

Vatic Ventures Corp.
Management's Discussion & Analysis
For The Year Ended
February 28, 2019

VATIC VENTURES CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS
THE YEAR ENDED FEBRUARY 28, 2019

OVERVIEW

The following management discussion and analysis ("MD&A") is a review of the operations, current financial position and outlook for Vatic Ventures Corp. (the "Company") and should be read in conjunction with the audited consolidated financial statements for the years ended February 28, 2018 and 2019, which are filed on the SEDAR website: www.sedar.com.

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"). This document has been reviewed by the Audit Committee of the Board of Directors of the Company and has been approved by the Board of Directors on June 28, 2019. All amounts are expressed in Canadian dollars unless otherwise stated.

The financial information in this MD&A is derived from the Company's consolidated financial statements. This MD&A may contain forward looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of risk factors beyond its control. Actual results may differ materially from the expected results.

DESCRIPTION OF THE COMPANY'S BUSINESS

The Company was incorporated on October 30, 2007 and was classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). Until January 26, 2011, the principal business of the Company was the identification and evaluation of assets of a business and once identified or evaluated, to negotiate an acquisition of or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities (as that term is defined in Policy 2.4).

On May 17, 2010 and further amended on January 13, 2011, the Company announced that it entered into an option agreement to acquire an undivided 100% interest in a property consisting of 14 claims, covering 7,176 hectares in the southwest of Merritt, British Columbia (see "Mineral Interests"). On January 26, 2011, the Exchange accepted the filing of the Company's Qualifying Transaction. As a result, the Company is listed on the Exchange as a Tier 2 mining exploration issuer and the common shares resumed trading on the Exchange on January 27, 2011 under the TSX-V symbol "VCV".

The Company is engaged in exploration and development of mineral properties and is currently focused on projects in Thailand and other potential areas in other parts of the world. At this time, the Company does not own any operating mines and has no operating income from mineral production. Funding for operations is raised primarily through public and private share offerings. Future operations and the Company's ability to meet its mineral interest commitments are dependent on the Company's ability to raise sufficient funds through share offerings, debt, or operations to support current and future expenditures.

On June 20, 2012, the Company incorporated two wholly owned subsidiaries VV Mining Exploration Services Mexico S. DE. R. I. and VV Mining Mexico S. DE R. I. C. V. to carry out the exploration of the La Silla West claims in the State of Sinaloa, Mexico. As at February 28, 2019, the two subsidiaries were inactive.

On January 21, 2017, the Company announced that it had completed the acquisition of 80% of the issued and outstanding shares of Saksrithai Development Co. Ltd., a Thai company which holds two special prospecting licenses for the exploration of potash (See "Mineral Interests").

- (a) determine if an economic mineral deposit exists on the acquired mineral properties;
- (b) find one or more economic mineral deposits and bring them to commercial production; and
- (c) deliver a return on capitalization to shareholders.

On December 11, 2018, the Company announced that Nasim Tyab and Gerald Wright had resigned as directors and officers of the Company, Loren Currie had joined the board of directors and Barry Coughlan, an existing director of the Company,

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had been appointed as interim CEO.

On March 19, 2019, the Company announced that pursuant to an assignment agreement dated February 21, 2019 (the "Assignment Agreement") with R7 Capital Ventures Ltd. ("R7") the Company has acquired R7's right's under a letter of intent (the "LOI") dated December 20, 2018 among R7, Tim Rogers and CannOps Africa, which has a pending name change to Indian Ocean Organics Ltd. ("Indian Ocean") to acquire from Tim Rogers 70% of the issued shares of Indian Ocean (the "Shares").

MINERAL INTERESTS

Khorat Basin Property, Thailand

On June 2, 2016 the Company entered into an assignment and purchase agreement (the "Agreement") to acquire 80% of the issued and outstanding shares (the "Shares") of Saksrithai Development Co. Ltd. ("Saksrithai"), a Thailand company which holds two special prospecting licenses ("SPLs") for the exploration of potash.

The two licenses, which are contiguous, are located in the northern Thailand province of Nakhon Ratchasima and comprise an area of approximately 32 km². The property is located in the western part of the Khorat Basin in the Khorat Plateau which contains a large evaporate basin of Cretaceous age.

