

CANADA COBALT WORKS INC.
(formerly Castle Silver Resources Inc.)

Form 51-102F1
Interim Management's Discussion & Analysis
for the three months ended March 31, 2019

DATE: May 28, 2019

The following Management's Discussion and Analysis ("MD&A") is a review of the operations, current financial position and outlook of Canada Cobalt Works Inc. ("Canada Cobalt" or the "Company"), and it has been prepared by management and should be read in conjunction with the December 31, 2018 annual MD&A, the interim condensed financial statements of Canada Cobalt for the three months ended March 31, 2019, and the related notes thereto and the audited consolidated financial statements of the Company for the year ended December 31, 2018 and the related notes thereto, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). The discussion covers the three months ended March 31, 2019 and up to the date of filing of this MD&A. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. All amounts are stated in Canadian dollars unless otherwise indicated.

FORWARD-LOOKING INFORMATION

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of the Company's exploration properties. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Aside from factors identified in the annual MD&A, additional important factors, if any, are identified here.

DESCRIPTION OF BUSINESS

Canada Cobalt is a junior natural resource company whose business is to seek out exploration opportunities with a focus on the Castle Silver Mine property in Haultain and Nicol Townships, Ontario. Operations are conducted either directly or through consulting agreements with third-parties. The Company finances its properties by way of equity or debt financing or by way of joint ventures. Additional information is provided in the Company's audited consolidated financial statements for the year ended December 31, 2018, and the Company's interim condensed consolidated financial statements for the three months ended March 31, 2019. These documents are available on SEDAR at www.sedar.com.

The Company also maintains a website at www.canadacobaltworks.com.

The Company is a reporting issuer in the Provinces of British Columbia, Alberta and Ontario, and trades on the TSX Venture Exchange ("TSXV") under the symbol CCW.

The corporate office of the Company is located at 3028 Quadra Court, Coquitlam, BC, V3B 5X6

FINANCINGS

March 16, 2017, the Company closed a private placement offering, raising gross proceeds of \$952,685. The Company issued 6,351,233 units at a price of \$0.15 per unit. Each unit comprises one common share and one share purchase warrant. Each warrant will entitle the holder thereof to purchase one additional common share of the Company at an exercise price of \$0.20 per share for a period of two years from closing, subject to TSX Venture Exchange ("Exchange") approval. The expiry of the warrants may be accelerated if the closing price of the Company's shares on the TSX Venture Exchange is at least \$0.30 per share for a period of 10 consecutive trading days during the term of the warrant. The Company may accelerate the expiry of the warrants to 20 calendar days from the date express written notice is given by the Company to the holder.

Finder's fees were paid in connection with the private placement in the amount of \$22,447 cash and 147,646 broker warrants on the same terms as the purchaser warrants.

On March 23, 2017, the Company settled its debt obligations with certain creditors of the Company in the amount of \$290,136 through the issuance of 1,934,163 common shares of the Company at a deemed price of \$0.15 per common share.

Between May 19, 2017 and June 15, 2017, the Company closed a private placement offering, raising gross proceeds of \$1,200,000. The Company issued 6,000,000 units at a price of \$0.20 per unit. Each unit comprises one common share and one share purchase warrant. Each warrant will entitle the holder thereof to purchase one additional common share of the Company at an exercise price of \$0.30 per share for a period of two years from closing. Finder's fees were paid in connection with the private placement in the amount of \$30,000 cash and 150,000 broker warrants on the same terms as the purchaser warrants.

On July 25, 2017, the Company closed a private placement offering, raising gross proceeds of \$897,500. The Company issued 4,487,500 units at a price of \$0.20 per unit. Each unit comprises one common share and one share purchase warrant. Each warrant will entitle the holder thereof to purchase one additional common share of the Company at an exercise price of \$0.30 per share for a period of two years from closing.

On January 15, 2018 the Company closed a private placement offering, raising gross proceeds of \$1,030,000. The Company issued 2,942,857 units at a price of \$0.35 per unit. Each unit comprises one common share and one share purchase warrant. Each warrant will entitle the holder thereof to purchase one additional common share of the Company at an exercise price of \$0.50 per share for a period of 2 years.

On July 25, 2018 the Company issued 2,229,314 units at a purchase price of \$0.65 per unit. Each unit comprises one common share and one half of one share purchase warrant. Each whole warrant will entitle the holder thereof to purchase one additional common share of the Company at an exercise price of \$0.90 per share for a period of two years from closing, subject to TSX Venture Exchange ("Exchange") approval.

Finder's fees were paid in connection with the private placement in the amount of \$36,629.97 in cash and 56,354 broker warrants on the same terms as the purchaser warrants,

RESULTS OF OPERATIONS

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may be different from those estimates.

The following schedule provides the details of the Company's corporate operating expenditures for the three months ended March 31, 2019 and 2018.

	<u>2019</u>	<u>2018</u>
Assaying and testing	\$ 46,136	\$ 10,424
Depreciation	7,884	-
Drilling	65,445	-
Equipment	132,756	(36,046)
Facility expenses	94,989	56,413
Feasibility and scoping	93,418	
Geology and geophysics	23,494	15,000
Labour	68,575	
Project management and engineering	61,292	15,370
Taxes, permits and licensing	7,554	2,372
Travel	-	991
	<u>\$ 601,543</u>	<u>\$ 64,524</u>

The following schedule provides the details of the Company's exploration expenditures for the three and three months ended March 31, 2019 and 2018.

	<u>2019</u>	<u>2018</u>
Advertising and promotion	\$61,333	\$42,378
Administrative and general expenses	20,521	20,396
Professional fees	123,457	137,810
Filing costs and shareholders' information	43,217	42,038
Travel	16,432	43,793
	<u>\$264,960</u>	<u>\$286,415</u>

Summary of Quarterly Results

The following table sets forth selected financial information for each of the most recently completed quarters

	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net (Profit) Loss	876,756	2,322,823	2,215,317	1,580,353	557,461	1,430,990	926,011	935,213
Loss per share	0.01	0.03	0.03	0.02	0.00	0.03	0.02	0.02

LIQUIDITY

The Company has financed its operations to date primarily through the issuance of common shares and the exercise of warrants and stock options. The Company will continue to seek capital through various means including the issuance of capital stock.

The Company is in the exploration stage. These financial statements are prepared in accordance with accounting principles to a going concern, which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon the continued support from its directors, the ability to continue to raise the necessary financing to meet its obligations, and to achieve profitable operations in the future. The outcome of these matters cannot be predicted at this time. These financial statements do not reflect any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

The Company has no history of profitable operations and its mineral projects are at an early stage. Therefore, it is subject to many risks common to comparable junior venture resource companies, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources as well as a lack of revenues.

OUTSTANDING SHARE DATA

The Company's authorized capital is an unlimited number of common shares without par value. As at the date of this report there were 78,312,899 shares issued and outstanding, and the Company had 12,782,592 share purchase warrants outstanding. Each warrant entitles the holder to purchase one common share at a price of \$0.10 - \$0.90 per share until July 25, 2020. Stock options outstanding total 5,605,000 are exercisable for common shares at \$0.05 - \$0.70 per share until August 3, 2023.