



## **Management Discussion & Analysis for the Three Months Ended December 31, 2021**

The following discussion and analysis of the financial position and results of operations for Core Assets Corp. should be read in conjunction with the condensed interim statements for the **three months ended December 31, 2021**, which are prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”).

The effective date of this report is February 23, 2022.

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 Business Corporations Act (*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”. The Company’s shares also trade on the OTCQB under the symbol “CCOOF” and on the Frankfurt Stock Exchange under the symbol “A2QCCU”.

### **Corporate Activities**

On October 6, 2021, the Company announced it has engaged Zimtu Capital Corp. to provide marketing services as part of a cooperative marketing program. In consideration, the Company will pay \$12,500 a month for the next twelve months.

On November 1, 2021, the Company announced that its common shares are now eligible for settlement through the Depository Trust Company (“DTC”), a subsidiary of the Depository Trust & Clearing Corp. which manages the electronic clearing and settlement of publicly-traded companies in the United States.

On November 29, 2021, the Company announced that it has submitted a permit amendment application to the British Columbia Ministry of Energy, Mines and Low Carbon Innovation for the Blue Property (the “Property”), located in the Atlin Mining District of northwest British Columbia. This amendment requests

for additional helicopter-supported drill sites and the option to complete induced polarization geophysical surveys within a broader area totalling 29,460 ha.

On December 1, 2021, the Company appointed Mr. Andrew Carne to the Board of Directors and accepted the resignation of Ms. Alicia Milne.

On December 21, 2021, the Company announced the findings and interpretations of petrographic examinations completed on 17 samples collected within the 6.6 x 1.8 kilometer mineralized trend at the Blue Property during the 2021 Phase 2 exploration program. The Company has also begun drill tendering for the 2022 exploration season at the Blue Property (the "Property") located in the Atlin Mining District of British Columbia.

On January 21, 2022, the Company completed a non-brokered private placement (the "Offering") of 6,657,752 units (each, a "Unit") at a price of \$0.24 per Unit for gross proceeds of \$1,597,860. Each Unit is comprised of one common share (each, a "Share") in the capital of the Company and one whole transferable Share purchase warrant (each, a "Warrant"). Each Warrant will entitle the holder to purchase one additional Share (each, a "Warrant Share") for a period of two years from the closing date (the "Closing Date") at an exercise price of \$0.39 per Warrant Share. In connection with the Offering, Crescat Capital LLC ("Crescat Capital") has agreed to make a strategic investment in the Company of \$1,275,000 (the "Crescat Capital Investment"). Following the completion of the Crescat Capital Investment, Crescat Capital will have an option to participate in future financings of the Company to maintain its interest in the Company for so long as it holds greater than 3% of the issued and outstanding Common Shares. All securities issued in connection with the Offering will be subject to a four month hold as required under applicable securities laws and, in addition, will be subject to an 18 month hold from the Closing Date split up into 3 releases of one third (1/3) of the securities issued under the Offering every six months from the Closing Date. The proceeds of the Offering are anticipated to be used for further exploration programs at the Company's Blue Property and for general working capital purposes. Insiders of the Company may participate in the Offering. Cash finder's fees of \$4,100.64 were paid to eligible finders in connection with the Offering. Andrew Carne and Sean Charland, directors of the Company, and Jody Bellefleur, the Chief Financial Officer of the Company, were issued 20,800 Units, 85,000 Units and 25,000 Units respectively under the Offering.

On January 24, 2022, the Company announced that it had appointed Ms. Monica Barrington as Vice President of Exploration, Mr. Joel Faltinsky as Director, and Mr. David Gower as a Technical Advisor to the Company. The Company also announced the resignation of Mr. Scott Rose as Director and Corporate Secretary.

On January 24, 2022, the Company announced it has engaged CEO Views to author and publish an overview of the Company and its business and properties. The article is expected to be published in mid-2022 and will be available solely on CEO Views' website. CEO Views will be paid a cash fee of \$9,105 for its services. CEO Views is independent to Core Assets.

On January 31, 2022, the Company announced channel sample results from five outcropping carbonate replacement massive sulphide occurrences at the Jackie Target, part of the 6.6km long by 1.8km wide Silver Lime carbonate replacement deposit ("**CRD**") prospect. Sawn channel samples were collected as part of the Company's 2021 maiden field campaign at Silver Lime.

