

E36 CAPITAL CORP.
INTERIM MD&A – QUARTERLY HIGHLIGHTS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

Background and Corporate Update

This Management Discussion and Analysis – Quarterly Highlights (“**Quarterly Highlights**”) for E36 CAPITAL CORP. (the “**Company**”) is prepared as at November 11, 2020 and should be read in conjunction with the Company’s unaudited condensed interim financial statements for the three months ended September 30, 2020.

The unaudited condensed interim financial statements for the period ended September 30, 2020 have been prepared in accordance with International Financial Reporting Standard (“**IFRS**”) and with International Accounting Standard 34, “Interim Financial Reporting”, as issued by the International Accounting Standards Board (“**IASB**”).

All dollar figures included therein and in the following Quarterly Highlights are quoted in Canadian dollars.

Additional information relevant to the Company’s activities can be found on SEDAR at www.sedar.com.

The Company is a Capital Pool Corporation (a “**CPC**”), defined by Policy 2.4 of the TSX-Venture Exchange (“**TSX-V**”).

As a CPC, the Company’s immediate objective is to identify and acquire either operating assets or a business, subject to shareholders’ approval, that meet the criteria of a Qualifying Transaction, as defined by the TSX-V (the “**Qualifying Transaction**”). Until such time that a Qualifying Transaction is completed, the Company will have no significant revenue and will incur expenses primarily for the purposes of investigating a potential Qualifying Transaction, the maintenance of the listing of the Company on the TSX-V and filing requirements, professional services and office facilities and administration, subject to certain restrictions under Policy 2.4 of the TSX-V.

On February 28, 2020, the Company completed its initial public offering (the “**Offering**”) of 3,500,000 common shares at a purchase price of \$0.10 per common share for aggregate gross proceeds of \$350,000. Haywood Securities Inc. (the “**Agent**”) acted as agent for the Offering. In connection with the Offering, the Agent received a cash commission equal to 8% of the aggregate gross proceeds from the sale of the common shares. In connection with the Offering, the Company also granted to the Agent warrants to acquire up to an aggregate of 280,000 common shares (the “**Agent’s warrants**”). Each Agent’s warrant is exercisable to acquire one common share at a price of \$0.10 for a period of 24 months following the date that the common shares are listed on the Exchange.

On September 30, 2020, the Company announced a proposed qualifying transaction to acquire Kalo Gold Corp. As part of the transaction, the Company announced the concurrent financing to raise minimum gross proceeds of \$2,000,000. The net proceeds of the Concurrent Financing are expected to be used for exploration and related expenditures. All E36 shares to be issued will be subject to a statutory hold period of four months and one day from closing.

The head office of the Company is located at Suite 2500, 666 Burrard Street, Vancouver, British Columbia V6C 2X8.

Analysis of the Company's Financial Performance and Condition

The Company reported a loss of \$7,014 and \$11,143 (\$nil per share and \$0.04 per share) for the three ended September 30, 2020 and 2019 respectively. The loss was mainly attributed to Office expenses and filing fees related to the annual public company filings.

The Company anticipates incurring professional fees, such as legal fees and accounting and audit fees, and transfer agent fees, on an ongoing basis. A significant portion of the filing and listing fees will relate to the Company's initial listing on the TSX-V and IPO, and as such, are expected to be non-reoccurring. The costs recognized for the grant of the incentive stock options are also expected to be non-reoccurring.

Liquidity and Changes to Expense Structure

As a CPC, the Company's routine expenses are limited to general administrative costs such as TSX-V listing and filing fees, audit fees and accounting fees, and transfer agent fees. When the Company has identified a potential Qualifying Transaction, additional legal or other transaction-related costs may be incurred, regardless of whether or not the transaction is ultimately completed. It is uncertain as to when a Qualifying Transaction can be completed as a successful Qualifying Transaction may depend on identifying a viable commercial enterprise, the availability of financing for the resulting issuer and TSX-V approval. However, the Company's current cash balance is sufficient to maintain on-going operations for the next 12 months and to pursue a potential Qualifying Transaction, should one arise.

Outstanding Share Data

As of the date of this MD&A, 6,075,000 common shares are issued and outstanding. Of these, 2,325,000 shares are held in escrow in accordance with Exchange regulations.

As of the date of this MD&A, following the Offering, there are 600,000 stock options outstanding, exercisable at \$0.10 per share, expiring on February 28, 2030 and 280,000 Agent's Warrants outstanding, exercisable at \$0.10 per share, expiring on February 28, 2022.

The Company's common shares commenced trading on the Exchange under the trading symbol "ETSC.P".

Off-Balance Sheet Arrangements

The Corporation has not had any off-balance sheet arrangements from the date of its incorporation to the date of this MD&A.

Related Party Transactions

There was no related party transaction during the three months ended September 30, 2020.

Forward-Looking Statements

Certain statements contained in the Quarterly Highlights may constitute forward-looking statements. 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 any future results, performance or achievements expressed or implied by such forward-looking statements. These risks include, but are not limited to, the Company completing a Qualifying Transaction, and its ability to raise sufficient capital for short-term operations and to fund a Qualifying Transaction. Readers are cautioned not to place undue reliance on these forward-looking statements.

Additional Information

For further detail, see the Corporation's unaudited condensed interim financial statements for the period ended September 30, 2020. Additional information about the Corporation can also be found on SEDAR.