

Cortus Metals Inc.
(A Capital Pool Company)
Management Discussion and Analysis
For the year ended December 31, 2019

Date: April 29, 2020

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 fiscal year from January 1, 2019 and ended December 31, 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, 2019. The 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 April 29, 2020. The information contained within this MD&A is current to April 29, 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 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.

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

Cortus Metals Inc.
(A Capital Pool Company)
Management Discussion and Analysis
For the year ended December 31, 2019

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 5, 2019, the Company completed an initial public offering (“IPO”) of 2,200,000 common shares issued at a price of \$0.10 per share. The common shares on the TSX Venture Exchange (“TSXV”) as a Capital Pool Company (“CPC”) in 2019. The agent engaged in connection with the IPO was paid a commission of 8% of the gross proceeds of the IPO in addition to an \$8,000 corporate finance fee plus applicable taxes plus disbursements incurred pursuant to the offering. In addition, the agent received 110,000 non-transferable warrants to acquire up to 110,000 common shares at a price of \$0.10 per share for a period of 24 months.

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.

On November 18, 2019, the Company entered into a binding letter agreement (the “LOI”) whereby Cortus will acquire an aggregate 100% interest in and to the Grayson and Powerline properties (the “Properties”). The transaction will be considered an acquisition of assets by way of a Qualifying Transaction as defined in Policy 2.4 of the Corporate Finance Manual of the TSXV.

On November 18, 2019, the Company entered into a binding letter agreement (the “LOI”) whereby Cortus will acquire an aggregate 100% interest in and to the Grayson and Powerline properties (the “Properties”). The transaction will be considered an acquisition of assets by way of a Qualifying Transaction as defined in Policy 2.4 of the Corporate Finance Manual of the TSXV.

Pursuant to the LOI, and subject to execution of a definitive purchase agreement, Cortus will acquire a 100% interest in the Properties for the following consideration:

- i. cash payments of USD\$19,400 as a non-refundable deposit upon signing the LOI (paid), USD\$75,000 (advanced subsequent to December 31, 2019 and an additional USD\$30,000 subsequently approved by the TSX Venture – see Note 9) as an interim refundable loan prior to closing the transaction, which the advance is to be credited towards the Company’s payments for the Properties, and a further USD\$75,000 upon closing the transaction (together, the “Cash Payments” totaling USD\$199,400);
- ii. the issuance of 1,000,000 common shares in the capital of the Company;
- iii. the grant of a 2.0% net smelter returns royalty on each property (the “Royalty”), with a buy down provision of USD 1,000,000 for each 1% (no value assigned).

Cortus will have the right to acquire additional properties held by the vendor within a defined area of interest for a period of sixty (60) months for consideration of 300,000 common shares of the Company per additional property acquired. The Company will retain the further right to buy out of the Royalty at any time for a payment of USD\$1,000,000 per percentage of the Royalty.

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.

Cortus Metals Inc.
(A Capital Pool Company)
Management Discussion and Analysis
For the year ended December 31, 2019

SUMMARY OF FINANCIAL RESULTS

		Year ended December 31, 2019	For the period from June 25, 2018 to December 31, 2018
Total Revenue	\$	Nil	Nil
Loss for the period	\$	104,496	813
Total Assets	\$	231,613	109,187
Total Liabilities	\$	17,254	-

Operating Results, Financial Condition and Liquidity

Financial Condition

At December 31, 2019, the Company had current assets of \$188,898 (2018 - \$109,187), current liabilities of 17,254 (2018 - \$nil) and working capital of \$171,644 (2018 - \$109,187).

Operating Results

The Company did not generated revenue for the period ended December 31, 2019 and expenses incurred include initial listing expenses of \$25,592, (period from June 25, 2018 to December 31, 2018 - \$nil) office and administration expense of \$1,471, (2018 - \$330) professional and legal fees of \$27,703 (2018 - \$483), regulatory and filing fees of \$23,330 (2018 - \$nil) and share-based compensation of \$26,400 (2018 - \$nil).

Selected Quarterly Results

Quarter ended	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
	\$	\$	\$	\$
Total Revenue	Nil	Nil	Nil	Nil
Net Loss	104,496	449	2,227	22,064
Loss per share	0.03	0.00	0.00	0.01
Total Assets	231,613	106,643	107,092	112,123
Total Liabilities	17,254	2,000	2,000	5,000

For the period	from incorporation on June 25, 2018 to December 31, 2018
	\$
Total Revenue	Nil
Net Loss	813
Loss per share	0.00
Total Assets	109,187
Total Liabilities	0

Capital Resource and Liquidity

At December 31, 2019, cash was \$181,357 (2018 - \$109,187). The Company has been reliant on financial assistance from equity financing.

Cortus Metals Inc.
(A Capital Pool Company)
Management Discussion and Analysis
For the year ended December 31, 2019

During the year ended December 31, 2019, the net cash flows used in operating activities was \$71,058, which was comprises a net loss for the period of \$104,496 and an increase in non-cash working capital of \$33,438. During the period from June 25, 2108 and ended December 31, 2018, the net cash flows used in operating activities was \$15,813, which comprises of net loss for the period of \$813 and non-cash working capital of \$15,000.

During the year ended December 31, 2019, the net cash flows provided by financing activities was \$183,268 which includes \$240,000 in proceeds from share issuance less \$56,732 in share issuance costs. During the period from June 25, 2018 and ended December 31, 2018, the net cash flows provided by financing activity was \$110,000.

During the year ended December 31, 2019, the net cash flows used in investing activities included \$25,040, which compromises a non-refundable deposit of \$25,040. There was no investing activity during the period from 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 December 31, 2019 and as at MD&A date, 4,800,000 common shares were issued and outstanding. (2018 - 2,200,000)

Related Party Transaction

During the year ended December 31, 2019, the Company recorded share-based compensation expense of \$26,400 in relation to 440,000 stock options issued to directors and officers of the Company.

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.

Cortus Metals Inc.
(A Capital Pool Company)
Management Discussion and Analysis
For the year ended December 31, 2019

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.

Financial instruments

Financial instruments are recognized on the date on which the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the rights to receive cash flow from assets have expired or have been transferred and the Company has transferred all the risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled, or expires. All financial instruments are initially recognized at fair value and measurement in subsequent periods is dependent upon the classification of the financial instrument.

i) Financial assets

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are initially recognized at fair value with changes in fair value recorded in profit or loss.

Amortized cost

Financial assets are classified at amortized cost if both of the following criteria are met and the financial assets are not classified or designated as at fair value through profit and loss: 1) the Company's objective for these financial assets is to collect their contractual cash flows and 2) the asset's contractual cash flows represent 'solely payments of principal and interest'. The Company's cash is recorded at amortized cost as they meet the required criteria.

ii) Financial liabilities

Financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit or loss over the period to maturity using the effective interest method.

Financial liabilities are classified as current or non-current based on their maturity date. Financial liabilities include accounts payable and accrued liabilities.

Cortus Metals Inc.
(A Capital Pool Company)
Management Discussion and Analysis
For the year ended December 31, 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

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 consultant of the Company and a Qualified Person for the purposes of National Instrument 43-101.

Subsequent Events

On April 21, 2020, the TSX approved an increase of, and the company advanced, an additional \$43,580 (USD 30,000) in the interim secured loan to the vendor of the Properties.