

VANTEX RESOURCES LTD
MANAGEMENT'S DISCUSSION AND ANALYSIS
Nine months ended July 31, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis (MD&A) presents an analysis of the financial position and results of operations of Vantex Resources Ltd. ("Vantex" or the "Company") for the nine months ended July 31, 2020 and is complementary to the unaudited interim financial statements. It should be read in conjunction with the annual financial statements for the year ended October 31, 2019 and the accompanying notes. Monetary values in the financial statements are in Canadian dollars. Independent external auditors Brunet Roy Dubé, CPA, s.e.n.c.r.l. were retained to express an opinion on the annual financial statements. Their audit report is attached to the annual financial statements.

The Company's interim financial statements were prepared in accordance with IFRS and IAS 1, *Presentation of Financial Statements*. These interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* and IAS 1, *Presentation of Financial Statements*. The principal accounting policies used in their preparation are summarized in Note 5 to the said interim financial statements as at July 31, 2020.

This MD&A also includes a review of exploration activities, providing a brief summary of the work carried out and the progress made on projects underway. This review must also be read in conjunction with the financial statements and accompanying notes.

Additional information is available on SEDAR at www.sedar.com in the section containing documents filed by Vantex Resources Ltd. or on the Company's website www.vantexresources.com.

FORWARD-LOOKING INFORMATION

This document contains forward-looking statements that reflect the Company's current expectations regarding future operations. To the extent that statements in this document contain information that is not historical, these statements are essentially forward-looking. Forward-looking statements involve risk, uncertainty and other factors that could cause actual results that differ from the results anticipated or implied by such forward-looking statements.

Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, undue reliance should not be placed on these statements which only apply as of the date of this document. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by applicable securities legislation.

THE COMPANY

The Company was incorporated in 1987 under the laws of British Columbia and was continued under the Canada Business Corporations Act in June 1998. In February 2004, the Company changed its corporate name from Vantex Oil, Gas and Minerals Ltd. to Vantex Resources Ltd.

The capital stock consists of an unlimited number of common shares without par value, of which 3,809,252 were issued and outstanding as at the date of this MD&A. The Company's shares are listed on the TSX Venture Exchange under the symbol VAX.

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact of the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the

outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, the Company anticipate this outbreak might increase the difficulty in capital raising which may negatively impact the Company's business and financial condition.

NATURE OF ACTIVITIES

The activities of Vantex consist of acquiring, exploring, appraising, and, if applicable, developing mining mineral properties. In addition, in line with achieving its objectives, Vantex could be required to sign various agreements specific to the mining industry, such as purchase or option agreements for mining claims and joint venture agreements.

PERIOD HIGHLIGHTS

The comprehensive loss for the nine months ended July 31, 2020, amounted to \$73,497, compared to \$114,807 for 2019.

During the nine months ended July 31, 2020, the Company conducted exploration work totaling \$46,344 (2019 - \$35,845).

On July 15, 2020, the Company has entered into an option agreement, with respect to the acquisition by Fokus Mining Inc. (previously Fieldex Exploration Inc.) ("Fokus") of a 100% interest in the Galloway project.

In February 2020, the Company renewed the mining rights of the property in Clericy.

On January 17, 2020, the Company completed a private placement for gross proceeds of \$35,000 through the issuance of 466,667 flow-through shares at a price of \$0.075 per share.

In December 2019, the Company renewed the mining rights of the property in Perron, Sandborn, Cadillac Rang III, Ortona, and Lac Bousquet - Normar.

YEAR-END HIGHLIGHTS

The comprehensive loss for the fiscal year ended October 31, 2019, amounted to \$194,219, compared to \$717,471 for 2018.

During the fiscal year ended October 31, 2019, the Company conducted exploration work totaling \$35,845 (2018 - \$15,212).

INFORMATION ON MINING PROPERTIES

Note on the exploration work:

All drilling and stripping work on the projects since their acquisition by the Company has been done under the supervision of consulting geologist, Jeannot Théberge, and consulting geological engineer, Daniel Kelly, who are qualified persons under National Instrument 43-101. The widths of the various gold zones intersected by drilling are not true widths and are reported as core length.

