

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following Management's Discussion and Analysis ("**MD&A**") of the operating results and financial position of the Company should be read in conjunction with the audited financial statements and related notes for the year ended September 30, 2019. The financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"). Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars. The effective date of this MD&A is **February 28, 2020**.

### **Business Overview**

The Company was incorporated in the province of British Columbia on December 11, 2017. Its principal business comprises the exploration for and development of mineral properties. The Company is in the exploration stage.

On July 20, 2019, the Company completed its initial public offering and listed on the Canadian Securities Exchange ("**CSE**") under the symbol "**WAL**".

The head office and principal address of the Company is located at 1315 Moody Avenue, North Vancouver, BC V7L 3T5.

### **Cobalt Hill Property**

Pursuant to an option agreement (the "**Agreement**") dated February 5, 2018 and Amended April 25, 2019, the Company was granted an option to acquire a 100% undivided interest in certain Cobalt Hill mineral claims (the "**Property**") located in the Trail Creek Mining Division in British Columbia.

In accordance with the Agreement, as amended, the Company has the option to acquire a 100% undivided interest in the Property by making cash payments totaling \$355,000, and issuing a total of 1,100,000 common shares of the Company as follows:

- Upon signing the Agreement – 200,000 common shares (estimated at \$10,000 using a share price of \$0.05 and issued on September 2, 2018) and \$35,000 in cash (paid);
- On or before February 5, 2019 - 200,000 common shares (issued) and \$40,000 in cash (paid);
- On or before February 5, 2020 - 300,000 common shares (issued);
- On or before August 5, 2020 - \$80,000 in cash; and
- On or before February 5, 2021 - 400,000 common shares and \$200,000 in cash.

The optionor will retain a 1.5% Net Smelter Returns royalty on the Property.

The following is a summary of exploration and evaluations costs incurred during the period ended December 31, 2019:

	Acquisition					
	Acquisition Costs / Property Option Cash Payments	Costs / Property Option Payment in Shares	Exploration Cost / Preparation of Technical Report	Exploration Cost / Field Geophysical	Exploration Cost / Prospecting	Total
Balance, September 30, 2019	75,000	20,000 <sup>1</sup>	25,872	59,602	1,050	181,524
Acquisition and exploration costs			3,676		-	3,676
<b>Balance, December 31, 2019</b>	<b>75,000</b>	<b>20,000</b>	<b>29,548</b>	<b>59,602</b>	<b>1,050</b>	<b>185,200</b>

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<sup>1</sup>200,000 shares valued at \$0.05 per share

## Overall Performance and Results of Operations

The following table summarizes selected information from the Company's audited financial statements for the period from incorporation to September 30, 2019.

### Selected Annual Information

	For the 3 month period ended December 31, 2019 (unaudited)	For the 12 month period ended September 30, 2019 (audited)
Net revenues	Nil	Nil
Listing Fees	(5,305)	(\$76,514)
Professional Fees	(7,932)	(\$24,395)
Marketing and Promotion	(3,485)	(\$19,700)
Management and Consulting	(10,500)	(\$6,688)
General and administration expenses	(1,839)	(\$1,800)
Loss for the period	(\$29,061)	(\$129,097)
Deficit	Nil	(\$149,530)
Acquisition Costs/ Property Option Cash Payments	Nil	40,000
Acquisition Costs/ Property Option Payment in Shares	Nil	10,000 <sup>1</sup>
Exploration Cost / Preparation of Technical Report	Nil	Nil
Exploration Cost / Field Geophysical	3,676	8,040
Exploration Cost / Prospecting	Nil	Nil
Total assets	\$162,927	\$383,373
Total long term liabilities	Nil	Nil
Dividends	Nil	Nil
Loss per share	(\$0.00)	(\$0.01)

1 200,000 shares valued at \$0.05 per share

### Overall Performance

During the period ended December 31, 2017, a total of 2,000,000 Common Shares at \$0.005 per Common Share for gross proceeds of \$10,000 were subscribed for by the directors and officers of the Company, allowing the Company to effectively commence operations.

On January 22, 2018, the Company issued 6,750,000 flow-through Common Shares at \$0.02 per flow-through Common Share for gross proceeds of \$76,000.

On February 5, 2018, the Company entered into the Option Agreement whereby the Company was granted an option to acquire a 100% right, title and interest in and to certain Cobalt Hill mineral claims (the "Property"). The option is exercisable by paying a total of \$355,000 over a period of three years from the date of the signing of the Option Agreement and issuing a total of 1,100,000 Common Shares to the Vendors over a period of three years from the date of the signing of the Option Agreement.

On February 15, 2018, the Company issued 2,220,000 Common Shares at \$0.05 per Common share for gross proceeds of \$111,000. The share issuances were used primarily to fund initial exploration activities as well as general corporate and administrative costs.

On July 30, 2019, the Company completed its initial public offering (the "Offering"). Pursuant to the Offering, the Company issued in aggregate 3,500,000 common shares at \$0.10 per common share for gross proceed of \$350,000. The Company issued 315,000 finders' warrants with an exercise price of \$0.15 to the agent.

During the period from incorporation in December 2017 to December 31, 2019, the company initiated certain exploration activities on the Property, spending \$90,200 which was capitalized by the Company.

The components of expensed exploration costs are described above in the Cobalt Hill Property section and in the accompanying audited financial statements of the Company.

