

# **BATHURST METALS CORP.**

**(Formerly Pacific Cascade Minerals Inc.)**

**Management's Discussion and Analysis  
For the Nine Months Ended June 30, 2020**

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**BATHURST METALS CORP. (FORMERLY PACIFIC CASCADE MINERALS INC.)  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE NINE MONTHS ENDED JUNE 30, 2020**

## **1.1 DATE**

This management's discussion and analysis ("MD&A") of the financial condition and operating results of Bathurst Metals Corp. (formerly Pacific Cascade Minerals Inc.) ("Pacific Cascade" or the "Company") for the nine months ended June 30, 2020 is derived from and should be read in conjunction with Pacific Cascade's unaudited condensed interim financial statements for the period ended June 30, 2020, as publicly filed on Sedar at [www.sedar.com](http://www.sedar.com).

The Company prepared the unaudited condensed interim financial statements and note disclosures for the nine months ended June 30, 2020 in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

This MD&A complements and supplements, but does not form part of the Company's unaudited condensed interim financial statements.

All dollar amounts contained herein are expressed in Canadian dollars unless otherwise stated.

Subsequent to the quarter ended June 30, 2020, the Company changed its name from Pacific Cascade Minerals Inc. to Bathurst Metals Corp. The Company's shares are now traded under the NEX board under the TSX-V Exchange under the new name with the stock symbol "BMV". In conjunction with the name change, the Company will also be completing a share consolidation on the basis of one (1) post-consolidation common share for every three (3) pre-consolidation common shares.

### **Cautionary Note to Investors Concerning Forward-looking Statements**

Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as "plans", "intends", "anticipates", "should", "estimates", "expects", "believes", "indicates", "suggests" and similar expressions.

This MD&A contains forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business, and the economic environment in which it operates. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Examples of specific risks associated with the operations of the Company are set out under "Risk Factors". Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.

All forward-looking statements have been made subject to risk factors set out starting on page 9 of this MD&A.

The Company was issued a cease trade order ("CTO") by the B.C. Securities Commission ("BCSC") on February 5, 2016. On November 20, 2018, the BCSC issued a Partial Revocation Order to allow the Company to complete a private placement of convertible promissory notes. On April 27, 2020 the BCSC issued a revocation of the cease trade order. The Company is currently raising capital and completing the requirements to re-active its listing on the TSX-V Exchange.

This MD&A has been prepared using information as of **Aug 27, 2020** and approved by the Board on **Aug 27, 2020**.

## **1.2 BUSINESS OVERVIEW**

Pacific Cascade Minerals Inc. is an exploration stage company engaged in the business of acquiring and exploring mineral property interests. If warranted, developing mineral resource properties and placing such properties into production. The Company is a reporting issuer in British Columbia and Alberta and is also listed on the NEX, a separate board of the TSX Venture Exchange under the symbol PCV.

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Additional information related to the Company is available on the regulatory filings website SEDAR at [www.sedar.com](http://www.sedar.com) and the Company's website at [www.pacificcascade.ca](http://www.pacificcascade.ca).

The Company's operations are primarily funded by equity subscriptions and short-term loans. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. The Company intends to continue relying upon the issuance of capital stock to finance its future activities, but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company. Inability to secure future financing would have a material adverse effect on the Company's business, results of operations and financial condition. The Company has experienced difficulty obtaining financing to provide it with the working capital to meet its financial obligations, exploration and development commitments, and operations.

On September 11, 2018, the Company announces it has signed an agreement (subject to TSX-V approval) with Canadian Palladium Resources Inc. (formerly Declan Cobalt Inc.) (the "Vendor") to purchase a 100% interest in the Turner Lake Project (the "Property") located in Nunavut, Canada. The Company plans to raise funds through private placements and secure loan arrangements to finance the project and its operations.

Subsequent to June 30, 2020, the Company completed the acquisition of 100% interest in the property for the Turner Lake Project located in Nunavut.

### **1.3 SELECTED ANNUAL INFORMATION**

Not applicable for interim MD&A.

### **1.4 DISCUSSION OF OPERATIONS**

#### Significant Project – Turner Lake Project, Nunavut

On September 11, 2018, the Company entered into an agreement (subject to TSX approval) with Declan Cobalt Inc. to purchase a 100% interest in the Turner Lake Project located in Nunavut. The Company's agreement with Declan Cobalt Inc. is an arm's length transaction and there are no other ties between the two companies. There is no expiry date for the agreement.

