

**Cortus Metals Inc.**  
**(A Capital Pool Company)**  
**Management Discussion and Analysis**  
**For the three and nine months ended September 30, 2019**

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**Date: November 29, 2019**

**General**

This Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Cortus Metals Inc. (the "Company") financial statements for the period ended September 30, 2019. The discussion should be read in conjunction with the audited financial statements of the Company and the accompanying notes for the year ended December 31, 2018 and unaudited interim financial statements of the Company and the accompanying notes for the three and nine months ended September 30, 2019. The interim financial statements, together with this MD&A are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to future performance. The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

This MD&A was reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on November 29, 2019. The information contained within this MD&A is current to November 29, 2019.

The Company's critical accounting estimates, significant accounting policies and risk factors have remained substantially unchanged and are still applicable to the Company unless otherwise indicated. All amounts are expressed in Canadian dollars unless noted otherwise.

Additional information relating to the Company, including regulatory filings, can be found on the SEDAR website at [www.sedar.com](http://www.sedar.com).

**Forward-Looking Statements**

Certain statements contained in this MD&A may constitute forward-looking statements. These forward-looking statements can generally be identified as such because of the context of the statements, including such words as "believes", "anticipates", "expects", "plans", "may", "estimates", or words of a similar nature. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from anticipated future results and/or achievements expressed or implied by such forward-looking statements, which speak only as of the date the statements were made. Readers are therefore advised to consider the risks associated with any such forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth herein.

**Description of Business and Overview**

Cortus Metals Inc. (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on June 25, 2018 and is a Capital Pool Company under the policies of the TSX Venture Exchange (the "Exchange").

The head office is located at 10545-45 Avenue NW, 250 Southridge, Edmonton, Alberta, T6H 4M9 and the registered office and records of the Company are located at 2080-777 Hornby Street, Vancouver, B.C., V6Z 1S4.

**Cortus Metals Inc.**  
**(A Capital Pool Company)**  
**Management Discussion and Analysis**  
**For the three and nine months ended September 30, 2019**

---

On July 12, 2018, the Company appointed an agent to offer for sale to the public in the provinces of Alberta, British Columbia and Ontario 2,200,000 common shares at a price of \$0.10 per common share for gross proceeds of \$220,000 (the “Offering”). The agent engaged in connection with the Offering of the common shares was paid a commission of 8% of the gross proceeds. In addition, the Company paid the agent a Corporate Finance Fee of \$8,000 and reimbursed the agent for its expenses, including legal fees up to a maximum of \$8,000, plus disbursements incurred pursuant to the Offering.

On November 4, 2019, the Company completed its initial public offering (“IPO”) of 2,200,000 common shares of the Company at a price of \$0.10 per share for aggregate gross proceeds of \$220,000. The common shares of the Company were listed on the TSX Venture Exchange (“TSXV”) as a Capital Pool Company (“CPC”) under the trading symbol “CRTS.P”.

The principal business of the Company is the identification and evaluation of assets or businesses with a view to completing a “Qualifying Transaction” as it is defined in the policies of the Exchange. The Company has not commenced commercial operations. There is no assurance that the Company will identify and complete a Qualifying Transaction within the time period described by the policies of the Exchange. Moreover, even if a potential Qualifying Transaction is identified by the Company, it may not meet the requirements of the Exchange.

To date, the Company has not generated revenues. Continued operations of the Company are dependent on the receipt of related party debt or equity financing on terms which are acceptable to the Company.

**SUMMARY OF FINANCIAL RESULTS**

		<b>Nine months ended September 30, 2019</b>		<b>For the period from June 25, 2018 to December 31, 2018</b>
Total Revenue	\$	Nil	\$	Nil
Loss for the period	\$	24,544	\$	813
Total Assets	\$	106,643	\$	109,187
Total Liabilities	\$	2,000	\$	-

**Operating Results, Financial Condition and Liquidity**

**Financial Condition**

At September 30, 2019, the Company had current assets of \$106,643 (December 31, 2018 - \$109,187), current liabilities were \$2,000 (December 31, 2018 - \$nil) and working capital of \$104,643 (December 31, 2018 - \$109,187). At the date of this MD&A, the company had working capital of \$184,592.

**Operating Results**

The Company has not generated revenue for the period ended September 30, 2019 and expenses incurred include filing and licenses fees of \$13,320 and accounting and legal fees of \$11,214.

**Cortus Metals Inc.**  
**(A Capital Pool Company)**  
**Management Discussion and Analysis**  
**For the three and nine months ended September 30, 2019**

---

The Company has not generated revenue for the period ended December 31, 2018 and expenses incurred office expense of \$330 and legal fees of \$483.

**Selected Quarterly Information**

Quarter ended	September 30, 2019	June 30, 2019	March 31, 2019
	\$	\$	\$
Total Revenue	Nil	Nil	Nil
Net Loss	449	2,227	22,064
Loss per Share	(0.00)	(0.00)	(0.01)
Total Assets	106,643	107,092	109,187
Total Liabilities	2,000	2,000	Nil

**Capital Resource and Liquidity**

At September 30, 2019, cash was \$95,964 (December 31, 2018 - \$109,187). The Company has been reliant on financial assistance from equity financing.

During the nine months ended September 30, 2019, the net cash flows used in operating activities was \$18,223 (June 25, 2018 to December 31, 2018 \$813), which comprises of net loss for the period of \$24,544 (June 25, 2018 to December 31, 2018 \$813) and an increase of accounts payable and prepayments and deposits \$7,000 and an increase in GST receivable of \$679 (June 25, 2018 to December 31, 2018 no non-cash changes).

