DLP Resources Inc.

Management's Discussion and Analysis
For the period from the Incorporation date of June 7, 2019 to July 31, 2019

This management's discussion and analysis ("MD&A") reviews the significant activities of DLP Resources Inc. ("DLP" or the "Company") and the financial results for the period of June 7, 2019 (date of Incorporation) to July 31, 2019. This MD&A should be read in conjunction with the accompanying audited financial statements for the period ended July 31, 2019 and the related notes thereto. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The financial statements have been prepared on a historical cost basis and presented in Canadian dollars.

The effective date of this MD&A is October 31, 2019.

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 that within the Company's financial statements and MD&A, is complete and reliable.

CORPORATE SUMMARY

DLP Resources Inc. is an exploration-stage company engaged in the acquisition, exploration and development of mineral properties of merit in British Columbia, Canada with the aim of developing them to a stage where they can be exploited at a profit or arranging joint ventures whereby other companies provide funding for development and exploitation.

The Company's head office is located at 558 Celia Road, Cranbrook, B.C. V1C 6V9.

The Company was incorporated on June 7, 2019.

Private Placements

N/A

<u>British Columbia Properties</u>

Aldridge 1 (RJ) & Aldridge 2 (JR)

Aldridge 1 (RJ), totaling 2914.4 ha, and the Aldridge 2 (JR), totaling 1855.2 ha, mineral properties are separate claim blocks located 80 km southwest of Cranbrook B.C. on Highway 3 in the East Kootenay region of the province. They are separated by about 5.7 km north-south. Both the Aldridge 1 (RJ) & Aldridge 2 (JR)
properties are Lead/Zinc prospects and are within the same favorable Leadville Corridor. The Aldridge 1 (RJ) property is centered on UTM (Nad83) coordinates 5446000N and 558000E; the Aldridge 2 (JR) property is centered on UTM coordinates 5457000N and 555000E.

The Aldridge 2 (JR) property had geological fieldwork performed on the ground during June, 2019 and the Aldridge 1 (RJ) had geological fieldwork performed on the ground during June and July, 2019. **Subsequent to July 31, 2019**, further geological field work will be performed on the Aldridge 1 (RJ) property at a cost of approximately $12,000.

Redburn Property

The Redburn property is 5359.5 hectares in size and is located 10 air-km north-east of Golden, B.C. Good logging roads and old logging roads give access to 50% of the property. The property is centered on UTM (Nad 83) coordinates 5698510N and 508355E. The Redburn property is a Copper/Cobalt prospect. **Subsequent to July 31, 2019**, a heavy mineral stream sediment sampling program was completed as well as a soil sampling program totaling $11,227.60. There were 24 heavy mineral stream samples taken and 67 soil samples collected – costs for the analysis of these samples will be approximately $5,000.

SELECTED ANNUAL INFORMATION

Comprehensive loss	(58,257)
Basics and diluted loss per share	(0.001)
Total Assets	86,789
Total Liabilities	55,046

RESULTS OF OPERATIONS

During the period of June 7, 2019 to July 31, 2019 (the "current period"), the Company incurred a loss of $58,257.

Exploration Costs

As at July 31, 2019, total of $23,465 was spent the Aldridge 1 (RJ) and Aldridge 2 (JR) properties comprising of geological fieldwork as well as review of historical work performed and the writing of a 43-101 report. Included in professional fees is audit fees of $10,000 and legal fees of $16,000.

As at July 31, 2019, $1,945 was spent on the Redburn property regarding sampling expenses and $5,567.15 was spent on reconnaissance work.

Liquidity and Capital Resources

As at July 31, 2019, the Company had current assets of $46,789, which included cash of $46,789, total assets of $86,789 and total liabilities of $55,046. As at July 31, 2019, the Company had no long-term debt outstanding. There are no known trends in the Company's liquidity or capital resources.

The Company has financed its operations to date primarily through the payments made by shareholders regarding share purchase.