Galloway Project

The Galloway Project includes the following mining properties: Hurd, Ogima North, Sandborn, Perron, Francoeur, Cadillac Rang III, Renault Bay and Lac Fortune Ouest, all located in Dasserat Township, Abitibi. This Project, according to historical data, has excellent potential

for the development of large-tonnage open-pit gold deposits.

The Company holds a 100% interest in the Sandborn, Cadillac Rang III, Francoeur and Perron properties, Hurd and Ogima North properties. These interests were acquired in return for payments totaling \$282,500 and the issuance of 484,680 common shares from 2009 to 2011. The original owners retained a 2% NSR royalty (see press release of February 9, 2011), except for the Perron Property which royalty is \$1 per ounce of gold. In January 2013, Vantex bought back 20% of the 2% NSR royalty on the Hurd Property, in return for a payment of \$50,000.

In March 2016, the Company signed an amended option agreement with Vanstar Mining Resources (“Vanstar”) concerning certain mining blocks of the Galloway Project located in the Rouyn-Noranda area, Abitibi. Under this agreement, the Company grants Vanstar the option to acquire a 50% interest in the Perron, Renault Bay and part of the Hurd blocks over a period of five years in return of the following work commitments: \$100,000 for each of the first two years, \$300,000 for the third year, \$500,000 for the fourth year and \$1,000,000 for the fifth year. Vanstar will acquire a 2.5% interest for each tranche of \$100,000 invested. In the original agreement, Vanstar had to invest \$400,000 each year in works.

On September 13, 2016, the Company has entered into an agreement to terminate its existing option agreement with Vanstar Mining Resources Inc. pursuant to which Vanstar acquired the right to purchase up to a 50% interest in certain mining claims, specifically in the Perron, Renault Bay and Hurd blocks (PRH gold project), situated in Dasserat Township, Abitibi, and referred to as the Galloway Property, located in the Rouyn-Noranda area of Quebec, Canada. According to final agreement on January 9, 2017, the Company agreed to a cash payment of \$50,000, the issuance of 50,000 shares at a value of \$50,000 and a royalty of 0.5% NSR on those claims. Also, the Company has subscribed for 1,428,571 shares by way of private placement from Vanstar at unit share price of \$0.07.

In October 2018, the Company still holds the mining rights of the property Ogima Nord, Sandborn, Francoeur and Cadillac Rang III, but the management has determined that an impairment loss of 100% should be recorded.

The Company is evaluating the possibility of finding a partner to develop the other blocks constituting the Galloway Project. Steps were taken in this direction lately.

In December 2019, the Company renewed the mining rights of the property in Perron, Sandborn, and Cadillac Rang III.

On July 15, 2020, the Company entered an option agreement, with respect to the acquisition by Fokus of a 100% interest in the Galloway project.

In order to acquire a 100% interest in Galloway project, Fokus must pay \$250,000 to the Company upon approval of the agreement by the TSX Venture Exchange (paid subsequently), pay an additional \$750,000 to the Company in three tranches of \$250,000 each over a period of nine months from the effective date, for a total of \$1,000,000, and issue 3,000,000 shares to the Company within 10 days of the effective date (issued subsequently).

As per the agreement, the Company will also be entitled to be paid by Fokus \$500,000 in cash upon the first declaration of a minimum 500,000 ounces of gold in a qualifying National Instrument 43-101 indicated mineral resources and an additional \$500,000 in cash upon the first declaration of a minimum 1,000,000 ounces of gold in a qualifying NI 43-101 indicated mineral resources.

Renault Bay Property

Located 1 to 2.5 kilometers north of the Galloway shaft, the Renault Bay area contains many gold showings. According to historical data, several drill holes intersected gold values in this area (GM 41568), including hole RB83-2, which cut grades of 4.32 g/t Au over 0.3 meters from 43.9 to 44.2 meters, and 12.44 g/t Au over 1.5 meters from 132.3 to 133.8 meters. The hole drilled in 2011 at the end of the spring-summer program to test an NNE structure did not return significant results.

Depending on available funds, the Company is planning a Max-Min geophysical survey. Historical data shows the presence of copper and zinc in the area.

