

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### FOR THE THREE MONTHS ENDED JANUARY 31, 2020

#### 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 three months ended January 31, 2020 and 2019. This MD&A should be read in conjunction with the Company's financial statements for the three months ended January 31, 2020. 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 financial statements for the year ended October 31, 2019. This MD&A is dated March 20, 2020.

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 year ended October 31, 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 the 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".

#### **Mineral Property**

Information of a scientific or technical nature in respect of the Shotgun Project in this prospectus is derived from the Technical Report.

For readers to fully understand the technical information in this prospectus, they should read the Technical Report (available on SEDAR at [www.sedar.com](http://www.sedar.com) under the Company's profile) in its entirety, including all qualifications, assumptions and exclusions that relate to the technical information set out in this prospectus. The Technical Report is intended to be read as a whole, and sections should not be read or relied upon out of context.

### Property Description, Location and Access

The Shotgun Project consists of five (5) mineral titles covering 1,930.13 hectares. The Shotgun Project is located approximately 60 km north-west of the town of Pemberton, British Columbia, on the south side of the Pemberton Meadows Valley, beneath Mt. Morrison, and across the valley from Face Mountain, as illustrated in the figure below.



The Shotgun Property is accessible from Vancouver, British Columbia via paved Highway 99 (The Sea-To-Sky Highway) to Pemberton, B.C. (153.4 km), followed for 60 km by the Pemberton Meadows Road and the South Lillooet River Forest Service Road. The Pemberton Meadows Road is a paved road which leads into a well-maintained gravel Forest Service road leading to the Mount Meager massif. At the 11.8 km point, a turn off to the south leads up to the Shotgun Property. On the Shotgun Property, a network of de-activated spur roads are accessible by 4 x 4 vehicle and lead up the mountain to cover parts of the central parts of the claims block, and a few overgrown skidder roads allow walking access for exploration crews.

The Company has an exclusive option to earn a 100% interest in the Shotgun Property subject to a 3% NSR royalty.

## **Geological Setting, Mineralization and Deposit Types**

### *Regional Geology*

The Shotgun Property lies within the Coast Plutonic Complex (CPC), a long narrow belt of plutonic and metamorphic rocks extending from northern Washington through the Coast Mountains of western B.C. into southeast Alaska and the Yukon Territory. Closer to the Shotgun Property, the CPC is described as of Mesozoic age, and consisting largely of plutonic rocks of granitic composition, including predominantly granodiorite, quartz monzonite and quartz diorite. The plutonic rocks enclose north-west trending pendants of varying sizes, composed of older metavolcanic and metasedimentary rocks partially attributed to the Gambier Group of the lower Cretaceous. Numerous exposures of unmetamorphosed volcanic rock may be remnants of a formerly extensive volcanic cover. The most proximal age date reported from the CPC in this area is from a Hornblende Diorite in Callaghan Creek, located approximately 20 km south-west of Pemberton, which gave an age of 128 +/- 8 Ma (K-Ar, Hb).

A review of the published Digital Geology Map by the British Columbia Geological Survey (BCGS) shows the Shotgun Property to be dominantly composed of Jurassic-aged medium-grained quartz diorite, with the contact of that and two other units occurring close to the north-west corner of the claims. A Cretaceous quartz monzonite is indicated to occur on the western extent of the property.

Lower Cretaceous aged, highly deformed and stratified rocks are common throughout the region, with metavolcanics of the Mount Meager volcanic complex predominating over meta-sedimentary strata. The volcanic rocks are mainly pyroclastic and comprised of greenish tuffs and breccias, reddish brown to maroon breccias-conglomerates, and purplish breccias. Evidence of volcanic activity and associated near-surface hydrothermal circulation has been noted in the area, with numerous colour anomalies and hot springs noted in the mountains surrounding the Shotgun Property.

