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**WESTERN TROY CAPITAL RESOURCES INC.  
MANAGEMENT DISCUSSION AND ANALYSIS  
YEAR ENDED NOVEMBER 30, 2020**

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## **INTRODUCTION**

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Western Troy Capital Resources Inc. ("Western Troy", or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended November 30, 2020. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the years ended November 30, 2020 and 2019, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The consolidated financial statements and the financial information contained in this MD&A were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). Information contained herein is presented as of March 30, 2021, unless otherwise indicated.

See the section "Risks and Uncertainties" and "Caution Regarding Forward-Looking Statements" included within this MD&A. Additional information relating to the Company is available free of charge on the System for Electronic Document Analysis and Retrieval (SEDAR) website at [www.sedar.com](http://www.sedar.com) or on Western Troy's website at [www.westerntroycapital.com](http://www.westerntroycapital.com).

## **DESCRIPTION OF BUSINESS**

Western Troy was incorporated under the laws of the Province of Ontario, Canada, by Articles of Incorporation dated November 8, 1989. The Company pursues interests in business opportunities, primarily in the resource sector, but will consider opportunities outside that sector. Substantially all of the efforts of the Company are devoted to these business activities and to date the Company has not earned significant revenues. Western Troy investigates mineral property and other business opportunities worldwide.

The shares of Western Troy trade on the TSX Venture Exchange under the symbol WRY, with 11,545,238 common shares outstanding (2,727,576 as of November 30, 2019).

The Company has no revenues other than interest income earned on cash deposits, therefore its ability to ensure continuing operations is dependent on obtaining necessary financing.

Western Troy's goal is to create shareholder value through the acquisition and development of properties that have the potential to contain economic precious and base metal deposits, or by seeking beneficial business combinations.

## **OPERATIONAL HIGHLIGHTS**

### **Corporate**

On December 3, 2019, the Company agreed to settle an aggregate of \$87,100 of indebtedness owed to certain arm's length and non-arm's length creditors through the issuance of 1,742,008 common shares of the Company at a price of \$0.05 per Common Share (Debt Settlement). All common shares issued in connection with the Debt Settlement are subject to a stationary hold period of four months and a day from the date of issuance in accordance with applicable securities laws.

On December 4, 2019, the Company entered into a binding Letter of Intent (LOI) with Churchill Diamond Corporation (Churchill), a private company which currently holds two major diamond projects, outlining the proposed terms and conditions pursuant to which the Company and Churchill have agreed to merge their respective businesses resulting in a reverse takeover of the Company by Churchill.

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On May 6, 2020, the Company's proposed reverse takeover transaction with Churchill was terminated in accordance with the provisions of the letter of intent dated December 4, 2019 between the Company and Churchill. As a result of unfavorable market conditions, Churchill was unable to complete the concurrent financing necessary to complete the Transaction.

On May 21, 2020, the Company revised the terms of its previously announced debt settlement with certain arm's length and non-arm's length creditors of the Company. Pursuant to the revised debt settlement terms, the Company settled an aggregate of \$72,650 through the issuance of 1,453,008 common shares at a price of \$0.05 per Common Share.

On June 1, 2020, the Company announced that it intended to complete a non-brokered private placement of units (each, a "Unit") at a price of \$0.015 per Unit for aggregate gross proceeds of up to \$500,000 (the "Offering"). Each Unit shall be comprised of one common share in the capital of the Company (each, a "Common Share") and one Common Share purchase warrant (each, a "Warrant"), each Warrant entitling the holder thereof to acquire one additional Common Share at price of \$0.05 for a period of twelve (12) months from the closing date of the Offering.

On June 5, 2020, the Company revised the terms of the previously announced Offering. Under the revised terms of the Offering, the Company announced that it intended to complete a non-brokered private placement of 25,000,000 units at a price of \$0.02 per Unit for aggregate gross proceeds of up to \$500,000.

On June 17, 2020, the Company announced that further to its press release of June 5, 2020, the Company wished to amend the terms of its previously announced Offering. Under the revised terms of the Offering, the Company intends to complete a non-brokered private placement of up to 25,000,000 special warrants (the "Special Warrants") at a price of \$0.02 per Special Warrant (the "Purchase Price") for gross proceeds of up to \$500,000.