Pursuant to the Agreement the Company acquired the rights of Red Branch Investments Ltd. ("Red Branch") a Hong Kong incorporated company to acquire the Shares pursuant to a memorandum of understanding entered into among the holders of the Shares of Saksrithai (the "Saksrithai Shareholders"), and Red Branch dated February 26, 2016 which was superseded on June 2, 2016 by a share purchase agreement (the "Underlying Acquisition Agreement"). In accordance with the terms of the Underlying Acquisition Agreement, as assigned to the Company, the Company purchased the Shares by paying the Saksrithai Shareholders THB 8,000,000 (8,000,000 Thai Baht, the currency of Thailand, which equates to approximately US\$220,000). The Underlying Acquisition Agreement also provides that the Company fund a THB 50,000,000 (approximately US\$1,400,000) first stage exploration and development program which will include sufficient funding to satisfy work and expenditure commitments under the SPLs and to pay the Thailand project expenses and funding for general and administrative expenses in Thailand and Canada. In the event that the full amount of THB 50,000,000 is not expended, the Saksrithai Shareholders will be entitled to a cash payment of 20% of the unspent balance.

As consideration for the Agreement, on October 21, 2016, the Company issued 1,733,333 common shares to Red Branch plus a 1% NSR on the property. The NSR can be purchased by the Company at any time for US\$1,000,000. Upon closing of the transaction Gerry Wright, the principal of Red Branch, joined the board of directors of the Company. Mr. Wright is a Professional Engineer and holds a Doctorate in Engineering from Queen's University, Belfast. He has over 30 years' experience in the minerals exploration and development industry in Asia, North America, Europe and Africa, serving as a Senior Officer and Director of a number of public and private companies. He has extensive experience and knowledge of the potash resources underlying Thailand's Khorat Plateau and the regional potash industry. As CEO of Asia Pacific Resources Ltd., he was directly responsible for acquisition, financing and development of Asia's most significant potash discovery.

During the year ended February 28, 2019, management has decided to abandon the property. On January 19, 2019, the Company announced that it had given notice to Red Branch prior to December 31, 2018, that it was terminating the option agreement on the Khorat Basin Thailand property and returning the shares in Saksrithai to Red Branch from whom it had purchased. As a result, the Company has written off the carrying value of the property.

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Wabunk Bay Property, Ontario

On June 28, 2018, the Company announced that it had signed a memorandum of understanding (the "MOU") with Falcon Gold Corp. ("Falcon") for the Wabunk Bay cobalt claims (the "Property") adjoining Uchi mine, northwestern Ontario, Canada. Vatic has the right to earn a 60% interest from Falcon (the "Option") by meeting certain expenditure and consideration requirements on the Property. Falcon has an underlying agreement with the property owner whereby it has the right to acquire a 100% interest in 2 (cobalt, copper, nickel & PGE's) mining claims in Earngey Township in the Kenora District of northwestern Ontario. The claims comprise 19 claim units and cover an area of approximately 304 hectares (see the Falcon press release of June 13, 2018). The Wabunk Bay property is highly prospective for cobalt, and the Company believes that it can explore and develop potential in a short timeframe there.

In accordance with the terms of the MOU Vatic can exercise the Option by:

- a) paying to Falcon a \$25,000 deposit;
- b) issuing to Falcon an initial 200,000 units at \$0.18 per unit, each unit consisting of one common
- c) share plus a warrant to purchase a further common share for \$0.25 exercisable for two years (the "Initial Units");
- d) completing exploration expenditures of \$750,000 on the Property by June 27, 2019;
- e) issuing by June 27, 2019 an additional 200,000 units on the same terms as the Initial Units; and
- f) paying to Falcon an additional \$275,000 by June 27, 2019.

The Property is subject to a 2 kilometer area of interest and is subject to a 1% NSR in favor of the underlying owner which can be purchased for \$1 million any time before commercial production. Upon exercise of the Option the Company and Falcon will form a 60/40 joint venture for further development of the Property subject to the right of the Company to acquire Falcon's 40% interest by issuing shares of the Company to Falcon based on a valuation to be conducted by at least three valuers.

On September 17, 2018, the Company terminated its Option on the Wabunk Bay Property. Under the terms of the MOU, the Company had paid Falcon a non-refundable deposit of \$25,000.

OVERALL PERFORMANCE

Loans payable, deferred transaction costs and other

As at February 28, 2018, loans payable consisted of two loans with a total carrying value of \$43,163. Both of the loans are unsecured, due on demand and bear interest at 10% or 12% per annum. During the year ended February 28, 2018, two of the debt holders assigned their debts to other parties and waived any payment of interest from the beginning of the year up until the date of the transfer. One of the loans was transferred to a related party with a carrying amount of \$21,806 at February 28, 2018.

During the year ended February 28, 2019, the Company has repaid the full balance of the loan. The loan did not incur any interest during the year.