On February 14, 2022, the Company announced channel sample results from 10 carbonate replacement and skarn, massive-to-semi massive sulphide occurrences at the Sulphide City and Grizzly Targets during Phase 2 of the 2021 Exploration Program carried out at the Blue Property

Subsequent to December 31, 2021, 4,118,904 share purchase warrants priced at \$0.15, 650,000 stock options priced at \$0.10, and 525,000 stock options priced at \$0.14 were exercised for gross proceeds of \$756,336.

### **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,		
	2021	2020	2019
	\$	\$	\$
Total Revenues	Nil	Nil	Nil
Loss from continuing operations	1,070,376	159,499	16,291
Loss from continuing operations (per share, basic and diluted)	0.03	0.01	0.01
Net loss	1,070,376	159,499	16,291
Net loss (per share, basic and diluted)	0.03	0.01	0.01
Net comprehensive loss for the year	1,070,376	159,499	16,291
Total assets	3,041,059	532,341	537,121
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 \$5,795,147 through the sale of common shares.

### **Blue Property**

#### Property Details

On December 10, 2018, the Company signed an agreement with Zimtu Capital Corp. ("Zimtu"), a related party, whereby the Company can earn a 100% interest in and to the Blue Property, in British Columbia. For its participation in the transaction, the Company will pay \$100,000 (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 issued during the year ended September 30, 2019 and 2,000,000 with a fair value of \$225,000 were issued during the year ended September 30, 2021). 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 original agreement was amended June 10, 2021 to change the date of the final payment from December 10, 2021 to June 15, 2021. On January 7, 2022, the Company and Zimtu signed an agreement to remove the 2% NSR royalty from the original and amended agreements.

In August 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). Zimtu will retain a 2% NSR royalty, of which the Company shall have the right to buy back 1% within 5 years of the agreement by paying \$1,000,000. The addition of these claims expanded and consolidated the Blue Property and the Silver Lime Property into one contiguous property that will continue to be called the Blue Property. On January 7, 2022, the Company and Zimtu signed an agreement to remove the 2% NSR royalty from the original and amended agreements.

In June 2021, the Company acquired 6 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 of \$26,095 plus 20% interest for a total of \$31,314.

During the year ended September 30, 2021, the Company staked an additional 82,257 ha of land, increasing its land package to approximately 108,337 ha. The cost of the staking was \$140,950.

The Blue Property is located 48 km southwest of the town of Atlin, British Columbia. The Company currently holds 100% title ownership in the Blue Property, that covers a land area of ~108,337 Ha (~1,083 km<sup>2</sup>). The project lies within the Atlin Mining District, a well-known gold mining camp. The Property hosts a major structural feature known as The Llewellyn Fault Zone ("LFZ"). This structure is approximately 140 km in length and runs from the Yukon border down through the property to the Alaskan Panhandle Juneau Ice Sheet in the United States. Core Assets believes that the south Atlin Lake area and the LFZ has been neglected since the last major exploration campaigns in the 1980's. The LFZ plays an important role in mineralization of near surface metal occurrences across the property. The past 50 years have seen substantial advancements in the understanding of porphyry, skarn, and carbonate replacement type deposits both globally and in BC's Golden Triangle. The company has leveraged this information at the Blue Property to tailor an already proven exploration model and believes this could facilitate a major discovery. Core Assets is excited to become one of Atlin Mining District's premier explorers where its team believes there are substantial opportunities for new discoveries and development in the area.

### **Exploration update**

On February 14, 2022, the Company announced channel sample results from 10 carbonate replacement and skarn, massive-to-semi massive sulphide occurrences at the Sulphide City and Grizzly Targets during Phase 2 of the 2021 Exploration Program carried out at the Blue Property (the "**Property**"), Atlin Mining District of British Columbia:

- 10 channels comprising a combined length of 39.25 metres were cut and sampled at average intervals of 0.5 metres at the Grizzly (Mantos) Target and the adjacent Sulphide City Target in 2021. **High-grade mineralization in these combined areas spans 600m by 350m.**
- Of the 80 channel samples collected, **5 samples assayed greater than 50g/t Ag, 47 greater than 0.20% Cu, and 33 channel samples assayed greater than 5.0% Zn.**
- Grizzly Channel CH21-05 returned length weighted average assay values of **175g/t Ag, 0.28% Cu, 0.31% Pb, and 10% Zn over 1.0m; including 0.5m of 222g/t Ag, 0.28% Cu, 0.38% Pb and 7.2% Zn (Figure 2).**