On July 10, 2020 the Company closed its non-brokered private placement of 8,333,326 special warrants ("Special Warrants") for 6 cents per special warrant for gross proceeds of \$500,000. The Special Warrants were automatically exchanged for units upon approval of the share consolidation at the shareholders meeting, held on August 4, 2020, and final approval from the NEX which was granted on August 25, 2020. Each unit consisted of one common share and one warrant which is exercisable at 15 cents per share until July 3, 2021.

On August 25 the Company completed a share consolidation ("Consolidation") of all of the issued and outstanding common shares of the Company on the basis of one new post-Consolidation Common Share for every three existing pre-Consolidation Common Shares. The Consolidation was approved by a majority of the shareholders of the Company at the annual and special meeting of the shareholders of the Company held on August 4, 2020.

On November 3, 2020 the Company sold its remaining 36% participating interest in the Schefferville Gold (Ashuanipi Gold Property) Joint Venture (the "Joint Venture") for 25K in cash, 666,666 common shares, 333,333 warrants. The Company's accounting policy is to expense exploration expenditures, and the Company has not had any expenditures on the property since fiscal 2013.

## **TRENDS AND ECONOMIC CONDITIONS**

There are significant uncertainties regarding the price of precious and base metals and the availability of equity financing for the purposes of exploration and development. The Company's future performance is largely tied to the development of its current mineral property interests and the overall financial markets. Financial markets are likely to be volatile, reflecting ongoing concerns about the stability of the global economy.

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions.

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Due to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- Global precious or base metal prices;
- Demand for precious or base metals and the ability to explore for precious or base metal;
- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labour availability and supply lines;
- Availability of government supplies, such as water and electricity;
- Purchasing power of the Canadian dollar; and
- Ability to obtain funding.

At the date of this MD&A, the Canadian federal government and the provincial government of Ontario have not introduced measures that have directly impeded the operational activities of the Company. Although cash in the Company has declined, management believes the business will continue and, accordingly, the current situation has not impacted management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

### **OFF-BALANCE-SHEET ARRANGEMENTS**

As of the date of this MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

### **SELECTED ANNUAL FINANCIAL INFORMATION**

	<b>Year ended November 30, 2020</b>	<b>Year ended November 30, 2019</b>	<b>Year ended November 30, 2018</b>
Net (loss)	(59,281)	53,824	(499,058)
Net (loss) per share (basic and diluted) <sup>(1)</sup>	(0.01)	0.02	(0.06)

	<b>Year ended November 30, 2020</b>	<b>Year ended November 30, 2019</b>	<b>Year ended November 30, 2018</b>
Total assets	458,612	25,822	69,853
Current liabilities	30,102	47,978	165,893

<sup>(1)</sup> Effective August 25, 2020, the Company completed a share consolidation of 1 post-share to 3 pre-share basis. The weighted average number of common shares outstanding and loss per share figures have been adjusted to reflect this share consolidation.

- The net income for the year ended November 30, 2020, consisted primarily of (i) professional fees of \$66,917; (ii) shareholder relations of \$40,210; (iii) management and consulting fees of \$25,600; (iv) office, travel and general expenses of \$489; (v) accounting and corporate fees of \$26,407; and (iv) write off of receivables of \$19,448. The expenditure was offset by (a) gain on sale of joint venture interest of \$72,806; and (b) unrealized gain on marketable securities of \$44,139.

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- The net income for the year ended November 30, 2019, consisted primarily of (i) professional fees of \$43,995; (ii) shareholder relations of \$29,182; (iii) management and consulting fees of \$40,304 (iv) office, travel and general expenses of \$17,345; (v) accounting and corporate fees of \$22,622; and (vi) directors fees of \$3,150. The expenditure was offset by (a) other income of \$40,076 from the termination of the CTI LOI (see "Operational Highlights" above); and (b) flow-through indemnification reversal of \$138,533.
- The net loss for the year ended November 30, 2018, consisted primarily of (i) exploration and evaluation expenses of \$508,926; (ii) professional fees of \$160,428; (iii) share-based payments of \$65,977; (iv) shareholder relations of \$50,742; (v) management and consulting fees of \$45,854 (vi) office, travel and general expenses of \$35,571; (vii) accounting and corporate fees of \$29,930; (viii) directors fees of \$15,750; and (ix) transaction cost of \$65,180. The expenditure was offset by (a) gain on forgiveness of debt - consulting fees of \$325,893; and (b) flow-through indemnification reversal of \$148,541.