Sandborn, Ogima North, Cadillac, and Francoeur properties

These blocks form the eastern and southeastern parts of the Galloway project. Many gold, silver and copper showings occur there. A few holes were drilled in 2010 on Ogima North but none returned significant values.

Sandborn showing

The mineralization is associated with a shear zone well mineralized with chalcopyrite. A grab sample returned 2.39% Cu, 1.47 g/t Au and 6.79 g/t Ag (RP-390, Page 36). Grades of 2.39% Cu, 1.47 g/t Au, 6.79 g/t Ag (grab sample, PR-390, Page 36) and 1.12% Cu over 2.74 m (hole 82-2, GM 40427) were also noted in previous work.

Payrock

The mineralized zone is along a NE shear zone with which the three main veins of the deposit are associated. The mineralization is massive and disseminated, occurring in lenses and quartz-carbonate veins. In GM 53294, it was reported that a grab sample by Norex returned a grade of 24.7 g/t Au.

Côté-Laporte

A hole drilled immediately north of the Cadillac Break by Kerr-Addison in 1987 yielded a value of 1.78 g/t Au over 0.76 meters (GM 44428 - hole CLD-86-1).

Another hole located over 500 meters to the north intersected a gold value of 2.7 g/t over 3 meters, while several holes southeast of Desvaux Lake yielded values ranging from 1.4 to 3.9 g/t Au over widths from 1.2 to 2.1 meters.

2013-2014 exploration work - Hurd Property

Moriss zone

In January 2013, the application for extension of claims in the Ruisseau Clinchamp area was accepted by the Quebec government. This new territory, with an area of about 110 hectares, is adjacent to the Moriss zone.

A 2,450-metre drilling program was completed in August. Six holes were drilled in the northeastern extension of the Moriss zone and six in the northwestern extension. Most of the holes intersected the targeted mineralized structures.

The Company also stripped a small area north of the Moriss showing. This work revealed a sheared, altered and mineralized structure corresponding to an induced polarization anomaly. In October 2013, four holes were drilled, for a total of 414 meters. Two of the holes, drilled

approximately 100 meters to the west in the extension of the main zone, intersected the targeted gold zone, while the other two holes drilled on the main zone also intersected the Moriss zone. Three of these holes returned significant gold values (see press release of November 20, 2013). The Company's management continues to consider these results encouraging. They show potential for continuity in all directions.

The Moriss zone may be associated with free gold, which could cause a "nugget effect" in assays, thus explaining why the gold values obtained in the intersected zones were generally less significant than in the past. Testing is planned to verify this hypothesis, in cooperation with the URSTM of Rouyn-Noranda.

A thorough review of the drilling on the Moriss zone is under way to determine possible associations between the various minerals in the different ore zones. Depending on available funds, the Company is planning a complete data compilation and interpretation of the zone.

Hurd zone

The Company also began testing, in cooperation with URSTM of Rouyn-Noranda, to check the gold-bearing material intersected in the Hurd zone. These tests will help determine whether economic gold recovery would be possible from this material by heap leaching.

The first bottle roll tests show possible recovery ranging from 46% to 92%, depending on the grain-size used. Column tests will be necessary to provide a better assessment of the project.

Positive results would allow the Company to consider the possibility of finding a partner to operate it profitably in the medium term.

2015 exploration work - Hurd, GP and Moriss properties

During the summer and fall of 2015, the Company completed various geochemical surveys in the areas Moriss, GP and Hurd. Several anomalous areas of gold, molybdenum, copper and zinc were identified in these sectors, mainly in the north of the Moriss and GP zones whereas the geochemical anomalies in the Hurd area are located in the south.

A technical report was also completed in-house by Gilles Laverdière, geologist and CEO of Vantex.

Lac Bousquet Property

Bloc Normar

An agreement was reached in November 2014 with Atlanta Gold Inc., whereas the Company acquired a 60% interest in the Normar Property, comprised of 27 claims located in the Bousquet Township, in Abitibi, in exchange for the issuance of 49,100 common shares. The seller retained a 1% NSR royalty.

2015 exploration work on Normar block - Bousquet Project

The Company completed some stripping, grooving and sampling on the Paquin area particularly in the central portion.

