

**GRIZZLY DISCOVERIES INC.**  
(the "Company" or "Grizzly")

**FORM 51-102F1**  
**MANAGEMENT DISCUSSION AND ANALYSIS ("MD&A")**  
**FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2020**

The following MD&A, approved by the Audit Committee on behalf of the Board of Directors of the Company on June 29, 2020, should be read together with the condensed consolidated interim financial statements for the three and nine months ended April 30, 2020 and 2019 and the consolidated financial statements for the years ended July 31, 2019 and 2018 and the notes thereto (the "Financial Statements") prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars, the Company's functional currency, unless otherwise indicated.

**Forward Looking Statements**

Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Certain statements contained in this MD&A constitute forward-looking statements. The use of any words such as "anticipate", "continue", "estimate", "expect", "intend", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors.

It is important to note that:

- Unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of the date of this MD&A.
- Readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.
- The Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason except as required by law.

For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, please see "Mining Risks" and "Business Risks".

**Description of Business**

Grizzly Discoveries Inc. is an early stage multiple commodity exploration company engaged in the acquisition, exploration and potential future development of potash and diamonds on properties in Alberta and precious and base metals on properties in British Columbia.

Grizzly is a reporting issuer in Alberta, and trades on the TSX Venture Exchange under the symbol GZD, on the Frankfurt Stock Exchange under the symbol G6H - WKN-A0F464, and on the OTCQB under the symbol GZDIF.

## Overall Performance

The Company has no operating revenue to date; the only cash income earned is from interest on deposits. The Company relies on the issuance of common shares to finance exploration and to provide working capital. Most the Company's financial assets are expended in the acquisition and exploration of its mineral properties, which is reflected in the Company's consolidated financial statements as an increase in mineral properties on the consolidated statement of financial position.

Additions to the capitalized balance of the Company's mineral properties in the current and comparative years are detailed in the following tables:

	<b>Alberta Diamond Properties</b>	<b>Alberta Potash Properties</b>	<b>BC Precious Metals Properties</b>	<b>Total</b>
	\$	\$	\$	\$
July 31, 2018	1	1	6,801,785	6,801,787
Acquisition and land use	2,641	5,418	2,498	10,557
Fieldwork and geological consulting	2,409	258	56,150	58,817
Mineral tax credit	-	-	(10,846)	(10,846)
Impairment	(5,050)	(5,676)	-	(10,726)
April 30, 2019	1	1	6,849,587	6,849,589
July 31, 2019	1	1	6,853,499	6,853,501
Acquisition and land use	-	5,418	2,877	8,295
Fieldwork and geological consulting	292	431	41,439	42,162
Impairment	(292)	(5,849)	-	(6,141)
<b>January 31, 2020</b>	<b>1</b>	<b>1</b>	<b>6,897,815</b>	<b>6,897,817</b>

## Selected annual information

The following table summarizes audited financial data for annual operations reported by the Company for the three most recently completed financial years.

<b>For the year ended</b>	<b>July 31, 2019</b>	<b>July 31, 2018</b>	<b>July 31, 2017</b>
Total assets (\$)	7,091,372	7,049,692	8,427,084
Mineral properties (\$)	6,853,501	6,801,787	8,296,168
Current liabilities (\$)	63,199	75,100	71,854
Interest income (\$)	2,193	1,797	753
Net loss (\$)	361,605	1,913,596	255,509
Basic and diluted loss per common share (\$)	0.01	0.03	0.00
Weighted average number of common shares outstanding	63,254,952	57,626,605	53,413,542

## Summary of quarterly results

The following table summarizes financial data reported by the Company for the most recent eight quarters:

Period ended	Apr 30, 2020	Jan 31, 2020	Oct 31, 2019	Jul 31, 2019	Apr 30, 2019	Jan 31, 2019	Oct 31, 2018	Jul 31, 2018
Net loss (\$)	26,087	40,725	29,359	66,418	48,074	35,488	211,625	1,815,289
Basic and diluted loss per common share (\$)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03

Fluctuations in the Company's net loss are due primarily to the recognition of share based compensation costs arising from the issuance and vesting of stock options, and impairment charges. Specific variances in the current three and nine month periods compared to the comparative periods are discussed below.