On May 8, 2018, the Company received TSX Venture Exchange approval to amend its share structure by consolidating its issued and outstanding common shares on the basis of one (new) post consolidation share for each three (old) pre-consolidation shares (the "Consolidation").

On February 5, 2018, the Company met the requirement to be listed as a TSX Venture Tier 2 Company. Therefore, effective at the opening of trading, Monday February 5, 2018, the Company's listing was transferred from the NEX board to the TSX Venture Exchange and the Company's classification was changed from NEX to Tier 2.

The exercise or conversion price and the number of common shares issuable under any of the Company's outstanding warrants and stock options have been proportionately adjusted to reflect the Consolidation in accordance with the respective terms thereof.

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On August 24, 2018, the Company announced the closing of its rights offering (the "Rights Offering") previously announced on June 18, 2018. Under the Rights Offering, on August 24, 2018 (the "Closing Date"), 1,122,736 units of the Company (the "Units") were distributed at a price of \$0.18 per Unit for gross proceeds of approximately \$202,092. Each Unit consisted of one common share in the capital of Vatic (a "Share") and one transferable common share purchase warrant (each, a "Warrant"), with each Warrant exercisable into one Share at an exercise price of \$0.25 for a period of 24 months from the Closing Date. The Warrants will not be listed for trading on the TSX Venture Exchange (the "Exchange"), as the minimum distribution and other listing requirements of the Exchange were not satisfied. A total of 1,017,403 Units were subscribed for by rights holders pursuant to the basic subscription privilege attached to the rights, and a total of 105,333 Units were subscribed for by rights holders pursuant to the additional subscription privilege attached to the rights. No Units were subscribed for by insiders of the Company under the basic subscription privilege or the additional subscription privilege. As previously announced, Mackie Research Capital Corporation ("Mackie") acted as exclusive soliciting dealer on a commercially reasonable efforts basis in connection with the Rights Offering in consideration for: (i) a corporate finance fee of \$40,000 plus GST; (ii) a cash commission equal to 10% of the proceeds of the Rights Offering; (iii) the issuance of non-transferable options to acquire 694,444 Shares at a price of \$0.18 per Share for a period of 24 months from the Closing Date; and (iv) the issuance of nontransferable options to acquire 112,273 Units. Vatic intends to use the net proceeds of the Rights Offering for further exploration and development of its Saksrithai potash project in Thailand and for working capital.

During the year ended February 28, 2019, The Company incurred \$912,806 business development costs for the Rights Offering.

On February 21, 2019, the Company and R7 Capital Ltd. ("R7") entered into an agreement (the "Assignment Agreement") whereby the Company has acquired R7's rights under the letter of intent (the "LOI") dated December 20, 2018 to, among other rights, acquire 70% of the interest in CannOps Africa (Comoros) SARLU ("CannOps") from one of its shareholders ("CannOps Shareholder") and acquire 70% of the shares of a company that has a pending CBD permit in Uganda. CannOps has permits for the cultivation and exclusive production of CBD in Comoros.

In consideration of assignment of the R7's rights under the LOI, the Company is to:

- i. Issue 500,000 common shares to R7 upon regulatory approval of the transaction;
- ii. Issue a further 500,000 common shares on the later of the regulatory approval date and the date upon which the Uganda permit is assigned to the Company; and
- iii. Assume the obligations of R7 under the LOI.

The Assignment Agreement is subject to the approval of the TSX Venture Exchange.

Under the terms of the LOI, R7 or its assignee shall pay the following to the CannOps Shareholder:

- i. A non-refundable deposit of US\$150,000 by December 20, 2018; and
- ii. Shares of R7 or its assignee with an aggregate value of \$2,500,000 due on the closing of the transaction.
The value of the shares will based on the maximum allowing discount to the last trading price of the shares.

During the year ended February 28, 2019, the Company advanced CannOps US\$150,000 (C\$197,457) in satisfaction of the non-refundable deposit. Subsequent to year end, the Company entered into a loan agreement with CannOps whereby the payment of US\$150,000 is to be repaid by CannOps by December 31, 2019. The loan is unsecured and non-interest bearing.