The Property consists of 2 claims. Under the terms of the agreement the Company agrees to purchase a 100% right title and interest in the property in exchange for 1,000,000 common shares of the Company to be delivered to the Vendor within 10 days after the Company receives regulatory approval (the "Completion Date"). The Company will reimburse the Vendor for expenses on exploration, evaluation and development activities totaling \$46,721 with \$25,000 on the Completion Date and provide a note for \$21,721 to be paid within 120 days after the Completion Date. There is a 1% net smelter return ("NSR") reserved by the original property owners which may be purchased for \$1,000,000 at any time after commercial production.

During the 9 months ended June 30, 2020, the Company staked 6 additional claims adjacent to and in the proximity of the existing Turner Lake claims. The additional 6 claims consisting of 6,675 acres expands the Company land holdings for this project.

Additional costs to mineral property for the nine months include \$10,106 for claims extension fees, \$11,102 for staking and \$18,132 for transportation to the sites.

On July 28, 2020, the Company completed the acquisition of 100% interest in the property for the Turner Lake Project located in Nunavut. The Company paid expenses of \$46,721 to the Vendor and issued 1,000,000 common shares of the Company as consideration for the property. There is a 1% net smelter return reserved by the original owners of the property which can be purchased for \$1,000,000 at any time after commercial production.

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**1.5 SUMMARY OF QUARTERLY RESULTS**

	Quarter Ended June 30, 2020	Quarter Ended March 31, 2020	Quarter Ended December 31, 2019	Quarter Ended September 30, 2019
(a) Revenue	Nil	Nil	Nil	Nil
(b) Income/(Loss) for the period	(\$23,042)	(\$38,728)	(\$36,862)	\$560,606
(c) Earnings/(Loss) per share – basic	(\$0.00029)	(\$0.00048)	(\$0.00046)	\$0.0070
(d) Earnings per share - diluted	-	-	-	\$0.0068
	Quarter Ended June 30, 2019	Quarter Ended March 31, 2019	Quarter Ended December 31, 2018	Quarter Ended September 30, 2018
(a) Revenue	Nil	Nil	Nil	Nil
(b) Loss for the period	(\$2,340)	(\$3,655)	(\$3,332)	(\$10,052)
(c) Loss per share - basic	(\$0.00003)	(\$0.00005)	(\$0.00004)	(\$0.0001)
(d) Loss per share - diluted	-	-	-	-

The loss for the periods ended June 30, 2020, March 31, 2020 and December 31, 2019 consists of expenditures for accounting, listing and filing fees, legal fees, management fees, fees for website, transfer agent fees and interest and fees accrued on loans payable and promissory notes payable.

The income for the quarter ended September 30, 2019 is due to the write off of payables of \$631,123. The income for the quarter ended September 30, 2019 is offset with expenses for audit and accounting, filing fees, interest on loans and legal fees.

The increase in loss for the quarter ended September 30, 2018 compared to the all other quarters in the 2018 fiscal year is due to expenses on filing fees, interest expense on loans and office expenses accrued at year end.

**1.6 RESULTS OF OPERATIONS**

The Company recorded a net loss and comprehensive loss of \$23,042 for the three months ended June 30, 2020 and a net loss and comprehensive loss of \$98,632 for the nine months ended June 30, 2020.

The following provides a breakdown of the net expenses incurred for the three and nine months ended June 30, 2020 and 2019:

	Three months ended June 30, 2020	Three months ended June 30, 2019	Nine months ended June 30, 2020	Nine months ended June 30, 2019
<b>Expenses</b>				
Accounting and audit	\$ 6,894	\$ -	\$ 22,335	\$ -
Filing and listing fees (recovery)	(315)	1,250	10,008	3,750
Financing fee, interest and bank charges	9,276	1,103	26,714	5,405

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Legal fees	2,841	-	5,218	-
Management fees	-	-	18,000	-
Office, travel and meals	534	-	12,621	261
Transfer agent fee	3,826	-	3,826	-
Interest income	(14)	(13)	(90)	(88)
<b>Net loss and comprehensive loss for the period</b>	<b>\$ 23,042</b>	<b>\$ 2,340</b>	<b>\$ 98,632</b>	<b>\$ 9,328</b>

Financing fee, interest and bank charges increased due to the Company completion of a financing for promissory notes of \$150,000 during the nine months ended June 30, 2020 at 7% per annum and \$46,000 with fees of \$2,300.

In addition, the Company completed a financing during the 2019 fiscal year by issuing unsecured convertible promissory notes ("Notes") in the aggregate amount of \$149,500. The Notes have a term of one year bearing interest at the rate of 7% per annum, convertible into units with a conversion price of \$0.05. Each unit consists of one common share and one non-transferable common share purchase warrants with each warrant entitling the holder to acquire an additional common share for a period of 2 years for a price of \$0.05 per share.

The increase in expenses for each category is due to the Company's plan to re-list on the TSX-Venture Exchange.

