

TRENCH METALS INC.

Management's Discussion and Analysis

This Management's Discussion & Analysis ("MD&A") was prepared as of February 25, 2021 to assist readers in understanding the financial performance of Trench Metals Inc. (the "Company") for the years ended October 31, 2020. This MD&A should be read in conjunction with the Company's audited financial statements for the year ended October 31, 2020.

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") using the Company's reporting currency, the Canadian dollar.

This MD&A contains forward-looking statements. Please see the section "Note Regarding Forward-Looking Statements" for a discussion of the risks, uncertainties and assumptions used to develop forward-looking information.

The Company

Trench Metals Corp. (the "Company") was incorporated under the Business Corporations Act (Alberta) on July 31, 2012. Effective March 27, 2015, the Company's name was changed from Hombre Capital Inc ("Hombre") to Novateqni Corporation. Effective June 24, 2019, the Company's name was changed from Novateqni Corporation to Novateqni Technology Corporation. Effective December 11, 2019, the Company's name was changed to Trench Solutions Inc., Effective November 4, 2020, the Company changed its business to a Tier2 Mining Issuer and its name to Trench Metas Corp. from Trench Solutions Inc., and completed the continuation under the Business Corporations Act (British Columbia).

During the year ended October 31, 2020, the Company completed a split of its shares on a 1:3 basis. The financial statements reflect the split retroactively.

The Company is a publicly traded company with registered office of 2200 - 885 West Georgia Street, Vancouver, BC, V6C 3E8 and head office of 510 – 580 Hornby Street, Vancouver, BC, V6C 3B6. The Company's common shares are listed on the TSX Venture Exchange ("TSXV" or the "Exchange") under the symbol TMC and are also listed on the OTCQB under the symbol NVTQF.

Significant Events

In January 2020, the Company's board of directors has commenced a review of the existing intellectual property assets of the Company to determine how these assets can be monetized. Concurrently, the board expects to conduct a review of potential strategic acquisition opportunities for the Company to augment existing intellectual property or provide new product offerings.

In August 2020, the Company has entered into a definitive property option agreement with Apollo Innovative Solutions Inc., pursuant to which the Company will be granted the right to acquire a 100% interest in and to the Gorilla Lake Uranium Project. The Gorilla Project consists of a series of mineral claims located in the Athabasca basin of Northern Saskatchewan which are presently held the Vendor. The Company and the Vendor are at arms length.

Pursuant to the terms of the Option Agreement, the Company will be granted the right to acquire a 100% interest on the Gorilla Project, in consideration for a series of cash payments to the Vendor and the incurrence of exploration expenditures over a period of three years as follows:

- a cash payment of \$50,000 upon receipt of approval of the TSX Venture Exchange (the "Exchange") (paid);
- incurring exploration expenditures of \$100,000 on the Gorilla Project before the first anniversary (\$9,975 incurred);
- a further cash payment of \$250,000, and incurring exploration expenditures of \$100,000 on the Gorilla Project before the second anniversary; and
- a final cash payment of \$400,000, and incurring exploration expenditures of \$100,000 on the Gorilla Project before the third anniversary.

Following acquisition of the Gorilla Project, the Company will assume responsibility for certain existing net smelter returns royalties totaling three-and-one-half percent (collectively, the "Royalties") on commercial production from the Gorilla Project. The Royalties are presently held by arms-length third parties.

Change of Business

The Option Agreement constitutes a change of business (the "Change of Business") for the Company under the policies of the Exchange. In connection with completion of the Change of Business, the Company anticipates completing a forward split (the "Forward Split") of its common share capital on a three-for-one basis. The Company currently has 36,066,735 common shares outstanding and, upon completion of the Change of Business and the Forward Split. Following completion of the Change of Business, the Company is listed on the Exchange as a Tier 2 Mining issuer under the name "Trench Metals Corp." and the ticker symbol "TMC". No finders' fees or commissions are payable, - 2 - and the Company does not anticipate completing a financing, in connection with the Change of Business.

As the Company is without active operations, is not subject to a cease trade order or trading suspension, the Change of Business is not a related party transaction and no other circumstances exist which may comprise the independence of the Company or other interested parties, in accordance with Exchange Policy 5.2, the Change of Business does not require shareholders approval. Closing of the Change of Business is subject to a number of conditions including receipt of the approval of the Exchange, and the satisfaction of other customary closing conditions. The Change of Business cannot close until approval of the Exchange is obtained. There can be no assurance that the Change of Business will be completed as proposed or at all. Trading in the common shares of the Company will remain halted pending further filings with the Exchange.