The dominant structural trend is north-westerly, and foliation in plutonic rocks are generally steeply dipping and oriented to the north-west. Schistosity and fracturing in the pendants is usually parallel or sub-parallel to the contacts. Deformation, found locally as fault and/or shear zones, may be concentrated in narrow north-west trending zones and are revealed in drainages, with the transitional zones relatively well preserved with original textures, suggesting that the deformation may be controlled by deeper structural features.

Due to multiple deformational events, the relationship and origin of rock types can be difficult to determine, as most of the rocks are schistose and tightly compressed in complex repetitive folds, obscuring rock type differences, bedding and facies changes. As well, local variation in the intensity of hydrothermal alteration adds silicification and intense quartz veining in some areas.

### *Local Geology*

The local geology consists dominantly of medium-grained, leucocratic equigranular biotite granodiorite, seen intruding into schistose to gneissic textured metamorphic rock, all belonging to the CPC. The metamorphic rock is darker and composed of foliated and deformed quartz, feldspar and biotite with relict igneous textures, and is proposed to be an uplifted block of older, deformed basement lithology of the CPC. Several younger and undeformed dikes of varying lithology, cross cutting mineralized schist and silicified leucocratic granodiorite have been noted along Shotgun Creek.

### *Property Geology*

The Company has not yet compiled a detailed geology map of the Shotgun Property; however, field observations have correlated well with BCGS mapping and rock types expected of the CPC. The predominant intrusive lithologies found on the Shotgun Property are as follows:

- Medium-grained, variably equigranular biotite-granodiorite, locally containing pink potassium (K)-feldspar crystals, generally unfoliated, unaltered, and locally with trace disseminated pyrite and veinlets of magnetite with pink K-Feldspar selvages;
- Biotite schist, magnetic with abundant light colored pyrite and dark chlorite. Chalcopyrite has been noted locally as disseminations and in vein hosted mineralization;
- Leucocratic granodiorite, foliated and well silicified with a low mafic content. This unit is observed to be the most common host rock to mineralization, with locally disseminated and bleb chalcopyrite and pyrite, malachite on fractures, and oxide minerals such as hematite and limonite;
- Very coarse grained quartz-muscovite-K-feldspar dike was located with a gossanous zone at the south end of the Shotgun Property, within Shotgun Creek; and
- Cretaceous quartz monzonite, that occurs on the western margin of the property, and where fresh, occurs as a pink to white, coarse-grained, biotite-rich intrusive that appears to be barren of any sulphide mineralization.

Along Shotgun Creek, the main drainage and the exploration focal center of the Shotgun Property to date, are several younger and unaltered meter-scale dikes of varying lithology oriented at ~140 deg and dipping steeply to the south. These are oriented parallel to the orientation of the creek and likely represent a significant structural trend on the Shotgun Property. Similarly, mineralization in the form of elevated oxidation and alteration were noted to be oriented in the same direction.

The later dikes that have been observed on the Shotgun Property include:

- A Porphyritic andesite with abundant mm-scale tourmaline phenocrysts within a dark grey-brown aphanitic matrix. These appear to occur as north-west striking, planar, undeformed dikes generally 1 to 5 + meters in width and intruding both the Biotite-Schist and the Leucocratic Granodiorite. These are moderately magnetic, and no alteration or mineralization has been observed;
- Andesite with mm-scale light green feldspar phenocrysts. These are also magnetic with trace disseminated pale pyrite and saussuritization of feldspars as well as weak pervasive chlorite and silica alteration. These similarly occur as north-west orientated dikes up to several meters thick;
- Dark grey-black, aphanitic basalt. This occurs as planar, undeformed dikes up to a few

meters in width, with north-west jointing developed similarly to the orientation of the strikes of the dikes. Intensely magnetic, no alteration or mineralization has been observed; and

- Aplite dikes were observed cross cutting all lithologies in the creek. These were a felsic, sugary-textured rock occurring as 1-3 meters dikes oriented parallel to the shearing observed in the creek.