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SELECTED ANNUAL INFORMATION

Summary of financial information for years ended February 28, 2019, 2018 and 2017 is as follows,

	Years ended		
	February 28, 2019	February 28, 2018	February 28, 2017
Continued operations			
Net and comprehensive loss for the year	\$ (3,976,165)	\$ (637,335)	\$ (681,894)
Basic and diluted loss per share	(0.16)	(0.05)	(0.10)
Total assets	424,510	1,311,281	971,620
Total liabilities	863,976	886,339	486,775

RESULTS OF OPERATIONS

The Company had a net and comprehensive loss of \$3,976,165 for the year ended February 28, 2019 (2018 - \$637,335). The Company's expenses related primarily to business development, office and miscellaneous, professional fees for accounting and legal, consulting fees, management fees, and transfer agent and filing fees.

The overall expenses for the Company increased, during the year ended February 28, 2019, due to loss on disposal of the Company's subsidiary in Thailand.

Business development of \$938,177 (2018 - \$1,778) relates to advertising and promotion activities of the Company primarily related to the Rights Offering.

Consulting fees of \$568,570 (2018 - \$209,235) related to fees paid to consultants of the Company for consultation on the Company's prospective project in Thailand.

Professional fees of \$223,346 (2018 - \$82,809) related to legal, engineering and accounting expenses in connection with reporting and compliance for the operations of the Company.

Rent payment is to \$16,428 (2018 - \$8,230). The company utilizes more space due to increase of business activities.

Management fees of \$439,555 (2018 - \$168,000) related to fees paid to officers of the Company for management for the overall work required for the acquisition of a new property and the private placements to funds for purchase of the new property and other operating expenses.

Transfer agent and filing fees of \$46,906 (2017 - \$37,036) primarily relate to private placements and Rights Offering.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The Company's quarterly operating results for the period from May 31, 2017 to February 28, 2019 are summarized as follows:

	May 31, 2017	August 31, 2017	November 30, 2017	February 28, 2018	May 31, 2018	August 31, 2018	November 30, 2018	February 28, 2019
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net loss	(204,667)	39,804	(137,549)	(334,923)	(1,084,997)	(379,674)	(221,586)	(2,289,908)
Basic and diluted net loss per share	(0.03)	0.00	(0.01)	(0.03)	(0.05)	(0.02)	(0.01)	(0.07)

Fluctuations in the Company's expenditures reflect the ongoing efforts of the Company to raise capital for its projects.

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Variations in losses during quarters were due to the changes in business development fees, management fees, consulting fees, directors' fees and professional fees that were incurred. Also as the Company attends to its mineral projects, office and administrative expenses could increase to support the operation of these projects.

Major variations between the quarters ended August 31, 2017 and May 31, 2017 were primarily due to the settlements of accounts payable during the quarter ended August 31, 2017.

Major variations between the quarters ended November 30, 2017 and August 31, 2017 were primarily due to the settlements of accounts payable during the quarter ended August 31, 2017.

Major variations between the quarters ended February 28, 2018 and November 30, 2017, were primarily due to the increase in, travel, meals and entertainment and management fees and audit related fees during the quarter ended February 28, 2018.

Major variations between the quarters ended May 31, 2018 and February 28, 2018, were primarily due to the increase in business development expenses for marketing and promotion during the quarter ended May 31, 2018.

Major variations between the quarter ended August 31, 2018 and May 31, 2018, were primarily due to the increase in business development expenses for marketing and promotion during the quarter ended May 31, 2018.

Major variations between the quarter ended November 30, 2018 and August 31, 2018, were primarily due to the decrease in management fees during the quarter ended November 30, 2018.

Major variations between the quarter ended November 30, 2018 and February 28, 2019, were primarily due to the loss of disposal of the Company's subsidiary in Thailand during the quarter ended February 28, 2019.

LIQUIDITY AND CAPITAL RESOURCES

As of February 28, 2019 the Company had a net working capital deficiency of \$439,466 (February 28, 2018 - \$868,531) and cash of \$210,464 (February 28, 2018 – \$Nil). The Company anticipates that given its current cash position it will have to raise funds for the coming periods to support future expenditures.

Cash Flow Activities:

Cash balances increased by \$210,464 during the year ended February 28, 2019 and decreased by \$3,874 during the year ended February 28, 2018. Below are detailed discussions related to the Company's cash flows.

Operating Activities

During the year ended February 28, 2019, cash used in operating activities was \$2,205,178 compared to cash used in operating activities of \$508,242 during the year ended February 28, 2019. The difference is primarily attributed to the reduction of accounts payable and accrued liabilities.

Financing Activities

Cash provided by financing activities during the year ended February 28, 2019 was \$2,889,557, compared with cash provided by financing activities of \$753,552 during the year ended February 28, 2018. The cash provided by financing activities for the year ended February 28, 2019 and 2018 is primarily attributable to private placements during the year.

