

**MINFOCUS EXPLORATION CORP.**

**MANAGEMENT DISCUSSION AND ANALYSIS  
For the Nine Months Ended November 30, 2020**

**Report date: January 20, 2021**

This Management Discussion and Analysis ("MD&A") of financial position and results of operation is prepared as at January 20, 2021 and should be read in conjunction with the condensed interim consolidated financial statements for the nine months ended November 30, 2020 for Minfocus Exploration Corp. (the "Company"). The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information is provided in the Company's financial statements and other documents. These documents are available from SEDAR at [www.sedar.com](http://www.sedar.com).

The Company's disclosures of a technical or scientific nature have been reviewed by Graham C. Wilson, Ph.D., P.Geo, (ON) *Qualified Person under the definition of National Instrument 43-101*.

**Company Overview and Operations**

The Company was incorporated under the *Business Corporations Act* (British Columbia) on August 6, 2010. The Company completed its initial public offering ("IPO") on October 19, 2010 and was listed on the TSX Venture Exchange ("Exchange") as a capital pool company ("CPC"). The Company's shares began trading on October 21, 2010.

On February 28, 2020, the Company entered into an agreement with GeoCorp to acquire 22 claims in SW Eureka County Nevada, known as the Nevada Rose Precious Metals Property.

On May 28, 2020, the Company issued 428,574 common shares with a fair value of \$12,857 in connection with the Round Pound Property Agreement.

On June 5, 2020, the Company announced the appointment of Alicia Milne, a director of the Company, to President and CEO of the Company following the resignation of Kenneth de Graaf, who remains a director. Additionally, Jody Bellefleur, the Company's CFO, was appointed to the Board of Directors.

On July 3, 2020, the Company completed a private placement of 5,900,000 units at a price of \$0.03 per unit for gross proceeds of \$177,000. Each unit consists of one common share of the Company (a "Share") and one share purchase warrant. Each share purchase warrant (a "Warrant") will entitle the holder to acquire one common share of the Company at an exercise price of \$0.05 for a period of 24 months following the closing date of the private placement (the "Closing Date"). The proceeds of the private placement will be used toward general working capital.

On July 21, 2020, the Company received TSX Venture Exchange approval on the acquisition of the Nevada Rose Property, located in Nevada USA.

On August 4, 2020, the Company issued 200,000 common shares with a fair value of \$10,000 in connection with the Nevada Rose Agreement.

On September 10, 2020, the Company granted 1,304,286 stock options to directors, officers, and consultants of the Company, priced at \$0.07 and expiring September 10, 2025.

On September 11, 2020, the Company appointed Richard Bedell to the Technical Advisory Board.

The Company held its Annual and Special Meeting on October 28, 2020, with all matters passing.

## **Mineral Properties**

### *Coral Zinc Project, British Columbia*

In January 2015, the Company entered into an agreement pursuant to which it had an option to earn up to an initial 60% interest in the Coral Zinc Project, a zinc project situated in northern British Columbia. The Company earned a 20% interest, but during the year ended February 28, 2019, the Company determined that it was not able to meet its commitment to earn the remaining 40% interest in the claims and terminated the option agreement.

In September 2018, the Company acquired an additional 36% beneficial ownership interest in the Coral Zinc Project by issuing 7,180,000 shares and 7,180,000 share purchase warrants, exercisable at \$0.07 for 2 years on September 19, 2018 with a fair value of \$287,200. As a result, the Company now holds a 56% interest.

The Coral tenures are in good standing with the BC Ministry of Energy & Mines until September 2024. Of the optionors, one is a director of the Company. The Company has pledged a \$10,000 GIC as security under a safekeeping agreement with the Ministry of Finance, British Columbia relating to the application for permits on the Coral Zinc Project. This amount is included in cash on the statement of financial position.

### *Peregrine Zinc Project, British Columbia*

The Peregrine Zinc Project, located in southeastern British Columbia, comprises optioned claims supplemented by claims staked by the Company. In January 2017, the Company entered into an option earn-in agreement on the Peregrine Zinc Project, to earn a 100% interest over a period of two years by making optional staged payments totaling \$10,000 cash (paid) and issuing 142,857 shares (78,571 issued during the year ended February 28, 2018 and 50,000 issued during the year ended February 28, 2019) plus the grant of a 2% net smelter returns royalty ("NSR"). The Company has the option to repurchase up to 1% of the NSR for \$1,000,000 after commercial production. The Peregrine claims remain in good standing until September 2021.

