price of $0.18 for a total of 308,593 shares.

--On June 2, 2020, Charles Clark joined the Company's Board of Directors. Charles began his career as an Officer in the British Army where he saw active service in Northern Ireland and Iraq. He then spent 13 years as an investment banker at Panmure Gordon. Following that, he founded Rosslyn Data Technologies where he oversaw a successful IPO and its first two acquisitions. Since completing activities at Rosslyn, he has focused on cyber security and founded Darkbeam and invested in and advised several others.

-In June 2020, the Company announced it had allocated 800,000 stock options to directors and officers at an exercise price of $0.19 and good until June 2025.

- The Company announced on July 7, 2020 that it had entered negotiations to acquire a 100% interest in two value added Cyber Security distributor companies based in Europe. On August 12, the Company announced that it had advanced the process to the point of signing a non-binding Letter of Intent.

As a component of the Due Diligence process, the Company retained the services of Albany Investment, a UK investment advisory firm. Albany has assisted the Company in its Due Diligence procedures. If these are successful, Albany will work with the Company to raise equity and debt and assist in M&A issues on an ongoing basis.

Completion of the transaction is subject to, among other matters, the completion of due diligence, the negotiation of a definitive share purchase agreement providing for the transaction, satisfaction of the conditions negotiated therein and approval of the transaction by the Company's stockholders. There can be no assurance that a definitive agreement will be entered into or that the proposed transaction will be consummated.

- In July 2020, the Company concluded a share for debt transaction with two directors for a total of $45,450 which was converted to 252,500 shares in the announced private placement transaction.

-On August 4, 2020, the Company announced that it had closed an oversubscribed non-brokered private placement of 3,578,056 units at a price of $0.18 per unit for aggregate gross proceeds of $644,050. Each unit comprised one Project One common share and one warrant, with each warrant entitling the holder thereof to acquire one Project One common share at a price of $0.30 for a period of 12 months from the date of closing. The warrants will provide for an accelerated expiry in the event that the shares of the issuer are trading at a price of $0.50 or greater for 20 consecutive trading days.

Subsequent to August 31, 2020

-On September 17,2020, the Company announced that it had formed an Advisory Board to be comprised of various industry experts who would assist the company with its potential activities and acquisitions. The two initial appointees were Antoine Karam and John Devlin.

-Antoine Karam has a wealth and breadth of experience in the cybersecurity sector having been an Executive Board member of the vendor of the two entities currently being reviewed and also Chairman of Cyber1, a UK/NASDAQ company in a similar space and strategy. He is highly effective in cross border, multi-cultural environments while navigating the increasing complexity of this increasingly regulated, fast moving market.

-John Devlin has deep experience with running the financial functions in fast moving dynamic international operations. During his tenure as Finance Director at QVC (UK) (the shopping channel), he took on the responsibilities of the other European regions transforming the profitability of low margin businesses across the territory. Prior to that he worked at Gucci and other resellers/distributors and retailers.

-On September 17, 2020, the Company announced that it had allocated a total of 450,000 stock options to consultants and advisory board members at a price of $0.50 and good for 5 years.

-On September 10, 2020, the Company retained Banks Cooper Associates of Hull, UK to assist in undertaking financial due diligence of the two cybersecurity potential acquisitions currently being reviewed.

-In addition, on September 10, 2020, the Company retained McMillan LLP of Toronto to oversee all required European legal due diligence regarding the potential acquisitions. The contemplated transaction would involve a senior financing as well as additional Board of Directors members being appointed.

-On November 12, 2020, the Company announced that it had successfully completed its due diligence regarding the two potential acquisitions and is now working with several investment banking groups to determine sources of funding for both equity and debt.

-As at December 22,2020 the Company continues with its funding activities regarding its potential acquisitions and once successfully completed, plans to conclude a formal Share Purchase Agreement with the vendor.

OVERALL PERFORMANCE

Summary of Quarterly Reports

Since incorporation, the Company has been exploring and acquiring the Property. The loss incurred each quarter relates to the expenditures incurred in maintaining the operations of the Company and indirect cost in supporting the Company's activities.