During the six months ended September 30, 2019, the net cash flows provided by financing activity was \$20,000 (June 25, 2018 to December 31, 2018 - \$15,000)

There was no investing activity during the three months ended September 30, 2019 and June 25, 2018 to December 31, 2018.

As of the date of this MD&A, the Company has no outstanding commitments. The Company has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants. Management has evaluated that the Company will be required to raise additional equity capital or other borrowings to be able to pay its liabilities and finance operating costs. The ability to raise sufficient funding cannot be determined at this time which creates a material uncertainty that casts doubt about the Company's ability to continue as a going concern.

**Outstanding Share Data**

As at September 30, 2019 and as at MD&A date, 2,600,000 common shares were issued and outstanding.

As at September 30, 2019 and as at MD&A date, 2,600,000 common shares were held in escrow.

On July 31, 2019, 2018, the Company issued 2,200,000 common shares by private placement at \$0.05 per share, for proceeds of \$110,000.

**Cortus Metals Inc.**  
**(A Capital Pool Company)**  
**Management Discussion and Analysis**  
**For the three and nine months ended September 30, 2019**

---

On March 29, 2019, the Company issued 400,000 common shares by private placement of \$0.05 per share, for proceeds of \$20,000.

**Related Party Transaction**

There have been no related party transactions since incorporation.

**Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

**Critical Accounting Policies and Estimates**

The preparation of the Company's interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Note 2 to the interim financial statements discusses these critical accounting policies.

Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

**Change in accounting policies - Financial instruments**

The Company has adopted all of the requirements of IFRS 9 *Financial Instruments* ("IFRS 9") as of December 1, 2018. IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instrument and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forwards in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged.

As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date. The main area of change is the accounting for equity securities previously classified as fair value through profit and loss.

The following is the Company's new accounting policy for financial instruments under IFRS 9.

Classification:

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments

**Cortus Metals Inc.**  
**(A Capital Pool Company)**  
**Management Discussion and Analysis**  
**For the three and nine months ended September 30, 2019**

---

that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instruments-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at December 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

<b>Financial assets/liabilities</b>	<b>Original classification IAS 39</b>	<b>New classification IFRS 9</b>
Cash	Amortized cost	Amortized cost

The Company did not restate prior periods as it recognized the effects of retrospective application to shareholders' equity at the beginning of the 2019 annual reporting period, which also includes the date of the initial application. The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit on December 1, 2018.

Measurement:

*Financial assets at FVTOCI*

Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

*Financial assets and liabilities at amortized cost*

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs respectively, and subsequently carried at amortized cost less any impairment.

*Financial assets and liabilities at FVTPL*

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs expensed in the statements of net loss. Realized and unrealized gains or losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net loss in the period in which they arise.

Fair value measurement disclosure includes classification of financial instrument fair values in a hierarchy comprising three levels reflecting the significance of the inputs used in making the measurement, described as follows:

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices such as quoted interest or currency exchange rates; and

**Cortus Metals Inc.**  
**(A Capital Pool Company)**  
**Management Discussion and Analysis**  
**For the three and nine months ended September 30, 2019**

---

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

Impairment of financial assets at amortized cost:

The Company recognized a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of net loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

*Financial assets*

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of net loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

*Financial liabilities*

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of net loss.

**Cortus Metals Inc.**  
**(A Capital Pool Company)**  
**Management Discussion and Analysis**  
**For the three and nine months ended September 30, 2019**

---

**Business Risk and Uncertainties**

The Company, like all companies in the mining sector, is exposed to a variety of risks which include title to mining interests, the uncertainty of finding and acquiring reserves, funding and developing those reserves and finding storage and markets for them. In addition there are commodity price fluctuations, interest and exchange rate changes and changes in government regulations. The mining industry is intensely competitive and the Company must compete against companies that have larger technical and financial resources. The Company works to mitigate these risks by evaluating opportunities for acceptable funding, considering farm-out opportunities that are available to the Company, operating in politically stable countries, aligning itself with joint venture partners with significant international experience and by employing highly skilled personnel. The mining industry is subject to extensive and varying environmental regulations imposed by governments relating to the protection of the environment and the Company is committed to operate safely and in an environmentally sensitive manner in all operations. Please also refer to Forward-Looking Statements.

**Management's Responsibility for Financial Information**

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with generally accepted Canadian accounting principles and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

**Qualified Person**

The disclosures contained in this MD&A regarding the Company's exploration & evaluation properties have been prepared by, or under the supervision of, Mr. Michael Dufresne, M.Sc, P.Geo., P.Geol., a Director of the Company and a Qualified Person for the purposes of National Instrument 43-101.

**Subsequent Events**

**Cortus Metals Inc.**  
**(A Capital Pool Company)**  
**Management Discussion and Analysis**  
**For the three and nine months ended September 30, 2019**

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On November 21, 2019, Cortus Metals Inc entered into a binding letter of agreement to acquire Intermont Resources LLC for US\$0.2 million in cash, stock, and royalty, via reverse takeover. The acquisition includes the Grayson and Powerline properties of Intermont Resources LLC. Under the terms of transaction, Cortus Metals Inc will pay US\$0.1 million in cash and issue 1,000,000 stock, and grant of a 2% net smelter returns royalty on the properties of Intermont Resources LLC. Intermont Resources LLC is located in Wyoming, United States and engages in gold and precious metal exploration activities. The deal is subject to customary closing conditions, completion of satisfactory due diligence, negotiation of definitive agreements and TSX-V approval. Further information can be found in the Company's press release dated November 21, 2019. J