This work allowed to check and confirm the presence of numerous gold veins and veinlets within a large altered and mineralized zone.

At about 1 kilometer west of the Paquin area, the Company also conducted various sampling on many rocks discovered during forestry work by Tembec Inc.

However, no significant gold zone was traced by this last sampling despite the presence of many altered and mineralized veins.

A magnetic ground survey and a comprehensive geological compilation were made during this period. The geophysical survey (mag) and geophysical compilation confirmed the presence of several magnetic anomalies associated with iron formations.

In October 2018, the Company still holds the mining rights of the property, but the management has determined that an impairment loss of 100% should be recorded.

In December 2019, the Company renewed the mining rights of these claims.

Bloc Black Fly

An agreement was reached in November 2014 with Atlanta Gold Inc., whereas the Company acquired a 100% interest in a group of 13 cells located in the Bousquet Township, in exchange for the issuance of 25,000 common shares. The seller retained a 1% NSR royalty.

An agreement was reached in November 2014 with Globex Mining Enterprises Inc., whereas the Company acquired a 100% interest in 8 cells located in the Bousquet Township, in exchange for the issuance of 6,000 common shares. The seller retained a 0.5% gross metal royalty ("GMR").

An agreement was reached in January 2015 with Hecla Quebec Inc. whereas the Company sold to Hecla its royalty from the Heva Property, following the sale in 2008 of its 75% interest in Heva to Aurizon Mines Ltd. In exchange for it, Vantex acquired a 100% interest in a group of 27 mining claims located in the Bousquet Township and has also received a \$75,000 cash payment.

The Company considers the possibility of finding a partner to continue the development of this project.

In October 2018, the Company still holds the mining rights of the property, but the management has determined that an impairment loss of 100% should be recorded.

Cléricy Property

In January 2015, the Company acquired 16 mining titles in the Cléricy Township by map staking. The Company is looking to join a partner in order to develop this project.

In February 2016, the Company acquired ten contiguous lots in Cléricy project in consideration of 30,000 common shares for a value of \$15,000 to consolidate its position in this highly favorable geological sector due to its proximity to the Destor-Porcupine fault and the presence of numerous gold occurrences in this sector.

In February 2020, the Company renewed the mining rights of these claims.

Ortona Property

The Ortona Property is composed of 15 claims situated in the Guillet Township, nearby the Guillet property. The acquisition occurred in 2007 by issuing 13,000 common shares.

In December 2019, the Company renewed the mining rights of these claims.

2019-2020 exploration budget

The Company's management is planning to periodically revise its exploration budget during 2020 according to the market trends, fluctuations in the price of gold, results of exploration work and the resulting potential for financing.

MANAGEMENT CHANGES

On April 19, 2018, the Company announced the appointment of Anthony Jackson to the board of directors as the Company's CEO. Mr. Quinn Field-Dyte stepped down as the Company's CEO and was appointed as CFO of the Company in the place of Mr. Konstantin Lichtenwald.

On December 6, 2018, the Company announced the resignation of Ryan Venier from the Board of Directors.

OVERALL PERFORMANCE

Comprehensive loss for the nine months ended July 31, 2020 was \$73,497, compared with \$114,807 for the nine months ended July 31, 2019. The decrease in loss is mainly due to a recovery of income tax during the current period.

No impairment loss on exploration and evaluation assets were recorded during the nine months ended July 31, 2020 and 2019.

Exploration work totaling \$46,344 was carried out during the nine months ended July 31, 2020, compared with \$35,845 for 2019.