The Company has not paid any dividends on its common shares. The Company has no present intention of paying dividends on its common shares, as it anticipates that all available funds will be invested to finance the growth of its business.

The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and/or commence profitable operations in the future.

Summary of Quarterly Results

3 Months Ended	2019 Q4
Loss	$58,257
Loss per Share	$0.001

Commitments

The Company is required to incur exploration expenditures on its mineral claims to meet the conditions of holding its mineral rights and keep the mineral claims in good standing. Each provincial jurisdiction imposes expenditure requirements which vary from province to province and from year to year.

The Company has commenced field work on all of its properties in order to incur enough exploration expenditures to keep all properties in for at least a minimum of 1 year ahead for their current expiration dates. This would put the majority of all claims in good standing until at least 2021.

Transactions with Related Parties

1. The Company's related parties include key management personnel and directors and any transactions with such parties for goods and/or services are made on regular commercial terms and are considered to be at arm's length. Key management are those personnel having the authority and responsibility for planning, directing, and controlling the Company and comprise the Chief Executive Officer, Chief Financial Officer and Vice-President, Exploration of the Company.

2.Regarding the issuance of shares to 2 key management personnel, for contribution of properties to the Company for a total value of $20,000 ($10,000 each) with the allocation of $12,000 in exchange for Aldridge 1 (RJ) and $8,000 in exchange for Aldridge 2 (JR).

3. Regarding transfer of the Property Interests to the Purchaser, two (2) directors of the Company shall retain and be entitled to a royalty (the "**Royalty"**) entitling each director 0.5% (total of 1%) of all Net Smelter Returns on the area currently comprising the mineral claims named "JR 1", "JR 2" and "JR 3" (collectively, the "**Royalty Area**") in accordance with the terms and conditions set out. The Royalty shall constitute an interest in land and will be a covenant running with the Property Interests.

Net Smelter Returns" shall mean the actual proceeds received by the Purchaser from a smelter or other place of sale or treatment in respect of all ore removed by the Purchaser from the Royalty Area as evidenced by their returns or settlement sheets after deducting from the said proceeds all freight or other transportation costs from the Royalty Area, to the smelter or other place of sale or treatment, but without any other deduction whatsoever. Net Smelter Returns due and payable to the Vendor hereunder shall be paid within sixty days after receipt of the said actual proceeds by the Purchaser. Within ninety days after the end of each fiscal year during which any ore was shipped from the Royalty Area the records relating to the calculation of Net Smelter Returns during that fiscal year shall be delivered to the Vendor, upon written request, who shall have sixty days after receipt of such statements to question their accuracy and, failing such question, the statements shall be deemed correct. The Vendor or its representative duly appointed in writing shall have the right at all reasonable times upon written request to inspect such books and financial records of the Purchaser as are relevant to the determination of Net Smelter Returns and at his own expense to make copies thereof.

Contingencies

The Company has no contingencies as at the date of this MD&A.

Off Balance Sheet Arrangements

The Company has no off Balance Sheet arrangements as at the date of this MD&A.

Proposed Transactions

The Company has not entered into any undisclosed proposed transactions, except as detailed in "Subsequent Events", as at the date of this MD&A.

Investor Relations

The Company has no investor relations contracts as at the date of this MD&A.

CURRENT DATA SHARE

As at October 31, 2019, the Company had:
a) 43,123,131 common shares issued and outstanding;
b) 5,734,235 share purchase warrants
c) No stock options.

INDUSTRY AND OPERATIONAL RISKS

The Company is subject to a number of risks and uncertainties, the more significant of which are discussed below. Additional risks and uncertainties not presently known to the Company may impact the Company's financial results in the future.

Financing Risks

Being a junior mining exploration company in Canada and in the exploration business means that the Company must raise the necessary financings for future exploration. Those financings depend to a large degree on commodity price trends, general investment sentiment for companies in the sector and the ability of the Company's ability to find and confirm the existence of minerals in sufficient quantities and qualities on its exploration lands. Management is of the view that these risks faced by the Company are not greater than those risk encountered by its peers in Canada.