Investing Activities

Cash used in investing activities was \$473,915 during the year ended February 28, 2019, compared to \$249,154 used in

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investing activities during the year ended February 28, 2019. The cash used in investing activities is primarily attributed to exploration expenditures incurred in Thailand.

Summary of Share and Other Activities:

As of February 28, 2019, the Company had a shareholders' equity deficiency of \$439,466 (February 28, 2018 – \$424,942 shareholders' equity). The Share Capital to date was from proceeds received from the issuance of common shares. The Company did not have any revenues during the years ended February 28, 2019 and 2018. Until the Company's property interests generate profits sufficient to maintain operations, the ability of the Company to meet financial liabilities and commitments is primarily dependent upon the continued issuance of equity to new or existing shareholders.

At February 28, 2019, there were 43,823,967 issued and outstanding common shares.

Authorized:

Unlimited common shares, without par value.

	Number of shares	Share capital
Balance, February 28, 2017	9,840,992	\$ 4,538,763
Private placements	5,033,633	883,753
Share issued for acquisition of exploration and evaluation assets	133,333	20,000
Share issuance costs - cash	-	(56,398)
Fair value of finders' warrants granted	-	(20,039)
Fair value of finders' warrants exercised	-	29,726
Balance, February 28, 2018	15,007,958	\$ 5,395,805
Private placement	26,722,252	2,959,423
Share issue costs - cash	-	(169,797)
Exercise of options	1,300,000	119,100
Share for debt settlement	793,757	79,376
Fair value reversal of options exercised	-	109,807
Fair value reversal of warrant expired	-	4,749
Fair value reversal of agent's options granted	-	(5,689)
Fair value reversal of agent's warrants granted	-	(73,233)
Balance, February 28, 2019	43,823,967	\$ 8,419,541

During the year ended February 28, 2018:

Private Placement on March 27, 2017

On March 27, 2017, the Company received approval from the NEX board of the TSX-V to close the first and second tranches of its financing. In the first tranche, the Company issued 1,385,556 units at a price of \$0.225 per unit for gross proceeds of \$311,750. Each unit consists of one common share and one common share purchase warrant with each whole warrant entitling the holder to acquire one additional common share of the Company at a price of \$0.45 per share for 24 months from closing. A finder's fee of \$16,800 cash, plus 84,667 finder's warrants exercisable at \$0.225 per share for 24 months was paid to Haywood Securities Inc. The finder's warrants had a fair value of \$11,840 using the Black Scholes option pricing model with the following assumptions: Risk-free interest rate of 0.73%, expected life of 2 years, and expected volatility of 124%. The Company also paid a finder's fee of \$1,500 cash plus 6,667 finder's warrants valued at \$932 exercisable at \$0.225 per share for 24 months to Foster & Associates. The finder's warrants had a fair value of \$932 using the Black Scholes option pricing model with the following assumptions: Risk-free interest rate of 0.73%, expected life of 2 years, expected volatility of 124%, and dividend yield of 0%. The Company also incurred other share issuance costs of \$7,000 in connection with the financing.

On closing of the second tranche, the Company issued 330,555 units at a price of \$0.225 per unit for gross proceeds of \$74,375. Each unit consists of one common share and one common share purchase warrant with each whole warrant

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entitling the holder to acquire one additional common share of the Company at a price of \$0.45 per share for 12 months from closing. A finder's fee of \$2,348 cash, plus 10,833 finder's warrants exercisable at \$0.225 per share for 24 months was paid to Leede Jones Gable Inc. The finder's warrants had a fair value of \$1,515 using the Black Scholes option pricing model with the following assumptions: Risk-free interest rate of 0.73%, expected life of 2 years, expected volatility of 124%, and dividend yield of 0%. The Company also incurred other share issuance costs of \$3,000 in connection with the financing.

The Company issued 133,333 common shares on exercise of 133,333 finder's warrants with an exercise price of \$0.15 per share for gross proceeds of \$20,000.

\$0.15 per share for gross proceeds of \$20,000.

Private Placement on February 5, 2018

On February 5, 2018, the Company announced that it had closed a non-brokered private placement with gross proceeds of \$497,628, consisting of 3,317,522 units at a price of \$0.15 per unit. Each unit consists of one common share and one common share purchase warrant with each unit warrant entitling the holder to acquire one additional common share at a price of \$0.30 per share for 12 months from closing. Finders' fees of \$14,750 cash, plus 98,333 finder's warrants exercisable at \$0.30 per share for 12 months were paid to the finders. The finder's warrants had a fair value of \$5,752 using the Black Scholes option pricing model with the following assumptions: Risk-free interest rate of 1.81%, expected life of 1 year, expected volatility of 103%, and dividend yield of 0%. The Company also incurred other share issuance costs of \$11,000 in connection with the financing.