FINANCIAL POSITION

	July 31, 2020	October 31, 2019
	\$	\$
Cash and cash equivalents	50,694	3,286
Exploration and evaluation assets	5,527,064	5,481,620
Total assets	5,590,873	5,498,496
Share capital	19,801,710	19,766,710
Working capital deficit	(435,082)	(351,141)

EXPLORATION EXPENSES

	July 31, 2020	July 31, 2019
	\$	\$
Drilling and stripping	11,880	-
Reports and analyses	2,285	-
Planning and supervision	-	3,035
Geochemical and geophysical surveys	-	20,950
General exploration expenses	32,179	11,860
	46,344	35,845

Exploration expenses by property:

	July 31, 2020	July 31, 2019	July 31, 2018
	\$	\$	\$
Hurd	10,000	12,329	10,233
Ortona	755	-	-
Perron	824	11,636	-
Cléricy	30,400	11,136	-
Plume	-	744	-
Lac Bousquet - Normar	2,700	-	-
Cadillac Rang III	1,305	-	-
Sandborn	360	-	-
	46,344	35,845	10,233

RESULTS OF OPERATIONS

The Company's net income for the three months ended July 31, 2020 was \$1,620 (\$0.000 per share), compared with net loss of \$22,827 (\$0.007 per share) for 2019.

	2020	2019	2018
	\$	\$	\$
Net result	(33,260)	(22,827)	(36,267)
Net result per share	(0.009)	(0.007)	(0.011)
Comprehensive income (loss)	1,620	(22,827)	(44,719)

Principal administrative expenses:

	2020	2019	2018
	\$	\$	\$
Insurance	2,151	9,102	-
Consulting and professional fees	30,000	749	29,213
Listing fees and rights (recovery)	(200)	-	2,283
Rent and office expenses	515	6,602	15,682
Registration and information shareholders	794	4,913	4,626
Traveling expenses and entertainment	-	1,455	-

SUMMARY OF QUARTERLY RESULTS

	2019-2020			
	Q3	Q2	Q1	Q4
	\$	\$	\$	\$
Net result before income tax	(33,260)	(38,833)	(36,384)	(79,412)
Result per share before income tax	(0.01)	(0.01)	(0.01)	(0.02)

	2018-2019			
	Q3	Q2	Q1	Q4
	\$	\$	\$	\$
Net result before income tax	(22,827)	(56,506)	(35,474)	(634,091)
Result per share before income tax	(0.01)	(0.02)	(0.01)	(0.18)

Fiscal 2020

During the third quarter of 2020, the Company recorded a net income of \$1,620 compared to a net loss of \$38,733 in the second quarter of 2020. The change is mainly due to a recovery of income tax during the third quarter of 2020.

During the second quarter of 2020, the Company recorded a net loss of \$38,733 compared to a net loss of \$36,384 in the first quarter of 2020. The change is mainly due to increase in listing fees and rights and insurance incurred during the second quarter of 2020.

During the first quarter of 2020, the Company recorded a net loss of \$36,384 compared to a net loss of \$79,412 in the fourth quarter of 2019. The change is mainly due to decrease in rent and office expenses incurred during the first quarter of 2020.

Fiscal 2019

During the fourth quarter of 2019, the Company recorded a net loss of \$79,412 compared to a net loss of \$22,827 in the third quarter of 2019. The change is mainly due to the increase in rent and office expenses and consulting and professional fees incurred during the fourth quarter of 2019.

During the third quarter of 2019, the Company recorded a net loss of \$22,827 compared to a net loss of \$56,506 in the second quarter of 2019. The change is mainly due to the decrease in consulting and professional fees incurred during the third quarter of 2019.

During the second quarter of 2019, the Company recorded a net loss of \$56,506 compared to a net loss of \$35,474 in the first quarter of 2019. The change is mainly due to the increase in consulting and professional fees incurred during the second quarter of 2019.

During the first quarter of 2019, the Company recorded a net loss of \$35,474 compared to a net loss of \$634,091 in the fourth quarter of 2018. The significant decrease is mainly due to impairment loss on evaluation and exploration assets recorded during the fourth quarter of 2018.

Fiscal 2018

During the fourth quarter of 2018, the Company recorded a net loss of \$634,091 compared to a net loss of \$36,267 in the third quarter of 2018. The significant increase is mainly due to impairment loss on evaluation and exploration assets recorded during the fourth quarter of 2018.

VARIATIONS IN CAPITAL STOCK ISSUED

	July 31, 2020		October 31, 2019	
	Number	Amount	Number	Amount
		\$		\$
Balance at the beginning of the period	3,342,585	19,766,710	3,342,585	19,766,710
Shares issued:				
Private placement	466,667	35,000	-	-
Balance at the end of the period	3,809,252	19,801,710	3,342,585	19,766,710

On January 17, 2020, the Company closed a non-brokered private placement of 466,667 flow-through shares at a price of \$0.075 per share for gross proceeds of \$35,000.