The Company will require additional financing to conduct exploration on its mineral properties and to fund General and Administration costs. There is no assurance that the Company will be able to raise the required financing through equity financings, debt financings, divestment of its properties or joint venture arrangements. A lack of financing in the future could cause the Company to reduce or postpone exploration spending, reduce exploration and corporate personnel, reduce the size of its mineral property ownership and create going concern issues for the Company.

General Economic Risks

As the Company continues to focus on its exploration in Canada, the operations will be subject to economic, political and social risks inherent in doing business in Canada. The risks come from matters based on policies of the government, economic conditions, changes in tax regime, changes in regulation, foreign exchange fluctuations and other factors that may change in the future.

Environmental Risks

All phases of the Company's operations are subject to environmental regulations and potentially social licensing in the jurisdictions it operates in. World-wide environmental regulation is changing to require stricter standards and enforcement, increased fines for non-compliance, more assessment for projects, and a heightened degree of responsibility for companies and their officers, directors, employees and consultants. Although the company believes that it has taken the proper steps to protect the environment related to its operations, there is no assurance that future changes in environmental regulation in Canada will not adversely affect the Company's operations or result in substantial costs and liabilities in the future.

Aboriginal Claims Risks

Aboriginal peoples have claimed aboriginal title and rights to portions of Canada. The Company is not aware that any claims have been made in respect of its properties and assets; however, if a claim arose and was successful, such claim may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Forward-looking statements

Certain information set forth in this MD&A, including management's assessment of the Company's future plans and operations, contains forward-looking statements, which are based on the Company's current internal expectations, estimates, projections, assumptions and beliefs, which may prove to be incorrect. Some of the forward-looking statements may be identified by words such as "expects", "anticipates", "believes", "projects", "plans" and similar expressions. These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause the Company's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. The Company is a mineral exploration company and is exposed to a number of risks and uncertainties that are common to companies in the same business. These risks and uncertainties include, among other things, the speculative nature of mineral exploration and development activities, the Company's need for additional funding to continue its exploration efforts, operating hazards and risks incidental to mineral exploration, the Company's properties are in the exploration stage only and do not contain a known body of commercial ore, uncertainties associated with title to mineral properties, changes in general economic, market and business conditions; competition for, among other things, capital, acquisitions of mineral properties and skilled personnel; ability to obtain required mine licenses, mine permits and regulatory approvals required to proceed with mining operations; ability to comply with current and future environmental and other laws; actions by governmental or regulatory authorities including increasing taxes and changes in other regulations; and the occurrence of unexpected events involved in mineral exploration, development and production.

SUBSEQUENT EVENTS

1. Amalgamation Agreement

Subsequent to July 31, 2019, the Company finalize**d** an Amalgamation Agreement between MG Capital Corp, incorporated under the laws of Alberta, 1224395 B.C. LTD., a wholly owned subsidiary of MG, incorporated under the laws of the Province of British Columbia and DLP Resources Inc., by way of a "three-cornered amalgamation", acquire all of the issued and outstanding securities of DLP.

Summary of the Transaction

Pursuant to the terms of the Amalgamation Agreement, and subject to certain conditions, including receipt of applicable regulatory and shareholder approvals, DLP will amalgamate with 1224395 B.C. LTD. pursuant to the provisions of the *Business Corporations Act* (British Columbia) (the "**Amalgamation**"). The amalgamated entity ("**AmalCo**") will be a wholly-owned subsidiary of MG and the shareholders of DLP will be issued one common share of MG (each an "**MG Share**") in exchange for every one Class A Common Share of DLP (each a "**DLP Share**") held immediately prior to the completion of the Transaction. Each outstanding common share purchase warrant of DLP (each a "**DLP Warrant**") will also be exchanged for one common share purchase warrant of MG on the same terms and conditions as the original security.

The Amalgamation Agreement provides that no party will solicit or negotiate with any other entities in opposition to or in competition with the Transaction.