**SELECTED QUARTERLY INFORMATION**

Three Months Ended	Net Revenue (\$)	Net Income (Loss)	
		Total (\$)	Per Share (\$)
2020-November 30	-	42,061 <sup>(1)</sup>	0.01
2020-August 31	-	(58,045) <sup>(2)</sup>	(0.02)
2020-May 31	-	(39,588) <sup>(3)</sup>	(0.00)
2020-February 29	-	(3,709) <sup>(4)</sup>	(0.00)
2019-November 30	-	5,524 <sup>(5)</sup>	0.00
2019-August 31	-	10,923 <sup>(6)</sup>	0.00
2019-May 31	-	81,941 <sup>(7)</sup>	0.01
2019-February 28	-	(44,564) <sup>(8)</sup>	(0.01)

Notes:

- (1) Net income of \$42,061 principally consists of professional fees of \$8,972; accounting and corporate fees of \$5,977 and management and consulting fees of \$13,600, write off of receivables of \$19,448, offset by a gain on sale of joint venture interest of \$72,806, and unrealized gain on marketable securities of \$44,139. All other expenses related to general working capital purposes.
- (2) Net loss of \$58,045 principally consists of professional fees of \$20,186; accounting and corporate fees of \$5,940 and management and consulting fees of \$6,000. All other expenses related to general working capital purposes.
- (3) Net loss of \$39,588 principally consists of professional fees of \$17,078; accounting and corporate fees of \$8,325 and management and consulting fees of \$6,000. All other expenses related to general working capital purposes.
- (4) Net loss of \$3,709 principally consists of professional fees of \$20,681; and accounting and corporate fees of \$6,165. All other expenses related to general working capital purposes.
- (5) Net income of \$5,524 principally consists of professional fees of \$37,704; accounting and corporate fees of \$5,808 and management and consulting fees of \$3,981, offset by directors' fee reversal of \$6,300. All other expenses related to general working capital purposes.
- (6) Net income of \$10,923 principally relates to management and consulting fees of \$12,009; accounting and corporate fees of \$5,922; office, travel and general of \$7,464; and is offset by professional fee reversal of \$19,053 and other income from the termination of the CTI LOI of \$20,291. All other expenses related to general working capital purposes.
- (7) Net income of \$81,941 principally relates to professional fees of \$12,104; shareholder relations of \$20,021; office, travel and general of \$3,251; and management and consulting fees of \$12,179 offset by flow-through indemnification reversal of \$138,533. All other expenses related to general working capital purposes.
- (8) Net loss of \$44,564 principally relates to professional fees of \$13,240; management and consulting fees of \$12,135; shareholder relations of \$6,945; and accounting and corporate expenses of \$5,981. All other expenses related to general working capital purposes.

## **RESULTS OF OPERATIONS**

### Three months ended November 30, 2020, compared with three months ended November 30, 2019

Western Troy's net profit and comprehensive profit totaled \$42,061 for the three months ended November 30, 2020, with basic and diluted profit per share of \$0.01. This compares with a net profit and comprehensive profit of \$5,524 with basic and diluted profit per share of \$0.00 for the three months ended November 30, 2019. The increase of \$36,537 in net profit was principally because:

- General and administrative costs for the three months ended November 30, 2020 were \$30,253, compared to \$44,352 for the three months ended November 30, 2019. The decrease of \$14,099 was principally due to a decrease in professional fees of \$28,732, and offset by a reversal of director fees of \$6,300.
- During the three months ended November 30, 2020, the Company recorded an unrealized gain on marketable securities of \$44,139 compared to \$nil for the three months ended November 30, 2019 due to an increase in the underlying price of the securities.
- During the three months ended November 30, 2020, the Company recorded a loss on the write off of its receivables of \$19,448 compared to \$nil for the three months ended November 30, 2019.
- During the three months ended November 30, 2020, the Company recorded a gain on sale of joint venture interest of \$72,806 compared to \$nil for the three months ended November 30, 2019, as the Company sold its remaining interest in the Schefferville Gold Joint Venture.

