

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED JULY 31, 2019**

### **INTRODUCTION**

This Management Discussion and Analysis ("MD&A") provides a detailed analysis of the business of Leocor Ventures Inc. ("Leocor" or the "Company") and compares its financial results for the nine months ended July 31, 2019 to the nine months period ended July 31, 2018. This MD&A should be read in conjunction with the Company's condensed interim financial statements for the nine months ended July 31, 2019. The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars.

The Company's financial results are being reported in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB. Further details are included in Note 2 of the consolidated financial statements for the year ended October 31, 2018. This MD&A is dated September 28, 2019.

The following discussion contains forward-looking statements that involve numerous risks and uncertainties. Actual results of the Company could differ materially from those discussed in such forward- looking statements as a result of these risks and uncertainties, including those set forth in this prospectus under "*Forward-Looking Statements*" and under "*Risk Factors*".

During the period ended June 27, 2019 the Company completed its Initial Public Offering ("Offering") pursuant to a prospectus dated May 24, 2019 in which it issued an aggregate of 3,400,000 common shares of the Company at a purchase price of \$0.10 per common share. This generated aggregate gross proceeds of \$340,000.

PI Financial Corp. acted as Agent ("Agent") on a commercially reasonable efforts basis in respect of the Offering and received a cash commission, a corporate finance fee and 200,000 corporate finance warrants in consideration for its services. In addition, the Company issued 238,000 non-transferable agent's warrants to purchase common shares. Each warrant is exercisable for a period of two years from closing of the offering, at an exercise price of \$0.10 per common share.

Proceeds of the Offering will be applied to finance the Company's exploration work and for working capital purposes.

The Company received approval of its application to list its common shares on the Canadian Securities Exchange. Leocor's common shares were listed on the Exchange on June 18, 2019 and immediately halted pending closing of the Offering. The common shares commenced trading on the Exchange on June 21, 2019 under the trading symbol "LECR".

### **Overall Performance**

As stated above, Leocor was incorporated for the purpose of acquiring an interest in the Shotgun Property.

During the period from July 26, 2018 (incorporation) to October 31, 2018, Leocor conducted two non-brokered private placements: one for 10,000,000 common shares at \$0.02 per common share for aggregate proceeds of \$200,000; and the second for 4,000,000 common shares at \$0.05 per common share for aggregate proceeds of \$200,000. In addition, on October 9, 2018, Leocor entered into the Shotgun Option Agreement and pursuant thereto has the right to earn up to a 100% interest in the Shotgun Property. During the nine months ended July 31, 2019 Leocor issued 600,000 related to acquisition of the Shotgun Property.

Leocor recorded a loss of \$108,292 during the nine months period ended July 31, 2019.

### **Selected Financial Information and Additional Disclosure**

The following financial data for the period commencing July 26, 2018 (incorporation) to October 31, 2018 and during the nine months ended July 31, 2019 is derived from the Financial Statements and should be read in conjunction with the Financial Statements. There is no comparative financial data, since Leocor was incorporated on July 26, 2018.

	<b>Nine months ended July 30, 2019 (Unaudited)</b>	<b>Period Ended Oct 31, 2018 (Audited)</b>
Total revenue	Nil	Nil
Loss from operations	\$108,292	\$27,003
Loss per share – basic (cents per share)	\$0.007	\$0.01
Loss per share – diluted (cents per share)	\$0.007	\$0.01
Total assets	\$608,790	\$416,815
Total current liabilities	\$30,638	\$13,818
Total non-current financial liabilities	Nil	Nil
Cash dividends declared (cents per share) .	Nil	Nil

As an IPO venture issuer with no revenue from operations, the Company makes the following additional disclosure in accordance with Section 8.6 of Form 41-101F1 – *Information Required in a Prospectus*.

	<b>Nine months ended July 31, 2019</b>	<b>Period Ended October 31, 2018</b>
Exploration and evaluation assets or expenditures	\$81,600	\$75,000
Expensed research and development costs	\$nil	\$nil
Intangible assets arising from development	\$nil	\$nil
General and administrative expenses	\$25,485	\$27,003
Other material costs	Nil	Nil

## Results of Operations and Quarterly Results

	<b>Three months ended July 31, 2019</b>	<b>Three months ended April 30, 2019</b>	<b>Three months ended January 31, 2019</b>
Audit fee	\$ 4,500	\$ 6,500	\$ -
Filing fee	11,627	-	11,190
Investor relations	3,940	-	-
Legal fees	14,806	18,970	21,053
Listing fee	10,368	-	-
Office and administrative	5,308	15	15
Loss for the period	\$ 50,549	\$ 25,485	\$ 32,258
Loss per share	\$ 0.003	\$ 0.002	\$ 0.002

### Nine months ended July 31, 2019

The major expenses the Company incurred during the nine months ended July 31, 2019 were incurred in the last three months. Legal, filing and listing expenses incurred by the Company relate to the Company becoming listed on TSX Venture exchange. Audit and administration expense relate to preparation, auditing and review of the financial statements for the prospectus.