The completion of the Transaction is subject to the satisfaction of certain conditions precedent, including but not limited to: (i) the DLP Financing (as defined below), raising gross proceeds of not less than $1.1 million; (ii) approval of the Amalgamation by the shareholders of DLP; (iii) the absence of any material adverse change in the business, operations or capital of either MG or DLP; (iv) the absence of any prohibition at law against the Transaction; (v) the termination by MG of 540,000 of the currently outstanding stock options held by its current directors and officers; and (vi) receipt of all requisite third party consents, waivers, permits, orders and approvals, including the approval of the TSXV. Accordingly, there can be no assurance that the Transaction will be completed on the terms proposed above or at all. For avoidance of doubt, the Amalgamation is not subject to the approval of the shareholders of MG.

Subject to satisfaction or waiver of the conditions precedent referred to herein and contained in the Amalgamation Agreement, MG and DLP anticipate that the Transaction will be completed on or before November 1, 2019.

Each of MG and DLP will bear their own costs in respect of the Transaction except that LP will pay all third party costs required to be paid to complete the Transaction, including, but not limited to sponsorship fees and any and all TSXV filing fees.
The Transaction will result in MG, as the listed issuer resulting from the Transaction (the "**Resulting Issuer**"), owning 100% of the securities of DLP.

In connection with its role in connecting MG and DLP in contemplation of the Transaction, there is a finder's fee payable to Haywood Securities Inc. (**"Haywood")** to be satisfied through delivery to Haywood of $192,500, through the issuance of DLP Shares at a price of $0.10 per DLP Share. Haywood elected to receive its fees in shares.

DLP Financing

The Transaction is subject to the completion of a non-brokered private placement by DLP (see Private Placement Proceeds below in Notes) for minimum aggregate gross proceeds of $1,100,000 (the "**DLP Financing**"). In the DLP Financing, DLP expects to raise funds through the issuance of flow-through common shares of DLP (each a "**DLP FT Share**") at a price of $0.13 per DLP FT Share and through the issuance of units of DLP (each a "**DLP Unit**") at a price of $0.10 per DLP Unit. A minimum of $575,000 will be raise through the issuance of DLP Units. Each DLP Unit will be comprised of one DLP Share and one-half of one DLP Warrant. Each DLP Warrant will entitle the holder thereof to purchase one additional DLP Share at an exercise price of $0.15 per DLP Share for a period of 24 months from the date of issue, subject to the Acceleration Right (as defined below). Each DLP FT Share will be a flowthrough share which will qualify as a "flow-through share" as defined in s. 66(15) of the *Income Tax Act* (Canada).

The "**Acceleration Right**" means the right of DLP to accelerate the expiry date of the DLP Warrants to 30 days from the date notice of such acceleration is delivered to warrantholders if the closing price of the shares of the Resulting Issuer on the TSXV, or any other stock exchange on which such shares are then listed, is at a price equal to or greater than $0.25 for a period of twenty consecutive trading days.

DLP expects to pay a cash commission equal to up to 7.5% of the aggregate combined gross proceeds raised from the sale of applicable DLP Units and DLP FT Shares to subscribers introduced to DLP by qualified finders and also expects to issue (i) such number of non-transferable warrants ("**FT Finder Warrants**") that is equal to 7.5% of the gross proceeds raised in respect of the issuance of DLP FT Shares to subscribers introduced to DLP by such finders, divided by $0.13 and (ii) such number of non-transferable warrants ("**Unit Finder Warrants**") that is equal to up to 7.5% of the gross proceeds raised in respect of the issuance of DLP Units to subscribers introduced to DLP by such finders, divided by $0.10. Each FT Finder Warrant will entitle the holder thereof to acquire one DLP Share for a period of 24 months from the closing date of the DLP Financing at a price of $0.13 per share. Each Unit Finder Warrant will entitle the holder thereof to acquire one DLP Share for a period of 24 months from the closing date of the DLP Financing at a price of $0.10 per share.

DLP intends to use the proceeds of the DLP Financing for the Transaction, general and administrative expenses for the next twelve months, exploration activities on the Aldridge Properties (as defined below), property maintenance costs and general working capital.