During the year ended February 28, 2019:

Private Placement on April 12, 2018

On April 12, 2018, the Company closed its private placement financing (announced February 1, 2018) for gross proceeds of \$482,500. The Company issued a total of 3,216,667 units at a price of \$0.15 per unit. Each unit consists of one common share of the Company and one full common share purchase warrant exercisable at \$0.30 for 12 months from the date of issuance. All securities issued in the placement are subject to a four-month hold period. In connection with the financing, the Company issued 143,333 finder's warrants on March 21, 2018. Each finder's warrant is exercisable at \$0.30 for a period of one year. The finder's warrants were valued at \$7,338 or \$0.05 per warrant. The finder's warrants were valued using the Black-Scholes model with the following inputs: expected life of 1 year, discount rate of 1.9%, volatility of 123% and dividend yield of 0%.

Private Placement on May 4, 2018

On May 4, 2018, the Company received approval from the TSX Venture Exchange to close its private placement financing (announced April 19, 2018) for gross proceeds of \$994,970. The Company issued a total of 5,102,410 units at a price of \$0.195 per unit. Each unit consists of one common share of the Company and one full common share purchase warrant exercisable at \$0.39 for 24 months from date of issuance. All securities issued in the placement are subject to a four-month hold period. In connection with the financing, the Company issued 71,400 finder's warrants on May 7, 2018. Each finder's warrant is exercisable at \$0.39 for a period of two years. The finder's warrants were valued at \$6,255 or \$0.09 per warrant. The finder's warrants were valued using the Black-Scholes model with the following inputs: expected life of 2 years, discount rate of 1.9%, volatility of 107% and dividend yield of 0%.

Private Placement on August 24, 2018

On August 24, 2018, the Company announced the closing of its previously announced rights offering (the "Rights Offering"). Under the Rights Offering, on August 24, 2018 (the "Closing Date"), 1,122,736 units of the Company (the "Units") were distributed at a price of \$0.18 per Unit for gross proceeds of approximately \$202,092. Each Unit consisted of one common share in the capital of Vatic (a "Share") and one transferable common share purchase warrant (each, a "Warrant"), with each Warrant exercisable into one Share at an exercise price of \$0.25 for a period of 24 months from the

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Closing Date. The Warrants will not be listed for trading on the TSX Venture Exchange (the "Exchange"), as the minimum distribution and other listing requirements of the Exchange were not satisfied. A total of 1,017,403 Units were subscribed for by rights holders pursuant to the basic subscription privilege attached to the rights, and a total of 105,333 Units were subscribed for by rights holders pursuant to the additional subscription privilege attached to the rights. No Units were subscribed for by insiders of the Company under the basic subscription privilege or the additional subscription privilege. As previously announced, Mackie Research Capital Corporation ("Mackie") acted as exclusive soliciting dealer on a commercially reasonable efforts basis in connection with the Rights Offering in consideration for: (i) a corporate finance fee of \$40,000 plus GST; (ii) a cash commission equal to 10% of the proceeds of the Rights Offering; (iii) the issuance of non-transferable warrants to acquire 694,444 Shares at a price of \$0.18 per Share for a period of 24 months from the Closing Date, valued at \$35,191 or \$0.05 per warrant; and (iv) the issuance of nontransferable options to acquire 112,273 Units, valued at \$5,689 or \$0.05 per option. The finder's warrants and options were valued using the Black-Scholes model with the following inputs: expected life of 2 years, discount rate of 2.1%, volatility of 116% and dividend yield of 0%.

Private Placement on January 30, 2019

On January 30, 2019, the Company announced the closing of its private placement for gross proceeds of \$1,296,033. The Company issued a total of 17,280,439 units ("Units") at a price of \$0.075 per unit as well as 8,640,220 warrants. Each Unit will consist of one common share and one half of a common share purchase warrant ("Unit Warrant") with each full Unit Warrant entitling the holder to acquire one additional common share at a price of \$0.10 per share for 24 months from closing. In accordance with TSX Venture Exchange policies, a total of \$56,854 and 596,657 finder's warrants were paid as finder's fees. The finders' warrants were valued at \$24,449 or \$0.04 per warrant. The finder's warrants were valued using the Black-Scholes model with the following inputs: expected life of 2 years, discount rate of 1.9%, volatility of 124% and dividend yield of 0%.

