

YORKTON VENTURES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Three Month Period Ended September 30, 2019

The following Management's Discussion and Analysis ("MD&A") of the results of operations and financial condition should be read in conjunction with the condensed interim financial statements of Yorkton Ventures Inc. (the "Company") for the three month period ended September 30, 2019. The condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") on a going concern basis. Readers are also encouraged to refer to the audited financial statements for the year ended June 30, 2019 and related notes attached thereto. Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars which is the functional currency of the Company. The effective date of this MD&A is November 29, 2019.

This MD&A may contain forward-looking statements relating to the operations or to the environment in which we operate, which are based on the Company's operations, forecasts, and projections. Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions, and actual results may differ materially from those anticipated in these forward-looking statements.

Company Overview

Yorkton Ventures Inc. (the "Company") was incorporated under the Business Corporations Act of British Columbia on August 30, 2006 as Brookbank Mining Corp., and changed its name to Yorkton Ventures Inc. on October 9, 2009. The Company was a Capital Pool Company ("CPC"), as defined in the policies of the TSX Venture Exchange (the "Exchange"). Based on the Company's Filing Statement dated January 14, 2013, the Company received approval of its Qualifying Transaction (the "QT") from the Exchange. Effective at the opening of trading on February 4, 2013, the Company ceased to be considered a CPC and began trading as a Tier 2 oil and gas issuer under the symbol YVI. The Company's head office is located at 1200 - 750 West Pender Street, Vancouver, BC, V6C 2T8.

The Company has historically been engaged in the acquisition, exploration, and development of prospective oil and gas properties. The Company intends to work to identify and evaluate other properties and exploration programs and/or other business models and opportunities.

The Company's cash position decreased during the three month period ended September 30, 2019 to \$900,847 from \$906,164 at June 30, 2019. Working capital has decreased from \$1,069,264 at June 30, 2019 to \$1,066,737 at September 30, 2019.

Results of Operations

For the three month period ended September 30, 2019, the Company reported a net loss of \$2,527 (2018 – \$34,885). For the three month period ended September 30, 2019, the Company had general and administrative expenses of \$1,802 (2018 - \$4,910), management and consulting fees of \$3,000 (2018 - \$24,000), and professional fees of \$750 (2018 - \$9,000). During the three month period ended September 30, 2019, the Company recorded interest income of \$3,025 (2018 - \$3,025).

Liquidity

As at September 30, 2019, the Company had cash of \$900,847 and working capital of \$1,066,737 compared to cash of \$906,164 and working capital of \$1,069,264 at June 30, 2019.

The Company is confident that it has sufficient cash resources and revenue to finance its activities for the upcoming fiscal year.

Selected Annual Financial Information

The following table sets forth selected audited financial information of the Company from the last three completed financial years ended June 30:

	2019	2018	2017
	\$	\$	\$
Total revenue	–	–	20,253
Net loss for the year	(138,295)	(138,295)	(153,755)
Basic and diluted loss per share	(0.01)	(0.01)	(0.02)
Total assets	1,092,575	1,139,514	827,418
Total non-current financial liabilities	–	–	–

Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
	\$	\$	\$	\$
Revenue	–	–	–	–
Net loss for the period	(2,527)	(8,610)	(5,672)	(20,561)
Basic and diluted earnings (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)

	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017
	\$	\$	\$	\$
Revenue	–	–	–	–
Net loss for the period	(34,885)	(31,721)	(38,258)	(41,834)
Basic and diluted earnings (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)

Related Party Transactions

- (a) During the three month period ended September 30, 2019, the Company incurred management fees of \$3,000 (2018 - \$3,000) to a company controlled by the former President of the Company.
- (b) During the three month period ended September 30, 2019, the Company incurred management fees of \$Nil (2018 - \$21,000) to a company controlled by the former Chief Financial Officer of the Company.
- (c) During the three month period ended September 30, 2019, the Company incurred professional fees of \$Nil (2018 - \$9,000) to a company controlled by the Chief Financial Officer of the Company.

As at September 30, 2019 there was \$10,500 (June 30, 2019 - \$7,350) owing to corporation controlled by the former President of the Company for management fees.

Accounting Standards Adopted During the Period

During the period ended September 30, 2019, the Company adopted the following accounting standard:

IFRS 16, Leases

IFRS 16 is effective for annual periods beginning on or after January 1, 2019. This new standard replaces the existing leasing guidance in IAS 17, Leases.

IFRS 16 distinguishes between leases and service contracts on the basis of whether the customer controls the asset being leased. For those contracts determined to meet the definition of a lease, IFRS 16 requires a lessee to recognize on the balance sheet a lease asset along with the associated lease liability which reflects future lease payments, similar to current finance lease accounting. There are limited exceptions for leases with a term of less than 12 months or leases of assets which have a very low value. As a result of the adoption of IFRS 16, operating leases which were previously only recognized on the statement of loss will be recognized on the statement of financial position.

There was no impact on the Company's financial statements from the adoption of this standard.

Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital, share-based payment reserve, and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended June 30, 2019.

Financial Instruments and Risks

Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at September 30, 2019, as follows:

	Fair Value Measurements Using			Balance, September 30, 2019
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	\$	\$	\$	\$
Cash and cash equivalents	900,847	—	—	900,847

The fair values of other financial instruments, which include accounts receivable, GST receivable, accrued interest receivable, loans receivable, and accounts payable and accrued liabilities and approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash, GST receivable, accrued interest receivable, and loans receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The Company performs ongoing credit evaluations, does not require collateral and establishes an allowance for doubtful accounts based on the age of the receivable and the specific identification of receivables the Company considers at risk. GST receivable is due from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

Foreign Exchange Rate Risk

The Company is not exposed to any significant foreign exchange rate risk.

Interest Rate Risk

The Company's exposure to interest rate risk relates to its ability to earn short-term interest on cash and cash equivalents balances at variable rates.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. Given the nature of the Company's financial assets, it believes that liquidity risk is relatively low.

Additional Disclosure for Venture Issuers Without Significant Revenue

An analysis of material components of the Company's general and administrative expenses is disclosed in the condensed interim financial statements for the three month period ended September 30, 2019 to which this MD&A relates.

Disclosure of Outstanding Share Data

Share Capital

Authorized: Unlimited number of common shares without par value.

As at September 30, 2019 and November 29, 2019, the Company had 12,000,000 shares issued and outstanding.

Stock Options

As at September 30, 2019 and November 29, 2019, the Company had no stock options outstanding.

Share Purchase Warrants

As at September 30, 2019 and November 29, 2019, the Company had no share purchase warrants outstanding,

Management's Report on Internal Controls over Financial Reporting

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) 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 the financial information contained in the condensed interim financial statements and respective accompanying MD&A.

The Venture Issuer 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 NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the financial statement filings on SEDAR at www.sedar.com.