- Sulphide City Channel CH21-02 returned assay values of **5.3m of 14g/t Ag, 0.29% Cu and 10.2% Zn; including 0.5m of 46g/t Ag, 0.49% Cu, and 11.8% Zn over 0.5m (Figure 3).**
- The 2021 Discovery Zone (collectively the Grizzly, Sulphide City, and Amp Targets) defines a **1.8km long by 1.2km wide, high-grade carbonate replacement mineralization (CRM) target within the extensive 6.6km by 1.8km mineralized corridor that remains open in all directions.**
- **Drill targeting and planning is underway for the upcoming Exploration Program at the 2021 Discovery Zone, the Silver Lime Prospect, and the Laverdiere Prospect.**

On January 31, 2022, the Company announced channel sample results from five outcropping carbonate replacement massive sulphide occurrences at the Jackie Target, part of the 6.6km long by 1.8km wide Silver Lime carbonate replacement deposit (“CRD”) prospect within the Company’s 100% controlled Blue Property (the “Property”), in the Atlin Mining District of British Columbia. Sawn channel samples were collected as part of the Company’s 2021 maiden field campaign at Silver Lime. Additional 2021 channel sampling results from the nearby Grizzly Discovery Zone and Sulphide City Target are expected to return in February 2022.

As a first pass attempt to evaluate the grade of replacement sulphide mineralization at Jackie, five sulphide bodies, all outcropping within an area measuring 400 x 380 meters, were channel sampled at an average sample interval of 0.5m . All five sulphide bodies yielded high-grade base metal-silver results including:

- 486g/t Ag, 0.36% Cu, 9.4% Pb, and 13.0% Zn over 1.4m including 1,080g/t Ag, 0.36% Cu, >20% Pb, and 13.2% Zn over 0.5m in channel CH21-14 (Figure 3).
- 336g/t Ag, 0.26% Cu, 7.9% Pb, and 9.5% Zn over 1.25m including 851g/t Ag, 0.29% Cu, >20% Pb, and 9.7% Zn over 0.35m in channel CH21-11.
- 284g/t Ag, 0.57% Cu, 12.3% Pb, and 11.1% Zn over 2.5m including 383g/t Ag, 0.82% Cu, 16.6% Pb, and 10.3% Zn over 1.5m in channel CH21-13.
- 200g/t Ag, 0.24% Cu, 6.6% Pb, and 13.5% Zn over 1.5m including 516g/t Ag, 0.10% Cu, 18.6% Pb, and 17.0% Zn over 0.5m in channel CH21-12.
- 29g/t Ag, 0.20% Cu, 1.3% Pb, and 11.4% Zn over 3.8m in channel CH21-15.
- Of the 22 channel samples collected, 12 samples assayed greater than 100g/t Ag, 16 greater than 0.20% Cu, 14 greater than 1.0% Pb, and all channel samples collected assayed greater than 5.0% Zn.

The remaining 2021 channel sampling results from the Grizzly Discovery Zone and Sulphide City, both CRD targets nearby Jackie, are expected to be released in February 2022.

On December 21, 2021, the Company reported that petrographic analysis indicated a multi-stage Zn-Pb-Ag-Cu-Bi Carbonate Replacement System and has begun drill tendering at the Blue Property, with the highlights being as follows:

- The Company’s geological approach continues to check boxes that indicate the presence of a **large, multi-stage, world class Carbonate Replacement System at the Blue Property.**
- Massive sulphide composition, intergrowths, and replacement textures observed through petrography at the Grizzly, Amp, Jackie, and Sulphide City targets show a zonation pattern characteristic of **significant world class Zn-Pb-Ag-Cu-Bi Carbonate Replacement Deposits (CRD’s).** This will aid significantly in vectoring toward the Porphyry source.
- Reflected light and scanning electron microscopy has confirmed the mineralogy of the system as

being hosted in the following sulphide assemblages; Sphalerite (Zn), Chalcopyrite (Cu), Galena (Pb), Pyrrhotite, and Pyrite (Fe-Sulphides), crosscut by a later Galena-dominated assemblage associated with Hesseite (Ag-Telluride) and Native Bismuth (Bi).

- The presence of Fe-rich Sphalerite and local fugitive calcite observed in samples bordering the “Porphyry Hub” also indicate a close proximity to the Porphyry source.
- The Company has begun drill tendering for the upcoming 2022 exploration season.