### Results of Operations – Three Months Ended April 30, 2020

The Company incurred a net loss for the three months ended April 30, 2020 of \$26,087 (2019 – \$48,074). Items comprising the net loss varied in the three months ended April 30, 2020 compared to the three months ended April 30, 2019 as explained below.

General and administrative expenses incurred in the three months ended April 30, 2020 totaled \$28,927 (2019 - \$47,308). A description of significant variances between the periods follows:

- Advertising and promotion costs of \$8,512 (2019 - \$16,145) were incurred for promotion of the Company, including public announcements and news releases.
- Conference and corporate travel costs of \$3,235 (2019 - \$5,236) were incurred relating to promotion of the Company to investors including attendance at major mining investment conventions.
- Consulting fees included \$6,000 (2019 – \$10,000) paid to management for the management and normal business operations of the Company (lower in the current period due to reductions in management compensation), and additional fees of \$850 (2019 – nil) to non-management consultants.
- Office and administration costs of \$3,206 (2019 - \$6,509) were incurred in the period for regular office costs including: office rent; office supplies; insurance; computer software; and communications and internet. The Company has minimized its ongoing office costs and expects to maintain a low administrative cost structure for the foreseeable future.
- Regulatory and transfer fees of \$7,124 (2019 - \$8,145) were incurred to the Company's transfer agent and fees paid to the TSX Venture Exchange and to the OTCQB Exchange.
- Professional fees of \$1,273 in the comparative period ended April 30, 2019 (2020 – nil) was recorded primarily for routine corporate legal services.

In the three months ended April 30, 2020, the Company recorded net mineral property impairments totaling \$528 (2019 – \$1,122) in mineral property costs related to costs incurred with relation to the Company's Alberta Potash and Alberta Diamond properties (which have previously been impaired on the consolidated statements of financial position to a nominal amount of \$1) in the consolidated statements of loss.

Offsetting the above expenses was interest income of \$348 (2019 – \$356) earned from financial institutions on the Company's cash deposits, and flow through share premium of \$3,020 (2019 – nil) recognized in conjunction with flow through eligible expenditures.

## Results of Operations – Nine Months Ended April 30, 2020

The Company incurred a net loss for the nine months ended April 30, 2020 of \$96,171 (2019 – \$295,187). Items comprising the net loss varied in the nine months ended April 30, 2020 compared to the nine months ended April 30, 2019 as explained below.

General and administrative expenses incurred in the nine months ended April 30, 2020 totaled \$72,880 (2019 - \$139,507). A description of significant variances between the periods follows:

- Advertising and promotion costs of \$16,519 (2019 - \$53,227) were incurred for promotion of the Company, including consultants, public announcements and news releases. In the comparative period, costs included promotion and travel related to promotion and financing of the Company.
- Conference and corporate travel costs of \$3,235 (2019 - \$12,507) included conference fees and attendance costs and, in the comparative period, included management travel related to promotion and operations.
- Consulting fees of \$18,850 (2019 – \$34,000) included \$18,000 (2019 - \$34,000) paid to management for the management and normal business operations of the Company and, declined in the current period due to reductions in management compensation, and \$850 (2019 – nil) to non-management consultants.
- Office and administration costs of \$7,670 (2019 - \$12,727) were incurred in the period for regular office costs including: office rent; office supplies; insurance; computer software; and communications and internet. The Company has minimized its ongoing office costs and expects to maintain a low administrative cost structure for the foreseeable future.
- Regulatory and transfer fees of \$24,932 (2019 - \$22,896) were incurred to the Company's transfer agent and fees paid to the TSX Venture Exchange and to the OTCQB Exchange.
- Professional fees of \$1,674 (2019 – \$4,150) was recorded primarily for incidental costs related to the Company's year-end audit, as well as for routine corporate legal services.

In the nine months ended April 30, 2020, the Company recorded share based compensation expense of \$26,250 (2019 – \$150,500) from the issuance and vesting of options issued in the period.

In the nine months ended April 30, 2020, the Company recorded net mineral property impairments totaling \$6,140 (2019 – \$10,726) in mineral property costs related to costs incurred with relation to the Company's Alberta Potash properties and Alberta Diamond properties which had previously been impaired on the consolidated statements of financial position to a nominal amount of \$1 in the consolidated statements of loss.

## Financial Instruments

### Financial instrument classification

Grizzly's financial instruments recognized on the consolidated balance sheets consist of cash and cash equivalents, restricted cash, accounts receivable (included in other current assets) and accounts payable and accrued liabilities.

Grizzly has designated its cash and cash equivalents, restricted cash, receivables (included in Other Assets), and accounts payable and accrued liabilities as Amortized Cost financial instruments, and accordingly they are recognized on the consolidated balance sheet at amortized cost.

The estimated fair market values of the Grizzly's financial instruments approximate their carrying values due to their short-term nature.

Purchases and sales of financial assets will be accounted for using trade-date accounting, and transaction costs on financial instruments other than those classified as held for trading will be recognized in profit and loss in the period in which they occur.

Grizzly has no unrecognized financial instruments or derivative financial instruments nor any “off-balance sheet” arrangements.

### **Capital management**

The Company monitors its equity as capital.

Grizzly’s objectives in managing its capital are to maintain a sufficient capital base to support its operations and to meet its short-term obligations and at the same time preserve investor’s confidence and retain the ability to seek out and acquire new projects of merit.

Grizzly’s objectives in managing its capital are: to maintain corporate and administrative functions necessary to support its operations and corporate functions; to perform mineral exploration activities on its exploration projects; and to seek out and acquire new projects of merit.

### **Financial Instruments**

The Company is exposed to the following financial risks:

- i) Market risk
- ii) Credit risk
- iii) Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This section describes the Company’s objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout the consolidated financial statements.

There have been no substantive changes in the Company’s exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated.

#### General objectives, policies and processes

The Board of Directors has overall responsibility for the determination of the Company’s risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company’s finance function.

The overall objective of the Board and the Company’s finance function is to set policies that seek to reduce risk as far as possible without unduly affecting the Company’s competitiveness and flexibility and to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. Further details regarding these policies are set out below.

#### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: currency risk, interest rate risk, other price risk.

### *Currency risk*

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company maintains a negligible United States of America Dollar ("USD") cash balance for incidental USD expenses, therefore is not exposed to a material amount of currency risk.

### *Interest rate risk*

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company holds no interest-bearing financial liabilities; therefore interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with its financial institution. The Company considers this risk to be minimal.

### Credit risk

Credit risk is the risk of potential loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents.

The Company has assessed its exposure to credit risk on its cash and cash equivalents and has determined that such risk is minimal. Most of the Company's cash and cash equivalents are held with reputable financial institutions in Canada.

### Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company monitors its risk by monitoring the maturity dates of payables. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

To achieve this objective, the Company regularly monitors working capital positions and updates spending plans as considered necessary. As an early-stage mineral exploration venture, the Company's primary source of funds is from the sale of common shares from treasury through private placements to investors exempt from prospectus requirements, and through the exercise of outstanding convertible securities (options and warrants).

At April 30, 2020, the Company's current liabilities consisted of accounts payable and accrued liabilities of \$74,253 (July 31, 2019 – \$52,822) due within the year. The Company's cash and cash equivalents of \$37,494 at April 30, 2020 (July 31, 2019 - \$124,144), in addition to refundable goods and services input tax credits and mineral exploration tax credits receivable totaling \$13,89 (July 31, 2019 - \$12,790), are not sufficient to pay these current liabilities.

The Company has an additional outstanding obligation to conduct reclamation activities at two exploratory well sites in Alberta estimated at a discounted present value of \$206,883 (July 31, 2019 - \$206,883), recorded as a non-current provision in the consolidated statements of financial position. The continuing operations of the Company are dependent upon its ability to obtain adequate financing and to commence profitable operations in the future. Grizzly will have to seek, and intends to seek, additional debt or equity financing, and there can be no assurance that such financing will be available on terms acceptable to the Company.

Additional funding is required to continue exploration on the Company's mineral properties. If management is unable to secure additional financing, the Company will reduce ongoing administrative costs, expected to result in a severe reduction in the Company's operational and administrative capacity.

### Determination of fair value

The consolidated statement of financial position carrying amounts for cash and cash equivalents, restricted cash, and accounts payable and accrued liabilities approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

### **Liquidity and Capital Resources**

The Financial Statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company, particularly the exploration and potential development of its mineral properties, are dependent upon its ability to continue to obtain adequate financing in the future, for which there is no guarantee the Company will be successful in obtaining on terms acceptable to the Company.

