



## Management Discussion & Analysis for the Year Ended September 30, 2020

The following discussion and analysis of the financial position and results of operations for Core Assets Corp. (the “Company” or “Core”) should be read in conjunction with the audited financial statements for the **year ended September 30, 2020**, which are prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”).

The effective date of this report is December 14, 2020.

All financial figures presented herein are expressed in Canadian Dollars (CDN\$) unless otherwise specified.

### Nature of Business

Core Assets Corp. (“Core” or the “Company”) was incorporated on April 20, 2016, under the Company Act of British Columbia and is in the business of acquiring, exploring, developing and evaluating mineral resource properties. The Company is in the exploration stage and has interests in properties located in British Columbia (“BC”), Canada.

The head office, principal address and registered and records office of the Company are located at 1450 – 789 West Pender, Vancouver, BC, Canada, V6C 1H2. The technical information included in this Management Discussion & Analysis (“MD&A”), unless otherwise stated, has been reviewed by Nicholas Rodway B.Sc, P. Geo, who is a Qualified Person under National Instrument 43-101 (“NI 43-101”).

On July 8, 2020, the Company received a final receipt from the British Columbia Securities Commission for its Long Form Prospectus dated July 7, 2020. On July 27, 2020, the Company’s shares were listed for trading on the Canadian Securities Exchange (“CSE”) under the symbol “CC”.

### Selected Annual Information

The following is a summary of the financial data of the Company for the last three completed fiscal year ends and are derived from the audited annual financial statements of the Company:

	For the years ended September 30,		
	2020	2019	2018
	\$	\$	\$
Total Revenues	Nil	Nil	Nil
Loss from continuing operations	159,499	16,291	1,737
Loss from continuing operations (per share, basic and diluted)	0.01	0.01	17.37
Net loss	159,499	16,291	1,737
Net loss (per share, basic and diluted)	0.01	0.01	17.37
Net comprehensive loss for the year	159,499	16,291	1,737
Total assets	532,341	537,121	3,364
Total long-term financial liabilities	Nil	Nil	Nil
Cash dividend declared per share	Nil	Nil	Nil

The Company has recorded losses in each of its three most recently completed fiscal years, and expects to continue to record losses until such time as an economic resource is identified, developed, and brought into profitable commercial operation on one or more of the Company's properties or otherwise disposed of at a profit.

## **Business of the Company**

The principal business carried on and intended to be carried on by the Company is the exploration of mineral resources on the Company's principal property, being the Blue Property, which is in the exploration stage.

To date, the Company has raised \$591,825 through the sale of common shares.

### **Blue Property**

The following represents information summarized from the Technical Report on the Blue Property by the Author, a Qualified Person, prepared in accordance with the requirements of NI 43-101. **All figures and tables from the Technical Report are reproduced in and form part of this Prospectus; a complete copy of the Technical Report is available for review on SEDAR.**

## **Property Description and Location**

### *Location*

On December 10, 2018, the Company signed an agreement with Zimtu Capital Corp. ("Zimtu") whereby the Company can earn a 100% interest in and to the Blue Property, located in northwestern British Columbia, Canada on BCGS map sheet 104M030. The Blue Property is 48 km southwest of the community of Atlin and lies along Hoboe Creek valley adjoining Willison Bay, at the southwestern end of Atlin Lake's Torres Channel. The Blue Property is centered on 59°13'35.9N, 134°7'17.33W.

The Blue Property is comprised of two contiguous mineral claims covering an area of 1,126.49 ha; these claims are registered under and subject to the Mineral Tenure Act (MTA) of the Province of British Columbia. For its participation in the transaction, the Company will pay \$100,000 (\$50,000 paid) and issue 3,000,000 common shares of the Company in staged payments (1,000,000 shares with a fair value of \$50,000 were issued during the year ended September 30, 2019, and were issued 1,000,000 shares were issued subsequent to September 30, 2020) over three years. Zimtu will retain a 2% Net Smelter Return (NSR) royalty. The Company has the right to buy back 1% of the NSR within 5 years of the agreement by paying \$1,000,000.

