

# Ivor Exploration Inc.

## Management's Discussion and Analysis

### For the Years Ended June 30, 2020 and 2019

#### General

This management discussion and analysis should be read in conjunction with the audited financial statements and related notes thereto of Ivor Exploration Inc. (the "Company") for the years ended June 30, 2020 and 2019 (the "Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board. All amounts in the financial statements and this discussion and analysis are presented in Canadian dollars, unless otherwise indicated. This Management Discussion and Analysis ("MD&A") is dated October 7, 2020 and discloses specified information up to that date.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the financial statements and Management Discussion and Analysis ("MD&A"), is complete and reliable.

This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com).

#### Description of Business

On October 12, 2017, the Company changed its name to Ivor Exploration Inc. The Company is a resource exploration company that is acquiring and exploring mineral properties.

#### Initial Public Offering

On May 14, 2020, the Company entered into an agreement with a brokerage firm to act as agent with respect to a proposed initial public offering ("IPO") of the Company's shares on the Canadian Securities Exchange.

On June 26, 2020, the Company completed its of 4,000,000 common shares for total proceeds of \$400,000. The Company granted 320,000 Agent's options exercisable into one common share of the Company at a price of \$0.10 until June 26, 2022. The Agent also received cash commission representing 8% of the gross proceeds and a corporate finance fee.

In connection with the completion of the IPO, the Company common shares were listed on Canadian Securities Exchange under the stock symbol "IVOR" and commenced trading on June 30, 2020.

#### Exploration and evaluation assets

##### Ultimate Property

In May 2012, the directors of Ivor Exploration Inc. commissioned a staker to find a mineral property for the company. The staker map-staked the ULTIMATE 1, 3 and 4 plus the claim with "no name" (record number 984144) in 2012 and to transfer title for payment of \$8,000 for 100% of the first four claims in 2012 with no further payments. The 2017 claims; ULTIMATE 5 to 7 were map-staked directly by Ivor Exploration Inc. (now Ivor Ventures Ltd.) for \$2,000.

## Results of Operations

	Three months ended June 30,		Year ended June 30,	
	2020	2019	2020	2019
<b>Expenses</b>				
Office and miscellaneous	\$ 1,144	\$ 17	\$ 1,210	\$ 59
Corporate finance fee	-	25,000	-	25,000
Management fees	100,000	-	100,000	-
Professional fees	55,237	5,568	69,776	17,342
Regulatory fees	(7,292)	-	2,991	-
	<b>(149,089)</b>	<b>(30,585)</b>	<b>(173,977)</b>	<b>(42,401)</b>
Interest income	-	-	137	-
<b>Loss and comprehensive loss</b>	<b>\$ (149,089)</b>	<b>\$ (30,585)</b>	<b>\$ (173,840)</b>	<b>\$ (42,401)</b>

### Years ended June 30, 2020 and 2019

#### Loss and Expenses

The net loss for the year ended June 30, 2020 was \$173,840 compared to \$42,401 for the year ended June 30, 2019, representing an increase in loss of \$131,439.

Material variances over the comparable period are discussed below.

- Management fees for the year ended June 30, 2020 was \$100,000 compared to \$Nil for the year ended June 30, 2019. The increase is related to the CEO and CFO services for the year ended June 30, 2020 recorded in the last quarter of the current year. No management fees were recorded in the prior year.
- Professional fees for the year ended June 30, 2020 was \$69,776 compared to \$17,342 for the year ended June 30, 2019, representing an increase \$52,434. The increase is related to increase in legal activity during the current year, increase in professional fees for the NI 43-101 report review on Ultimate property, and increase in audit and accounting services in connection with the financial statement preparation and review. Also, the increase were expenses related to the initial public offering of the Company's shares on the Canadian Securities Exchange which commenced trading on June 30, 2020.
- Corporate finance fee for the year ended June 30, 2020 was \$Nil compared to \$25,000 for the year ended June 30, 2019. The corporate finance fee in the prior year was an advance payment to the agent that led the facilitation of the IPO transaction that commenced during the prior year.

### Three months ended June 30, 2020 and 2019

#### Loss and Expenses

The net loss for the three months ended June 30, 2020 was \$149,089 compared to \$30,585 for the three months ended June 30, 2019, representing an increase in loss of \$118,504.

Material variances over the comparable period are discussed below.

- Management fees for the three months ended June 30, 2020 was \$100,000 compared to \$Nil for the three months ended June 30, 2019. The increase is related to the CEO and CFO services for the full year recorded in the current quarter. No management fees were recorded in the prior year quarter.
- Professional fees for the three months ended June 30, 2020 was \$55,237 compared to \$5,568 for the three months ended June 30, 2019, representing an increase \$49,669. The increase is mainly related to increase in legal activity during the current quarter, increase in professional fees for the NI 43-101 report review on Ultimate property, and increase in audit and accounting services in connection with the financial statement

preparation and review. Also, the increase were expenses related to the initial public offering of the Company's shares on the Canadian Securities Exchange which commenced trading on June 30, 2020.