### **Outstanding Share Data**

The following table summarizes the Company's outstanding share capital as at the date of this MD&A:

Common shares outstanding	67,086,714
Warrants, \$0.11, weighted average 0.8 years remaining	6,704,271
Stock options, \$0.08, weighted average 2.2 years remaining	<u>6,525,000</u>
Fully diluted	<u><b>80,315,985</b></u>

### **Private Placement Announced**

On June 24, 2020, the Company announced that it intends to complete a private placement of up to 16,000,000 Units (as defined below) at a price of \$0.05 per Unit, and up to 4,000,000 FT Units (as defined below) at a price of \$0.05 per FT Unit, for aggregate gross proceeds of up to \$1,000,000. Each Unit consists of one common share of the Company ("Common Share") and one non-transferable warrant with each Warrant entitling the holder to acquire one additional Common Share at an exercise price of \$0.075 per Common Share until the earlier of : (a) 30 days following the issuance of a news release by the Company that the trading price of the Common Shares on the TSX Venture Exchange is at or greater than \$0.10 per Common Share for 10 consecutive trading days; and (b) 24 months from the date of issuance ("Warrant"). Each FT Unit consists of one Common Share issued as a flow-through share for the purposes of the Income Tax Act (Canada) and one half of one Warrant.

The Private Placement is being offered to qualified subscribers in the Provinces of Alberta, British Columbia, Ontario, and in other such jurisdictions in reliance upon exemptions from the registration and prospectus requirements of applicable securities legislation.

In connection with the Private Placement Units sold to purchasers referred to the Company by registered broker dealers, limited market dealers, or other eligible arm's length persons (individually, a "Finder") may result in a cash commission in an amount equal to 7% of the gross proceeds of the Units and FT Units sold to such referred purchasers ("Finder fees"), to be paid out of the gross proceeds of Units to the Finder at closing. As additional consideration, the Company may issue to the Finder Common Share purchase warrants (the "Finder Warrants") entitling the Finder to purchase an additional number of Common Shares equal to 7% of the aggregate number of Units and FT Units sold by the Finder in the Private Placement, on the same terms as the Warrants.

The Private Placement is subject to acceptance by the TSX Venture Exchange. The Company anticipates that the Private Placement will close prior to July 31, 2020.

## Mineral Properties

The Company's primary business is the acquisition and exploration of mineral claims with the ultimate goal of defining one or more mineral resources in order to either develop for production or vend to a third party. The Company holds or has a majority interest in:

- two precious-base metal properties in British Columbia, including the extensive **Greenwood Project** and the recently acquired, 100% owned, **Robocop Property**;
- the Company also holds 100% interest in the **Alberta Potash Project** consisting of one wholly-owned mineral claim in Southeast Alberta and the **Alberta Diamond Project** consisting of three wholly owned claim blocks in the Buffalo Head Hills, with one hosting diamondiferous kimberlites discovered by Grizzly in 2008.

Summaries of each of the Company's principal projects are below. More information can be viewed on SEDAR.com and the Company's website. The reader should note that any potential future exploration programs mentioned below are subject to the Company obtaining financing on terms acceptable to the Company.

## Updates

### Kinross Option Agreement Termination

In December 2019, the Company received notice from KG Exploration (Canada) Inc. that it intended to terminate the option pursuant to the Kinross Option, with an estimated effective date of January 29, 2020. Under the terms of the Kinross Option, KG Exploration (Canada) Inc. was required to, among other things, conduct reclamation and file sufficient expenditures, or pay "in lieu", to ensure the Option Area mineral claims are in good standing for at least one year from the effective date of termination. As of the date of this MD&A, Kinross has completed its obligations to terminate the Kinross Option.

### Exploration plans

The Company's 2020 exploration plans, carried over from 2019, are summarized below:

- The Company submitted permit applications to conduct drilling at three targets on its Greenwood Project; Ket 28 (Rock Creek Block), Motherlode North (Motherlode) and Dayton (Dayton-Sidley Block) targets
- 2020 exploration (subject to financing) is intended to focus on drilling at the Ket 28 gold prospect with aspirations to outline a maiden resource
- Secondary focus on Motherlode North (precious metals) and Dayton (copper-gold porphyry)
- Additional follow up surface exploration is planned for a number of mineralized target areas that have yielded copper-cobalt geochemical anomalies in surface sampling obtained through the Company's previous exploration
- The Company has obtained a quote and is intending to fly a helicopter airborne geophysical survey over the Robocop claim package as soon as funding is obtained.
- Grizzly has commenced land use permitting for drilling at the Robocop Property and it is anticipated to be ready for a 2020 or 2021 drilling campaign.



## Greenwood Project

Southern British Columbia

Since 2008, the Company consolidated a previously fragmented historic mining camp with mineral claims covering approximately 180,000 contiguous acres in South-central British Columbia, in the historically productive *Republic-Greenwood Gold District*, abutting the border with the United States. As at the date of this MD&A, the Greenwood claims cover approximately 150,000 acres.

The *Republic-Greenwood Gold District* has historically produced an aggregate of more than 7 million ounces of gold (“Au”) prior to Grizzly’s acquisition of the Greenwood Project. The Greenwood Project also sits less than 10 kilometers (“km”) north of the Buckhorn Gold Mine, Kinross” producing gold mine in the US, which had a 1.2 million ounce (“oz”) gold resource at 16 grams/tonne of gold (“g/t Au”) at start up in 2010, and less than 50 km north of the Golden Eagle Project, having greater than two million ounce gold resource. Based on compilation, assessment, and exploration work conducted by the Company, Grizzly believes that a large portion of the Greenwood Project lands cover a continuation of the same geological structures as these two mines.

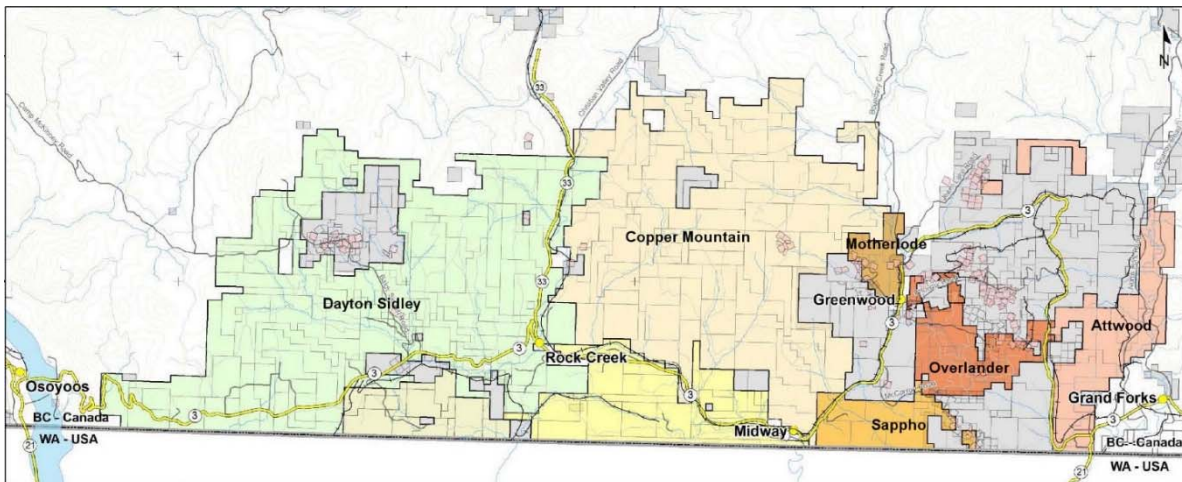


Figure 1: Greenwood Project

Please see the NI 43-101 Technical Report on the Greenwood Project, dated November 26, 2013, as published on SEDAR and the Company’s website at [www.grizzlydiscoveries.com](http://www.grizzlydiscoveries.com).

### Kinross Option and Termination

On September 23, 2015, the Company entered into an agreement (“Kinross Option”) with a subsidiary of Kinross Gold Corporation (“Kinross”) whereby the Company granted to Kinross the option to earn a 75% interest in certain mineral claims within the Company’s Greenwood Gold Project, covering approximately 27,000 hectares (approximately one third of the area comprising the Greenwood Gold Project), by completing US \$3,000,000 in exploration expenditures, with a minimum of 3,000 metres of diamond drilling, including a minimum of 750 metres of diamond drilling and expenditures totaling US \$750,000 by September 23, 2020. In order to earn its 75% interest, Kinross had to complete the expenditures within five years of signing the Kinross Option. Had Kinross completed the option, the Kinross Option provided that the Company and Kinross would subsequently enter a joint venture with dilution provisions. Upon being diluted to a 10% interest, the diluted party’s interest would have converted to a 2% net smelter royalty. The Kinross Option primarily covered mineral claims within the Midway, Sappho, Overlander and Attwood blocks.