All other expenses related to general working capital purposes.

### Year ended November 30, 2020, compared with year ended November 30, 2019

Western Troy's net loss and comprehensive loss totaled \$59,281 for the year ended November 30, 2020, with basic and diluted loss per share of \$0.01. This compares with a net profit and comprehensive profit of \$53,824 with basic and diluted profit per share of \$0.02 for the year ended November 30, 2019. The decrease of \$113,105 in net profit was principally because:

- During the year ended November 30, 2020, the Company recorded a flow-through indemnification reversal of \$nil compared to \$138,533 for the year ended November 30, 2019, due to partial refund received from an investor.
- During the year ended November 30, 2020, the Company recorded a loss on the write off of its receivables of \$19,448 compared to \$nil for the year ended November 30, 2019.
- During the year ended November 30, 2020, the Company recorded an unrealized gain on marketable securities of \$44,139 compared to \$nil for the year ended November 30, 2019 due to an increase in the underlying price of the securities.
- During the year ended November 30, 2020, the Company recorded a gain on sale of joint venture interest of \$72,806 compared to \$nil for the year ended November 30, 2019, as the Company sold its remaining interest in the Schefferville Gold Joint Venture.

All other expenses related to general working capital purposes.

## **LIQUIDITY AND CAPITAL RESOURCES**

The activities of the Company, principally the acquisition and exploration of properties that have the potential to contain precious and base metals, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options.

The Company has no operating revenues and therefore must utilize its current cash reserves and other financing transactions to maintain its capacity to meet ongoing discretionary exploration and operating activities. The Company relies on external financings to generate capital (see "Subsequent Event" below). On November 30, 2020, the Company also had 80,000 options outstanding that would raise \$60,000, and 8,333,326 warrants outstanding that would raise \$1,249,999, if exercised in full. See "Trends and Economic Conditions" above. The Company has no debt and its credit and interest rate risk is minimal. Amounts payable and other liabilities are short term and non-interest bearing. In addition, amounts receivable consist of sales tax owing from government authorities in Canada and other amounts receivable from Cultivation Technologies Inc., due to the break-up fee payable upon termination of the letter of intent dated February 20, 2019.

At November 30, 2020, the Company had a cash balance of \$362,761. The increase in cash of \$362,410 from the November 30, 2019 cash balance of \$351 was a result of cash outflows in operating activities of \$362,410 and cash inflows from financing activities of \$487,447. Operating activities were affected by net loss of \$59,281, foreign exchange adjustments of \$337 and net change in the non-cash working capital balance of \$6,404, because of an increase in amounts receivable and other assets of \$1,780, an increase in accounts payable and accrued liabilities of \$4,624. Financing activities cash inflows were due to cash from a private placement of \$500,000 which was offset by share issuance costs of \$12,553.

Currently and in future, the Company's use of cash has and will principally occur in two areas: funding of its general and administrative expenditures and funding of its investment activities. Funding investing activities includes the cash components of the cost of acquiring and exploring mineral claims. The Company's cash expenses are averaging less than \$10,000 per month for management and consulting fees, office, travel and general expenses, professional fees, accounting and corporate expenses, shareholder relations, listing fees, and other operating expenses.

## **CAPITAL MANAGEMENT**

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. As discussed in note 1 of the consolidated financial statements for the years ended November 30, 2020 and 2019, the Company's ability to continue to carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

The Company considers its capital to be equity (deficiency), which comprises share capital, reserves and accumulated deficit, which at November 30, 2020 totaled equity of \$428,510 (2019 - deficiency of \$22,156).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Selected information is provided to the Board of Directors of the Company.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the years ended November 30, 2020 and 2019.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSX Venture Exchange ("TSX-V") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of November 30, 2020, the Company is compliant with Policy 2.5.