On November 29, 2021, the Company reported an update on exploration activities at the Blue Property with the highlights being as follows:

- currently permitted for diamond drilling at the Laverdiere and Jackie showings
- If approved, the permit amendment will include 50 helicopter-supported diamond drill sites and up to 30-line kilometers of induced polarization geophysical surveys over the recently staked ground that includes Ag, Zn, Pb, Cu massive sulphide showings within the Blue Property.
- The proposed permit amendments will allow for exploratory diamond drilling at Core Assets’ **Grizzly Manto Discovery Zone, which was discovered in 2021 and extended massive sulphide mineralization at surface to 6.6km x 1.8km and remains open.**
- **The average grade of 44 samples collected in 2021 at the Grizzly Manto returned assay values of 8.2% Zn, 1.8% Pb, 0.40% Cu and 110 g/t Ag over a 500m strike length.**
- Initial interpretations from the 2021 Versatile Time Domain Electromagnetic Survey (VTEM) and assay results from channel sampling campaigns are expected to be released in the coming months.

### **About the Blue Property**

The Blue Property consists of two main historical mineral prospects (‘Laverdiere’ and ‘Silver Lime’) in a total contiguous land package of approximately 108,337 ha (~1,083 km<sup>2</sup>). The project is located 48 km southwest of the town of Atlin, British Columbia. In 2018, the Company sent a geological team to the Blue Property for preliminary surface sampling. Three areas of skarn exposure with massive and disseminated sulphide were observed along the western side of the Llewellyn Fault Zone, known as the Laverdiere Prospect. A total of 28 grab samples were collected and sent for analysis with values of up to 8.46% copper, 1.57 g/t gold and 46.5 g/t silver reported.

The Silver Lime Prospect is located just 10 km southwest of the Laverdiere Prospect, and encompasses two significant historical mineral occurrences, the Falcon and Jackie Showings. The Falcon Showing was discovered by Carmac Resources in 1990 and consists of several northwest trending limestone beds and the Jackie showing consists of a series of altered quartz veins. Mineralization often consists of galena, sphalerite, pyrite, chalcopyrite, arsenopyrite and stibnite. The system is exposed in multiple areas on the property with one more significant outcrop that is visible for 25 metres with strike extensions covered by talus. Individual mineralization can be seen up to 2.2 metres wide. To the northwest, a quartz-feldspar porphyry breccia contains smaller quartz veins with semi-massive arsenopyrite and stibnite. Sample 88339 taken from a 2.20 metre vein system assayed 3.3 g/t gold, 2,641 g/t silver, 0.15% copper, 2.5% lead and 3.32% zinc, 5.0% arsenic and 2.56% antimony (ARIS 21162\*).

In 2018, Core Assets Corp., as part of a helicopter reconnaissance program, prospected the Silver Lime Prospect and collected 8 samples. The results confirmed the historic work of Carmac (1990), having returned values of 1.16 g/t gold, 913 g/t silver, 12.45% zinc and >20.0% lead.

The Silver Lime Prospect has the potential to represent a carbonate replacement deposit model (CRD). Massive sulphide mineralization occurs in limestone and biotite-muscovite-sericite schists near the contacts between the units. Large zones of limonite alteration, cut by alaskite and hornblende porphyry dikes, surround these occurrences. The lenses appear to be widest near the porphyry dikes. Several faults follow the general direction of the dikes, suggesting structural control on the mineralization. Sulphides at the Jackie Showing often comprise galena, sphalerite, chalcopyrite, pyrrhotite and pyrite. The mineralization can be up to 30 metres long and 6 metres wide. The smaller occurrences host sphalerite and galena mineralization and the larger occurrences vary mineralogically along length. Galena, quartz and calcite dominate the northwest changing to pyrrhotite, chalcopyrite and pyrite in the centre and border areas (Minfile 104M 031\*).

The 2021 prospecting and sampling programs have focused on resampling the Silver Lime Prospect and evaluating the newly staked ground by Core Assets Corp. to the west of the prospect to better understand how the mineralization is zoned with regards to the source. (see news release dated June 11, 2021).

Nicholas Rodway, P.Geo, is President, CEO and a Director of the Company, and Qualified Person as defined by National Instrument 43-101. Mr. Rodway supervised the preparation of the technical information in this report.

## **Overall Performance**

### **Financings**

During the three months ended December 31, 2021:

- i. During the three months ended December 31, 2021, 420,000 share purchase warrants priced at \$0.15 and were exercised for gross proceeds of \$63,000.