### *Round Pond Zinc Project, Newfoundland*

In March 2018, the Company entered into an agreement to acquire a 100% interest in the Round Pond Zinc Project, comprising 30 claims (750 hectares), located in Western Newfoundland for total consideration of 750,000 shares (321,432 shares issued during the year ended February 28, 2019 with a fair value of \$24,107 and 428,574 shares issued during the nine months ended November 30, 2020 with a fair value of \$12,857). A 2.0% NSR royalty was granted in which \$1.5 million can be paid to reduce the royalty to a 0.75% NSR interest.

### *Nevada Rose Precious Metals Property, Nevada, USA*

On February 28, 2020, the Company entered into an agreement with GeoCorp to acquire 22 claims in SW Eureka County Nevada, known as the Nevada Rose Property. In accordance with the agreement, the Company will issue 200,000 shares to GeoCorp upon approval by the TSXV (issued during the nine months ended November 30, 2020 with a fair value of \$10,000), pay \$10,000 USD upon closing of a financing of at least \$100,000 within 3 months of TSXV approval (paid with a value of \$13,535 CAD during the nine months ended November 30, 2020), and commit to a first-year work program of \$50,000 USD. The anniversary date of the future payments is now set to July 3, 2020. The subsequent commitments are as follows:

1<sup>st</sup> anniversary - \$20,000 USD cash payment and \$200,000 USD work commitment

2<sup>nd</sup> anniversary - \$30,000 USD cash payment and \$200,000 USD work commitment

3<sup>rd</sup> anniversary through until the 10<sup>th</sup> anniversary - \$50,000 USD cash payment and \$500,000 USD work commitment per year. If not in production on the 10<sup>th</sup> anniversary, \$200,000 USD cash payment and \$2.0 million USD work commitment.

Upon completion of all payments and work commitments up to and including the 10<sup>th</sup> anniversary, the Company will have earned 100% interest in all property rights and title to the Nevada Rose Property. Upon production, all further payments and work commitments by the Company shall cease and a 3% NSR shall be granted to GeoCorp, with no buydown but a purchase of part or whole of the NSR is negotiable. On July 21, 2020, the Company received TSX Venture Exchange approval of the acquisition.

## Exploration Activities

### *Coral Zinc Project, British Columbia*

No work was completed on the Coral project during the nine months ended November 30, 2020. The Coral Zinc Project claims remain in good standing until November 2024.

The Company completed field work on the Coral Zinc Project in October 2017. A LiDAR survey was flown and covered a 16 square kilometre area comprising roughly one-third of the Project. The survey area included the Hound Dog Creek soil anomaly and the area of the most-recent drilling, as well as a significant buffer around this area of interest.

Preliminary analysis of the LiDAR images shows multiple features suggestive of collapsed areas potentially indicative of marine sinkhole fill, a feature known to be associated with deposit mineralization at other Mississippi Valley Type zinc deposits such as Daniel's Harbour, Newfoundland and Pine Point, NWT. These previously unidentified structures at the Coral Zinc Project are both within and outside the areas of exploration by the Company and have not been tested by any of the historic drilling. More detailed analysis of the LiDAR is expected to support prioritization of targets for future drilling over several zones of coincident soil, stream-sediment and gossan anomalies and outcropping mineralization which have been identified in prior work programs.

### *Peregrine Zinc Project, British Columbia*

No work was completed on the Peregrine Zinc Project during the nine months ended November 30, 2020 on this Mississippi Valley Type ("MVT") project in southeastern British Columbia.

In 2017, the Company's initial field program re-located an area of historic surface trenching from which selected grab samples were collected assaying 13.0 to 35.9% zinc and a soil survey identified a strong zinc anomaly coincident with the showing which extends along the favourable host horizon for over 1,500 metres, west-southwest along strike from the trench. The anomaly extends through an area where old adits and a possible shaft were located, as well as beyond to the westward limit of sampling. The highest zinc values in soils were over 3,000 parts per million ("ppm") and were supported by a coincident lead anomaly.

### *Round Pond Zinc Project, Newfoundland*

A LiDAR survey covering approximately 24 square kilometres was flown on the Round Pond Zinc Project in September 2020 by Terraquest Ltd. The survey covered the original property as well as newly staked claims which expanded the original property to the north. The survey results, together with historical data, will be used to define follow-up geophysics and geochemical programs to support drill targeting of the known geometries of MVT orebodies. The claims are in good standing, with the next filings of assessment work required by March 10, 2021.