The private placement was effected with 5 insiders of the Company subscribing for 1,466,666 Units for aggregate subscription proceeds of \$110,000, that portion of the financing a "related party transaction" as such term is defined under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company is relying on exemptions from the formal valuation and minority approval requirements set out in MI 61-101. The Company is exempt from the formal valuation requirement of MI 61-101 under sections 5.5(a) and (b) of MI 61-101 in respect of the transaction as the fair market value of the transaction, insofar as it involves the interested party, is not more than the 25% of the Company's market capitalization. Additionally, the Company is exempt from minority shareholder approval under sections 5.7(1)(a) and (b) of MI 61-101 as, in addition to the foregoing, (i) neither the fair market value of the Units nor the consideration received in respect thereof from interested party exceeds \$2,500,000, (ii) the Company has one or more independent directors who are not employees of the Company, and (iii) all of the independent directors have approved the transaction. Material change reports were not filed 21 days prior to the closing of the financing because insider participation had not been established at the time the financing was announced.

During the year ended February 28, 2019, 1,300,000 options were exercised for a proceed of \$119,100.

As of the date of this report, the Company had the following outstanding:

- 43,823,967 common shares
- 16,227,867 warrants
- 162,273 options

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at February 28, 2019 or as of the date of this report.

TRANSACTIONS WITH RELATED PARTIES

The amounts due to related parties are amounts due to the officer and director of the Company. The balances are unsecured,

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non-interest bearing and have no specific terms for repayment. These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Due to related parties

	February 28, 2019	February 28, 2018
Former President	\$ 294,166	\$ 205,127
Former CEO	298,313	296,655
CFO	18,270	59,270
Previous Director	37,153	37,153
Total	\$ 647,902	\$ 598,205

During the years ended February 28, 2019 and 2018, the Company paid and accrued management and consulting fees to its officers as follows:

	Years ended	
	February 28, 2019	February 28, 2018
Former President	\$ 246,910	\$ 120,000
Former CEO	144,465	120,000
Former CEO (recorded in Saksrithai)	130,000	-
CFO	48,000	24,000
	\$ 569,375	\$ 264,000

PROPOSED TRANSACTIONS

The Company has no proposed transactions as at the date of this report.

CRITICAL ACCOUNTING ESTIMATES

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 judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

1) Estimated Useful Lives of Assets

The estimation of the useful lives of assets has been based on historical and industry experience. Adjustments to useful life are made when considered necessary.

2) Share-Based Payments

Equity-settled share-based awards are recognized as an expense based on their fair value at date of grant. The fair value of equity-settled share options is estimated through the use of an option valuation model – Black-Scholes, which require inputs such as the risk-free interest rate, expected dividends, expected volatility and the expected option life, and is expensed over the vesting period. Using different input estimates or models produces different option values, which would result in the recognition of a higher or lower expense.

For a detailed summary of the Company's significant accounting policies, the reader is directed to Note 3 of the Notes to the consolidated audited financial statements for the year ended February 28, 2018 available on SEDAR at www.sedar.com.

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RISKS AND UNCERTAINTIES

The Company believes that the following risks and uncertainties may materially affect its success.

Limited Operating History

The Company is a relatively new company with limited operating history and no history of business or mining operations, revenue generation or production history. The Company was incorporated on October 30, 2007 and has yet to generate a profit from its activities. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

Exploration, Development and Operating Risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in an increase in the Company's resource base.

The Company's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity; flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

Fluctuating Mineral Prices

The economics of mineral exploration is affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, it may be determined that it is impractical to continue the mineral exploration operation.

Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the Property.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the establishment of the Company's current and planned mining operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, and pursue only those development plans that can be funded through cash flows generated from its existing operations.

Regulatory Requirements

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The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for the facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulation would not have an adverse effect on any exploration and development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulation and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs or require abandonment or delays in the development of new properties.

Financing Risks and Dilution to Shareholders

The Company will have limited financial resources, no operations and no revenues. If the Company's exploration program on its properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

Title to Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to the Property will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company, as the case may be, does not have title to the properties could cause the Company to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

Requirement for Permits and Licenses

As the Company holds an option to acquire the properties, subject to the NSR and it and may need to acquire further permits or licenses necessary to carry on proposed exploration activities on the properties. A substantial number of permits and licenses may be required should the Company proceed beyond exploration; such licenses and permits may be difficult to obtain and may be subject to changes in regulations and in various operational circumstances. It is uncertain whether the Company will be able to obtain all such licenses and permits.