### **1.7 LIQUIDITY AND SOLVENCY**

The Company normally maintains enough cash to meet the Company's business requirements; however, as at June 30, 2020, the Company insufficient cash balance to meet obligations. The Company will be required to raise additional capital in order to fund its operations and pay liabilities as they come due.

During the nine months period ended June 30, 2020, the Company's primary source of funds comes from loan arrangements to finance operations. For the nine months period ended June 30, 2020, the Company has a working capital deficit of \$1,081,670.

The Company does not generate revenues from operations and the Company does not have sufficient working capital to meet its planned operations and exploration activities. The Company has relied mainly upon the issuance of capital stock and loan arrangements to finance its activities. The Company intends to continue relying upon the issuance of capital stock to finance its future activities, but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company. Inability to secure future financing would have a material adverse effect on the Company's business, results of operations and financial condition. The Company has made cutbacks in operations and overhead cost as a result of difficulty in financing.

The Company plans to fund exploration activities at Turner Lake and operating costs through equity financing.

### **1.8 CAPITAL RESOURCES**

On October 4, 2019, the Company issued promissory notes of \$75,000 with a term of one year bearing interest at a rate of 7% per annum. On January 29, 2020, the Company issued an additional \$10,000 promissory note with a term of one year bearing interest at a rate of 7% per annum.

On September 19, 2019, the Company completed a financing by issuing unsecured convertible promissory notes ("Notes") in the aggregate amount of \$149,500. The Notes have a term of one year bearing interest at the rate of 7% per annum, convertible into units with a conversion price of \$0.05. Each unit consists of one common share and one non-transferable common share purchase warrant with each warrant entitling the holder to acquire an additional common share for a period of 2 years for a price of \$0.05 per share.

During the first quarter of the current fiscal year, \$75,000 promissory notes were issued with interest rate of 7% due on demand.

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For the second quarter ended March 31, 2020, \$10,000 promissory note was issued with interest rate of 7% per annum due on demand.

During the current quarter, \$65,000 promissory notes were issued with 7% interest per annum due on demand and another \$46,000 promissory note with fees of \$2,300 due on demand.

At June 30, 2020, there were no externally imposed capital requirements to which the Company is subject and with which the Company has not complied and there are no sources of financing that the Company has arranged but not yet used.

The Company considers its capital under management to be its capital stock, loans payable and promissory notes payable, and makes adjustments to it based on the funds available to the Company in order to support future business opportunities.

**1.9 OFF BALANCE SHEET ARRANGEMENTS**

The Company does not have off balance sheet arrangements for the nine months ended June 30, 2020.

**1.10 TRANSACTIONS BETWEEN RELATED PARTIES**

(a) Due to related parties

The Company has entered into the following related party transactions because alternative sources of financing were unavailable due to the lack of collateral and limited access to public financing due to current global financial conditions.

Due to related parties consist of advances, accrued management fees and expenses paid by directors of the Company. As at June 30, 2020, the amounts payable totaled \$435,705 as follow:

Person	Relationship	Purpose	Amount	Measurement Basis	On-Going Contractual Obligations
Harold Forzley	CEO & Director	Loans & Advances & Accrued Interest to September 30, 2015. No interest terms thereafter.	\$ 230,211	Cost	Repayment
Harold Forzley	CEO & Director	Accumulated Expenses Paid	\$ 29,246	Cost	Repayment
Harold Forzley	CEO & Director	Management Fees Accrued	\$ 63,000	Cost	Repayment
Sean Orr	CFO & Director	Loans & Advances with no interest terms.	\$ 47,162	Cost	Repayment
Sean Orr	CFO & Director	Expenses Paid	\$ 5,524	Cost	Repayment
Stephen Millen	Director	Loan & Advances with no interest terms.	\$ 60,562	Cost	Repayment
Total			\$ 435,705		

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The balance due to related parties are due on demand with no interest terms.

In addition, expenses of \$9,238 were paid by directors on behalf of the Company as follow:

Person	Relationship	Purpose	Amount	Measurement Basis	On-Going Contractual Obligations
Harold Forzley	CEO & Director	Meals & Entertainment for Meetings	\$ 754	Cost	No
Harold Forzley	CEO & Director	Legal fee for 2020 Annual Report	\$ 423	Cost	No
Harold Forzley	CEO & Director	Office Supplies	\$ 1,022	Cost	No
Harold Forzley	CEO & Director	Travel for Meetings	\$ 894	Cost	No
Harold Forzley	CEO & Director	Website Maintenance	\$ 261	Cost	No
Harold Forzley	CEO & Director	AGM Fees	\$ 1,358	Cost	No
Harold Forzley	CEO & Director	Filing and Listing Fees	\$ 700	Cost	No
Harold Forzley	CEO & Director	Transfer Agent Fees	\$ 3,826	Cost	No
Total			\$ 9,238		

(b) Key management compensation

\$18,000 of management fees were accrued and paid to the CEO during 9 months ended June 30, 2020. No management fees were paid or accrued for the first 9 months for the 2019 fiscal year. At June 30, 2020, \$63,000 of management fees remain in due to related parties (September 30, 2019 - \$63,000).