During the year ended September 30, 2020, the Company acquired 8 additional claims in and around the Company's Blue and Silver Lime properties from Zimtu. The cost to acquire the claims amounted to the cost of staking paid by Zimtu, (\$23,025), with Zimtu retaining a 2% new smelter return royalty, of which the Company shall have the right to purchase half (1%) for \$1,000,000. The addition of these claims expands and consolidates the Blue Property and the Silver Lime Property into one contiguous property and will continue to be called the Blue Property

### *Other Significant Factors and Risks*

The Blue Property lies in the Hoboe-Willison Creeks / Sit'Héeni Resource Management Area ('Hoboe-Willison RMZ'), formerly the Atlin Recreation Area. Regulations for the Hoboe-Willison RMZ are found within the Atlin Taku Land Use Plan. In this Hoboe-Willison RMZ, resource development must avoid or minimize impacts to wildlife habitats, cultural and recreational values and water quality; access to Hoboe-Willison Creeks should be through the mouth of Hoboe Creek; permanent roads and major hydroelectric

development are prohibited; disturbance of goats by helicopter is to be avoided; and preferred location of exploration and development near to the Willison Bay to minimize disturbance and impact on cultural, ecological, visual, recreation and wilderness values of the RMZ.

It is advised to develop a proactive approach regarding the engagement of the Taku River Tlingit First Nation (TRTFN) relating to any proposal of work and any work undertaken toward the advancement of the Blue Property.

## **Accessibility, Climate, Local Resources, Infrastructure and Physiography**

### *Access, Infrastructure and Local Resources*

The Blue Property is located approximately 48 km southeast of the nearest major population centre, Atlin, British Columbia. According to the 2016 Census, Atlin has a population of approximately 500. The north end of the Property is accessible from Atlin Lake via the Torres Channel and Willison Bay by boat during summer months or snowmobile during winter; a float or ski plane can access the north end of the Blue Property year-round from Willison Bay. Helicopter support also provides year-round access to the Blue Property.

As a small community, Atlin has limited resources but can provide accommodations, fuel, limited heavy equipment, transportation, supplies and food. Additional resources can be found in the city of Whitehorse (population 25,085: 2016 census), Yukon Territory, approximately 170 km by road north of Atlin.

There is no existing power or other facilities on the Blue Property. Water sources for the Blue Property include Hoboe Creek and Atlin Lake.

## **Exploration**

The Technical Report presents the results of the Company's 2019 exploration program on the Blue Property. The site visit by the Author is described in the section entitled 'Data Verification'; details regarding historic exploration programs are summarized in the section entitled 'History'.

Work completed by Company to date on the Blue Property, consists of a 2D resistivity/induced polarization, geophysical survey.

### *Geophysics*

Between June 15<sup>th</sup> and June 22<sup>nd</sup>, 2019, Aurora Geosciences Ltd. ("Aurora") based at 34A Laberge Rd. Whitehorse, YT, conducted a 2D resistivity/induced polarization survey over a portion of the Blue Property on behalf of the Company. Aurora utilized a standard pole-dipole array in the French adit area; the survey consisted of a single line 500 m long with 50 m spacings.

The purpose of the survey was to confirm the expected response of known skarn mineralization and to locate additional areas of possible porphyry style mineralization that could be drill tested. No plan views are presented due to the extent of the survey; however, the inverse chargeability pseudo section is discussed under Interpretations and Conclusions.

## **Drilling**

As of the date of the Technical Report the Company had not conducted drilling on the Blue Property.

