

**VOLATUS CAPITAL CORP.**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**For the three months ended April 30, 2020**

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The Management’s Discussion and Analysis (“MD&A”) was prepared as of June 15, 2020 and is intended to supplement and complement the unaudited condensed interim financial statements of Volatus Capital Corp. (the “Company”) for the three months ended April 30, 2020 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, 2020 and related notes attached thereto. Accordingly, this MD&A includes the results of operations and cash flows of the Company for the three months ended April 30, 2020 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](http://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.

Effective April 22, 2020, the Company consolidated its common shares on a 3:1 basis. These MD&A reflect the share consolidation for all shares, warrants, options and share amounts retrospectively.

**DESCRIPTION OF BUSINESS**

The Company, which 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 April 30, 2020, 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.

During the period ended April 30, 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The pandemic could result in delays in the course of business, including potential delays to its business plans and activities, and continue to have a negative impact on the stock market, including trading prices of the Company’s shares and its ability to raise new capital. These uncertainties raise substantial doubt upon the Company’s ability to continue as a going concern and realize its assets and settle its liabilities and commitments in the normal course of business.

## **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

Period Ended April 30, 2020	Split Dome Copper Project	Sunset Copper Star Project	Total
<b>Acquisition Costs:</b>			
Balance, beginning of period	\$ -	\$ 20,000	\$ 20,000
Acquisition costs – shares	270,000	-	270,000
Balance, end of period	270,000	20,000	290,000
<b>Exploration Costs:</b>			
Balance, beginning of period	-	93,978	93,978
Balance, end of period	-	93,978	93,978
<b>Total</b>	<b>\$ 270,000</b>	<b>\$ 113,978</b>	<b>\$ 383,978</b>

Year Ended January 31, 2020	Sunset Copper Star Project	Total
<b>Acquisition Costs:</b>		
Balance, beginning of year	\$ 5,000	\$ 5,000
Acquisition costs – cash	5,000	5,000
Acquisition costs – shares	10,000	10,000
Balance, end of year	20,000	20,000
<b>Exploration Costs:</b>		
Balance, beginning of year	87,996	\$ 87,996
Labour	650	650
Reporting	4,875	4,875
Travel and fuel	412	412
Meal and accommodation	45	45
Balance, end of year	93,978	93,978
<b>Total</b>	<b>\$ 113,978</b>	<b>\$ 113,978</b>

### 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.

The Property consists of two contiguous mineral titles covering an area of 1138.15 hectares. These mineral titles were acquired by electronic staking in October and November 2018 and are held by Craig Lynes on behalf of Rich River Exploration Ltd. (“Rich River”). Volatus Capital Corp. (“Volatus”) has optioned the Property from Mr. Lynes and is the operator. Access to the Sunset Copper Star Property is via the Browns Bay forest service road that connects to Highway 19 southwest of the Property. Historical work done on the property dates back to 1899-1901 when three adits were driven on the Sunset veins. Very little work has been done on the property since this time

period. New logging roads have improved access to the property. This road construction has exposed several new showings of high-grade copper mineralizations. The area covered by the Property is mainly underlain by the upper part of the Karmutsen.

Formation stratigraphy, comprising mainly thick massive flows with local intercalations of amygdaloidal basalt and pods of autoclastic breccias, pillowed and massive flows with thin intercalations of volcanoclastic and limey sandstones all cut by thin dolerite/gabbro sills. Three documented mineral occurrences are found on the Sunset Copper Star Property. These are the Star, Sunset, and FS stratiform showings. Historical work has focused on the Sunset showing where several exploratory tunnels have been driven along a north trending shear that contains high grade copper mineralization. Work done on the Sunset Copper Star Property in 2018 included the collection of 66 rock 190 soil and 22 silt geochemical samples. The survey area was also prospected and several new copper showings were located. All of this work was done by Rich River Exploration on behalf of Volatus and was supervised by Mr. C. Lynes. The geochemical sampling took place in November 2018. Samples collected by Rich River were shipped to ALS Minerals laboratories in North Vancouver. The purpose of the geochemical sampling done in 2018 was to characterize the grade of copper mineralization found on the property and to look for new areas of potential copper mineralization by collecting soil samples at closely spaced intervals along a network of logging roads in the northern part of the property. Most of the mineralized samples were collected from veins and shear zones within amygdaloidal subaerial to submarine basaltic volcanic rocks of the Triassic Karmutsen Group. A number of samples containing high grade Cu mineralization were collected from adits and waste dumps at the Sunset showing. Several new showings and areas of anomalous Cu in soils were located in the northern part of the Property.