- Regulatory fees for the three months ended June 30, 2020 was a recovery of \$7,292 compared to \$Nil for the three months ended June 30, 2019. The cost recovery in the current quarter was due to reclassification of expenses related to the IPO to listing expenses adjusted in the current quarter.
- Corporate finance fee for the three months ended June 30, 2020 was \$Nil compared to \$25,000 for the three months ended June 30, 2019. The corporate finance fee in the prior year quarter was an advance payment to the agent that led the facilitation of the IPO transaction that commenced during the prior year quarter.

### Selected Annual Information

	June 30, 2020	June 30, 2019	June 30, 2018
	\$	\$	\$
Loss and comprehensive loss	(173,840)	(42,401)	(1,288)
Loss per share - basic and diluted	(0.02)	(0.01)	(0.00)
Total asset	460,904	165,753	159,268
Working capital	172,620	5,897	39,736

### Selected Quarterly Information

The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's condensed interim financial statements. All dollar amounts are in Canadian dollars.

Quarter Ended	Loss for the period	Loss per Share (Basic & Diluted)	Total Assets	Interest Income
30-Jun-20	\$149,089	\$0.02	\$460,904	\$Nil
31-Mar-20	\$17,279	\$0.00	\$182,226	\$Nil
31-Dec-19	\$2,485	\$0.00	\$165,411	\$Nil
30-Sep-19	\$4,987	\$0.00	\$166,838	\$137
30-Jun-19	\$30,585	\$0.01	\$11,552	\$Nil
31-Mar-19	\$1,219	\$0.00	\$144,731	\$Nil
31-Dec-18	\$4,772	\$0.00	\$145,058	\$Nil
30-Sep-18	\$5,825	\$0.00	\$156,484	\$Nil

### Financial Condition, Liquidity and Capital Resources

The Company had a working capital of \$172,620 as at June 30, 2020 compared to a working capital of \$5,897 as at June 30, 2019. The Company does not currently have an active business generating positive cash flows. The Company is reliant on equity financing or shareholder loans to provide the necessary cash to acquire or participate in an active business. There can be no assurance that equity financings will be available to the Company in the future that will be obtained on terms satisfactory to the Company.

On June 26, 2020, the Company completed its IPO of 4,000,000 common shares for total proceeds of \$400,000. The IPO was led by Leed Jones Gable (the "Agent"). The Company granted 320,000 Agent's options exercisable into one common share of the Company at a price of \$0.10 until June 26, 2022. The Agent also received cash commission representing 8% of the gross proceeds and a corporate finance fee. Share issuance costs associated with closing of the IPO were \$133,018.

On January 24, 2020, a resolution was passed that was consented to in writing by all the directors of the Company. According to this resolution, the issue price of 777,500 common shares held by Brent Hahn (Chief Executive Officer and a director of the Company) and the issue price of 777,500 common shares held by Southern Cross Management Inc. (a company controlled by Barry Hartley, Chief Financial Officer and a director of the Company) was increased from \$0.005 per share to \$0.02 per share. Accordingly, the additional capital contribution in the amount of \$11,662.50 was received from each of the shareholders.

In May 2019, the Company completed a private placement financing, issuing 1,000,000 common shares at a price of \$0.05 per share for gross proceeds of \$50,000.

The Company has not entered into any off-balance sheet arrangements.

### **Related Party Transaction**

#### **Balances**

As at June 30, 2020, accounts payable and accrued liabilities include \$102,500 (June 30, 2019 - \$Nil) owing to directors and officers of the Company. Amounts due to related party are unsecured, non-interest bearing and has no specified terms of repayment.

As at June 30, 2020, loans from related parties are \$10,385 (June 30, 2019 - \$448). The loans are unsecured, non-interest-bearing and due on demand.

#### **Transactions**

During the year ended June 30, 2020, the Company recorded \$100,000 of management fees for Chief Executive Officer and Chief Financial Officer services.

During the year ended June 30, 2020, issue price for shares held by the two directors and officers was increased from \$0.005 per share to \$0.02 per share and accordingly each received additional capital contribution of \$11,662.50.

### **Financial Instruments and Risk Management**

#### **Fair Values**

The fair values of cash, accounts payable and accrued liabilities, and loans from related parties approximate their carrying values because of the short-term nature of these instruments.

#### ***Financial Risk Management***

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

#### ***Financial Instrument Risk Exposure***

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

#### ***Credit Risk***

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company is not exposed to credit risk.

#### *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

#### *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. Such fluctuations may be significant.

#### *Interest rate risk*

The Company has no cash balances and no interest-bearing debt.

#### *Foreign currency risk*

The Company is not exposed to foreign currency risk on fluctuations in exchange rates.

#### *Price risk*

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

#### *COVID-19*

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID- 19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

#### **Contingencies**

The Company is not aware of any contingencies or pending legal proceedings as of as at the date of this report.

#### **Additional share information**

As at June 30, 2020, the Company had 7,780,000 common shares outstanding.

As at the date of this report, the Company had 11,780,000 common shares outstanding.

As at June 30, 2020 and as at the date of this report, the Company had 320,000 stock options outstanding and exercisable.

As at June 30, 2020 and as at the date of this report, the Company had no warrants outstanding.

#### **Disclaimer**

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company, which can be accessed at [www.sedar.com](http://www.sedar.com). No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

**Cautionary Statement on Forward Looking Information**

Certain statements contained in this document constitute “forward-looking statements”. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements.