

VOLATUS CAPITAL CORP.
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the nine month period ended October 31, 2019

The Management’s Discussion and Analysis (“MD&A”) was prepared as of December 24, 2019 and is intended to supplement and complement the unaudited condensed interim financial statements of Volatus Capital Corp. (the “Company”) for the nine months ended October 31, 2019 and related notes attached thereto. Readers are also encouraged to refer to the audited financial statements of the Company for the year ended January 31, 2019 and related notes attached thereto. Accordingly, this MD&A includes the results of operations and cash flows of the Company for the nine months ended October 31, 2019 and the reader must be aware that historical results are not necessarily indicative of the future performance. All amounts are reported in Canadian dollars. The aforementioned documents can be accessed on the SEDAR web site www.sedar.com.

Unless otherwise stated, financial results have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting.

The Company’s unaudited condensed interim financial statements were prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation for the foreseeable future. The operations of the Company were primarily funded by the issue of share capital. The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, complete sufficient debt or equity financing, or generate profitable operations in the future. These condensed interim financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

DESCRIPTION OF BUSINESS

The Company was incorporated on November 6, 2018 under the laws of British Columbia, is a public company listed on the Canadian Securities Exchange (the “CSE”) and trades under the symbol VC. The address of the Company’s corporate office and its principal place of business is located at Suite 1100, 595 Howe Street, Vancouver, British Columbia, V6C 2T5.

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.

FORWARD-LOOKING STATEMENTS

Certain information in this MD&A, including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian securities laws. Such forward- looking information may include, but is not limited to, information which reflect management’s expectations regarding the Company’s future growth, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities. Often, this information includes words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate” or “believes” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

In making and providing the forward-looking information included in this MD&A the Company’s assumptions may include among other things: (i) assumptions about the price of metals; (ii) that there are no material delays in the

optimisation of operations at the exploration and evaluation assets; (iii) assumptions about operating costs and expenditures; (iv) assumptions about future production and recovery; and (v) that there is no material deterioration in general economic conditions. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among other things the following: (i) decreases in the price of base precious metals; (ii) the risk that the Company will continue to have negative operating cash flow; (iii) the risk that additional financing will not be obtained as and when required; (iv) material increases in operating costs; and (v) environmental risks and changes in environmental legislation.

This MD&A contains information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward looking information as a result of new information or events after the date of this MD&A except as may be required by law. All forward-looking information disclosed in this document is qualified by this cautionary statement.

EXPLORATION PROJECT

	Acquisition Costs \$	Exploration Costs \$	Total \$
Balance, incorporation November 6, 2018	-	-	-
Additions	5,000	*87,996	92,996
Balance, January 31, 2019	5,000	87,996	92,996
Addition	15,000	5,982	20,982
Balance, October 31, 2019	20,000	93,978	113,978

**Exploration costs include labour costs of \$43,800, assay costs of \$7,737, data and reporting of \$6,276, truck and equipment rentals of \$9,800, travel and fuel costs of \$1,986, meal and accommodation of \$12,640 and management fees of \$5,757*

Sunset Copper Star Project

Pursuant to an option agreement dated November 16, 2018 (the "Agreement"), with Rich River Exploration Ltd. and Craig A. Lynes (collectively, the "Optionors"), the Company was granted an option to acquire a 100% undivided interest in the Sunset Copper Star project (the "Property") located north of the town of Campbell River in the Nanaimo Mining Division, British Columbia.

In accordance with the Agreement, the Company has acquired a 51% undivided interest in the Property by paying \$5,000. 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 \$500,000 in exploration expenditures as follows:

	Common Shares		Exploration
	Number	Cash	Expenditures
Upon the closing of the initial public offering of the Company	100,000 (issued at a value of \$10,000)	\$ 5,000 (paid)	\$ -
On or before the first anniversary of the Company's common shares listed on the Canadian Securities Exchange (the "Listing")	100,000	20,000	100,000
On or before the second anniversary of the Listing	100,000	30,000	100,000
On or before the third anniversary of the Listing	300,000	100,000	300,000
Total	600,000	155,000	500,000

The Property is comprised of two mineral claims.

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

The Company incurred a net loss and comprehensive loss of \$301,664 for the nine month period ended October 31, 2019. A brief explanation of the significant changes in expenses by category is provided below:

- Consulting fees of \$36,000 due to an increase in activity in the Company resulting the number of consultants in the current period.
- Financing fees of \$32,000 due to the issuance of shares in an initial public offering in the current period.
- Professional fees of \$120,275 due to service requirements required in the current period.
- Share-based payments of \$66,171 due to stock options granted in the current period.
- Transfer agent and filing fees of \$24,265 due to filing activities in the current period.

The Company incurred a net loss and comprehensive loss of \$174,238 for the three month period ended October 31, 2019. A brief explanation of the significant changes in expenses by category is provided below:

- Consulting fees of \$18,000 due to an increase in activity in the Company resulting the number of consultants in the current period.
- Financing fees of \$32,000 due to the issuance of shares in an initial public offering in the current period.
- Professional fees of \$104,165 due to service requirements required in the current period.
- Transfer agent and filing fees of \$14,290 due to filing activities in the current period.