### **PROPOSED TRANSACTIONS**

There are currently no active proposed transactions.

### **RELATED PARTY TRANSACTIONS**

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

- (i) During the year ended November 30, 2020, the Company expensed consulting fees of \$3,400, (November 30, 2019 - \$40,179) to a corporation controlled by a director of the Company.
- (ii) During the year ended November 30, 2020, the Company expensed consulting fees of \$24,000, (November 30, 2019 - \$nil) to a corporation controlled by a Chief Executive Officer, Interim Chief Financial Officer, and director of the Company. As at November 30, 2020, the Company had a balance owing of \$12,000 (November 30, 2019 - \$nil).
- (iii) During the year ended November 30, 2020, the Company expensed directors' fees totaling \$nil, (November 30, 2019 - \$3,150) to directors and companies controlled by the directors of the Company.
- (iv) To the knowledge of the directors and executive officers of the Company, the common shares of the Company are widely held. As of November 30, 2020, directors and officers collectively control 1,028,400 common shares of the Company or approximately 10.68% of the total common shares outstanding. These holdings can change at any time at the discretion of the owner.

The Company is not aware of any arrangements that may at a subsequent date result in a change in control of the Company. To the knowledge of the Company, it is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

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(a) Remuneration of directors and key management personnel (including the Chief Executive Officer (note (i) above), Chief Financial Officer and directors), other than consulting fees, of the Company was as follows:

	Salaries and benefits <sup>(1)</sup>		Share based payments		Total	
	Year ended		Year ended		Year ended	
	November 30, 2020 (\$)	November 30, 2019 (\$)	November 30, 2020 (\$)	November 30, 2019 (\$)	November 30, 2020 (\$)	November 30, 2019 (\$)
Rex E. Loesby, Director and former CEO <sup>(2)</sup>	nil	40,812	nil	nil	nil	40,812
James Fairbairn, Director	nil	nil	nil	nil	nil	nil
Ed Milewski, Director	nil	nil	nil	nil	nil	nil
Stephen Dunn, Director, CEO and Interim CFO	24,000	800	nil	nil	24,000	800
Melvyn Williams, former Director and former Officer (CFO)	nil	1,550	nil	nil	nil	1,550
John Archibald, former Director	nil	800	nil	nil	nil	800
<b>Total</b>	<b>24,000</b>	<b>43,962</b>	<b>nil</b>	<b>nil</b>	<b>24,000</b>	<b>43,962</b>

<sup>(1)</sup> Salaries and benefits include director fees. Directors are entitled to director fees and stock options for their services and officers are entitled to stock options for their services.

As of November 30, 2020, there is an amount owing of \$12,000 (November 30, 2019 - \$3,150) by the Company to its directors and key management personnel (including the balance owing to the former Chief Executive Officer's corporation in note (i) above) and it has been included in amounts payable and other liabilities. The amount is unsecured, non-interest bearing with no fixed terms of repayment.

## **ACCOUNTING PRONOUNCEMENTS**

### New accounting standards and interpretations adopted

The Company adopted the following amendment to accounting standards, effective December 1, 2019. This change was made in accordance with the applicable transitional provision.

#### *IFRS 16 - Leases ("IFRS 16")*

##### Lease and right-of-use assets

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. Contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases giving rise to right-of-use assets. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise, it is an operating lease. The application of the new standard has no impact on the unaudited condensed interim consolidated financial statements.

### *IFRIC Interpretation 23 Uncertainty over Income Tax Treatments*

The Interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation became applicable for annual periods beginning on or after January 1, 2019. At December 1, 2019, the Company adopted this standard and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

### Future accounting pronouncements

#### *IFRS 3, Business Combinations ("IFRS 3")*

Amendments to IFRS 3, issued in October 2018, provide clarification on the definition of a business. The amendments permit a simplified assessment to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

The amendments are effective for transactions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020.

#### *IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")*

Amendments to IAS 8, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications.

The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively.