The Round Pond Zinc Project is located west of Hare Bay, on the Great Northern Peninsula of northwest Newfoundland. This region has seen extensive, episodic programs of exploration for zinc since the 1960s. The principal target is Mississippi Valley-type (MVT) Zn-(Pb-Ag) mineralization, as found at the former Newfoundland Zinc mine at Daniel's Harbour, circa 140 km to the south. This style of mineralization may be transgressive, and thus be found at different horizons within the host sequence, the Ordovician-age St. George Group.

The Round Pond Zinc Project was originally part of a larger project which had seen extensive exploration. Previous workers have had varying opinions as to the genesis of the mineralization, which at Round Pond is found as open-space fillings in dolostone host rocks, notably as the cement to two styles of breccia.

Based on the results of a 2018 reconnaissance visit (plus compilation of historic property and regional geology by others), the Company expanded the size of the project to 63 claims, covering 1,500 ha. This extended the property border for roughly 2 km in a northeasterly direction, to follow the key limestone-dolostone contact which dips very

gently northeast. Historic drill programs in this area had been very shallow and mostly close to the main Round Pond showing.

The 2018 visit confirmed that mineralization appears to be widespread, hosted in rocks of simple mineralogy (dolomite + sphalerite ± calcite ± galena ± pyrite ± quartz ± hydrocarbon ± K-feldspar). The principal style of mineralization is breccias with cement, weathering above exposed surfaces, dominated by granular sphalerite of a pale greyish-green colour. Granular galena and scattered pyrite are uncommon and were the only other sulphides observed. Seven mineralized samples returned 12.7-35.4 wt.% Zn (mean 22.2 wt.%). One sample returned 3.81 wt.% Pb, the other six averaged 0.18 wt.% Pb (range 0.02-0.34 wt.%, all but one grading 0.12-0.34 wt.%).

*Nevada Rose Precious Metals Property, Nevada, USA*

During the nine months ended November 30, 2020, Surface exploration work including regional prospecting and reconnaissance sampling was undertaken in September 2020. A LiDAR survey was flown covering the Nevada Rose property as well as an approximate 2km zone around the edges of the existing claim block. LiDAR uses a pulsed laser beam to measure variable distances to the earth's surface and with electronic filtering, it is able to remove the effects of obscuring vegetation cover to highlight small differences in topography which can be significant for precious and base metal exploration. The survey is to provide topographic data for an updated orthophoto base for geological mapping and further work on the property.

The Nevada Rose project targets a precious-metals system striking over a one-kilometre length on the edge of the pediment, which comprises previously identified silver-rich zones within a larger zoned system. The host rock is a sequence of Silurian dolostone overlain by Devonian limestones that dips gently east toward pediment cover. Historic regional mapping by Homestake Mining in the 1990s identified aeri ally extensive bedded and high-angled (structurally emplaced) jasperoid. Their 79 samples averaged 180 grams per tonne (g/t) silver (5.2 ounces per tonne (oz/t) Ag) with no appreciable gold and with individual assays of up to 2,050 g/t silver (60 oz/t Ag). Zones of zebra-textured dolomite associated with dissolution collapse breccia carry more than 30 g/t (over one oz/t) Ag suggesting targets that should yield thicker zones containing multiple ounces of silver when the core jasperoid is added.

Anomalous gold mineralization has, in addition, been identified in two locations on the Nevada Rose project. The first is a bleached zone 200 m wide dipping beneath the pediment. Multiple samples from this zone reported over 100 parts per billion (ppb) gold. More recent work showed a strong gold zonation toward the pediment coincident with high zinc values. A shear zone on the edge of the pediment assayed at 0.58 g/t Au (0.02 oz/t Au) and 380 g/t Ag (11 oz/t Ag). A reverse circulation (RC) drill program in this zone by Piedmont Mining in 2007 intercepted six metres (20 feet) of 0.91 g/t Au and 3.4 g/t Ag. Another RC drill hole in the same zone intercepted 44 metres (144 feet) of 0.26 g/t Au and 3.1 g/t Ag. Mineralization in the latter RC drill hole remains open. A second zone approximately 850 metres to the north produced a gold assay of 0.4 g/t. Historic data indicate the presence of a mineralizing system with disseminated gold in addition to the multi-ounce silver showings that dominate the property near surface.