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 200,000 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		Cash	Exploration Expenditures
	Number			
Upon the closing of the initial public offering of the Company	33,333 (issued at a value of \$10,000)	\$	5,000 (paid)	\$ -
On or before August 30, 2020	33,333		20,000	100,000
On or before August 30, 2021	33,334		30,000	100,000
On or before August 30, 2022	100,000		100,000	300,000
<b>Total</b>	<b>200,000</b>	<b>\$</b>	<b>155,000</b>	<b>\$ 500,000</b>

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.

### Split Dome Copper Project

During the year ended January 31, 2020, the Company entered into a purchase and sale agreement with a Company owned by the Chief Executive Officer to acquire up to a 100% interest, subject to a 0.25% NSR royalty, in the Split Dome copper project located near Hazelton, British Columbia. In exchange for the 100% interest, during the period ended April 30, 2020, the Company issued 1,000,000 shares at a value of \$270,000 and 500,000 warrants with a term of 36 months and an exercise price of \$0.30.

The Split Dome copper project consists of four claim groups totalling 319 claims for 5,840 hectares located 55 km north-east of Hazelton, British Columbia on the west side of the Babine Valley. The project can be accessed by active forestry roads on the northern and southern sides of the claim group, which in turn are accessed two turnoffs north and south of Smithers on Highway 16. Lodges and camp areas are found to the south-southeast in the Fort Babine area.

The project target is a dome feature which is bifurcated by two north-south magnetic lows and has the overall magnetic signature that is indicative of an intrusive host rock but has been mapped as a sedimentary rock with a small window of intrusive rocks mapped on the north side of the magnetic signature. The regional stream sampling downstream of the Split Dome claims indicate second-order copper in silt anomalies and only one sample has been taken in the target area.

Structurally, the Spit Dome Target lays on the southwest side of a Northwest / Southeast regional scale strike slip fault that locally follows the Babine river. The Split dome target is nestled in a dilational jog in the fault geometry. This dilational jog gives room for a significant sized granitic intrusive body to rise and become emplaced in the near surface. Continued activity in the dilational jog in the fault allows for the long-term structural development and the open spaces required for copper mineralization. The Lone Mountain/Mount Horetzky copper showing is located to the northwest on the opposite side of the regional fault structure and demonstrates the pregnant nature of the intrusive system. Split Dome has the signature of a large intrusive body and has the potential to host a significant copper resource.

### **Exploration License #5730**

In May 2020, the Company advanced \$300,000 to enter an option agreement to purchase a 100% undivided interest in exploration license #5730 in Southern Australia. If no sale transaction is completed by November 13, 2020, the seller will return \$250,000 to the Company.

Michael Collins, President and CEO and shareholder is the Qualified Person with respect to the Company's properties.

### **Compass Project**

During June 2020, the Company earned a 100% interest, subject to a 1% NSR royalty of which the Company may purchase 0.5% for \$500,000 at any time, in the Compass project by issuing 3,200,000 common shares of the Company.

The Compass Project is composed of six mineral claims encompassing a land area of approximately 7,470 hectares located in the resurgent Toodoggone Mining Camp in northwestern British Columbia.