## **FINANCIAL RISK MANAGEMENT**

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate and commodity and equity price risk). There were no changes to the Company's risk factors during the year ended November 30, 2020.

The Company's management team carries out risk management with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

### **Credit risk**

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and legal judgment receivable. Cash and short-term investments are held with reputable Canadian financial institutions, from which management believes the risk of loss to be minimal. The legal judgement receivable was received subsequent to November 30, 2019.

### **Liquidity risk**

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities and interest income earned on its cash and short-term investments. As at November 30, 2020, the Company had cash and marketable securities of \$454,706 (November 30, 2019 - \$351) to settle current liabilities of \$30,102 (November 30, 2019 - \$47,978). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to

normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity. As discussed above, the Company's ability to continually meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

### **Market risk**

Market risk is the risk of loss that may arise from changes in interest rates, foreign exchange rates and commodity and equity prices.

#### *Interest rate risk*

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its financial institutions. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its financial institutions. As of November 30, 2020, interest rate risk is minimal since the Company has fixed rate interest-bearing instruments.

#### *Foreign currency risk*

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company is exposed to foreign currency risk with respect to the expenditures incurred by its US subsidiary.

#### *Equity price risk*

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of copper, molybdenum, gold, silver, uranium, platinum, rare earths and other minerals, individual equity movements, and the stock market to determine what course of action it should take.

### **Sensitivity analysis**

At November 30, 2020 and 2019 the Company's financial instruments that are carried at fair value consist of marketable securities that are classified as Level 1 and short-term investments that are classified as Level 2 within the fair value hierarchy.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a year:

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability from mineral exploration depends upon the world market price of copper, molybdenum, gold, silver, uranium, platinum, rare earths and other minerals. Commodity prices have fluctuated significantly in recent years. There is no assurance that, even if commercial quantities of copper, molybdenum, gold, silver, uranium, platinum, rare earths and other minerals may be produced in the future, a profitable market will exist for them. As of November 30, 2020, and 2019, the Company is not a producer of copper, molybdenum, gold, silver, uranium, platinum, rare earths and other minerals. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its liability to meet its ongoing obligations.

## **RISKS AND UNCERTAINTIES**

An investment in the securities of the Company is highly speculative, involving numerous and significant risks, and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors described below.

### *Exploration, Development and Operating Risks*

Mining operations generally involve a high degree of risk. Western Troy's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of ore, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal 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 adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by Western Troy will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Western Troy not receiving an adequate return on invested capital.

There is no certainty that the expenditures made by Western Troy towards the search and evaluation of mineral deposits will result in discoveries of commercial quantities of ore.

### *No History of Profitability*

The Company is a development stage company with no history of profitability. There can be no assurance that its operations will be profitable in the future. The Company has limited financial resources and will require additional financing to further explore, develop, acquire, retain and engage in commercial production on its property interests and, if financing is unavailable for any reason, the Company may become unable to acquire and retain its mineral concessions and carry out its business plan.

### *Government Regulations*

The Company's exploration operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In order for the Company to carry out its mining activities, its exploitation licences must be kept current. There is no guarantee that the Company's exploitation licences will be extended or that new exploitation licences will be granted. In addition, such exploitation licences could be changed and there can be no assurances that any application to renew any existing licences will be approved. The Company may be required to contribute to the cost of providing the required infrastructure to facilitate the development of its properties. The Company will also

have to obtain and comply with permits and licences that may contain specific conditions concerning operating procedures, water use, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to comply with any such conditions.

#### *Market Fluctuations and Commercial Quantities*

The market for minerals is influenced by many factors beyond the Company's control, such as changing production costs, the supply and demand for minerals, the rate of inflation, the inventory of mineral producing companies, the international economic and political environment, changes in international investment patterns, global or regional consumption patterns, costs of substitutes, currency availability and exchange rates, interest rates, speculative activities in connection with minerals, and increased production due to improved mining and production methods. The metals industry in general is intensely competitive and there is no assurance that, even if commercial quantities and qualities of metals are discovered, a market will exist for the profitable sale of such metals. Commercial viability of precious and base metal deposits may be affected by other factors that are beyond the Company's control, including particular attributes of the deposit such as its size, quantity and quality, the cost of mining and processing, proximity to infrastructure and the availability of transportation and sources of energy, financing, government legislation and regulations including those relating to prices, taxes, royalties, land tenure, land use, import and export restrictions, exchange controls, restrictions on production, as well as environmental protection. It is impossible to assess with certainty the impact of various factors that may affect commercial viability so that any adverse combination of such factors may result in the Company's not receiving an adequate return on invested capital.