The Company has 3,809,252 common shares issued and outstanding as at July 31, 2020 and as at the date of this MD&A.

FLOW-THROUGH SHARES ISSUED

During the nine months ended July 31, 2020, the Company issued 466,667 flow-through shares at a price of \$0.075 per share for gross proceeds of \$35,000. The Company recognized a flow-through liability of \$Nil for the issuance of these shares using the residual value method.

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. As at July 31, 2020, the amount of flow-through proceeds remaining to be spent on qualifying expenditures was \$4,600.

As a result of not filing the forms on time with Canada Revenue Agency, the Company recognized an expense of \$100 for late filing penalties during the nine months ended July 31, 2020.

WARRANTS ISSUED TO SHAREHOLDERS

There were no outstanding warrants as of July 31, 2020 and as at the date of this MD&A.

WARRANTS ISSUED TO BROKERS

There were no outstanding warrants issued to brokers as of July 31, 2020 and as at the date of this MD&A.

STOCK OPTIONS

The Company has no stock options outstanding at July 31, 2020 and as at the date of this MD&A.

CASH POSITION AND FINANCING

As at July 31, 2020, the Company has working capital deficit amounted to \$435,082 compared to \$351,141 working capital deficit as at October 31, 2019. Additional funding for the Company will be required to finance exploration or development, maintain its operations and meet its obligations.

During the nine months ended July 31, 2020, net cash provided by operating activities was \$47,352 compared to \$102,025 cash used in operating activities for the nine months ended July 31, 2019.

During the nine months ended July 31, 2020, net loss decreased by \$73,497 (\$114,807), foreign exchange loss decreased by \$Nil (2019 - \$6), interest income from FVTPL investment decreased by \$Nil (2019 - \$998), interest expense on loan payable increased by \$36 (2019 - \$Nil), taxes receivable decreased by \$2,764 (2019 - \$18,317), prepaid expenses and deposits increased by \$2,289 (2019 - \$6,267) and accounts payable and accrued liabilities increased by \$120,338 (2019 - \$1,724).

During the nine months ended July 31, 2020, net cash used in investment activities was \$45,444 compared to \$105,431 cash provided by for the nine months ended July 31, 2019. The investment activities during the nine months ended July 31, 2020 was mainly attributable to exploration expenses offset by exploration tax credits.

During the nine months ended July 31, 2020, net cash provided by financing activities was

\$45,500 compared to \$Nil cash provided by for the nine months ended July 31, 2019. The financing activities during the nine months ended July 31, 2020 was mainly attributable to proceeds from issuance of common shares and proceeds from loan payable.

HIGHLIGHTS OF THE THIRD QUARTER

The Company's net income for the three months ended July 31, 2020 was \$1,620 compared with net loss of \$22,827 for the corresponding quarter of 2019.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

a) Royalties

Royalties will be payable in the event of commercial production of some mining properties. These royalties range from 0.50% to 2.00% as of July 31, 2020.

b) Perron Mining Property

In the event of a positive feasibility study on the Perron Property, Vantex will pay \$100,000 to the vendor.

In the event of a production launch of the Perron Property, Vantex will pay \$500,000 to the vendor at the beginning of the construction work of the future mine and thereafter \$1 for each ounce of gold produced annually.

CONTINGENCIES

The Company is partially financed through the issuance of flow-through shares, and according to tax rules regarding this type of financing, the Company is engaged to realize mining exploration work. These tax rules also set deadlines for carrying out the exploration work no later than the first of the following dates:

- Two years following the flow-through placements; and
- One year after the Company has renounced the tax deductions relating to the exploration work.

The Company's operations are governed by governmental laws and regulations regarding environmental protection. Environmental consequences are hardly identifiable. According to management, the Company is in conformity with the laws and regulations. Restoration costs will be accounted in net income of the year following a reasonable estimate of monetary impacts.