In December, 2019, the Company received notice from Kinross that it intended to terminate the option with an effective date of January 29, 2020. Results of Kinross’ exploration programs during the term of the Kinross Option are detailed below.

Kinross undertook a planned 1,200 m drill program at the Midway area during July and August, 2018, to continue the proof of concept drilling at the Midway Epithermal Target intersected in 2017. Proof-of-concept drilling in 2017 intersected silicification, alteration, anomalous geochemistry, and minor quartz veining in 2 out of 3 holes along strike, warranting further follow-up exploration. A total of 1,420 m of core drilling was completed in 4 holes at the Midway target area, testing the down-dip extent of hydrothermal features documented on surface. KG Exploration completed approximately \$CDN370,984 worth of exploration during 2018. Drilling, at the Midway epithermal target area in 2018, yielded weak gold and silver mineralization with up to 0.25 grams per tonne (g/t) gold (Au) and up to 7.93 g/t silver (Ag) over 1.0 m core length in hole 1, from a hydrothermally brecciated and intensely argillic altered volcanic-sedimentary sequence interpreted as part of the Eocene Marron Formation. Extensive argillic alteration along with widespread brecciation and sporadic sulphide mineralization, with occasional low grade but anomalous gold and silver, was intersected in all 4 holes. Kinross has indicated that further work is warranted for the Midway area, which should follow up the extensive epithermal zone that has been mapped and drilled to date.

The 2017 exploration program focused primarily on core drilling at the Midway and Mt Attwood-Overlander target areas. In addition, surface sampling and geological mapping were carried out at the Midway, Attwood West and Evening Star target areas. A total of 1,129 m of core drilling was completed in 7 holes, with 3 holes at the Midway target area and 4 holes at the Mt Attwood – Overlander target area. Hole 4 at the Mt Attwood – Overlander area, targeting the Penny/Milo vein complex, was lost prior to intersecting the targeted vein. KG Exploration completed approximately \$US\$761,520 worth of exploration since inception. Accordingly, Kinross has met its second anniversary obligations pursuant to the Kinross Option.

Kinross geologists hypothesize that the Midway Epithermal target is an Eocene-aged epithermal system developed within Triassic clastic sediments and limestone, and Jurassic (possibly) hornblende diorite intrusions, all unconformably overlain by Eocene Kettle River Formation sediments and Marron volcanics.

An approximately 3 m thick blanket of massive silica (locally banded, brecciated and vuggy) occurs at the basal Eocene unconformity. Remnants of this silica blanket occur in outcrop, intermittently over a 1 x 1 km area, in some places replacing Triassic limestone. The massive silica contains elevated gold (Au) (to 1.175 ppm) as well as locally anomalous arsenic (As), mercury (Hg) and antimony (Sb). Near the eastern end of the (known) silica exposure, up to 15% marcasite occurs as disseminations within the silica, and as cm-scale clasts that exhibit internal banding. This showing is interpreted as representing a hydrothermal vent intersecting the unconformity.

Widespread argillic alteration and more local silicification occur in the footwall of the unconformity. Two separate zones of alteration and veining have been discovered: The western zone is a north-trending 200 m long by 50-75 m wide zone of silicification, with peripheral argillic alteration centered on a north trending fault zone marked by a narrow band of listwanite. Multiple narrow (up to 0.5 m) chalcedonic quartz (+/-quartz breccia) veins (up to 4.2 ppm Au) occur within the broader zone of silicification. A second similar zone of alteration and veining is located 200 m to the east. The target areas were further delineated via a large Au-Cu-Ag +/- Hg, Sb, Se, Ba soil anomaly over the exposed epithermal system.