In addition, a weakly skarnified limestone was located within Shotgun Creek, and occurred as a highly altered, light-brown colored and foliated calcareous rock composed of calcite, quartz, ankerite and siderite with trace pyrite. This unit is locally cross-cut by thin (sub-centimeter) quartz-carbonate-limonite stockwork veinlets, with associated light green sericite alteration.

### *Mineralization*

The main mineralization observed on the property consists of disseminated and quartz vein hosted sulphide minerals, associated with the intrusive lithologies within Shotgun Creek. Of particular note is the disseminated Copper mineralization as evident in the form of disseminated chalcopyrite and malachite. Minor molybdenum, gold and silver were not observed, but are evident from the anomalous assay results.

Pyrite is common throughout the Shotgun Property as disseminated grains, with the degree of content varying with the lithology. Unaltered tuffs and intrusive may contain trace + pyrite, though the more siliceous intrusives and in particular the granodiorite and diorites may contain a few percent pyrite. Significant mineralization consists of disseminated to blebs of pyrite+/- chalcopyrite+/-chalcocite within quartz veins and silicified zones of the granodiorite. Locally malachite is present on fracture surfaces adjacent to the presence of copper-bearing minerals within the rock. Alteration minerals consist of hematite and locally limonite. Magnetite is also commonly present.

Areas of higher or more concentrated mineralization are visible in outcrop as zones of moderate oxidation, and occur as pods or lenses of quartz veining and silicification up to 15 meters long and 3 meters wide, associated with the intrusives of granodioritic to dioritic composition. In the northern part of Shotgun creek, it was observed that these zones trend at ~140 degrees, parallel to the orientation of the drainage, and dip steeply (70-80 deg) to the south. Due to the number of lithologies observed, and the presence of the drainage, it is reasonable to suggest that this is the result of an active structural and intrusive corridor that has resulted in fault and/or intrusion-related mineralized quartz veining and silicification.

### *Deposit Types*

The deposit type is considered to be a Porphyry Cu-Mo-Au-Ag style deposit with potential porphyry-related veining and possible re-mobilization of mineralization due to shearing and faulting. It is possible that economically important veins can occur in both the plutonic rock and pendants, where the sulphide mineralogy of the veins consists simply as pyrite with chalcopyrite, sphalerite.

Porphyry deposits are not common in this under-explored part of the CPC, however the potential for copper-molybdenite deposits is noted with the plutonic rocks, predominantly granodiorite and

quartz diorite bearing the highest potential for mineralization. The presence of gossan in Shotgun Creek is also indicative of the potential for alteration of disseminated or structurally hosted sulphide mineralization.

Additionally, due to presence of a limestone unit on the Shotgun Property, there is the potential for skarn type mineralization to occur at least locally at the contacts with younger intrusives. The most likely location for sulphide-bearing skarns would be near northwest trending lineaments, presumed to represent faults along the many contacts between the pendants and the plutons.

## **Sampling and Analysis**

A variety of sample preparation, analyses and approaches were used during preliminary exploration of the Shotgun Property. These include X-Ray Fluorescence (XRF) technology for analysis of soil and silt samples, and Certified Laboratory geochemical analysis for a percentage of these soils as well as all rock samples.

### *Sample Preparation*

#### Soil and Silt Sample Preparation

A total of 31 stream sediment samples, or silt samples, were taken using a “Prospector Pro” shovel. These were taken as close to the center of the streams as possible, along low energy segments with pockets of fine sediment. The sample was not sieved in the field, though care was taken to avoid organic material, coarse clasts and other debris. The sample was placed into Kraft paper bags, hand squeezed to drain excess water and then placed into plastic sample bags for transportation. Sample locations were marked with flagging and the UTM coordinates recorded along with notes regarding the sample and stream details.

