

Cortus Metals Inc.
Management Discussion and Analysis
For the three and nine months ended September 30, 2020 and 2019

Date: November 30, 2020

General

This Management's Discussion and Analysis ("MD&A") is intended to help the reader understand the financial statements of Cortus Metals Inc. (the "Company") for the period ended September 30, 2020. 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, 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 30, 2020. The information contained within this MD&A is current to November 30, 2020.

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.

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 as 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.

On November 5, 2019, the Company completed its initial public offering ("IPO") of 4,400,000 common shares of the Company at a price of \$0.05 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".

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Until August 28, 2020, the principal business of the Company was 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.

During the nine months ended September 30, 2020 the Company executed a definitive purchase agreement (the "Agreement") to acquire an aggregate 100% interest in and to the Grayson and Powerline properties located in Nevada from Intermont Resources LLC ("Intermont"). The transaction constitutes the Company's Qualifying Transaction as defined in Policy 2.4 of the Corporate Finance Manual of the TSXV.

Pursuant to the Agreement, Cortus acquired a 100% interest in the Properties by paying:

- i. cash payments of US \$274,400 in aggregate, of which US \$19,400 was paid as a non-refundable deposit and US \$105,000 was advanced as a secured loan to Intermont, which has been forgiven as a result of the Agreement, and a remaining cash payment of US \$150,000 paid on the closing date;
- ii. the issuance of 1,000,000 common shares in the capital of the Company, issued at a deemed value of \$200,000;
- iii. the grant of a 2.0% net smelter returns royalty on each property (the "Royalty"), with a buy down provision of USD \$1,500,000 for 1%.

Cortus was also granted the right to acquire additional properties held by Intermont within a defined area of interest for a period of twenty-four (24) months for consideration of 200,000 common shares of the Company per additional property acquired.

Concurrent with the execution of the Agreement, the Company has entered into a definitive two-year option agreement with Intermont to acquire 100% of the membership interest of Intermont in consideration of the issuance of 6,000,000 common shares, less any shares issued by the Company to acquire additional properties.

On August 25, 2020, the Company's common shares were split on the basis of two (2) new shares for each one (1) old share (the "Split") applicable to shareholders of record as of the close of business on August 21, 2020 (the "Record Date"). All current and historical references to the Company's common share, warrant, and option amounts have been updated throughout these financial statements.

Immediately prior to the completion of the Transaction, the Company completed a non-brokered financing (the "Financing") raising gross proceeds of \$2,562,500.70 through the sale of 17,083,338 units at a price of \$0.15 per unit (each a "Unit"). Each Unit comprised one post-split common share and one share purchase warrant (each a "Warrant") to acquire a further post-split common share at a price of \$0.20 per share until August 26, 2022. The Warrants are subject to an accelerated expiry provision such that if the closing price of the Company's common shares is equal to or greater than \$0.25 for a period of five consecutive trading days (at any time at or following the expiry of the four months resale restriction period), the Company may, by notice to the warrant holder in writing or via press release reduce the remaining exercise period applicable to the Warrants to not less than 30 days from the date of such notice.

Aggregate finder's fees of \$91,472.99 in cash and 609,918 in finder's warrants, bearing the same terms as the Warrants, were paid to registered dealers in connection with the Financing.

The proceeds from the Financing will be used primarily for exploration and development costs on the Properties, for general working capital and administrative expenses and to pay the expenses of the Transaction. The securities issued pursuant to the Financing bear a four month hold period expiring on December 27, 2020.

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SUMMARY OF FINANCIAL RESULTS

		Nine months ended September 30, 2020		Nine months ended September 30, 2019
Total Revenue	\$	Nil	\$	Nil
Loss for the period	\$	718,400	\$	25,44
Total Assets	\$	2,588,045	\$	106,463
Total Liabilities	\$	168,827	\$	2,000

Operating Results, Financial Condition and Liquidity

Financial Condition

At September 30, 2020, the Company had current assets of \$1,691,521 (2019 - \$106,643), current liabilities were \$168,827 (2019 - \$2,000) and working capital of \$1,522,694 (2019 -\$104,643). At the date of this MD&A, the company had working capital of approximately \$1,300,000.