Rock chip and drill hole results indicate predominately argillic, and lesser propylitic alteration. Kaolinite dominates the argillic suite. The strongest zone of alteration is a north-trending 200 m long by 50-75 m wide zone of silicification near the irregular clastic/intrusive contact centered on a north-trending fault zone. Multiple narrow (to 0.5 m) chalcedonic quartz (+/- quartz breccia) veins occur within the broader zone of silicification. Values of up to 4.2 ppm Au have been recovered from these veins.

## **Robocop Project**

*Southeastern British Columbia*

On May 25, 2018, the Company completed the acquisition of five mineral claims in British Columbia (the “Robocop Property”) pursuant to a letter of intent (“Robocop LOI”) announced March 27, 2018 and a definitive agreement dated May 11, 2018 (“Robocop Agreement”) with several arm’s length individuals (“Vendors”).

Under the terms of the Robocop Agreement, Grizzly acquired a 100% interest in the Robocop claims, subject to a 3% net smelter royalty (“NSR”). The Company has the right to purchase 2/3 of the NSR for \$1,500,000 within two years after the delivery of a positive feasibility study.

The Robocop Property is located in southeastern British Columbia, approximately 45 kilometres (km) south of Fernie and 70 km southeast of Cranbrook and is immediately north of the Canada-USA border. The Robocop Property is comprised of 5 mineral claims totalling 5,863 acres and is located east of Grizzly’s Greenwood Property in southeastern British Columbia.

Areas with significant historic cobalt-copper-silver (Co-Cu-Ag) in soil anomalies have been identified on the Robocop Property. Additionally, historic drilling during the 1990’s (Teck Explorations Ltd.) and early 2000’s (Ruby Red Resources) has yielded grades of up to 0.18% Co, 0.28% Cu, 4.1 parts per million (ppm) Ag over 1 m core length (Pighin, 2009) and 0.134% Co, 1.19% Cu and 33.8 ppm Ag over 1.23 m core length (Thomson, 1990) for individual core samples. The Co-Cu-Ag mineralization is hosted in Sheppard Formation and is classified as Proterozoic sediment hosted mineralization. Grizzly believes that significant potential exists to expand the known extent of the known Co-Cu-Ag mineralization on the Property and further exploration is warranted.

During 2018, Grizzly mobilized a field crew to the Robocop Cobalt-Copper-Silver (Co-Cu-Ag) project near Roosville in southeast B.C. The field crew, provided by APEX Geoscience Ltd., conducted and completed a two-week surface exploration program in advance of a follow-up airborne geophysical survey.

Highlights of the APEX work at the Robocop Property include:

- Cu-Co mineralization has been identified and sampled 3.8 km to the northwest (Miller Creek) and 3.2 km south (Phillips Creek South) of the main Robocop showings, demonstrating lateral continuity of anomalous Cu-Co mineralization within the Sheppard formation sediments.
- Miller Creek showings yielded up to 1.41% Cu, 0.62% Cu and 0.015% Co from three separate grab samples from sulphide bearing Sheppard Formation sandstones
- Phillips Creek South returned up to 0.09% Cu and 0.01% Co in limited rock grab sampling from an area with no history of anomalous Cu-Co mineralization
- Sampling the main Robocop showings confirmed previous anomalous results with grab samples returning up to 1.46% Cu and 0.036% Co in two separate samples in the area of the historic trenching and drilling.

### **Alberta Potash Project**

In the year ended July 31, 2016, the Company had impaired the carrying value of the Alberta Potash properties, included in Mineral properties on the consolidated statements of financial position, by \$2,855,699, to a carrying value of \$1, as the Company had not conducted exploration on the properties in several years, does not currently have the financial resources to conduct exploration, and many of the underlying mineral rights have expired.

In the year ended July 31, 2018, the Company re-staked a single mineral permit in the Alberta Potash Project covering approximately 23,040 ha.

### **Alberta Diamond Project**

*Buffalo Head Hills area, North-central Alberta*

The Company’s Alberta Diamond Project was its flagship project from inception in 2004 until 2008, when the market appetite for diamond projects weakened significantly. In the last exploration program conducted by Grizzly in 2008, the Company discovered three new diamond-bearing kimberlites, however the Company had not followed up on these discoveries to date as its focus had shifted to the Greenwood Project and the Robocop Project. Hence, the Company has impaired the carrying value of the Alberta Diamond Project.