Sponsorship

Sponsorship of the Change of Business is required by Exchange Policy 2.2, unless an exemption from the sponsorship requirement is available. The Company will be seeking a waiver of any requirement for a sponsor in connection with the Change of Business.

Proposed Management and Directors

Following completion of the Change of Business, the board of directors of the Company will be reconstituted to consist of Simon Cheng, Scott Davis, Mark Ferguson and Edward Lyons. Management of the Company will consist of Simon Cheng as Chief Executive Officer and Scott Davis as Chief Financial Officer and Corporate Secretary.

In December 8, 2020 Edward Lyons passed away, following the passing of Mr. Lyons, the board of directors consists of Simon Cheng, Scott Davis and Mark Ferguson.

Selected Financial Information

	October 31, 2020	October 31, 2019
Total revenue	\$ -	\$ -
Net loss for the year	\$ (117,651)	\$ (54,760)
Basic and diluted loss per share	\$ (0.00)	\$ (0.01)
Total assets	\$ 822,656	\$ 975,763
Shareholders' equity (deficiency)	\$ 811,501	\$ 929,152
Weighted average Class A common shares outstanding	36,066,735	14,827,134

Results of Operations

For the year ended October 31, 2020

Operating expenses were \$161,211 for the year ended October 31, 2020 compared to \$295,034 for the year ended October 31, 2019. Details are as follows:

- Interest expense was \$Nil for the year ended October 31, 2020 compared to \$10,104 for the year ended October 31, 2019.
- Management and consulting fees were \$18,705 for the year ended October 31, 2020 compared to \$65,714 for the nine months ended July 31, 2019.
- Travel for the year ended October 31, 2020 was \$nil compared to \$8,956 for the year ended October 31, 2019.
- Office and general was \$3,245 for the years ended October 31, 2020 compared to \$33,754 for the year ended October 31, 2019.
- Share-based payments were \$Nil for the year ended October 31, 2020 compared to \$49,589 for the year ended October 31, 2019.

The decrease in the expenses noted above are the result the of Company implementing cost-saving initiatives in the current period as compared to the same period in the prior year.

On November 1, 2018, the Company no longer controlled the subsidiaries comprising Novateqni USA LLC, Novateqni Hong Kong Limited, and Novateqni South Africa (Pty) Limited control was passed to the purchaser. These subsidiaries were part of the Company's one operating segment. In accordance with IFRS 10, the Company derecognized the carrying values of the assets and liabilities effective November 1, 2018. The loss on the disposition and de-recognition of the subsidiaries resulted in a loss of \$841,936 during the year ended October 31, 2019.

For the three months ended October 31, 2020

Operating expenses were \$74,914 for the three months ended October 31, 2020 compared to \$44,479 for the three months ended October 31, 2019. Details are as follows:

- Interest expense was \$Nil for the three months ended October 31, 2020 compared to \$3,383 for the three months ended July 31, 2019.
- Professional fees were \$26,169 for the three months ended October 31, 2020 compared to \$16,415 for the three months ended October 2019.

Other expenses are comparable to the prior period.

Summary of Quarterly Results

	October 2020	July 2020	April 2020	January 2020	October 2019	July 2019	April 2019	January 2019
Total revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Net (loss)/income	\$ (74,914)	\$ 25,566	\$ (45,678)	\$ (22,625)	\$ (11,856)	\$ (165,151)	\$ 10,023	\$ (97,660)
Net (loss)/income per share	\$ (0.00)	\$ 0.00	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.03)	\$ 0.00	\$ (0.03)

Financial Condition and Liquidity

On October 31, 2020 the Company had cash on hand totalling \$809,341 and \$964,759 on October 31, 2019. Liabilities for the year ended October 31, 2020 were \$11,155 and \$46,611 on October 31, 2019.

For the year ended October 31, 2020, working capital from continuing operations was \$801,526 compared to \$929,152 for year ended October 31, 2019.

Management considers that the current economic environment is difficult and therefore has moved to an out-sourcing model, which has lowered costs and allow the company to handle potential contracts if won by tenders to be more profitable. To the extent necessary, the Company has relied on its ability to raise funds via equity issuances in order to finance its operations. The Company has been successful in raising funds in previous years. However, there can be no assurance the Company will continue to be able to raise funds under suitable terms. In addition, management has instituted measures to preserve cash through significantly decreasing its corporate costs.