Results for the most recent quarters ending with the last quarter for the period ended August 31, 2020:

For the three-month period ending	August 31, 2020	May 31, 2020	February 28, 2020	November 30, 2019	August 31, 2019
Revenue	$nil	$nil	$nil	$nil	$nil
Operating expenses	$310,063	$16,392	$19,952	$60,727	$111,542
Net loss and comprehensive loss	$310,063	$16,392	$19,952	$60,727	$111,542
Basic and diluted loss per share	$0.022	$0.002	$0.002	$0.006	$0.02
Total assets	$633,353	$140,191	$315,190	$344,676	$221,387
Total non-current financial liabilities	$nil	$nil	$nil	$nil	$nil

For the three-month period ending	May 31, 2019	February 28, 2019	November 30, 2018
Revenue	$nil	$nil	$nil
Operating expenses	$27,550	$5,128	$38,964
Net loss	$27,550	$5,128	$43,964
Basic and diluted loss per share	$0.00	$0.00	$0.06
Total assets	$47,110	$58,248	$74,354
Total non-current financial liabilities	$nil	$nil	$nil

Selected Annual Information

The selected annual information set out below has been derived from and should be read in conjunction with the Financial Statements.

	Year ended August 31, 2020	Year ended August 31, 2019
Revenue	$nil	$nil
Operating expenses	$363,092	$183,184
Net loss and comprehensive loss	$407,134	$183,184
Basic and diluted loss per share	$0.02	$0.03
Total assets	$633,353	$221,387
Total non-current financial liabilities	$nil	$nil

Three-month period ended August 31, 2020 compared to three months ended August 31, 2019

General and administration ("G&A") expenses are costs associated with the Company's corporate office and other expenditures that are not directly attributable to the Company's exploration project and include due diligence related costs regarding potential acquisitions.

For the three months ended August 31, 2020, G&A expenses totalled $310,063 (2019 - $31,317), an increase of $278,746. Major cost additions were for consulting fees, shareholder promotion costs, share-based payments and legal fees.

Rent expense during the period was $nil as compared to $2,000 in the 2019 comparable period, legal and accounting costs were $41,305 as compared to $10,511, consulting fees totalled $84,966 as compared to $4,000, website design costs were $nil as compared to $49, and bank service charges amounted to $148 as compared to $467.

CSE related fees totalled $9,137 as compared to $3,906 in the 2019 comparable period which included the initial listing and IPO activities. Shareholder promotion costs were $31,625 as compared to $nil in the 2019 comparable period-primarily related to costs for social media and the private placement (“PP”) transaction.

Twelve-month period ended August 31, 2020 compared to the twelve months ended August 31, 2019

G&A expenses are costs include expenditures that are not attributable to the Company’s mining exploration project and include due diligence related costs regarding potential non-mineral acquisitions.

For the twelve months ended August 31, 2020, G&A expenses totalled $363,092 (2019 $183,184), an increase of $179,908. Major cost additions were for consulting fees, shareholder promotion costs and legal fees.

Rent expense during the period was $1,500 as compared to $6,500 in the 2019 comparable period, legal and accounting costs were $52,241 as compared to $46,124, consulting fees totalled $133,466 as compared to $21,160, website design costs were $3,500 as compared to $1,195, and bank service charges amounted to $773 as compared to $609.

CSE related fees totalled $23,350 as compared to $23,168 in 2019 which included the initial listing and IPO activities. Shareholder promotion costs were $33,782 as compared to $291 in the 2019 comparable period-primarily related to costs for social media and the private placement transaction. Transfer agent costs during the year totalled $5,542.

Total property related exploration recoveries were $13,667 during the year.

Results of Operations

The Company anticipates that, for the foreseeable future, quarterly results of any mineral exploration operations will primarily be impacted by several factors, including the timing of exploration and the efforts and timing of expenditures related to the development of the Company. Due to fluctuations in these factors, the Company believes that the period-to-period comparisons of mineral exploration operating results are not a good indication of its future performance.

Management continues to pursue other business opportunities.

Revenues

As a mining exploration company, the Company does not generate any income, and must finance its activities through the issuance of equity instruments.

During the fiscal year ended August 31, 2020, the Company incurred a net loss and comprehensive loss of $407,134 compared to a loss of $183,184 for the twelve-month period ended August 31, 2019. The loss for the fiscal year ended August 31, 2020 is primarily the result of increased consulting fees related to third party due diligence costs regarding analysis of potential acquisition candidates. Management fees for directors and officers accounted for $105,000 of these consulting costs and expenditures. Share-based payment of $125,700 related to stock options issued to officers and consultants. Promotion costs related to the July 2020 private placement transaction were higher than normal due to website enhancement and social media activities.

Liquidity and Capital Resources

Funds raised during the year have been used for corporate development, potential acquisition due diligence costs and general working capital purposes. Cash and cash equivalents as of August 31, 2020, totaled $597,959 as compared to $171,337 as at the previous fiscal year end of August 31, 2019.