## **Sample Preparation, Analysis and Security**

### *Laboratory Sample Preparation and Analysis*

#### Zimtu Samples

Zimtu sent all 2018 rock samples to ALS Minerals (“ALS”) in Whitehorse, Yukon for preparation; the prepared samples were shipped from ALS in Whitehorse to ALS in North Vancouver for analysis. Samples were bagged in field using a polyethylene bag, recorded, assigned a sample number with the respective Tyvek® identification tag placed in the sample bag, and sealed with electrical tape (Rodway, 2018). Sealed samples were delivered directly by Zimtu staff to ALS in Whitehorse on their return from Atlin.

ALS Whitehorse pulverized 1,000 grams of each sample to 85% < 75 µm. Samples were analyzed using package ME-ICP41, aqua regia digestion followed by ICP-AES analysis; PGM-ICP24, fire assay with a 50-gram nominal sample weight followed by ICP-AES analysis; and ME-OG46, ore grade aqua regia digestion for Ag, Cu, Pb, and Zn if the detection limits of ME-ICP41 were exceeded, with an ICP-AES finish.

ALS is a commercial laboratory and completely independent of Core Assets. ALS in Whitehorse and ALS in North Vancouver are both ISO/IEC 17025 accredited.

#### **Data Verification**

The Author visited the Blue Property on June 5, 2019. During the visit he reviewed Zimtu’s 2018 sample sites, exposed outcrop, talus, historic adits, and collected 17 samples relevant to this report. Samples taken by the author were collected from both the 2018 Zimtu sample sites and independently selected sites.

#### **Silver Lime Agreement**

Pursuant to the Silver Lime Property Agreement, the Company acquired a 100% interest in the Silver Lime Property from Zimtu for consideration of 1,000,000 common shares (issued). Zimtu will retain a 2% Net Smelter Return (NSR) royalty. The Company has the right to buy back 1% of the NSR within 5 years of the agreement by paying \$1,000,000.

The Silver Lime Property consists of two mineral licenses that cover an area of approximately 531.17 ha located in northwestern British Columbia 58 km southwest of the community of Atlin.

The Company decided to acquire the Silver Lime property for the purpose of reselling it as an area play in the event that its Blue Property shows promise of good mineralization. There was and remains no interest in developing the Silver Lime Property, and that property does not need any additional expenditures to keep it in good standing until the end of December, 2021. Even after December 2021, the Company can transfer some of its excess credits, if available, from the Blue Property in order to maintain good standing status on the Silver Lime Property. The Company considers that having an additional property in relatively close proximity to its exploration property can, in the right circumstances, become a very valuable asset.

Subsequent to the initial purchase, the Company acquired additional claims that combine the Blue Property and the Silver Lime Property into one contiguous property and the Silver Lime Property is now considered part of the Company’s Blue Property.

## **Overall Performance**

During the year ended September 30, 2020, the following shares have been issued by the Company:

- i. On October 8, 2019, 426,000 common shares were issued at \$0.05 per share for gross proceeds of \$21,300.
- ii. On January 22, 2020, 115,500 common shares were issued at \$0.05 per share for gross proceeds of \$5,775.
- iii. On March 5, 2020, 1,100,000 common shares were issued at \$0.05 per share for gross proceeds of \$55,000
- iv. On June 9, 2020, 1,860,000 common shares were issued at \$0.05 per share for gross proceeds of \$93,000.
- v. On June 24, 2020, 136,000 common shares were issued at \$0.05 per share for gross proceeds of \$6,800.
- vi. On June 24, 2020, 17,000 common shares previously issued and priced at \$0.05 per share for gross proceeds of \$850 were cancelled and returned to treasury.

During the year ended September 30, 2019, the following shares have been issued by the Company, providing net cash proceeds of \$397,159.