During the year ended September 30, 2021:

- i. On December 10, 2020, 1,000,000 common shares with a fair value of \$90,000 were issued in connection with the Blue Property.
- ii. On March 17, 2021, the Company closed the Offering, issuing 12,177,767 Units at a price of \$0.09 per Unit for gross proceeds of \$1,095,999. Each Unit is comprised of one Share in the capital of the Company and one non-transferable Warrant. Each Warrant will entitle the holder to purchase one additional Warrant Share in the capital of the Company for a period of 24 months from the closing date at an exercise price of \$0.15 per Warrant Share in first year and \$0.25 per Warrant Share in second year. The Company paid cash finder's fees of \$8,779 and issued 91,770 Finder's Warrants to certain finders in connection with the Offering. The Finder's Warrants have the same terms and conditions as the Warrant.
- iii. On March 17, 2021, the Company closed the Flow-through Offering, issuing 2,838,334 Shares, issued on a "flow-through basis" pursuant to the Income Tax Act (Canada), at a price of \$0.12 per Share for aggregate gross proceeds of \$340,600. The Company paid cash finder's fees of \$8,064. and issued 67,200 finder's warrants to certain finders in connection with the Flow-through Offering.
- iv. On June 11, 2021, 2,000,000 common shares with a fair value of \$280,000 were issued to directors and a consultant in connection with bonus (see Related Party Transactions)

- v. On June 15, 2021, 1,000,000 common shares with a fair value of \$135,000 were issued in connection with the Blue Property.
- vi. On August 25, 2021, the Company closed a non-brokered private placement (the "Offering"), issuing 11,012,000 units (each, a "Unit") at a price of \$0.055 per Unit for gross proceeds of \$605,660. Each Unit is comprised of one common share (each, a "Share") in the capital of the Company and one-half of one transferable share purchase warrant (each, a "Warrant"). Each Warrant will entitle the holder to purchase one additional Share (each, a "Warrant Share") in the capital of the Company for a period of 24 months from the closing date at an exercise price of \$0.25 per Warrant Share. All shares issued in connection with this private placement have a twelve month hold period.
- vii. On August 25, 2021, the Company closed a non-brokered flow-through private placement (the "Flow-through Offering"), issuing 4,465,000 Shares, issued on a "flow-through basis" pursuant to the Income Tax Act (Canada), at a price of \$0.08 per Share for aggregate gross proceeds of \$357,200. All shares issued in connection with this private placement have a twelve month hold period.
- viii. During the year ended September 30, 2021, 2,157,778 share purchase warrants priced at \$0.15 were exercised for total gross proceeds of \$323,667.
- ix. During the year ended September 30, 2021, \$31,500 was received for the exercise of warrants. The warrant documents were received in October 2021 and the shares were issued subsequent to September 30, 2021.

For additional details regarding the Company's recent financings, please refer to Notes 7 and 8 of the Company's audited financial statements for the year ended September 30, 2021.

#### General and Administrative

Net loss for the three months ended December 31, 2021, was \$139,462, compared to a net loss during the three months ended December 31, 2020 of \$166,339, for a difference of \$26,877. The significant changes in expenses include:

- Administrative fees (2021: \$37,500, 2020: \$40,000);
- Advertising expenses (2021: \$39,373; 2020: \$908);
- Salaries and consulting fees (2021: \$44,173; 2020: \$1,194);
- Transfer agent and filing fees (2021: \$8,166; 2020: \$5,166);
- Legal fees (2021: \$7,730, 2020: \$4,209);
- Office, telephone and miscellaneous (2021: \$3,461, 2020: \$1,552); and
- Share-based payments (2021: \$nil, 2020: \$113,310).

The main reasons for the change in loss for the period is due to the share-based payments expense related to options that were granted in December 2020 offset against the increase in advertising expenditures and consulting fees and salaries due to the Company's increased business activities.

## **Summary of Quarterly Results**

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

	<b>December 31, 2021</b>	<b>September 30, 2021</b>	<b>June 30, 2021</b>	<b>March 31, 2021</b>
Revenues	Nil	Nil	Nil	Nil
Net income (loss) from continuing operations	(139,462)	(154,147)	(612,533)	(138,254)
Net income (loss) and comprehensive income (loss)	(139,462)	(154,147)	(611,636)	(138,254)
Basic and diluted net income (loss) (per share)	(0.00)	(0.00)	(0.02)	(0.01)

	<b>December 31, 2020</b>	<b>September 30, 2020</b>	<b>June 30, 2020</b>	<b>March 31, 2020</b>
Revenues	Nil	Nil	Nil	Nil
Net income (loss) from continuing operations	(166,339)	(79,376)	(41,211)	(22,968)
Net income (loss) and comprehensive income (loss)	(166,339)	(79,376)	(41,211)	(22,968)
Basic and diluted net income (loss) (per share)	(0.01)	(0.00)	(0.00)	(0.00)

Starting in the quarter ended September 30, 2020, costs increased as the Company was listed on the CSE in July 2020. In the quarter ended December 31, 2020, expenses increased significantly due to share-based payments expense of \$113,310. During the quarter ended June 30, 2021, stock option and bonus shares were granted..