RELATED PARTY TRANSACTIONS

The following transactions occurred during the nine months ended July 31, 2020 and 2019, in the normal course of business. They were recorded at the amount of consideration paid:

	2020	2019
	\$	\$
Operating expense:		
Consulting and professional fees paid to current directors and companies owned by a director	90,000	63,000
	90,000	63,000

During the year ended October 31, 2017, the Company contracted a loan payable to a

shareholder of \$150,000 at 15% interests, which has been reimbursed. An interest amount of \$6,500 is payable as at July 31, 2020 and October 31, 2019.

The accounts payable include \$313,250 (October 31, 2019 - \$218,750) owing to companies owned by a director and \$59,923 (October 31, 2019 - \$31,718) owing to a current director.

All of the above transactions have been in the normal course of operations and have been recorded at their exchange amounts which are the amounts agreed upon by the transacting parties. The amounts due to and due from related parties are unsecured and non-interest bearing.

OFF-BALANCE SHEET ARRANGEMENTS

As of July 31, 2020, the Company had no off-balance sheet arrangements.

ACCOUNTING POLICIES

For a description of the Company's principal accounting policies, see Note 5 to the interim financial statements as at July 31, 2020.

SUBSEQUENT EVENT

On September 1, 2020, the Company closed the previously announced option agreement with Fokus Mining Inc. (previously Fieldex Exploration Inc.), whereby Fokus may earn a 100% interest in the Galloway property.

In accordance with the policies of the TSX Venture Exchange, a disinterested shareholders approval was obtained by way of written confirmation and consent.

As per the agreement, Fokus paid \$250,000 and issued 3,000,000 common shares to the Company for the initial payment. In accordance with applicable securities regulations and the policies of the exchange, the common shares issued to the Company pursuant to the agreement are subject to a statutory four-month-and-one-day hold period.

RISKS AND UNCERTAINTIES

The following statements involve a number of risks which, according to Management, could materially affect the Company's activities.

Financing risk

The Company's properties are at the exploration stage. It has no history of earnings or return on investment and, in the future, there is no assurance that it will generate income or operate profitably.

Eventually, the Company will require additional funds to finance exploration or development work, continue its operations and meet its obligations. The sources of future funds are either the issuance of additional capital stock or the borrowing of funds. There is no assurance that such financing will be available to the Company.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk arising from cash and cash equivalents. The Company manages credit risk by investing cash and cash equivalent and cash reserved for exploration with major Canadian financial

institutions.

Risks related to property title

Although the Company has obtained title opinions with respect to some of its properties and has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of its properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests.

Market price risk

The Company is exposed to market risk with respect to metal prices. It is also exposed to fluctuations in market price with regard to its investments in public company.

Risk related to government regulations

The Company's activities must comply with a variety of legislation governing exploration and development, environmental protection and the overall approval of mining operations. The Company is of the opinion that it is in compliance with the material aspects of such legislation. Any changes in legislation could have an adverse effect on its activities.

Risk related to taxation

There can be no assurance that Canadian or Quebec taxation authorities will agree that the Company's expenditures qualify as Canadian Exploration Expenses.

Risks related to mineral exploration

Mineral exploration involves a high degree of risk. Few properties explored are put into production. The proposed exploration program is an exploratory search for ore and these operations may require permits from various government authorities.

There can be no assurance that the Company will obtain all the permits and licenses that may be required for exploration and development of its projects.

MANAGEMENT'S RESPONSIBILITY

As an emerging company, the Company's management is composed of a limited number of key people, creating a situation where the division of labor is limited and must be compensated by more effective supervision by the CEO and CFO. Management will continue to closely monitor all the Company's financial activities and will continue its oversight in key areas.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations in the certification of disclosure in the annual and interim filings.

The Company's management is responsible for the interim financial statements as of July 31, 2020, and other information in this report. They were prepared in accordance with IFRS and were approved by the Board of Directors. These interim financial statements include certain amounts based on the use of estimates and judgments. Management has established these amounts in a reasonable manner, in order to ensure that the interim financial statements are presented fairly in all material respects.

Anthony Jackson (s)

Anthony Jackson,
Chief Executive Officer

Quinn Field-Dyde (s)

Quinn Field-Dyde,
Chief Financial Officer

September 29, 2020