

# **GOLDEN OPPORTUNITY RESOURCES CORP.**

## **Management's Discussion and Analysis**

**For the nine month period ended October 31, 2019**

**Date of Report: December 5, 2019**

The following Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed interim financial statements and notes thereto for Golden Opportunity Resources Corp. (the "Company") for the nine month period ended October 31, 2019 which were prepared in Canadian dollars and in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements and related notes are available at [www.sedar.com](http://www.sedar.com).

Management is responsible for the preparation and integrity of the Company's unaudited condensed financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including that within the Company's unaudited condensed financial statements and MD&A, is complete and reliable.

### *Caution regarding forward looking statements*

This MD&A may contain certain statements that may be deemed "forward-looking statements". All statements in this document, other than statements of historical fact, which address events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "interprets" and similar expressions, or events or conditions that "will", "would", "may", "could" or "should" occur. Forward-looking statements in this document include statements regarding future exploration programs, liquidity and effects of accounting policy changes.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory or governmental approvals and general economic, market or business conditions. Readers are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates, opinions or other factors should change except as required by law.

These statements are based on a number of assumptions including, among others, assumptions regarding general business and economic conditions, the timing of the receipt of regulatory and governmental approvals for the transactions described herein, the ability of the Company and other relevant parties to satisfy stock exchange and other regulatory requirements in a timely manner, the availability of financing for the Company's proposed transactions and exploration and development programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause results to differ materially.

## **DESCRIPTION OF BUSINESS**

The Company was incorporated on January 31, 2018 under the laws of British Columbia, Canada. The

address of the Company's corporate office and its principal place of business is 200-551 Howe Street, Vancouver, British Columbia, Canada.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at October 31, 2019, the Company had not yet determined whether the Company's mineral property asset contains ore reserves that are economically recoverable. The recoverability of amount shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

## EXPLORATION PROJECT

	Acquisition Costs	Exploration Costs	Total
	\$	\$	\$
Balance, incorporation on January 31, 2018	-	-	-
Additions	5,000	*103,652	108,652
Balance, January 31, 2019	5,000	103,652	108,652
Exploration grant received	-	(2,741)	(2,741)
Balance October 31, 2019	5,000	100,911	105,911

### Coastal Copper Claim

Pursuant to an option agreement dated March 12, 2018 (the "Agreement"), with Rich River Exploration and Craig A. Lynes (collectively, the "Optionors"), the Company was granted an option to acquire a 100% undivided interest in the Coastal Copper Claim (the "Property") located near Maple Bay area, Stewart district, British Columbia.

In accordance with the Agreement, the Company has the option to acquire first 51% undivided interest (earned) in the Property by paying \$5,000 (paid) in cash upon execution of the Agreement. The Company has the option to earn the remaining 49% interest in the Property by issuing a total of 600,000 common shares of the Company to the Optionors, making cash payments totaling \$155,000, and incurring a total of \$600,000 in exploration expenditures as follows:

	Common Shares	Cash	Exploration Expenditures
	Number	\$	\$
Upon listing of the Company's common shares on a Canadian Stock Exchange (the "Listing")	100,000	-	-
On or before the first anniversary of the Listing	100,000	-	-
On or before the second anniversary of the Listing	100,000	25,000	200,000
On or before the third anniversary of the Listing	100,000	30,000	100,000
On or before the fourth anniversary of the Listing	200,000	100,000	300,000
Total	600,000	155,000	600,000

The Property is comprised of one mineral claim.

The Optionors will retain a 3% Net Smelter Returns royalty on the Property. The Company has the right to purchase the first 1% of the royalty for \$750,000 and the remaining 2% for \$1,000,000 at any time prior to the commencement of commercial production.

## RESULTS OF OPERATIONS

### Three month period ended October 31, 2019

During the three months ended October 31, 2019 the Company reported a net loss of \$48,813 (2018 - \$18,500). Included in the determination of operating loss was \$5,813 (2018 - \$3,649) on rent, \$19,500 (2018 - \$Nil) on professional fees, \$9,000 (2018 - \$9,000) on management, \$1,084 (2018 - \$Nil) on transfer agent and filing fees, \$3,095 (2018 - \$3,089) on advertising and promotion, \$7,500 (2018 - \$Nil) on consulting, and \$2,821 (2018 - \$2,762) on office and miscellaneous.

### Nine month period ended October 31, 2019

During the nine months ended October 31, 2019 the Company reported a net loss of \$181,322 (2018 - \$81,862). Included in the determination of operating loss was \$21,414 (2018 - \$11,287) on rent, \$35,400 (2018 - \$2,744) on professional fees, \$27,000 (2018 - \$27,000) on management, \$9,813 (2018 - \$Nil) on transfer agent and filing fees, \$6,001 (2018 - \$3,565) on advertising and promotion, \$20,000 (2018 - \$Nil) on consulting, and \$12,048 (2018 - \$7,266) on office and miscellaneous. The Company also incurred a stock-based compensation charge of \$49,646 (2018 - \$30,000).

## SUMMARY OF QUARTERLY RESULTS

Three months ended	Total Revenues	Net Loss	Loss Per Share (basic and diluted)
October 31, 2019	\$Nil	\$48,813	\$0.01
July 31, 2019	\$Nil	\$43,812	\$0.00
April 30, 2019	\$Nil	\$88,697	\$0.01
January 31, 2019	\$Nil	\$71,150	\$0.02
October 31, 2018	\$Nil	\$18,500	\$0.02
July 31, 2018	\$Nil	\$19,430	\$0.01
April 30, 2018	\$Nil	\$18,593	\$0.00

The Company was incorporated on January 31, 2018. Comparative figures prior to January 31, 2018 are not available.