#### Results of Operations

The Company incurred a loss of \$29,061 during the three month period ended December 31, 2019 due to expense incurred by the Company as follows:

<b>Expense</b>	<b>Amount (\$)</b>
Listing Fees	5,305
Professional Fees	7,932
Marketing and Promotion	3,485
Management and Consulting	10,500
Office and Miscellaneous	1,839

### Summary of Quarterly Results

Selected information derived from the Company's unaudited interim financial statements for the past four quarters is as follows:

	Three Months Ended Dec. 31, 2019	Three Months Ended Sept. 30, 2019	Three Months Ended June 30, 2019	Three Months Ended March 31, 2019	Three Months Ended Dec. 31, 2018	Three Months Ended Sept. 30, 2018	Three Months Ended June 30, 2018	Three Months Ended March 31, 2018	Incorp to Dec 31, 2017
<b>Total Revenues</b>	-	-	-	-	-	-	-	-	-
<b>Net (loss) income and comprehensive (loss) income</b>	(29,061)	(73,235)	(9,862)	(17,241)	(28,759)	-	(19,569)	-	-
<b>Total assets</b>	162,927	383,373	192,388	186,697	177,151	203,432	220,107	-	-
<b>Working Capital Deficit</b>	158,306	194,273	(36,979)	(31,330)	49,192	58,883	9,741	-	-
<b>Long-term liabilities</b>	-	-	-	-	-	-	-	-	-
<b>Net loss per share – basic and diluted</b>	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

### Liquidity and Capital Resources

The net working capital of the Company at December 31, 2019 amounted to \$158,306 (December, 2018: \$49,192). The Company does not have any cash flow from operations due to the fact that it is an exploration stage company and therefore financings have been the sole source of funds.

The Company's current assets are not sufficient to support the company's general administrative and corporate operating requirements on an ongoing basis for the foreseeable future. Accordingly, further financing will be required and the Company will have to raise additional funds to continue its operations. Please see Overall Performance section with respect to the Company's financing plans.

### *Liquidity Outlook*

The Company's cash position is highly dependent on its ability to raise cash through financings.

Based on the Company's financial position as at December 31, 2019, the Company will need to complete additional external financing either through equity, debt or other forms of financing. As other opportunities become available to the Company and subject to exploration work on the Company's project and results from such exploration program is determined, management may be required to complete additional financing.

This outlook is based on the Company's current financial position and is subject to change if opportunities become available based on exploration program results and/or external opportunities. At present, the Company's operations do not generate cash inflows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

In order to finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company will need to raise funds through equity sales, from the exercise of convertible securities, debt, deferral of payments to related parties, or other forms of raising capital. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the short and long term, but recognizes that there will be risks involved which may be beyond its control.

### Going Concern

The Company's consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations, and realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred losses since inception, has no recurring source of revenue and, as at December 31, 2019, had an accumulated deficit of \$178,590 (December 31, 2018: \$49,192). These material uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company will need to raise sufficient funds as the Company's current assets are not sufficient to finance its operations and administrative expenses. The Company is evaluating financing options including, but not limited to, the issuance of additional equity and debt. The Company has no assurance that such financing will be available or be available on favourable terms. Factors that could affect the availability of financing include the Company's performance (as measured by numerous factors including the progress and results of its projects), the state of international debt and equity markets, investor perceptions and expectations and the global financial and metals markets.

The Company spent \$3,676 during the period ended December 31, 2019 on exploration activities on Cobalt Hill claims (December 31, 2018: \$78,484) which were capitalized. The funds spent on exploration activities were raised through share issuances as outlined above in Overall Performance.

The Company is required to make the scheduled payments of cash and shares detailed under the Cobalt Property Section in order to keep the property option in good standing.

#### Contractual Obligations

The Company is subject to certain contractual obligations associated with the Cobalt Hill Option Agreement as discussed above. The Company has no other material and long-term contractual obligations.

#### 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 2 of the audited financial statements for the period from incorporation to September 30, 2018 included in the Prospectus.

#### 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 4 of the audited financial statements for the twelve month period ended September 30, 2019.

#### 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 considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

During the three months ended December 31, 2019, the Company incurred \$10,500 (December 31, 2018: Nil) in key management personnel cost from related parties and no other related party transactions have been completed.

#### Off Balance Sheet Arrangements

The Company has no off balance sheet arrangements.

#### Financial Instruments

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### *Fair Value of Financial Instruments*

The Company's financial assets include cash and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's statement of financial position as at September 30, 2018 and 2019 are as follows:

	Fair Value Measurements Using			Total
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
	\$	\$	\$	\$
As at December 31, 2018:				
Cash	38,316	-	-	38,316
As at December 31, 2019:				
Cash	158,824	-	-	158,824

#### *Fair value*

The fair value of the Company's financial instruments approximates their carrying value as at December 31, 2019 because of the demand nature or short-term maturity of these instruments.

#### *Financial risk management objectives and policies*

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

### *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 risk, the Company places these instruments with a high quality financial institution.

### *Liquidity Risk*

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

### Outstanding Common Shares

As at February 28, 2020:

- the Company's share capital was comprised of 12,220,000 Common Shares. 3,677,475 of these shares are held in escrow;
- 700,000 shares remain issuable under the Option Agreement;
- 315,000 Share Purchase Warrants, priced at \$0.15 are outstanding and expire on July 30, 2021.