Competition

There is competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of minerals claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Reliance on Management and Dependence on Key Personnel

The success of the Company will be largely dependent upon on the performance of the directors and officers and the ability

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to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

No Mineral Reserves or Mineral Resources

The property in which the Company holds an interest is considered to be an early exploration stage property, however no mineral reserve or mineral resource estimates have been prepared in respect of the property. Mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates, may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different mineral grades, may cause a mining operation to be unprofitable in any particular accounting period.

Environmental Risks

The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

Governmental Regulations and Processing Licenses and Permits

The activities of the Company are subject to Canadian, provincial and Thailand approvals, various laws governing prospecting, development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Although the Company believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Company. Further, the mining licenses and permits issued in respect of its projects may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of the Company's investments in such projects may decline.

Local Resident Concerns

Apart from ordinary environmental issues, work on, or the development and mining of the properties could be subject to resistance from local residents that could either prevent or delay exploration and development of the properties.

Conflicts of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The

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British Columbia Business Corporations Act ("BCBCA") provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director must disclose his interest in such contract or agreement and refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company shares. The Company does not intend to maintain insurance against environmental risks.

Litigation

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

Dividends

To date, the Company has not paid any dividends on its outstanding shares. Any decision to pay dividends on the shares of the Company will be made by its board of directors on the basis of the Company's earnings, financial requirements and other conditions.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements. Forward-looking statements are projections of events, revenues, income, future economic performance or management's plans and objectives for future operations. In some cases, you can identify forward-looking statements by the use of terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. Examples of forward-looking statements made in this MD&A include statements about the Company's business plans; the costs and timing of its developments; its future investments and allocation of capital resources; success of exploration activities; requirements for additional capital; government regulation of mining operations. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including: general economic and business conditions, fluctuations in worldwide prices and demand for minerals; our lack of operating history; the actual results of current exploration activities; conclusions or economic evaluations; changes in project parameters as plans continue to be refined; possible variations in grade and or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes or other risks of the mining industry; delays in obtaining government approvals or financing or incompleteness of development or construction activities, any of which may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

While these forward-looking statements and any assumptions upon which they are based are made in good faith and reflect our current judgment regarding the direction of the Company's business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Except as required by applicable law, including the securities laws of the Canada, the Company does not intend to update any of the forward-looking statements to conform these statements to actual results.

CHANGES IN ACCOUNTING POLICIES

Accounting standards, amendments and interpretations not yet effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") during the year. None of these are expected to have

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a significant effect on the financial statements. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

(a) IFRS 16, Leases

The new standard on leases supersedes IAS 17, Leases, and related interpretations. The standard is effective for years beginning on or after January 1, 2019.

FINANCIAL AND OTHER INSTRUMENTS

The IFRS requires disclosure about the inputs used in making fair value measurements, including their classification within a hierarchy that prioritizes their significance. 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 financial assets and liabilities consist of cash, amounts receivable, amounts to third parties, due to related parties, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant credit, liquidity or market risks arising from these financial instruments. With the exception of cash the fair value of these instruments approximates their carrying value due to the short-term nature of their maturity.

Cash is valued using Level 1 inputs.

Fair Values

The following table outlines the Company's financial assets and liabilities measured at fair value by level with the fair value hierarchy described above. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair measurement.

Assets	As at February 28, 2019			
	Level 1	Level 2	Level 3	Total
Cash	\$ 210,464	\$ -	\$ -	\$ 210,464
Total	\$ 210,464	\$ -	\$ -	\$ 210,464

Assets	As at February 28, 2018			
	Level 1	Level 2	Level 3	Total
Cash	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -

All other financial assets and liabilities approximate their fair value due to their short term nature of these instruments.

OTHER MATTERS

Legal proceedings

The Company is not aware of any legal proceedings.

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Contingent liabilities

At the date of report, management is unaware of any outstanding contingent liability relating to the Company's activities.

OFFICERS AND DIRECTORS

Current directors and officers of the Company are as follows:

Barry Coughlan, CEO and Director
Loren Currie, Director
Matthew Mikulic, Director
Anthony Clements, Director
Thomas Wilson, CFO and Director
Gordon J. Fretwell Law Corp, Corporate Secretary

OUTLOOK

The Company's primary focus for the foreseeable future will be on reviewing its financial position, and continuing exploration and development activities on its mineral properties.

OTHER REQUIREMENTS

Additional disclosure of the Company's material documents including information circular, material change reports, new release, and other information can be obtained on SEDAR at www.sedar.com.