SUMMARY OF QUARTERLY RESULTS

	October 31, 2019	July 31, 2019	April 30, 2019	January 31, 2019
Total revenue	\$ -	\$ -	\$ -	\$ -
Net loss for the period	\$ (174,238)	\$ (99,839)	\$ (27,587)	\$ (62,497)
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)	\$ (0.00)	\$ (0.01)
Total assets	\$ 366,410	\$ 180,297	\$ 216,456	\$ 236,892
Total long-term liabilities	\$ -	\$ -	\$ -	\$ -

The Company was incorporated on November 6, 2018. Comparative figures prior to January 31, 2019 are not available.

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. During the period ended October 31, 2019, the Company incurred \$66,171 in share-based payments to directors and officers.

In November 2019, the Company entered into a loan agreement with a related party to lend \$100,000. The principal amount of the loan plus accrued interest of 12% per annum shall be payable on demand after November 20, 2020 and the borrower has pledged marketable securities in the value of \$112,000 as collateral against repayment of the loan and accrued interest.

LIQUIDITY AND CAPITAL RESOURCES AND CAPITAL EXPENDITURES

At October 31, 2019, the Company had working capital of \$244,283 (January 31, 2019 - \$118,508). Management of the Company is confident that it will have sufficient working capital to meet its anticipated financial obligations for the next fiscal year.

During the period ended October 31, 2019, cash flows used in operating activities was \$214,175 relating to general operating expenses detailed on the statement of financial position (see www.sedar.com). The majority of these cash flows related to consulting and professional fees.

During the period from February 1, 2019 to December 24, 2019, the Company had the following share capital transactions:

- i) The Company entered into an agency agreement with Haywood Securities Inc. (the “Agent”) whereby the Agent raised on commercially reasonable efforts \$350,000 in an initial public offering (“IPO”) by the issuance of 3,500,000 common shares of the Company at a price of 0.10 per common share.

The Agency Agreement granted the Agent an over-allotment option (the “Over-Allotment Option”), exercisable up to 48 hours prior to closing of the IPO, to purchase additional common shares of the Company equal to 15% of the common shares issued pursuant to the offering. The Over-Allotment Option was exercised by the Agent and the Company issued 525,000 additional common shares for a purchase price equal to the offering price which resulted in aggregate gross proceeds of \$402,500.

The Company paid \$40,250 and issued 100,000 common shares (valued at \$10,000) as share issuance costs. The Company also issued 402,500 Agent options (valued at \$24,500) exercisable at \$0.10 on or before August 29, 2021.

In addition, the Company paid a corporate finance fee of \$32,000, of which \$10,000 was paid during the year ended January 31, 2019 which was recorded as deferred financing costs.

The Company completed the IPO during the period ended October 31, 2019.

- ii) The Company issued 100,000 common shares at a value of \$10,000 pursuant to the acquisition of the Sunset Copper Star Project.

OFF-BALANCE SHEET ARRANGEMENTS

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

ACCOUNTING POLICIES AND FUTURE ACCOUNTING POLICIES

Please refer to the October 31, 2019 condensed interim financial statements on www.sedar.com for details on accounting policies adopted in the period as well as future accounting policies.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK

The Company's financial instruments consist of cash, accounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted. See Note 8 of the Company's condensed interim financial statements for the period ended October 31, 2019 for a discussion of the Company's risk exposure and the impact thereof on the Company's financial instruments.

The Company's cash at October 31, 2019 was \$245,677 and was primarily held at a major Canadian financial institution.

DISCLOSURE OF OUTSTANDING SHARE DATA (as at December 24, 2019)

Authorized Capital

Unlimited common shares without par value

Issued and Outstanding Capital

13,925,001 common shares outstanding

Stock Options Outstanding

The following stock options were outstanding.

Expiry Date	Exercise Price	Number of options	Number of options Exercisable
May 1, 2024	\$0.10	800,000	800,000

Warrants Outstanding

The following warrants were outstanding.

Expiry Date	Exercise Price	Number of warrants	Number of warrants Exercisable
August 29, 2021	\$0.10	402,500	402,500

Escrow Shares

The Company had 1,890,000 shares held in escrow as at October 31, 2019 and December 24, 2019.

CHANGES IN MANAGEMENT

On October 23, 2019, the Company appointed Michael Collins as the Chief Executive Officer, President and a director of the Company and announced that James Walchuck resigned as the Chief Executive Officer, President and a director of the Company.

On October 29, 2019, the Company appointed Rachel Chae as the Chief Financial Officer of the Company replacing Mark Lotz.

On October 29, 2019, the Company appointed Arielle Morgan as the new Corporate Secretary of the Company.

On October 29, 2019, Sorin Posescu resigned as a director of the Company and the Company appointed Jason Cubitt and Chafika Eddine to the Company's board of directors.