Yorkton Ventures Inc.

Management's Discussion and Analysis
Three Month Period Ended
September 30, 2020

(Stated in Canadian Dollars)

Report Date – November 30, 2020

Introduction

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 for the three month period ended September 30, 2020 and the audited annual financial statements for the year ended June 30, 2020 and related notes attached thereto of Yorkton Ventures Inc. (the "Company"). The 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. 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.

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 (British Columbia) on August 30, 2006 as Brookbank Mining Corp., and changed its name to Yorkton Ventures Inc. on October 9, 2009. The Company is listed on the TSX Venture Exchange (the "Exchange") under the trading 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. In July 2020, the Company entered into a definitive asset acquisition agreement wherein it can acquire a 100% ownership interest in the Bellechase-Timmins property (the "Bellechase Property") in exchange for staged cash payments totaling $1,700,000. (Refer to the Bellechase-Timmins Property)

Bellechase-Timmins Property

On July 3, 2020, the Company entered into a definitive asset acquisition agreement wherein it can acquire a 100% ownership interest in the Bellechase Property located in Quebec. The terms of acquisition are as follows:

- Pay $100,000 within 10 days of signing of a definitive agreement (paid);
- Pay $250,000 within 90 days after signing of a definitive agreement (paid);
- Pay $350,000 within 180 days after signing of a definitive agreement;
- Pay $450,000 within 270 days after signing of a definitive agreement;
- Pay $550,000 within 360 days after signing of a definitive agreement; and
- 1% NSR on any and all commercial production, however 0.5% may be repurchased at anytime for $1,000,000.

Proposed Transaction

On September 29, 2020, as amended on November 30, 2020, the Company entered into an option agreement with Royal Gold Mining Inc. ("Royal"), a publicly traded company on the TSXV, wherein Royal can earn up to a 70% ownership interest in the Bellechase Property. The option agreement, which is subject to Exchange approval, has the following terms.

To acquire an initial 35% interest in the Bellechase Property, Royal is required to:

- Issue a $350,000 promissory note that bears interest at 10% and matures on October 2, 2022;
- Issue 1,000,000 Royal shares; and
- Incur $200,000 in eligible property expenditures prior to October 2, 2021.

To acquire an additional 35% interest (resulting in a total 70% interest) in the Bellechase Property, Royal is required to:

- Prior to April 15, 2021 issue a $350,000 promissory note that bears interest at 10% and matures two years from the date of issuance;
- Issue 500,000 Royal shares; and
- Incur $250,000 in eligible property expenditures prior to October 2, 2023.

At that point, a joint venture partnership will be formed, where each party will contribute its share of the project expenditures and costs or will be diluted down accordingly.

The Company will initially be the operator of the Bellechasse Property, and all budgets must be approved by both parties. All technical components will be approved by a technical committee comprising two nominees of Royal and two nominees of the Company.

Results of Operations

For the year ended June 30, 2020 (the "Current Year"), the Company reported a net loss of $201,485 (2019 – $69,728). The Company had no operating revenue during the year, and expenses primarily consisted of professional fees and administrative expenses. However, the Company did incur $171,905 in property investigation in connection with the Bellechase Property. The loss in the Current Year was 201% higher than the prior year due to the property investigation costs on the Bellechase Property.

Liquidity

The Company's cash position increased during the period ended September 30, 2020 to $885,874 from $691,446 at June 30, 2020. In addition, working capital has increased to $1,253,530 from $867,779 at June 30, 2020.

Due to a non-brokered private placement that was completed in July 2020 for aggregate proceeds of $405,000, the Company is confident that it has sufficient cash resources to finance its activities for the next 12 months. However, should the Company require additional capital then there is no guarantee that such funding will be available or on terms acceptable to the Company.

Summary of Quarterly Results

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

	September 30, 2020 ($)	June 30, 2020 ($)	March 31, 2020 ($)	December 31, 2019 ($)
Revenue	–	–	–	–
Net loss for the period	(10,324)	(174,655)	(14,570)	(9,733)
Basic and diluted earnings (loss) per share	(0.00)	(0.02)	(0.00)	(0.00)
	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)

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:

	2020 ($)	2019 ($)	2018 ($)
Total revenue	–	–	–
Net loss for the year	(201,485)	(69,728)	(138,295)
Basic and diluted loss per share	(0.02)	(0.01)	(0.01)
Total assets	885,220	1,092,575	1,139,514
Total non-current financial liabilities	–	–	–

Subsequent Event

Subsequent to September 30, 2020, the Company:

a) paid $250,000 in cash in accordance with the Belle-chase property option agreement.

b) received $75,000 for the repayment of the note receivable described in Note 4(a) plus the outstanding accrued interest.

c) amended the terms of the Bellechase option agreement with Royal Gold Mining Inc. (refer to "**Proposed Transaction"**)

Accounting Standards Adopted During the Period

During the period ended September 30, 2020, the Company did not adopt any new accounting standards.

Related Party Transactions

During the three month period ended September 30, 2020, the Company incurred management fees of $Nil (2019 - $3,000) to a company controlled by the former President of the Company.

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 and share-based payment reserve.

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 issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the period ended September 30, 2020

Financial Instruments and Risks

Financial risk management

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, interest receivable, loans receivable and accounts payable and accrued liabilities.

Financial Instruments and Risks (continued)

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.

Disclosure of Outstanding Share Data

Share Capital

Authorized: Unlimited number of common shares without par value.

As at the September 30, 2020 and the Report Date, the Company had 20,100,000 shares issued and outstanding.

Stock Options

As at September 30, 2020 and the Report Date, the Company had no stock options outstanding.

Share Purchase Warrants

As at the September 30, 2020 and the Report Date, the Company had the following share purchase warrants outstanding:

- 8,100,000 share purchase warrants exercisable at $0.075, $0.10 and $0.12 in successive years.
- 320,000 finders' warrants exercisable at $0.35 for the first 6 months and $0.50 for the subsequent 6 months

Other Information

Thomas R. Tough has been appointed to the Board of Directors of the Company to fill the vacancy resulting from the resignation of Nishal Kumar.