## General

As of November 30, 2020, total accumulated acquisition and exploration and evaluation expenditures for the mineral properties were as follows:

	Nevada Rose	Coral Zinc	Peregrine Zinc	Peregrine Extension	Round Pond	Total
<b>Balance, February 28, 2019</b>	\$ -	\$ 648,495	\$ 72,255	\$ 8,455	\$ 39,729	\$ 768,934
<b>Impairment</b>	-	-	-	(8,455)	-	(8,455)
<b>Balance, February 29, 2020</b>	\$ -	\$ 648,495	\$ 72,255	\$ -	\$ 39,729	\$ 760,479
<b>Additions during the period</b>						
<b>Property acquisition costs</b>						
Cash	13,535	-	-	-	390	13,925
Shares issued for property interests	10,000	-	-	-	12,857	22,857
<b>Property exploration costs</b>						
Assays	3,259	-	-	-	-	3,259
Geophysical surveying	28,655	-	-	-	23,000	51,855
<b>Balance, November 30, 2020</b>	\$ 58,964	\$ 648,495	\$ 72,255	\$ -	\$ 76,176	\$ 855,890

## Selected Annual Financial Data

The following selected financial data is derived from the audited financial statements of the Company prepared in accordance with IFRS.

	Year ended February 29, 2020	Year ended February 28, 2019	Year ended February 28, 2018
	\$	\$	\$
<b>Operations</b>			
Revenues	-	-	-
Expenses	40,846	319,959	177,605
Net Loss	51,837	1,522,762	366,454
<b>Balance Sheet</b>			
Working Capital	(341,816)	(300,798)	(140,043)
Total Assets	777,181	801,108	1,794,903

## Results of Operations

The Company had a net loss of \$139,356 (\$0.01 per share) during the nine months ended November 30, 2020, compared with a net loss of \$26,738 (\$0.00 per share) during the nine months ended November 30, 2019. No revenues were earned in either period. The significant expenses for the nine months ended November 30, 2020 and 2019 include the following:

- Accounting and audit fees (2020: \$15,999; 2019: \$6,500) increased due to the timing of the invoice received for the annual audit for the year ended February 29, 2020;
- Advertising and promotions (2020: \$6,764; 2019: \$nil) increased as the Company created a new website and started promoting the Company's new transactions;
- Consulting fees (2020: \$30,000; 2019: \$nil) increased due to the increased business activities of the Company;
- Filing and transfer agent fees (2020: \$25,406; 2019: \$11,593) increased due to the updated filings required for the Company's stock option plan;

- Share-based payments (2020: \$76,432; 2019: \$nil) increased as the Company granted stock options during the period; and
- Gain on the write off of accounts payable (2020: \$17,679; 2019: \$nil) increased as a result of outstanding payables that have been forgiven.

### Summary of Quarterly Results

The following selected information has been extracted from the Company's unaudited quarterly financial statements. All amounts stated are stated in Canadian dollars in accordance with IFRS.

	November 30, 2020	August 31, 2020	May 31, 2020	February 29, 2020
	\$	\$	\$	\$
Revenue (loss)	Nil	Nil	Nil	Nil
Net income (loss)	(128,785)	(4,034)	(6,537)	(25,099)
Net (loss) per share	(0.01)	(0.00)	(0.00)	(0.00)
Total assets	923,724	946,892	790,315	777,181
Working capital	(302,129)	(209,556)	(348,535)	(341,816)
Total liabilities	364,314	335,129	359,683	352,869
Equity	559,410	611,793	430,632	424,312

	November 30, 2019	August 31, 2019	May 31, 2019	February 28, 2019
	\$	\$	\$	\$
Revenue (loss)	Nil	Nil	Nil	Nil
Net income (loss)	(6,478)	(7,737)	(12,523)	(6,021)
Net income (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	785,494	787,453	790,100	801,108
Working capital	(325,171)	(320,257)	(312,920)	(300,798)
Total liabilities	336,083	331,564	326,474	324,959
Equity	449,411	455,889	463,626	476,179

The Company had a net loss of \$128,785 (\$0.01 per share) during the three months ended November 30, 2020, compared with a net loss of \$6,478 (\$0.00 per share) during the three months ended November 30, 2019. No revenues were earned in either period. The significant expenses for the year include the following:

- Advertising and promotions (2020: \$4,703; 2019: \$nil) increased as the Company created a new website and started promoting the Company's new transactions;
- Consulting fees (2020: \$30,000; 2019: \$nil) increased due to the increased business activities of the Company;
- Filing and transfer agent fees (2020: \$14,584; 2019: \$1,071) increased due to the updated filings required for the Company's stock option plan; and
- Share-based payments (2020: \$76,432; 2019: \$nil) increased as the Company granted stock options during the period.

### Liquidity and Capital Resources

The Company is dependent on raising funds by the issuance of shares, borrowings or subsequent disposition of interests in mineral properties it may own or otherwise acquire in order to finance further acquisitions, undertake

exploration of other mineral properties and meet general and administrative expenses in the immediate and longer term.