- i. On June 21, 2019, 1,000,000 common shares were issued at \$0.02 per share for gross proceeds of \$20,000.
- ii. On August 14, 2019, 11,300,000 common shares were issued at \$0.02 per share for gross proceeds of \$226,000.
- iii. On August 29, 2019, 220,000 common shares were issued at \$0.05 per share for gross proceeds of \$11,000.
- iv. On September 16, 2019, 3,076,000 common shares were issued at \$0.05 per share for gross proceeds of \$153,800.
- v. On September 25, 2019, 1,000,000 common shares with a fair value of \$50,000 were issued in connection with the Silver Lime Property.
- vi. On September 30, 2019, 1,000,000 common shares with a fair value of \$50,000 were issued in connection with the Blue Property.

For additional details regarding the Company's recent financing, please refer to Note 8 of the Company's audited financial statements for the year ended September 30, 2020.

## **General and Administrative**

Net loss for the year ended September 30, 2020, was \$159,499, compared to a net loss during the year ended September 30, 2019 of \$16,291, for a difference of \$143,208. The significant changes in expenses include:

- Administrative fees (2020: \$25,000, 2019: \$nil)

- Advertising expenses (2020: \$19,101; 2019: \$1,875);
- Salaries and consulting fees (2020: \$14,611; 2019: \$1,040);
- Transfer agent and filing fees (2020: \$29,874; 2019: \$nil); and
- Legal fees (2020: \$59,880, 2019: \$2,058).

The reason for the increase is due to the business activities related to working towards completing the Company's prospectus during the year ended September 30, 2020.

### **Summary of Quarterly Results**

The following is a summary of the results from the eight previously completed financial quarters:

	<b>September 30, 2020</b>	<b>June 30, 2020</b>	<b>March 31, 2020</b>	<b>December 31, 2019</b>
Revenues	Nil	Nil	Nil	Nil
Net income (loss) from continuing operations	(79,376)	(41,211)	(22,968)	(15,944)
Net income (loss) and comprehensive income (loss)	(79,376)	(41,211)	(22,968)	(15,944)
Basic and diluted net income (loss) (per share)	(0.00)	(0.00)	(0.00)	(0.00)

	<b>September 30, 2019</b>	<b>June 30, 2019</b>	<b>March 31, 2019</b>	<b>December 31, 2018</b>
Revenues	Nil	Nil	Nil	Nil
Net income (loss) from continuing operations	(11,154)	(1,464)	(3,655)	(18)
Net income (loss) and comprehensive income (loss)	(11,154)	(1,464)	(3,655)	(18)
Basic and diluted net income (loss) (per share)	(0.01)	(0.00)	(0.00)	(0.00)

Over the course of the Company's previously completed eight quarters, the Company's net loss has remained at a consistent level, with the exception of the increased costs starting in the quarter ending September 30, 2019 due to the work required for the Company's prospectus.

Net loss for the three months ended September 30, 2020, was \$79,376, compared to a net loss during the three months ended September 30, 2019 of \$11,154, for a difference of \$68,222. The significant changes in expenses include:

- Administration fees (2020: \$25,000, 2019: \$nil);
- Advertising expenses (2020: \$14,191, 2019: \$nil);
- Salaries and consulting fees (2020: \$4,345; 2019: \$1,040);
- Transfer agent and filing fees (2020: \$13,760; 2019: \$nil); and
- Legal fees (2020: \$11,616, 2019: \$nil).

The reason for the increase is due to the business activities related to working towards completing the Company's prospectus.

### **Liquidity and Capital Resources**

As of the date of this report, the Company has raised \$591,825 to further the Company's mineral properties and for general working capital. Of the funds raised, approximately \$100,000 will be on the Blue Property and remainder will be used to complete the process of going public and for general working capital as set out in the Company's prospectus.

The Company will continue to require funds to further the exploration of its resource properties. As a result, the Company may have to continue to rely on equity and debt financing. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company.

The Company's financial success will be dependent on the economic viability of its resource properties and the extent to which it can discover and develop new mineral deposits. Such development may take several years to complete and the amount of resulting income, if any, is difficult to determine.