Operating Results

Cortus is an established asset generator operating in the perennially top-ranked mining jurisdiction of north-central Nevada. The Company's mandate is to provide early-stage investors and third-party explorers with access to windfall through its portfolio of 23 highly prospective exploration projects. Each project is evaluated and advanced based on criteria to identify significant potential for discovery of a major epithermal or Carlin-type gold and silver deposit of more than 1 million ounces beneath shallow cover. The status of the projects ranges from grassroots to drill-ready, with the most advanced being fully permitted and bonded. The majority of them are located near operating mines or known deposits, generally on the same host structures. Two-thirds of them are within the prolific Carlin, Cortez, Battle Mountain/Eureka, Getchell and Long Canyon trends, while one-third are within the underexplored and fault-controlled Lahontan basin.

Cortus is continuously expanding and adding value to its portfolio with proprietary data, innovative methodologies, expert management, and a combination of in-house and third-party exploration. Its projects are being prioritized systematically for drilling based on extensive structural and geophysical interpretations, investigation of geochemical and geobotanical surface anomalies, and stratigraphic analysis of potential host rocks. During Q3, Cortus was focused on securing tenure and executing field programs, including soil sampling and magnetic surveys, which remain in progress with results expected during Q4 and identification of drill targets in Q1. The Company is negotiating with several third parties regarding potential property and exploration deals.

The Company did not generate revenue for the three month period ended September 30, 2020 and expenses incurred include Office and administration of \$22,428 (2019 – nil), professional fees of \$63,979 (2019 - \$449) and regulatory and filing fees of \$25,662 (2019 - \$nil).

The Company did not generate revenue for the nine month period ended September 30, 2020 and expenses incurred include Office and administration of \$23,874 (2019 – nil), professional fees including legal and accounting expenses of \$137,275 (2019 - \$11,214) and regulatory and filing fees of \$36,401 (2019 - \$13,320) The Company also incurred advertising and promotion expenses of 250,148 (2019 – nil) and share-based compensation of \$252, 000 (2019- nil).

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Selected Quarterly Information

Quarter ended	September 30, 2020	June 30, 2020	March 31, 2020	September 30, 2019	June 30, 2019	March 31, 2019
	\$	\$	\$	\$	\$	\$
Total Revenue	Nil	Nil	Nil	Nil	Nil	Nil
Net Loss	632,919	83,724	1,757	449	2,227	22,064
Loss per Share	0.04	0.02	0.00	0.00	0.00	0.01
Total Assets	2,588,045	225,987	231,536	106,643	107,092	109,187
Total Liabilities	168,827	97,109	18,934	2,000	2,000	Nil

Capital Resource and Liquidity

At September 30, 2020, cash was \$1,514,254 (2019 - \$95,964).

During the nine months ended September 30, 2020, the net cash flows used in operating activities was \$466,878 (2019 - \$18,223), which comprises of net loss for the period of \$718,400 (2019 - \$24,544) and an increase of GST receivable of \$17,422 (2019 - \$679), an increase of prepayments and deposits of \$134,629 (decrease in 2019 - \$5,000) and an increase in accounts payable and accrued liabilities of \$151,573 (2019 - \$2,000).

During the nine months ended September 30, 2020, the net cash flows used by investing activities were \$671,484 (2019 – nil) for costs of the Qualifying Transaction and concurrent financing.

During the nine months ended September 30, 2020, the net cash flows provided by financing activity was 2,471,259 (2019 - \$20,000) as net proceeds of the concurrent financing.

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.

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.

Outstanding Share Data

As at September 30, 2020, there were 27,770,612 common shares issued and outstanding. As at MD&A date, there were 27,686,338 common shares were issued and outstanding.

As at September 30, 2020, and the MD&A date, there were 5,040,000 common shares were held in escrow.

Related Party Transaction

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company incurred and paid fees to directors and officers for management and professional services as follows:

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For the nine months ended	September 30 2020	September 30 2019
Management fees paid to key management and directors	\$ 21,104	\$ -
	\$ 21,104	\$ -

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 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:

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Financial assets/liabilities	Original classification IAS 39	New classification IFRS 9
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

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.

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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.

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, the majority of which is comprised 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.

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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.