**1.11 FOURTH QUARTER**

Not applicable.

**1.12 PROPOSED TRANSACTIONS**

The Company intends to resume trading on the TSX-Venture Exchange. Once completed, the Company will convert the promissory notes of \$149,500 issued on September 19, 2019 into common share units at a price of \$0.05 per unit consisting of one common share and one warrant. Each warrant will entitle the holder to acquire an additional common share at \$0.05 per share. The warrants will expire in 2 years from the date of issuance.

**1.13 CRITICAL ACCOUNTING ESTIMATES**

Not required as the Company is a Venture Issuer.

**1.14 CHANGES IN ACCOUNTING POLICIES**

There have been no changes in accounting policies for the nine months ended June 30, 2020 for the Company.

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The following is a summary of accounting standards that are current effective.

**IFRS 16 Leases**

Earlier application permitted for entities that also apply IFRS 15 *Revenue from Contracts with Customers*.

This new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. The new standard introduces a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease.

The main features of the new standard are as follows:

- An entity identifies as a lease a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
- A lessee recognizes an asset representing the right to use the leased asset, and a liability for its obligation to make lease payments. Exceptions are permitted for short-term leases and leases of low-value assets.
- A lease asset is initially measured at cost, and is then depreciated similarly to property, plant and equipment. A lease liability is initially measured at the present value of the unpaid lease payments.
- A lessee presents interest expense on a lease liability separately from depreciation of a lease asset in the statement of profit or loss and other comprehensive income.
- A lessor continues to classify its leases as operating leases or finance leases, and to account for them accordingly.
- A lessor provides enhanced disclosures about its risk exposure, particularly exposure to residual-value risk.

The new standard supersedes the requirements in IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The application of IFRS 16 has no material impact to the Company's financial statements.

**1.15 FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

The Company classifies its cash as fair value through profit or loss, and accrued liabilities, loans payable, balances due to related parties, and promissory notes payable as financial liabilities measured at amortized cost.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, interest rate risk and foreign currency risk.

(a) Credit risk

Concentration of credit risk exists with respect to the Company's reclamation bonds and deposit of \$23,500, which are held at a single major Canadian financial institution.

Credit risk is minimized by ensuring that these financial assets are placed with a major Canadian financial institution with strong investment-grade rating by a primary ratings agency.

(b) Liquidity risk

The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. At June 30, 2020, the Company has cash of \$68,643 available to settle current liabilities.

The Company's accounts receivable consists of GST receivable which is due to be received upon the filing of the return for the fiscal year.

The Company's accounts payable, amounts due to related parties, loans payable and promissory notes are due 0-3 months or due on demand.

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The Company normally maintains enough cash to meet the Company's business requirements; however, as at June 30, 2020, there is an insufficient cash balance to meet obligations. The Company will be required to raise additional capital in order to fund its operations and liabilities as they come due.

(c) Interest rate risk

As the Company's loans payable have fixed interest rates, the Company's sensitivity analysis indicates that exposure to interest rate risk is minimal.

(d) Foreign currency risk

The Company is not exposed to significant foreign currency risk on its financial instruments.

### 1.16 OTHER MD&A REQUIREMENTS

#### Disclosure of Outstanding Share Data

The following details the share capital structure as at the date of this MD&A:

	<b>Number Outstanding</b>
Common Shares	<b>81,454,719</b>
Stock Options	<b>2,500,000</b>

### 1.17 INDUSTRY/ECONOMIC FACTORS AND RISKS

The Company is engaged in the exploration for and development of mineral resources. These activities contain significant risks which careful planning, analysis, experience and knowledge may not, eliminate. The commercial viability of any mineral deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the economics of a given mineral deposit include its size, grade and proximity to infrastructure, government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, all have an impact on the economic viability of a mineral deposit.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The Company has entered into an agreement to acquire 100% interest in the Turner Lake Project mineral property. Annual operating losses are expected to continue until the Company has an interest in a mineral property that produces revenues. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its long-term operating costs. There can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company. The accompanying financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

#### Novel Coronavirus ("COVID-19")

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company

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cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. This widespread health crisis could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and its ability to continue exploration activities.

The forward-looking information in this management's discussion and analysis is based on the conclusions of management.