Advanced exploration of the Aura mineral property will require additional financial resources. There is no assurance that such financing will be available when required, or under terms that are favourable to the Company.

The Company will continue to pursue opportunities to raise additional capital through equity markets to fund its two potential cybersecurity acquisitions and other future activities; however, there can be no assurance that such financing will be available on a timely basis and under terms which are acceptable to the Company

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

At the Report Date, the Company continues to be engaged in concluding financial commitments regarding two potential cybersecurity acquisitions in Europe. Details regarding these entities are elaborated upon in the Corporate Update section above. All material transactions including those completed after the financial statement date are fully disclosed in the Financial Statements for the year ended August 31, 2020 and in this document.

Contractual Obligations

The Company has no material and long-term contractual obligations other than employment contracts in place with Ron Shenton, Charles Clark and Brian Roberts.

Significant Accounting Policies and Estimates

The preparation of financial statements requires management to establish accounting policies, estimates and assumptions that affect the timing and reported amounts of assets, liabilities revenues and expenses. These estimates are based on historical experience and on various other assumptions that management believes to be reasonable under the circumstances and require judgment on matters which are inherently uncertain. Details of the Company's significant accounting policies can be found in Note 3 of the Financial Statements.

New Accounting Standards

The Company is aware of certain new accounting standards which are reasonably expected to have an impact on disclosures, financial position or performance when applied at a future date. Details of these changes can be found in Note 3 of the Financial Statements.

Outstanding Share Data

As at August 31, 2020 there were 13,924,777 common shares issued and outstanding.

A total of 800,000 stock options were granted during the fiscal year ended August 31, 2020.

During the year, the Company issued a total of 3,578,056 common shares in conjunction with a private placement transaction and paid Haywood Securities 33,600 common shares in compensation for certain PP investor introductions. The PP transaction also provided for a total of 3,611,656 warrants which allow PP participants to acquire one additional common share at a price of $0.30 for a period of one year after closing of the PP transaction.

During the year, a total of 561,094 shares were issued to directors and officers in exchange for debts owing to each by the Company.

In addition, 166,250 compensation warrants issued to Haywood Securities remain outstanding and which expire on June 11, 2021 with an exercise price of $0.10 per share purchase warrant.

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties.

During the fiscal year period ended August 31, 2020, related party transactions comprised the following:

(a) Consulting fees paid to Ron Shenton of $43,500 (through 475175 BC Ltd)
(b) Consulting fees paid to Brian Roberts of $25,500 (through 343984 BC Ltd)
(c) Consulting fees paid to Charles Clark of $42,000 (through Data of Things)
(d) Provision of a $20,000 working capital loan from Ron Shenton on April 10, 2019, of which there was a balance owing of $10,000 when it was converted to common shares in June 2020 as a part of a share for debt transaction. The transaction totalled 308,594 shares and were issued to two directors in exchange for unpaid consulting fees and a loan outstanding.

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its activities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital, and cash.

The Company will continue to assess new sources of financing available and to manage its expenditures to reflect current financial resources in the interest of sustaining long term viability. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital management objectives, policies and processes have not changed over the period presented. The Company is not subject to any externally imposed capital requirements.

Adoption of New and Amended IRFS Pronouncements

The Company has consistently applied the accounting policies and the significant judgments, estimates and assumptions set out in Notes 2 and 3 of the Company's audited financial statements for the year ended August 31, 2020 to all the periods presented in these annual financial statements.

RISKS

The Company is subject to risks inherent in the mineral exploration business and all other potential business activities as well as general economic and business conditions. For more information on the Company, readers should review the Company's disclosure that is available on the Company's website at www.P1R.ca as well as at www.sedar.com

Currency Risk

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

Interest Rate Risk

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

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. To minimize the credit risk, the Company would intend to place these instruments with a high-quality financial institution.

Liquidity Risk

ln the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility using borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's operations.

Exploration Stage Mineral Exploration Risks

Exploration stage mineral exploration companies face a variety of risks with very few exploration projects successfully achieving development stage due to factors that cannot be predicted or anticipated. Even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed.

Additional Disclosure for Junior Companies

The Company expects that the proceeds raised in July 2020 pursuant to the private placement offering will continue to fund operations through 2021.The estimated total general and administrative costs necessary for the Company to achieve its stated business objectives during the following 12 months is $330,000 and includes ongoing due diligence costs related to potential acquisition candidates.