#### *Mining Risks and Insurance*

The Company is subject to risks normally encountered in the mining industry, such as unusual or unexpected geological formations, cave-ins or flooding. The Company may become subject to liability for pollution, damage to life or property and other hazards of mineral exploration against which it or the operator of its exploration programs cannot insure against, or which it or such operator may elect not to insure because of high premium costs or other reasons. Payment of such liabilities would reduce funds available for acquisition of mineral prospects or exploration and development and would have a material adverse effect on the financial position of the Company.

#### *Environmental Protection*

The mining and mineral processing industries are subject to extensive government regulations for the protection of the environment, including regulations relating to air and water quality, mine reclamation, solid and hazardous waste handling and disposal and the promotion of occupational health and safety, which may adversely affect the Company or require it to expend significant funds.

#### *Capital Investment*

The ability of the Company to continue exploration and development of its property interests will be dependent upon its ability to raise significant additional financing. There is no assurance that adequate financing will be available to the Company or that the terms of such financing will be favourable. Should the Company not be able to obtain such financing, its properties may be lost entirely.

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*Conflicts of Interest*

Certain directors and officers of the Company may also serve as directors and officers of other companies involved in base and precious metal exploration and development, and consequently, the possibility of conflict exists. Any decisions made by such directors involving the Company will be made in accordance with the duties and obligations of directors to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matters in which they may have a conflict of interest.

*Current Global Financial Conditions*

Global financial market conditions may impact the ability of the Company to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to the Company. The Company may not be able to secure appropriate debt or equity financing, either of which could affect the trading price of the Company's securities in an adverse manner.

Companies like Western Troy are considered risk assets and as mentioned above are highly speculative. The volatility in the markets and investor sentiment may make it difficult for Western Troy to access the capital markets in order to raise the capital it will need to fund its current level of expenditures.

**OUTLOOK**

The Company is continually evaluating direct or indirect acquisitions of additional properties. The Company continues to monitor its spending and will amend its plans and budgets based on expectations of being able to raise financing as and when required.

**SHARE CAPITAL**

As of the date of this MD&A, the Company had 11,545,238 issued and outstanding common shares.

Warrants outstanding for the Company at the date of this MD&A were as follows:

Warrants	Expiry Date	Exercise Price
8,333,326	July 3, 2021	0.15

Stock options outstanding for the Company at the date of this MD&A were as follows:

Options	Expiry Date	Exercise Price
80,000	December 18, 2022	0.750

**ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

**General and Administrative Expenses**

Names	Year ended November 30, 2020	Year ended November 30, 2019
Management and consulting fees	25,600	40,179
Shareholder relations	40,210	29,182
Accounting and corporate	26,407	22,622
Professional fees	66,917	43,995
Office, travel and general	489	17,470
Directors' fees	-	3,150
<b>Total</b>	<b>159,623</b>	<b>156,598</b>

## **DISCLOSURE OF INTERNAL CONTROLS**

Management has established processes to provide it with sufficient knowledge to support representations that it has exercised reasonable diligence to ensure that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements, and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

## **COMMITMENTS AND CONTINGENCIES**

### **Environmental contingencies**

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

### **Flow-through and other tax matters**

During 2015, the Company received the results of an audit by the Canada Revenue Agency ("CRA") related to its 2011 flow-through forms filed. The reassessment resulted in certain expenditures being denied by the CRA and a liability of Part XII.6 tax and interest. During the year ended November 30, 2019, CRA and the Company settled the balance of \$48,130 in full. As a consequence of the denied expenditures, the Company reimbursed certain investors for income taxes owing as a result of the reduced tax deduction by the investors. On July 5, 2017, the Company paid \$300,000 to an investor so that the investor could pay his potential lost tax benefit to CRA. Due to the settlement with CRA, the Company received a refund of \$nil (November 30, 2019 - \$138,533) from the investor during the year ended November 30, 2020.