A total of 65 soil samples were taken using a handheld “Dutch” soil auger, at 100 meter spacing on north-south lines spaced 100 meters apart. Effort was made to auger completely through the light colored volcanic ash horizon to collect samples from the C-horizon. Sample depth varied as the ash horizon was thin (several centimeters) on steep slopes, though grew quite thick (greater than 1 meters in locations) on flatter slopes. Where the ash was thickest it was the most difficult to achieve a quality sample not containing ash, and in some cases, due to time, a poorer quality sample or no sample at all was taken. The samples were placed into Kraft soil sample bags, and each location was marked with flagging and sample details and location were recorded. Following completion of the field work, the soil samples were transported to Burnaby, B.C. and dried on drying racks in a secure facility, to remove any further moisture.

#### Rock Sample Preparation

A total of 32 rock samples have been taken on the Shotgun Property, including the seven (7) samples taken by Mr. Hladky. Chip samples were taken of outcrop and sub-cropping exposures generally along the main Shotgun Creek. The samples were collected and sealed in plastic sample bags, the location was flagged, and the details of the sample location and lithology were noted.

In 2016 the samples were then transported back to Langley, B.C. where they were either prepped for XRF analysis or sent to the laboratory for analytical analysis. In 2017, the samples were

transported to Kelowna, B.C. and further shipped to Kamloops, B.C. for analytical analysis, as detailed below.

### *Analysis*

#### X-Ray Fluorescence Analyses

Soil and stream sediment samples were sieved to -80 mesh, compacted into soil cups, and analyzed for 21 elements with an Innov-X Delta Premium bench top XRF. A representative number of the XRF samples were sent to Met-Solve Laboratories for analysis (detailed below), the results which compared very well such that the XRF methodology applied here can be considered a valid exploration tool for future soil and silt sampling.

#### Certified Laboratory Geochemical Analyses

All of the soil and stream samples taken before May 13, 2016, were sent to Met-Solve Laboratories Inc., an ISO 9001:2008 certified lab in Langley, B.C. The analytical package consisted of a sample split of 15 g for multi-element, aqua regia digestion and 51-element ICP-AES/MS finish at the ultra-trace level. All subsequent soil and stream sediment samples were initially sampled by handheld XRF (as above), and 9 of these soil samples were sent to Met-Solve Laboratories for confirmation analysis by the analytical process detailed above.

7 rock samples were collected during the field visit, and these were sent to ISO 9001:2008 certified Bureau Veritas Mineral Laboratories (formerly ACMELabs) of Vancouver B.C., Canada. These samples were personally delivered, and the analytical package consisted of initially being crushed to >70% passing 2mm, followed by a 250 g split pulverized to >85% passing 75 ums (analytical code PRP70-250). This was followed by a sample split of 15 g for aqua regia digestion and 36 element ICP-ES/MS finish (analytical code AQ201). No fire assaying for gold was performed.

Samples from the 2017 program, including a total of 8 rock samples and 5 silt samples, were sent to Activation Laboratories Ltd. (Actlabs), ISO 9001:2008 certified lab in Kamloops, B.C. The analytical package consisted of UT-1M – Agua Regia – ICP/MS, for which a 0.5 g sample is digested in aqua regia at 90 deg Celsius for 2 hours, diluted, and analyzed by 36-element ICP/MS. No fire assaying for gold was performed.

During the three months ended January 31, 2020, the Company paid \$25,000 in cash. During the year ended October 31, 2019 the Company issued 600,000 shares valued at \$30,000 and spent \$6,600 on exploration activities.

### **Overall Performance**

During the year ended October 31, 2019 Leocor issued 600,000 shares related to acquisition of the Shotgun Property. In addition, Leocor conducted a non-brokered private placement for 3,400,000 common shares at \$0.10 for aggregate proceeds of \$340,000.

Leocor recorded a loss of \$24,881 during the three months ended January 31, 2020.

## 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 year ended October 31, 2019 is derived from the Financial Statements and should be read in conjunction with the Financial Statements.