There is no assurance that the DLP Financing will be completed. All sales, exchanges, and issuances of any units, shares, warrants, and securities in connection to the DLP Financing and the Transaction will be subject to regulatory approval including, but not limited to, the approval of the TSXV and, as applicable, may be subject to the prior approval of the shareholders of either or both of MG and/or DLP.

Private Placement Proceeds/Common Share Issuance

Subsequent to July 31, 2019, the Company raised $1,152,007 gross proceeds upon completion of the private placement on October 11, 2019. DLP issued 1,323,131 DLP FT Shares and 9,800,000 DLP Units prior to the Qualifying Transaction, for gross proceeds of $1,152,007 comprised of the sale of $172,007 of DLP FT Shares at a price of $0.13 per DLP FT Share and $980,000 of DLP Units at a price of $0.10 per DLP Unit.

Resulting Issuer

After completion of the Transaction, and subject to approval by the shareholders of the Resulting Issuer, it is anticipated that the Resulting Issuer will change its name to “DLP Resources Inc.”, or such other name as may be acceptable to the Resulting Issuer.

Upon completion of the Transaction and assuming that (i) the minimum amount is raised under the DLP Financing and (ii) the Finder’s Fee is satisfied entirely through the issuance of 1,925,000 DLP Shares to Haywood, former shareholders of DLP will hold approximately 88.8% of the Resulting Issuer common shares (“**Resulting Issuer Shares**”) and MG shareholders will hold 11.2% of the Resulting Issuer Shares. It is anticipated that there will be an aggregate of approximately 49,223,461 Resulting Issuer Shares issued and outstanding and an additional 3,859,135 convertible securities of the Resulting Issuer exercisable into Resulting Issuer Shares assuming $525,000 is raised through the issuance of DLP FT Shares and $575,000 is raised through the issuance of DLP Units pursuant to the DLP Financing.

The Resulting Issuer will carry on the mineral exploration business conducted by DLP, and the Resulting Issuer Shares will be listed under a new trading symbol. On closing of the Transaction, the Resulting Issuer anticipates meeting the TSXV's initial listing requirements for a mining issuer.

MG’s current directors are Peter McKeown, Jamie McVicar and Glenn Jamieson. Concurrent with the completion of the Transaction, Peter McKeown, Jamie McVicar and Glenn Jamieson, being all of the current directors of MG, will resign in favour of nominees of DLP, being James Stypula, who will also be appointed Chief Executive Officer, Richard Zimmer and William Bennett. Leslie Anne “Robin” Sudo will be appointed Chief Financial Officer and Corporate Secretary of the Resulting Issuer.

The directors and officers and or companies controlled by them collectively will own a total of 14,222,222 Resulting Issuer Shares of the Resulting Issuer or 28.9% of the total number of Resulting Issuer Shares.

2. Bridge Loan

Subsequent to July 31, 2019, the company entered into a bridge loan with MG Capital Corp for $25,000. The loan accrues interest at 10% per annum and is unsecured. All amounts outstanding will be repayable on the completion date of the qualifying transaction or if the qualifying transaction is not complete, 90 days from the date of September 26, 2019.

3. Hungry Creek Property – Cu/Co prospect

Subsequent to July 31, 2019, the Company staked the Hungry Creek property which is 4261.5 ha in size and is located 35 km west of Kimberley, British Columbia. Good logging roads come to within 4 km of the property. The property is centered on UTM coordinates 5506699N and 538220E.

Hungry Creek property was staked as recent prospecting in the stream bed of Hungry Creek discovered numerous boulders of massive to semi massive sulfides. The Hungry Creek Property is 100% owned by DLP Resources Inc.

4. Strategy Claim

Subsequent to July 31, 2019, the Company staked the stand alone Strategy claim which is 211 hectares in size and located 1 km west of the Aldridge 1 (RJ) property. It was staked in response to competitor ground coming available.

FINANANCIAL INSTRUMENT

N/A