**SUBSEQUENT EVENTS**

In January 2021, the Company received 60,000 common shares of CTI to settle the outstanding debt of \$15,000 USD related to the terminated letter of intent in fiscal 2019.

**CAUTION REGARDING FORWARD-LOOKING STATEMENTS**

This MD&A contains forward-looking information within Canadian securities laws (collectively “forward looking statements”) concerning the anticipated developments in the Company’s operations in future periods, its planned exploration activities, the adequacy of its financial resources and other events or conditions that may occur in the future. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Statements concerning mineral reserve and resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed. Any statements that express or involve predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects”, “anticipates”, “plans”, “projects”, “estimates”, “assumes”, “intends”, “strategy”, “goals”, “objectives”, “potential” or variations thereof, or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
Potential of Western Troy’s properties to contain economic deposits of precious and base metals (as described under the headings “Description of Business” and “Operational Highlights” and “Results of Operations”)	Financing will be available for future exploration and development of Western Troy’s properties; the actual results of Western Troy’s exploration and development activities will be favourable; operating, exploration and development costs will not exceed Western Troy’s expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to Western Troy, and applicable political and economic conditions are favourable to Western Troy; the price of precious and base metals and applicable interest and exchange rates will be favourable to Western Troy; no title disputes exist with respect to the Company’s properties	Precious and base metals price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with Western Troy’s expectations; availability of financing for and actual results of Western Troy’s exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company’s ability to retain and attract skilled staff

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<p>The Company's ability to meet its working capital needs at the current level for the twelve-month period ending November 30, 2021 (as described under the heading "Results of Operations")</p>	<p>The operating and exploration activities of the Company for the twelve months ending November 30, 2021, and the costs associated therewith, will be consistent with Western Troy's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to Western Troy</p>	<p>Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions</p>
<p>Plans, costs, timing and capital for future exploration and development of Western Troy's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations (as described under the headings "Trends and Economic Conditions", "Operational Highlights", "Results of Operations" and "Outlook")</p>	<p>Financing will be available for Western Troy's exploration and development activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to Western Troy; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to Western Troy; the price of precious and base metals will be favourable to Western Troy; no title disputes exist with respect to Western Troy's properties</p>	<p>Precious and base metals price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with Western Troy's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff</p>
<p>Management's outlook regarding future trends (as described under the heading "Trends and Economic Conditions")</p>	<p>Financing will be available for Western Troy's exploration and operating activities; the price of precious and base metals will be favourable to Western Troy</p>	<p>Precious and base metals price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions</p>
<p>Sensitivity analysis of financial instruments (as described under the heading "Financial Risk Management" under the subheading "Sensitivity Analysis")</p>	<p>The Company does not hold significant balances in foreign currencies to give rise to exposure to foreign exchange risk; the fair value of the Company's marketable securities will not be subject to change in excess of plus or minus 25%</p>	<p>Changes in stock markets; changes in debt and equity markets; interest rate and exchange rate fluctuations</p>

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<p>Prices and price volatility for precious and base metals (as described under the heading "Trends and Economic Conditions")</p>	<p>The price of precious and base metals will be favourable; debt and equity markets, interest and exchange rates and other economic factors which may impact the price of precious and base metals will be favourable</p>	<p>Changes in debt and equity markets and the spot price of precious and base metals; interest rate and exchange rate fluctuations; changes in economic and political conditions</p>
<p>Plans, costs, timing and capital for future exploration and development of Western Troy's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations (as described under the headings "Trends and Economic Conditions", "Operational Highlights", "Results of Operations", and "Outlook")</p>	<p>Financing will be available for Western Troy's exploration and development activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to Western Troy; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to Western Troy; the price of precious and base metals will be favourable to Western Troy; no title disputes exist with respect to Western Troy's properties</p>	<p>Precious and base metals price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with Western Troy's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff</p>