	<b>Year ended October 31, 2019 (Audited)</b>	<b>Period Ended Oct 31, 2018 (Audited)</b>
Total revenue	\$ nil	\$ nil
Loss from operations	\$ 170,751	\$ 27,003
Loss per share – basic and diluted (cents per share)	\$ 0.01	\$ 0.01
Total assets	\$ 556,547	\$ 416,815
Total current liabilities	\$ 1,805	\$ 13,818
Total non-current financial liabilities	\$ nil	\$ nil
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 not including listing expense	\$ 43,588	\$27,003
Listing expense	\$ 127,163	\$ nil

## Results of Operations and Quarterly Results

	<b>January 31, 2019</b>	<b>October 31, 2019</b>	<b>July 31, 2019</b>	<b>April 30, 2019</b>
Audit fee	\$ 2,500	\$ -	\$ 4,500	\$ 6,500
Consulting	-	3,000	-	-
Filing fee	1,950	(19,240)	11,627	-
Investor relations	3,763	1,718	3,940	-
Legal fees	1,629	(54,829)	14,806	18,970
Listing fee	-	116,795	10,368	-
Office and administrative	15,039	15,015	5,308	15
Loss for the period	\$ 24,881	\$ 62,459	\$ 50,549	\$ 25,485
Loss per share	\$ 0.001	\$ 0.003	\$ 0.002	\$ 0.002

	<b>January 31, 2019</b>	<b>October 31, 2018</b>	<b>July 31, 2018</b>
Filing fee	\$ 11,190	\$ -	\$ -
Legal fees	21,053	13,818	-
Listing fee	-	13,125	-
Office and administrative	15	60	-
Loss for the period	\$ 32,258	\$ 27,003	\$ -
Loss per share	\$ 0.002	\$ 0.01	\$ -



### **Three months ended January 31, 2020**

The major expense for the Company for the three months ended January 31, 2020 was office and administration and investor relations as the Company is getting ready for exploration work for the mineral properties. Major expenses recorded during comparative period of the previous year were listing expenses which include filing fee of \$11,190 and legal fee of \$21,053.

### **Liquidity and Capital Resources**

On February 21, 2020 the Company issued 47,530 shares on exercise of warrants. The warrants were exercised at \$0.10 per share.

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 \$27,872 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.

During the period ended October 31, 2018, the Company completed two non-brokered private placements pursuant to which the Company issued an aggregate 14,000,000 Common Shares. 10,000,000 shares were issued 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. No finders' fees were paid.

Leocor has no revenue-producing operations. During the year ended October 31, 2019, Leocor had an accumulated loss of \$170,751. As at October 31, 2019, Leocor had a working capital balance of \$473,142, including cash of \$474,151, 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 \$15,000 in cash, issue 600,000 shares and spend \$150,000 on exploration by December 31, 2020, \$300,000 by December 31, 2021 and \$750,000 by December 31, 2022.

As previously stated, the Company is dependent on external financing, including equity issuances and debt financing, to fund its activities. Management of the Company 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, metal prices 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.

### **Key Management Compensation and 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.

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”). Amounts paid and accrued to key management are included in general expenses as follows:

	<b>January 31, 2020</b>	<b>January 31, 2019</b>
Administration fees	\$ 15,000	\$ -

There were no payables to related parties as at January 31, 2020 and October 31, 2019.

### **Financial Instruments**

As at January 31, 2020 and October 31, 2019, the Company’s financial instruments consisted of cash and accounts payable.

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

As at January 31, 2020, 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 January 31, 2020, 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 January 31, 2020, Leocor had a working capital balance of \$423,261, including cash of \$428,229.

### *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 January 31, 2020, 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 March 20, 2020, the Company has 18,047,530 shares issued and outstanding.

As of March 20, 2020, the Company has 390,470 warrants exercisable at \$0.10 until May 24, 2021.

As at March 20, 2020 the Company does not have stock options outstanding.