All of the Company's properties are in the exploration or development stage only. Development of one or both of the properties will only follow upon obtaining satisfactory results. Exploration and development of natural resources involve a high degree of risk and few properties which are explored are ultimately developed into producing properties. There is no assurance that the Company's exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of copper, cobalt, silver and gold from the properties. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control such as international, economic and political trends, expectations of inflation, currency exchange fluctuations and interest rates.

As at September 30, 2020, the Company has total assets of \$532,341 (2019: \$537,121). The primary assets of the Company are exploration and evaluation assets of \$273,652 (2019: \$184,902), mining rights of \$nil (2019: \$50,000), reclamation bonds of \$13,500 (2019: \$13,000), sales tax and other receivables of \$6,536 (2019: \$4,421), and cash of \$232,832 (2019: \$284,798). The Company has no long-term liabilities and has working capital of \$209,580 (2019: \$257,055) as at September 30, 2020.

*Cash Provided Used In Operating Activities:* Cash used in operating activities during the year ended September 30, 2020 was \$164,645, compared with \$6,353 provided from operating activities during the year ended September 30, 2019. Cash was mostly spent on transfer agent and filing fees, legal fees, and salaries and consulting fees.

*Cash From Financing Activities:* Total cash from financing activities during the year ended September 30, 2020 was \$155,200 provided from the issuance of shares and \$3,926 used for share issuance costs. During the year ended September 30, 2019, \$410,800 was provided from the issuance of shares, \$25,825 was provided from share subscriptions and \$13,641 was used for share issuance costs.

*Cash Used in Investing Activities:* Total cash used in investing activities during the year ended September 30, 2020 was \$38,595, compared to \$147,902 used during the year ended September 30, 2019. During the year ended September 30, 2020, the Company spent \$52,417 (2019: \$134,902) on the exploration and development of its mineral properties, \$500 (2019: \$13,000) on reclamation bonds, and received \$14,322 (2019: \$nil) from mining tax credits.

## **Transactions with Related Parties**

During the year ended September 30, 2020 and 2019, the Company incurred the following transactions with officers or directors of the Company or companies with common directors:

	Year ended September 30,	
	2020	2019
<b>Key management compensation*</b>	\$	\$
Exploration and evaluation asset expenditures	27,000	4,500
Wages to key management	3,500	500
Administrative fees	25,000	-
Advertising	4,000	-
Total	59,500	5,000

\* Key management includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including the Company's executive officers and certain members of its Board of Directors.

As at September 30, 2020, there was \$30,606 (2019: \$nil) due to related parties of the Company.

Zimtu Capital Corp. ("Zimtu") is a company with common directors and management. Zimtu provides key management services to the Company and hold 34% of the shares of the Company. On August 1, 2020, the Company entered into a twelve-month Management & Administration Agreement ("Agreement") with Zimtu. Under the terms of the agreement, Zimtu will provide the Company with administrative and managerial services, including corporate maintenance, continuous disclosure services, rent, and office space, at a rate of \$12,500 per month.

The terms and conditions of these transactions with key management and their related parties were no more favourable than those available, or which might reasonably be expected to be available, or similar transactions to non-key management related entities on an arm's length basis.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayment.

## **Off Balance Sheet Arrangements**

There are no off-balance sheet arrangements to which the Company is committed.

## **Other MD&A Requirements**

### **Additional Disclosure for Venture Issuers without Significant Revenue**

As the Company has not had significant revenue from operations in either of its last two financial years, the following is a breakdown of the material costs incurred:

	<b><u>Year Ended</u> <u>September 30,</u> <u>2020</u></b>	<b><u>Year ended</u> <u>September 30,</u> <u>2019</u></b>
Capitalized Exploration and Evaluation Asset Costs	\$273,652	\$184,902
Capitalized Mining Rights	\$nil	\$50,000
General and Administration Expenses	\$159,499	\$16,291

### **Disclosure of Outstanding Share Capital**

The following is a breakdown of the share capital of the Company, on an annual basis and the date of this report:

	<b><u>December 14,</u> <u>2020</u></b>	<b><u>September 30,</u> <u>2020</u></b>	<b><u>September 30,</u> <u>2019</u></b>
Common Shares	22,216,600	21,216,600	17,596,100
Stock Options	-	-	-
Warrants	-	-	-
Fully Diluted Shares	22,216,600	21,216,600	17,596,100

For additional details of outstanding share capital, refer to Note 8 of the audited financial statements for the year ended September 30, 2020.

