

Management Discussion and Analysis

Goldblock Capital Inc.

For the fiscal year ended May 31, 2020

The Management Discussion and Analysis (“MD&A”), prepared May 31, 2020 should be read in conjunction with the audited financial statements and notes thereto for the years ended May 31, 2020 and 2019 of Goldblock Capital Inc. (“Goldblock” or the “Company”), which were prepared in accordance with International Financial Reporting Standards (“IFRS”). All dollar amounts referred to in this MD&A are expressed in Canadian dollars, unless otherwise noted.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute “forward-looking statements” within the meaning of Canadian securities laws. Forward-looking statements reflect the Company's current views with respect to future events, are based on information currently available to the Company and are subject to certain risks, uncertainties, and assumptions, including those discussed above. Forward-looking statements include, but are not limited to, statements with respect to the success of mining exploration work, title disputes or claims, environmental risks, unanticipated reclamation expenses, the estimation of mineral reserves and resources and capital expenditures. In certain cases, forward-looking statements can be identified by the use of words such as “intends”, “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ from those expressed or implied by the forward-looking statements. Such factors include, among others, risks related to international operations, fluctuation of currency exchange rates, actual results of current exploration activities, changes in project parameters as plans are refined over time, the future price of molybdenum and other precious or base metals, possible variations in mineral resources, grade or recovery rates, accidents, labour disputes and other risks of the mining industry, delays in obtaining, or inability to obtain, required governmental approvals or financing, as well as other factors discussed under “Risk Factors”. Although the Company has attempted to identify material factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained in this Prospectus are made as of the date of this Prospectus. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company will update forward-looking statements in its management discussion and analysis as required.

DESCRIPTION OF BUSINESS

Goldblock Capital Inc. was incorporated under the laws of the Province of British Columbia on January 29, 2018. The Company was formed to acquire, explore and develop mining claims in Canada. To date the Company has entered into the Option Agreement with Seven Devils Exploration Ltd, and Multiple Metals Resources Ltd. (the “Optionors”) to earn a 100% interest in the Property, subject to a 1.5% Net Smelter Royalty to be retained by the Optionors, by making staged payments totaling \$192,500 over three years and completing exploration expenditures totaling \$450,000 over four years from the date of the Option Agreement.

The principal business of the Company is the exploration of natural resource properties.

The following information regarding the Property has been summarized from a technical report entitled “Technical Report on the Copper Canyon Property, Nicole Mining Division, British Columbia, prepared for Goldblock Capital Inc., dated effective January 31, 2019, and prepared by D. Cullen, P.Geo., and J. Garry Clark, P.Geo., (collectively, the “author”). Messrs. Cullen and Clark are independent Qualified Persons as defined by NI 43-101. The Technical Report has been prepared in accordance with NI 43-101 and is available for inspection at the head office of the Company during normal business hours. The full Technical Report will also be made available on SEDAR at www.sedar.com.

EXPLORATION AND EVALUATION ASSETS

The Copper Canyon Property consists of 7 claims totaling 2,853.6 hectares. The claims are owned by Seven Devils Exploration Ltd, and Multiple Metals Resources Ltd. (the “Optionors”, each of which own 50% of the Property), both of Vancouver, B.C., and have been optioned to the Company under an Option Agreement dated April 25, 2018.

Under the terms of the Option Agreement, the Company has the right to earn a 100% interest in the Property, subject to a 1.5% Net Smelter Royalty (the “NSR”) to be retained by the Optionors, by making staged payments totaling \$192,500 over three years and completing exploration expenditures totaling \$450,000 over four years from the date of the Option Agreement. The Company has the right to purchase 0.5% of the NSR from the Optionors for \$1,000,000.

No permitting is required for the early stage of exploration work that is proposed. From the proposed program, if successful, the Company would identify drill targets and a Notice of Work (NOW) would be applied for.

On April 25, 2018, the Company entered into an option agreement to acquire a 100% interest in the Copper Canyon Property, located in the Nicola Mining Division of British Columbia, Canada, for the following consideration:

Date	Option payments	Exploration expenditures
April 25, 2018	Payment of \$22,500 (paid)	N/A
April 25, 2019	N/A	N/A
April 25, 2020	Payment of an additional \$20,000	Incur \$100,000
April 25, 2021	Payment of an additional \$150,000	Incur an additional \$100,000
April 25, 2022	N/A	Incur an additional \$250,000

Exploration expenditures in excess of the minimum amount in any period will be applied towards the next period’s minimum required amount.

The vendors will retain a 1.5% Net Smelter Royalty (“NSR”). The Company has the option to purchase 0.5% of the NSR for \$1,000,000.