### **Peak and Lions Den Gold Properties**

In June 2020, the Company entered into a purchase and sale agreement with a Company controlled by the Chief Executive Officer to acquire a 100% interest, subject to a 1.5% NSR royalty, in the Peak and Lions Den gold properties located in the Kemess-Toodoggone porphyry gold-copper epithermal gold district in northwestern British Columbia.

In exchange for the 100%, the Company is required to issue 3,800,000 common shares (issued) of the Company, make a cash payment of \$65,000 (paid subsequently) and incur exploration expenditure commitments of \$100,000.

The Peak (4,742 ha) and Lions Den (11,569 ha) properties are composed of 17 mineral claims, encompassing a total land area of approximately 16,311 ha located in the Kemess-Toodoggone porphyry gold-copper epithermal gold district in northwestern British Columbia.

Historic Showings include:

- The JIMO showing is a west trending ridge within a valley of a west-flowing stream with mineralized outcrop occurring over a 500x400 m area along the ridge and crossing into the valley floor. A 9x4 m quartz-calcite stockwork zone, hosted within andesite, along the ridge, yielded 0.38% Cu and 21.94 g/t Au over 3.7 metres. A grab sample from a 20 cm wide quartz-calcite vein hosted within brecciated tuff along the valley floor assayed 34.0 g/t Ag (Assessment Report 18465).
- The Fred showing is a series of southerly dipping quartz-carbonate-(barite) veins (up to 30 cm wide) containing mineralization with varying amounts of chalcopyrite, bornite, chalcocite, pyrite and galena. The veins are in a 10x1.5 m zone of argillic and siliceous altered brecciated augite porphyry andesites. A grab sample of the mineralization assayed 10.26 g/t Au, 2.42% Pb, 0.49% Zn, and 0.24% Cu (Assessment Report 4643).

## RESULTS OF OPERATIONS

The Company incurred a loss and comprehensive loss of \$83,780 (2019 – \$27,587) for the period ended April 30, 2020. A brief explanation of the significant changes in expenses by category is provided below:

- Management, director and consulting fees of \$53,500 (2019 – \$9,000) increased due to an increase in management and director fees in the current period.
- Professional fees of \$7,242 (2019 – \$9,700) decreased reflecting a decrease in professional fees paid or accrued for accounting services in the current period.
- Transfer agent and filing fees of \$4,854 (2019 – \$Nil) increased as a result of increased filing activities in the current period.
- Travel of \$4,854 (2019 – \$Nil) increased in the current period reflecting increased number of trips taken by management.
- Interest on loans receivable of \$2,959 (2019 – \$Nil) increased primarily due to interest accrued on the loans receivable during the current period.
- Realized gain on marketable securities of \$35,560 (2019 – \$Nil) increased due to an increased market value of marketable securities sold during the current period.

## QUARTERLY INFORMATION

	April 30, 2020	January 31, 2020	October 31, 2019	July 31, 2019	April 30, 2019	January 31, 2019
Total revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net loss for the period	\$ (83,780)	\$ (21,240)	\$ (174,238)	\$ (99,839)	\$ (27,587)	\$ (62,497)
Basic and diluted loss per share	\$ (0.02)	\$ (0.01)	\$ (0.04)	\$ (0.03)	\$ (0.01)	\$ (0.01)
Total assets	\$ 577,788	\$ 355,404	\$ 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. The remuneration of directors and other members of key management personnel during the periods ended April 30, 2020 and 2019 were as follows:

	Nature of transactions	2020	2019
<b>Related parties:</b>			
Chief Executive Officer	Management fees	\$16,000	\$ -
Chief Financial Officer	Management fees	\$3,000	\$ -
Director	Director fees	\$3,750	\$ -
A Company owned by the Chief Executive Officer	Management fees	\$21,750	\$ -

As at April 30, 2020, accounts payable and accrued liabilities include \$71,494 (January 31, 2020 – \$31,194) due to related parties. All amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

During the year ended January 31, 2020, the Company entered into a loan agreement with a Company owned by the Chief Executive Officer 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. During the year ended January 31, 2020, the Company accrued \$2,334 of interest.

During the period ended April 30, 2020, the Company accrued \$2,959 of interest.

In May 2020, the Company entered into a loan agreement with a Company controlled by the Chief Executive Officer to lend \$40,000. The principal amount of the loan plus accrued interest of 2% per month shall be payable on or before 10 days after notice in writing of demand by the Company, such demand not to be made before July 31, 2020. The borrower has pledged 4,000,000 common shares of Origen Resources Inc. as collateral against repayment of the loan and accrued interest.

In June 2020, the Company entered into a loan agreement with a company owned by the Chief Executive Officer to lend \$150,000. The principal amount of the loan plus accrued interest of 2% per month shall be payable on or before 10 days after notice in writing of demand by the Company, such demand not to be made before October 5, 2020.

## **LIQUIDITY AND CAPITAL RESOURCES AND CAPITAL EXPENDITURES**

At April 30, 2020, the Company had working capital of \$101,363 (January 31, 2020 – \$185,143). 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 April 30, 2020, cash flows used in operating activities was \$44,782 (2019 – \$17,224) relating to general operating expenses detailed on the statement of financial position (see [www.sedar.com](http://www.sedar.com)). The majority of these cash flows related to Management, director and consulting fees.

During the period from February 1, 2020 to June 15, 2020, the Company had the following share capital transactions:

- i) The Company issued 1,000,000 common shares at a value of \$270,000 pursuant to the acquisition of the Split Dome Copper Project.
- ii) The Company closed the first tranche of a non-brokered private placement and issued 9,990,000 common shares at \$0.075 per share for gross proceeds of \$749,250.
- iii) The Company closed the second tranche of a non-brokered private placement and issued 4,533,500 common shares at \$0.075 per share for gross proceeds of \$340,013.
- iv) The Company closed the final tranche of a non-brokered private placement and issued 2,220,000 common shares at \$0.075 per share for gross proceeds of \$166,500.
- v) The Company closed a non-brokered private placement and issued 500,000 common shares at \$0.15 per share for gross proceeds of \$75,000.
- vi) The Company closed the first tranche of a non-brokered private placement warrant offering to issue 500,000 transferrable common share purchase warrants priced at \$0.025 per warrant for gross proceeds of \$12,500. Each warrant is exercisable into one common share at a price of \$0.14 for a period of one year.

## **OFF-BALANCE SHEET ARRANGEMENTS**

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

## **PROPOSED TRANSACTIONS**

The Company is continually involved in the review and evaluation of mineral projects. However, no agreements with respect to the acquisition of any such mineral projects have yet been entered into, and there can be no assurance that the Company will, in fact, be successful in entering into any such agreements or acquiring interests in any additional mineral properties, even if a formal letter of intent to proceed with formal negotiations is executed.

As at the date of this MD&A, there are no proposed transactions where the Board of Directors, or senior management who believe that confirmation of the decision by the board is probable, have decided to proceed with that have not been publicly disseminated.

## **ACCOUNTING POLICIES AND FUTURE ACCOUNTING POLICIES**

Please refer to the April 30, 2020 condensed interim financial statements on [www.sedar.com](http://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, loan payable, marketable securities 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 April 30, 2020 for a discussion of the Company's risk exposure and the impact thereof on the Company's financial instruments.

The Company's cash at April 30, 2020 was \$81,678 and was primarily held at a major Canadian financial institution.

## DISCLOSURE OF OUTSTANDING SHARE DATA (as at June 15, 2020)

### Authorized Capital

Unlimited common shares without par value

### Issued and Outstanding Capital

29,885,167 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	\$0.30	266,667	266,667

### Warrants Outstanding

The following warrants were outstanding.

Expiry Date	Exercise Price	Number of warrants	Number of warrants Exercisable
August 29, 2021	\$0.30	134,167	134,167
February 5, 2023	\$0.30	500,000	500,000

### Escrow Shares

The Company had 525,000 shares held in escrow as at April 30, 2020 and June 15, 2020.