### Three months ended July 31, 2019

Legal, filing and listing expenses incurred by the Company during the three months ended July 31, 2019 relate to the Company becoming listed on TSX Venture exchange. Audit and administration expense relate to preparation, auditing and review of the financial statements for the prospectus.

### Liquidity and Capital Resources

On May 24, 2019 the Company closed initial public offering of 3,400,000 shares at a price of \$0.10 per share. In connection with completion of the offering the Company paid \$66,921 and issued 238,000 of finders' warrants exercisable at \$0.10 until May 24, 2021.

In January 2019, the Company issued 600,000 shares for the Shotgun Mineral Property.

On or prior to October 31, 2018, Leocor completed two non-brokered private placements pursuant to which Leocor issued an aggregate of 14,000,000 Common Shares (10,000 at a price of \$0.02 per Common Share and 4,000,000 at a price of \$0.05 per Common Share) for gross proceeds of \$400,000. In connection therewith, Leocor issued 10,000,000 Common Shares at a deemed value of \$0.02 and 4,000,000 Common Shares at a deemed value of \$0.05. No finders' fees were paid.

Leocor has no revenue-producing operations. In the period ended July 31, 2019, Leocor had an accumulated loss of \$135,295. As at July 31, 2019, Leocor had a working capital balance of \$496,552, including cash of \$527,190, which amount is considered adequate to meet its

requirements for the ensuing 12 months based on current budgeted expenditures for operations and exploration of its mineral property interests. Working capital is held almost entirely in cash, significantly reducing any liquidity risk of financial instruments held by Leocor.

Leocor does not have any commitments for capital expenditures. However, pursuant to the Shotgun Option Agreement, in order to exercise its option to acquire a 100% interest in the Shotgun Property, Leocor must pay an additional \$30,000 in cash and issue 600,000 shares by December 31, 2020 and incur \$1,200,000 in exploration expenditures thereon by December 31, 2022. Additional expenditures will depend on exploration results from the planned exploration program.

As previously stated, Leocor is dependent on external financing, including equity issuances and debt financing, to fund its activities beyond those proposed and set forth above under “*Financings*”. Management of Leocor will determine whether to accept any offer to finance weighing such things as the financing terms, the results of exploration, share price at the time and current market conditions, among others. Circumstances that could impair Leocor’s ability to raise additional funds include general economic conditions, the price of XX and the other factors set forth below under “*Risk Factors*”.

On an ongoing basis, and particularly in light of current market conditions for mineral exploration, management evaluates and adjusts its planned level of activities, including planned, exploration and committed administrative costs, to maintain adequate levels of working capital.

### **Off-Balance Sheet Arrangements**

Leocor has not participated in any off-balance sheet or income statement arrangements.

### **Related Party Transactions**

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of Leocor, as a whole. Leocor has determined that key management personnel consist of executive and non-executive members of Leocor’s Board and its corporate officers.

During the nine months ended July 31, 2019, the Company paid \$5,000 in office and administration fee to a company of which an officer of the Company is employee. As of July 31, 2019, no directors’ fees were paid and no stock options were issued to related parties.

## **Changes in Accounting Policies**

During the nine months period ended July 31, 2019 Leocor adopted the following accounting policy:

- IFRS 16 is a new standard that will replace IAS 17 for the accounting and measurement of leases with a term of more than 12 months, effective for annual periods beginning on or after January 1, 2019. Leocor does not expect the standard to have a material impact on its financial statements.

## **Financial Instruments**

As at July 31, 2019, Leocor's financial instruments consisted of cash and accounts payable.

The fair values of Leocor's financial instruments approximate their carrying value, due to their short-term maturities or liquidity.

As at July 31, 2019, Leocor's risk exposure and the impact on Leocor's financial instruments are summarized below.

## **Risks and Uncertainties**

The operations of Leocor are speculative due to the high-risk nature of its business, which is the acquisition and exploration of mining properties. Below is a description of the risk factors that could materially affect Leocor's future operating results and could cause actual events to differ materially from those described in forward-looking statements.

### *Credit Risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. As at July 31, 2019, Leocor holds cash balances at a chartered bank. Leocor has assessed the credit risk to be low.

### *Liquidity Risk*

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Leocor attempts to manage liquidity risk by maintaining sufficient cash balances and to ensure that there is sufficient capital to meet short-term obligations. As at July 31, 2019, Leocor had a working capital balance of \$496,552, including cash of \$527,190.

### *Market Risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

### *Interest Rate Risk*

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Leocor does not have any interest-bearing debt, however it does hold cash balances in an interest-bearing bank account.

### *Foreign Currency Risk*

The functional currency of Leocor is the Canadian dollar. As of July 31, 2019, Leocor had no financial assets and liabilities that were subject to currency translation risk.

### *Price Risk*

Leocor is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on Leocor's earnings due to movements in individual equity prices or general movements in the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatility. Future declines in commodity prices may impact the valuation of long-lived assets.

### **Outstanding share data**

As of September 28, 2019, the Company has 18,000,000 shares issued and outstanding.

As of September 28, 2019, the Company has 438,000 warrants exercisable at \$0.10 until May 24, 2021.

As at September 28, 2019 the Company does not have stock options outstanding.