A preliminary exploration work program was conducted on Copper Canyon from June 12 to June 26, 2019; as summarized:

Soil sampling grid 312 soil samples (using a soil auger) and 76 prospector rock samples were collected to test the presence of precious and base metal mineralization. Approximately 11km of Magnetometer-VLF survey were conducted in the north of the claims. 30 soil samples were from 2 lines starting at MGT and east to the claim boundary. A small grid was established along the southern boundary, consisting of four lines, then soil sampled. A 3rd was completed over part of the VLF-EM/ Magnetometer survey that was conducted in the north of the claims.

67 rock samples were collected from all over the claims with the exception of the westernmost reaches, and particularly the NW because of a lack of access. The southern boundary was prospected very closely from one side to the other, including using a drone to locate smaller patches of rocks that were not seen by prospectors.

The results from the soil sampling had peak values for Au of 82 ppb, for Ag 8.4 ppm, and Cu 810 ppm. The silver and copper peaks are significantly high and skew the percentiles for those metals slightly. At the 85% percentile the anomaly thresholds are 9.3 ppb Au, 1.4 ppm Ag, 46 ppm Cu, 15 ppb Pb, 117 ppb Zn and 8 ppb As. These are in line for the area, except for Ag and Cu, which are higher than normal for the area. Using the 85% percentile (or even 90% percentile) there are significant broad and narrow anomalies.

Of the 67 rock samples collected, the best gold assay was 12 ppb in the area of the MGT Showing, and this sample also ran 1.22% Cu. The rest were at or below the detection limit of 5 ppb gold.

EXPLORATION AND EVALUATION ASSETS *(continued)*

The following are details of the Company's exploration and evaluation asset:

Property Payments and Exploration Cost as of May 31, 2020

	May 31, 2020	May 31, 2019
Acquisition cost		
Beginning of year	\$ 22,500	\$ 22,500
Additions	<u>20,000</u>	<u>-</u>
End of year	<u>42,500</u>	<u>22,500</u>
Exploration costs:		
Beginning of year	\$ 19,440	\$ 1,500
Consulting	-	17,940
Drilling	57,986	-
Sampling	15,961	-
Geophysics	1,815	-
Other	<u>14,525</u>	<u>-</u>
End of year	<u>109,727</u>	<u>19,440</u>
	<u>\$ 152,227</u>	<u>\$ 41,940</u>

SUMMARY FINANCIAL INFORMATION

	Fiscal Year Ended May 31, 2020 (Audited)	Fiscal Year Ended May 31, 2019 (Audited)
Total Assets	\$ 591,721	\$ 695,146
Total Liabilities	\$ 32,475	\$ 24,073
Net Income	\$ (112,827)	\$ (26,751)
Shareholders' Equity	\$ 559,246	\$ 671,073
Total Common Shares	12,000,000	12,000,000

SHARE CAPITAL

Authorized

The Company is authorized to issue an unlimited number of common shares without nominal or par value.

Issued

During the period ended May 31, 2018, the Company issued 2,000,000 common shares at a price of \$0.005 for proceeds of \$10,000, 2,000,000 common shares at a price of \$0.02 for proceeds of \$40,000 and a further 3,000,000 common shares at a price of \$0.05 for proceeds of \$150,000.

During the year ended May 31, 2019, the Company issued 5,000,000 common shares at a price of \$0.10 for proceeds of \$500,000, of which \$1,000 in proceeds was recorded as subscriptions receivable, which was received during the year ended May 31, 2020.

The Company has 12,000,000 shares issued and outstanding as at May 31, 2020.

SELECTED ANNUAL INFORMATION

	May 31, 2020	May 31, 2019	May 31, 2018	May 31, 2017
Revenue	\$ Nil	\$ Nil	\$ Nil	N / A
Comprehensive loss	\$ 112,827	\$ (26,751)	\$ (1,176)	
Basic and Diluted Loss per Share	\$ (0.02)	\$ (0.01)	\$ (0.00)	
Number of common shares outstanding	12,000,000	12,000,000	7,000,000	
<u>Statement of Financial Position data</u>				
Working capital	\$ 407,019	\$ 629,133	\$ 174,824	
Total assets	\$ 591,721	\$ 695,146	\$ 200,000	

During the year ended May 31, 2020 the Company incurred professional fees of \$63,180 paid to the lawyer for filing the prospectus and \$17,500 for audit and accounting fees.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected financial data reported by the Company for the Year ended May 31, 2020 and the previous six quarters