Management has concluded that the combination of these circumstances' casts substantial doubt on the ability of the Company to continue as a going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

Contractual Obligations and Off-Balance Sheet Arrangements

The Company is not subject to any contractual obligations or off-balance sheet arrangements, except that in the normal course of business, the Company enters into agreements that include indemnities in favour of third parties. These include engagement letters with advisors and consultants, and service agreements. The Company has also agreed to indemnify our directors and officers in accordance with the Company's constituting documents and bylaws. Certain agreements do not contain any limits on the Company's liability and therefore it is not possible to estimate its potential liability under these indemnities. In certain cases, the Company has recourse against third parties with respect to these indemnities.

RELATED PARTY TRANSACTIONS

The remuneration expense of directors and other members of key management personnel, or companies under their control, during the period was as follows:

	2020	2019
Professional fees	\$ 15,726	\$ 7,563
Consulting fees	\$ 17,895	\$ 44,733

As at October 31, 2020, the Company owed \$2,100 (2019 - \$1,450) to directors of the Company for consulting fees and an accounting firm of which a director and officer of the Company is partner for professional fees.

- i) During the year ended October 31, 2019 a former director of the Company provided loans through companies under his control totaling \$207,515 for working capital which were repaid in full during the year ended October 31, 2019.
- ii) During the year ended October 31, 2018, the former Chief Executive Officer/Director loaned the Company funds for operations. The amount due to the former Chief Executive Officer/Director on October 31, 2018 was \$46,655. The loan was non-interest bearing and had no set repayment terms. During the year ended October 31, 2019 this amount was paid in full.

Business Risks

The Company is facing a number of risks. (See "Note Regarding Forward-Looking Statements").

The business of Trench Solutions Inc. will involve a high degree of risk and there can be no assurance that it will continue securing contracts. The Company currently predominantly relies on contract bids with the voter registration business and this business is based on tenders through marketing partners.

Financial Risk Factors

Please refer to the financial statements for the year ended October 31, 2020.

Critical Accounting Estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision

affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key sources of these uncertainties that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are discussed below:

The Company makes allowance for doubtful accounts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgment to evaluate the adequacy of the allowance for doubtful receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

The Company measures the cost of non-cash stock-based compensation transactions with employees by reference to the fair value of the equity instruments. Estimating fair value for non-cash stock-based compensation transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility and dividend yield of the share option. The Company measures the cost of non-cash stock-based compensation transactions with consultants by reference to the fair value of the services to be performed.

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

New and amended IFRS standards that are effective for the current year

Please refer to the financial statements for the year ended October 31, 2020.

Capital Management

The Company's capital is composed of cash and shareholders' equity. The Company manages its capital structure and make adjustments to it based on the funds available in order to support the development of its technology-based solutions. The Company is not subject to any externally imposed capital requirements. As at October 31, 2020 the Company's shareholders' equity from continuing operations was \$811,501 compared to \$929,152 on October 31, 2019. As at October 31, 2020 the Company had current liabilities from continuing operations of \$11,155 compared to \$46,611 as at October 31, 2019. The Company will need to raise capital through equity placements and/or long-term debt financing in order to address the current liquidity issue.

Outstanding Share Data

As at the date of this report the Company had the following securities issued and outstanding:

	<u>Number</u>
Class A Common Shares	36,066,735
Stock Options	nil
Warrants	24,007,500

Note Regarding Forward-Looking Statements

This MD&A contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. The forward-looking statements and information are based on certain key expectations and assumptions made by the Company. Although the Company believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on

the forward-looking statements and information because the Company can give no assurance that they will prove to be correct.

Forward-looking information is based on the opinions and estimates of management at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause the results to differ materially from those expressed in the forward-looking information include, but are not limited to: general economic conditions in Canada and globally; industry conditions, including governmental regulation; failure to obtain industry partner and other third party consents and approvals, if and when required; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; competition for, among other things, skilled personnel and supplies; changes in tax laws; and the other factors. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date hereof, and to not use such forward-looking information for anything other than its intended purpose. The Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law.

Proposed Transactions

There are no proposed transactions that have not been disclosed herein.

Internal Controls Over Financial Reporting

Changes in Internal Control over Financial Reporting ("ICFR")

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

Management's Responsibility of Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

Other MD&A Requirements

Additional disclosure of the Company's material change reports, news releases and other information can be obtained on SEDAR at www.sedar.com.