## LIQUIDITY AND SOLVENCY

At October 31, 2019 the Company had a working capital deficiency of \$47,759 including cash on hand of \$29,376 compared to working capital at January 31, 2019 of \$91,126 with cash on hand of \$114,917.

Cash flow to date has not satisfied the Company's operational requirements. The development of the Company in the future will depend on the Company's ability to obtain additional financings. While the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable.

## CAPITAL RESOURCES

As at October 31, 2019, the Company had cash and cash equivalents of \$29,376 (January 31, 2019 \$114,917) to settle liabilities of \$80,976 (January 31, 2019 \$26,376). The Company expects to fund its liabilities, exploration and operational activities over the remainder of the fiscal year with cash on hand and from cash received from the issuance of equity securities, primarily through private placements.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

## TRANSACTIONS WITH RELATED PARTIES

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 and Chief Financial Officer.

<b>Nine months ended:</b>	<b>October 31, 2019</b>	<b>October 31, 2018</b>
Consulting fees paid to the CEO	\$ 20,000	\$ -
Share based payments to directors	\$ 69,646	\$ -
	<b>\$ 69,646</b>	<b>\$ -</b>

## COMMITMENTS

The Company is committed to certain cash payments, common share issuances and exploration expenditures as described in Note 4 of the accompanying financial statements.

## PROPOSED TRANSACTIONS

There are no proposed transactions that will materially affect the performance of the Company other than those disclosed elsewhere in this MD&A and the accompanying financial statements.

## FUTURE CHANGES IN ACCOUNTING POLICIEES

Refer to Note 3 in the notes to the accompanying financial statements and to Note 2 of the audited financial statements for the period ending January 31, 2019 and 2018 for details of the Company's significant accounting policies.

## FINANCIAL INSTRUMENTS

Financial assets are classified into one of four categories:

- Fair value through profit or loss;
- Held-to-maturity;
- Available for sale and;
- Loans and receivables

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset.

*Financial assets at fair value through profit or loss ("FVTPL")*

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as at FVTPL if

- It has been acquired principally for the purpose of selling in the near future;
- It is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking or;
- It is a derivative that is not designated and effective as a hedging instrument.

The Company's cash is classified as FVTPL assets.

#### *Held-to-maturity ("HTM")*

HTM investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as HTM investments.

#### *Available-for-sale financial assets ("AFS")*

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (i) loans and receivables, (ii) held-to-maturity investments or (iii) financial assets as at FVTPL. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on AFS monetary items, are recognized in other comprehensive income or loss. When an investment is derecognized, the cumulative gain or loss in the investment revaluation reserve is transferred to profit or loss. The Company does not have any assets classified as AFS.

#### *Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less and impairment losses. The Company does not have any assets classified as loans and receivables.

#### *Derecognition of financial assets*

A financial asset is derecognized when:

- The contractual right to the asset's cash flows expire; or
- If the Company transfer the financial assets and substantially all risks and rewards of ownership to another entity.

#### *Impairment of financial assets*

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets is directly reduced by the impairment loss. With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

## **FINANCIAL RISK AND CAPITAL MANAGEMENT**

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

### *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. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to risk is with its GST receivable. This risk is considered to be minimal.

### *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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's sole source of funding has been from the issuance of equity securities for cash, primarily through private placements and from loans advanced by related parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

### *Foreign exchange risk*

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not currently exposed to currency risk.

### *Capital Management*

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of working capital deficiency and share capital. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

### *Contingencies*

The Company is not aware of any contingencies or pending legal proceedings as of the date of this MD&A.

## **SHARE CAPITAL**

### Issued

The company has 10,450,001 shares issued and outstanding as at October 31, 2019 and 14,331,001 as at December 5, 2019.

### Share Purchase Options

The Company has 600,000 stock options outstanding at October 31, 2019 and December 5, 2019.

## Warrants

The Company had 1,480,000 share purchase warrants outstanding at October 31, 2019 and 3,672,980 as at December 5, 2019.

## Escrow Shares

The Company has 2,000,000 shares held in escrow as at October 31, 2019 and 1,800,000 as at December 5, 2019.

## **SUBSEQUENT EVENTS**

The Company entered into an agency agreement with Canaccord Genuity Capital Markets (the “Agent”) whereby the Agent has agreed to raise on commercially reasonable efforts \$350,000 in an initial public offering (“IPO”) by the issuance 3,500,000 Units at a price of \$0.10 per Unit. Each Unit is consisted of one common shares of the company and one-half of purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at \$0.25 per share for 24 months from the closing date (“Closing”) of the IPO.

Pursuant to the terms of the agency agreement, the Company has agreed to pay to the Agent a cash commission of 10% of the gross proceeds of the IPO. The Company has also agreed to grant Agent warrants (the “Agent’s Warrants”) which will entitle the Agent to purchase up to 10% of the Units sold under the IPO, at a purchase price that is equal to the price per Unit offered in the IPO. The Agent’s Warrants are exercisable until 24 months from the Listing date. In addition, the Company has agreed to pay a corporate finance fee of \$25,000, the Agent’s legal fees incurred and any other reasonable expenses pursuant to the IPO.

The Company completed the financing subsequent to October 31, 2019 pursuant to a prospectus offering whereby it issued 3,781,000 units of the Company (281,000 which were sold pursuant to an overallotment option), at a price of \$0.10 per unit. Each unit consists of one common share in the capital of the Company and one-half of one transferable common share purchase warrant of the Company. Each unit warrant entitles the holder thereof to acquire one common share of the Company at an exercise price of 25 cents per share at any time prior to Nov. 26, 2021. The Company also issued 100,000 common shares for exploration and evaluation asset upon the listing of its common shares for trading.