## **Global Risks**

In early 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. The Company's ability to raise the additional capital required for Phase II may be affected by the current uncertainties of the global market

## **Industry and Economic Factors Affecting Performance**

As a mineral exploration and development company, Core's performance is affected by a number of industry and economic factors and exposure to certain environmental risks and regulatory requirements. These include metal prices, competition amongst exploration firms for attractive mineral properties, the interest of investors in providing high-risk equity capital to exploration companies, and the availability of qualified staff and equipment such as drilling rigs to conduct exploration.

## **Competitive Conditions**

The mineral exploration industry is competitive, with many companies competing for the limited number of precious and base metals acquisition and exploration opportunities that are economic under current or

foreseeable metals prices, as well as for available investment funds. Competition is also high for the recruitment of qualified personnel and equipment. Significant and increasing competition exists for mineral opportunities in the Province of British Columbia. There are a number of large established mineral exploration companies in British Columbia with substantial capabilities and greater financial and technical resources than the Company.

### **Government Regulation**

Mining operations and exploration activities are subject to various laws and regulations which govern prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, protection of the environment, mine safety, hazardous substances and other matters.

### **Environmental Regulation**

The Company's mineral exploration activities are subject to various federal and provincial laws and regulations governing protection of the environment. In general, these laws are amended often and are becoming more restrictive.

### **Other Property Interests and Mining Claims**

The Company may in the future acquire new mineral exploration properties or interests but has not entered into any agreements to acquire such properties or interests other than the Blue Property and the Silver Lime Property.

### **Trends**

As a junior mining issuer, the Company is subject to the cycles of the mineral resource sector and the financial markets as they relate to junior companies.

The Company's financial performance is dependent upon many external factors. Both prices and markets for metals are volatile, difficult to predict and subject to changes in domestic and international, political, social and economic environments. Circumstances and events beyond its control could materially affect the financial performance of the Company.

### **Forward Looking Statements**

This Management Discussion & Analysis may contain forward-looking information and is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ from those projected in the forward-looking statements.

*Readers can identify many of these statements by looking for words such as "believes", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar words or the negative thereof.*

Forward-looking information is based on the opinions and estimates of management and its consultants at the date the information is given. It is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. The information is based on reasonable assumptions which include but are not limited to those regarding actual costs for mining and processing and their impact on the cut-off grade established, actual capital costs, forecasts of mine production rates, the timing and content of upcoming work programs, geological interpretations, potential process methods and mineral recoveries, the availability of markets for the products produced, market pricing for the products produced, etc.

Factors that could cause actual results to differ materially from those in forward-looking statements include market prices for metals, the conclusions of detailed feasibility and technical analyses, lower than expected

grades and quantities of resources, mining rates and recovery rates and the lack of availability of necessary capital, which may not be available to the Company on terms acceptable to it or at all.

Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements. There can be no assurance that the plan, intentions or expectations upon which these forward-looking statements are based will occur. Forward looking statements are subject to risks, uncertainties and assumptions. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements should not be in any way construed as guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements.

Readers are cautioned not to put undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements that are contained herein, except in accordance with applicable securities laws.

### **Approval**

The Board of Directors of Core Assets Corp. has approved the disclosure contained in this MD&A.

### **Additional Information**

Additional information related to the Company can be found on the Company's website at [www.coreassetscorp.com](http://www.coreassetscorp.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).