As at the date of this MD&A, the Company holds three mineral claim blocks totaling 62,227 ha including the Red Earth Block (18,271 ha) on which the Company discovered diamondiferous kimberlites in 2008.

## **Risks and Uncertainties**

### *Mining risks*

The Company is subject to the risks typical in the mining business including uncertainty of success in exploration and development; operational risks including unusual and unexpected geological formations, rock bursts, particularly as mining moves into deeper levels, cave-ins, flooding and other conditions involved in the drilling and removal of material as well as environmental damage and other hazards; risks that intended drilling schedules or estimated costs will not be achieved; and risks of fluctuations in the price of commodities and currency exchange rates. Metal prices are subject to volatile price movements over short periods of time and are affected by numerous factors, all of which are beyond the Company's control, including expectations of inflation, levels of interest rates, sales of gold by central banks, the demand for commodities, global or regional political, economic and banking crises and production rates in major producing regions. The aggregate effect of these factors is impossible to predict with any degree of certainty.

### *Business risks*

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

- Operational risks include finding and developing reserves economically, marketing production and services, product deliverability uncertainties, changing governmental law and regulation, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations.
- Financial risks include commodity prices, interest rates and foreign exchange rates, all of which are beyond the Company's control.
- Regulatory risks include the possible delays in getting regulatory approval to the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings, the introduction of ever more complex reporting requirements the cost of which the Company must meet in order to maintain its exchange listing.

### *No Operating History and Financial Resources*

The Company does not have an operating history and has no operating revenues and is unlikely to generate any in the foreseeable future. It anticipates that its cash resources are sufficient to cover its projected funding requirements for the remainder of the fiscal year. Additional funds will be required for general operating costs, and for further exploration to attempt to prove economic deposits and to bring such deposits to production. Additional funds will also be required for the Company to acquire and explore other mineral interests. The Company has limited financial resources and there is no assurance that sufficient additional funding will be available to it fulfill its obligations or for further exploration and development, on acceptable terms or at all. ***Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause the Company to forfeit its interests in some or all of its properties or to reduce or terminate its operations.***

### *Competition*

The mineral exploration and mining business is competitive in all of its phases. The Company will compete with numerous other companies and individuals, including competitors with greater financial, technical and other resources, in the search for and the acquisition of attractive mineral properties. The Company's ability to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable prospects for mineral exploration or development. There is no assurance that the Company will be able to compete successfully with others in acquiring such prospects.

### *Price Volatility and Lack of Active Market*

In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any quoted market for the Company's securities will be subject to such market trends and that the value of such securities may be affected accordingly.

### *Key Executives*

The Company is dependent on the services of key executives and a small number of highly skilled and experienced consultants and personnel, whose contributions to the immediate future operations of the Company are likely to be of importance. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. Due to the relatively small size of the Company, the loss of these persons or the Company's inability to attract and retain additional highly skilled employees or consultants may adversely affect its business and future operations. The Company does not currently carry any "keyman" life insurance on any of its executives. The directors and officers of the Company only devote part of their time to the affairs of the Company.

### *Potential Conflicts of Interest*

Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulation, rules and policies.

### *Dividends*

The Company has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and development. Any future determination to pay dividends will be at the discretion of the Board of Directors of the Company and will depend on the Company's financial condition, results of operations, capital requirements and such other factors as the Board of Directors of the Company deem relevant.

### *Nature of the Securities*

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in Company's securities should not constitute a major portion of an investor's portfolio.

**Outlook**

The Company's primary focus for the foreseeable future will be on raising sufficient capital to continue corporate operations and advancing the exploration and development of its current projects and investigating other prospects for prospective addition to the Company's mineral properties, concurrent with evaluating strategies to enhance shareholder value. The ability of the Company to do so is contingent upon its ongoing ability to raise capital primarily through equity financing.

**Qualified Person**

The disclosures contained in this MD&A regarding the Company's mineral properties has been prepared by, or under the supervision of, Michael Dufresne, M.Sc., P.Geol., a principal of APEX Geoscience Ltd. and a Qualified Person for the purposes of National Instrument 43-101.

**Approval**

The Audit Committee, on behalf of the Board of Directors, has approved the disclosure in this MD&A on June 29, 2020.

**Other Information**

Additional information related to the Company is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com).