	May 31, 2020 \$	Feb 29, 2020 \$	Nov 30, 2019 \$	Aug 31, 2019 \$	May 31, 2019 \$	Feb 28, 2019 \$	Nov 30, 2018 \$
Current assets	439,494	494,484	553,850	557,748	653,206	657,736	200,760
Exploration and evaluation assets	152,227	129,932	129,902	129,207	41,940	41,940	41,940
Total assets	591,721	624,416	683,752	686,955	695,146	699,677	242,700
Current liabilities	32,475	26,892	51,298	36,821	24,073	1,176	1,176
Share capital	700,000	700,000	700,000	700,000	700,000	700,000	242,700
Comprehensive loss	(38,278)	(33,755)	(17,680)	(23,114)	(26,428)	(323)	Nil
Basic loss per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	Nil
Outstanding shares	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	7,427,000

RESULT OF OPERATIONS

Fiscal 2020

During the fiscal year 2020, the Company recorded a loss of \$112,827 compared to a loss of \$26,571 in the fiscal year 2019. The change is mainly due to higher professional fees of \$80,680 which was paid to lawyer for filing prospectus with regulatory bodies, audit fees, accounting fees (see related party transactions below) and filing fees incurred during the period.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents at May 31, 2020 was \$424,208 compared to \$642,403 at May 31, 2019.

Cash used in operating activities during the year ended May 31, 2020, totaled \$108,908 (2019 – \$4,657), which was attributed to the loss during the period of \$112,827 (2019 – \$26,751) and the changes in the working capital items comprising of an increase in amounts receivable of \$9,096(2019 – \$803), an increase in accounts payable of \$8,402 (2019 – \$22,897), an increase in accrued interest receivable of \$5,387(2019 – \$Nil) and increase of prepaid expenses of \$10,000 (2019 - \$Nil).

Cash generated from financing activity during the year ended May 31, 2020, totaled \$1,000 (2019 – \$499,000). Cash generated from financing activities during the year and during the same period of the previous year were all due to shares issued for cash.

Cash used for investing activity during the year ended May 31, 2020 totaled \$110,287 (2019 - \$17,940). Cash was used for exploration expenses on the property.

The Company's ability to continue on a going concern basis depends on its ability to successfully raise additional financing. Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing may be favorable.

RELATED PARTY TRANSACTIONS

The following is a summary of transactions with an officer and director of the Company:

	For the Year Ended	
	May 31, 2020	May 31, 2019
Fees for accounting (included in accounts payable and accrued liabilities)	\$ 7,500	\$ NIL
Management fees	18,000	NIL

OFF-BALANCE SHEET ARRANGEMENTS

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

COMMITMENTS

The Company is committed to certain cash payments, share issuances and exploration expenditures in connection with the acquisition of its mineral property claims as discussed under the Exploration Project section.

SUBSEQUENT EVENT

None

Stock Options

The Company has nil stock options outstanding at May 31, 2020

Escrow Shares

6,737,000 shares issued to the principals of the Company were subject to escrow conditions required by applicable securities laws and the CSE requirements. Pursuant to the terms of the escrow agreements, 10% of the escrowed shares were released from escrow on March 3, 2020. As at May 31, 2020 6,063,300 shares were held within the escrow and will be released over a period of 36 months. Subsequent to the year ended May 31, 2020 additional 1,010,550 from the remaining shares were released from the escrow.

RISKS AND UNCERTAINTIES

In conducting its business, the Company faces a number of risks and uncertainties related to the mineral exploration industry. Some of these risk factors include risks associated with land titles, exploration and development, government and environmental regulations, permits and licenses, competition, dependence on key personnel, the requirement and ability to raise additional capital through future financings.

Title Risks

Although the Company has exercised due diligence with respect to determining title to the properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests, and the permits or tenures may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. If a title defect exists, it is possible that the Company may lose all or part of its interest in the properties to which such defects relate.

RISKS AND UNCERTAINTIES *(continued)*

Exploration and Development

Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. Substantial expenses are required to establish reserves by drilling, sampling and other techniques and to design and construct mining and processing facilities. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit (i.e. size, grade, access and proximity to infrastructure), financing costs, the cyclical nature of commodity prices and government regulations (including those relating to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection). The effect of these factors or a combination thereof cannot be accurately predicted but could have an adverse impact on the Company.

Competition

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial and technical resources. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

Dependence on Key Personnel

The success of the Company is currently largely dependent on the performance of the directors and officers. There is no assurance that the Company will be able to maintain the services of the directors and officers or other qualified personnel required to operate its business. The loss of the services of these persons could have a material adverse effect on the Company and the prospects.

Future Financings

The Company's continued operation will be dependent upon the ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained on acceptable terms. Failure to obtain additional financing on a timely basis may cause the Company to postpone development plans, forfeit rights in some or all of the properties or joint ventures, or reduce or terminate some or all of the operations.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with generally accepted Canadian accounting principles and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.