As at November 30, 2020, the Company had cash and cash equivalents of \$56,219 as compared to \$10,305 at February 29, 2020. The Company had a working capital deficit of \$302,129 at November 30, 2020, compared with a deficit of \$341,816 at February 29, 2020.

The future funding needs of the Company are dependent upon the Company's ability to obtain additional equity and/or debt financing. The inability to raise adequate financing would jeopardize the Company's ability to maintain its property. The Company continues to closely monitor its ongoing requirements and to explore all methods of raising additional funds. There can be no certainty that such additional funds may be raised when required.

### Related Party Transactions

Related parties include the Board of Directors, Officers, and close family members of members of the Board of Directors and Officers and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The Company entered into the following transactions with related parties during the nine months ended November 30, 2020:

For the nine months ended November 30,	2020	2019
Compensation - cash	\$ 36,500	\$ 6,500
Compensation – share-based	\$ 43,616	-

Officers and directors of the Company and companies controlled by such individuals were owed \$180,516 as at November 30, 2020 (February 29, 2020 – \$137,208) for services rendered and for expenses incurred in the ordinary course of business. The amounts are unsecured, non-interest bearing with no fixed terms of repayment.

### Outstanding and Convertible Common Shares

The Company's authorized share capital is unlimited common shares without par value. As at the date of this report, the Company's issued share capital was comprised of 24,910,796 common shares.

The following table summarizes information about stock options outstanding and exercisable at the date of this report:

Number of Options	Exercise Price	Expiry Date	Number of Exercisable Options
100,000	\$0.08*	December 19, 2021	100,000
471,429	\$0.08*	February 7, 2023	471,429
85,714	\$0.08*	February 14, 2023	85,714
42,857	\$0.08*	February 19, 2023	42,857
42,857	\$0.08*	March 27, 2023	42,857
1,304,286	\$0.07	September 10, 2025	-
2,047,143			742,857

\*Indicates an amended price

In September 2020, the Company re-priced 200,000 stock options previously granted to consultants to \$0.08. At the Company's Annual and Special Meeting held in October 2020, the shareholders approved the re-pricing of 542,857 stock options previously granted to insiders of the Company, as described in the Information Circular, to \$0.08.

The following table summarizes information about warrants outstanding and exercisable at the date of this report:

Number of Warrants	Exercise Price	Expiry Date	Number of Exercisable Warrants
5,900,000	\$0.05	July 3, 2022	5,900,000

## **Financial Risk Factors**

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate, and metals price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

### *Liquidity risk*

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at November 30, 2020, the Company had a cash balance of \$56,219 (February 29, 2020 - \$10,305) to settle current liabilities of \$364,314 (February 29, 2020 - \$352,869). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

### *Market risk*

#### (a) Interest rate risk

The Company has cash balances and no interest-bearing debt, other than the debt owing to a (former) director discussed above. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of select major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy.

#### (b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and all expenditures are transacted in Canadian dollars. As a result, the Company's exposure to the foreign currency risk is minimal.

#### (c) Commodity price risk

The Company is exposed to price risk with respect to base and precious metal prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to price movements and volatilities. The Company closely monitors prices to determine the appropriate course of action to be taken by the Company.

#### (d) Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. Credit risk for the Company is primarily associated with amounts receivable, which is comprised of GST/HST receivable due from the Federal Government of Canada. The Company has no significant concentration of credit risk arising from its operations. Management believes that the credit risk concentration with respect to amounts receivable is low.

## **Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

## **Significant Accounting Policies and Estimates**

The preparation of financial statements requires management to establish accounting policies, estimates and assumptions that affect the timing and reported amounts of assets, liabilities revenues and expenses. These estimates are based on historical experience and on various other assumptions that management believes to be reasonable under the circumstances and require judgement on matters which are inherently uncertain. Details of

the Company's significant accounting policies and new standards not yet adopted by the Company can be found in the audited financial statements for the year ended February 29, 2020.

### **Investor Relations Activities**

The Company does not have any investor relations arrangements.

### **Forward Looking Statements**

This discussion includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, which address future production, reserve potential, exploration activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance, that the Company expressly disclaims any responsibility for revising or expanding the forward-looking statements to reflect actual results or developments, and that actual results or developments may differ materially from those projected, in the forward-looking statements.

Readers are referred to the more detailed information described in other disclosure documents filed with the applicable Canadian securities regulatory authorities and available at [www.sedar.com](http://www.sedar.com).