## **Liquidity and Capital Resources**

As of the date of this report, the Company has raised \$5,795,147 to further the Company's mineral properties and for general working capital.

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 December 31, 2021, the Company has total assets of \$2,864,660 (September 30, 2021: \$3,041,059). The primary assets of the Company are cash of \$1,338,612 (September 30, 2021: \$1,528,966), exploration and evaluation assets of \$1,343,821 (September 30, 2021: \$1,307,716), prepaid expenses of \$41,362 (September 30, 2021: \$72,499), reclamation bonds of \$25,500 (September 30, 2021: \$25,500), promissory notes of \$81,970 (September 30, 2021: \$81,970), and sales tax and other receivables of \$33,395 (September 30, 2021: \$24,408). The Company has no long-term liabilities and has working capital of \$1,377,984 (September 30, 2021: \$1,522,051) as at December 31, 2021.

*Cash Provided Used In Operating Activities:* Cash used in operating activities during the three months ended December 31, 2021 was \$185,749, compared with \$16,041 used in operating activities during the three months ended December 31, 2020. Cash was mostly spent on transfer agent and filing fees, administration fees, legal fees, salaries and consulting fees, and promissory notes.

*Cash From Financing Activities:* Total cash from financing activities during the three months ended December 31, 2021 was \$63,000 provided from the exercise of warrants (2020: \$nil) and \$31,500 used of share subscriptions received (December 31, 2020: \$nil).

*Cash Used in Investing Activities:* Total cash used in investing activities during the three months ended December 31, 2021 was \$36,105, compared to \$7,483 used during the three months ended December 31, 2020, all spent on the exploration and development of its mineral properties.

### **Transactions with Related Parties**

During the three months ended December 31, 2021 and 2020, the Company incurred the following transactions with officers or directors of the Company or companies with common directors:

	<b>Three months ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>Key management compensation*</b>	<b>\$</b>	<b>\$</b>
Exploration and evaluation asset expenditures	-	6,750
Wages to key management	40,500	750
Administrative fees	37,500	40,000
Share-based payments	-	87,837
Advertising	37,500	-
<b>Total</b>	<b>115,500</b>	<b>135,337</b>

\* 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.

On June 11, 2021, the Company granted 1,920,000 bonus shares to two directors. The bonus shares will be subject to the standard four month plus one day hold period. Per Canada Revenue Agency requirements, all related payroll taxes for the bonus shares were due on July 15, 2021. The Company has paid the payroll taxes of \$81,970 due by the directors and issued them promissory notes for

reimbursement of these taxes at a later date. The shares are in recognition of the extensive work performed in completing the Company's recent financing as well as increasing the Company's land position

As at December 31, 2021, there was \$18,415 (September 30, 2021: \$17,912) due to related parties of the Company.

Zimtu is a company with common directors and management. Zimtu provides key management services to the Company and as of December 31, 2021 holds 14% (September 30, 2021 – 14%) of the Company's shares. On August 1, 2020, the Company entered into a twelve-month Management Services 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. On August 1, 2021, the Agreement was renewed for an additional twelve months. During the year ended September 30, 2021, additional administrative fees were incurred in connection to the private placement.

On October 1, 2021, the Company engaged Zimtu Capital Corp. to provide marketing services as part of a cooperative marketing program. In consideration, the Company will make 12 monthly payments of \$12,500.

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.

### **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>Year Ended September 30, 2021</b>	<b>Year ended September 30, 2020</b>
Capitalized Exploration and Evaluation Asset Costs	\$1,307,716	\$273,652
Capitalized Mining Rights	\$nil	\$nil
General and Administration Expenses	\$1,070,376	\$159,499

## 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>February 23, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
Common Shares	70,239,135	58,287,479	57,867,479
Stock Options	2,460,000	3,635,000	3,635,000
Warrants	17,803,807	15,264,959	15,684,959
Fully Diluted Shares	90,504,964	77,187,438	77,189,459

For additional details of outstanding share capital, refer to Notes 7 and 8 of the condensed interim financial statements for the three months ended December 31, 2021.

## **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).