



## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED APRIL 30, 2020

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The following Management's Discussion and Analysis ("MD&A") of Metallic Minerals Corp. ("Metallic" or the "Company") is for the nine months ended April 30, 2020 and covers information up to the date of this MD&A.

This MD&A is dated **June 29, 2020**.

This MD&A should be read in conjunction with the Company's condensed consolidated interim financial statements and the notes thereto for the nine months ended April 30, 2020, which have been prepared in accordance with International Accounting Standard 34 – *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board ("IASB") using accounting principles consistent with International Financial Reporting Standards ("IFRS") as issued by the IASB.

*This MD&A includes certain statements that may be deemed "forward-looking statements" concerning the future performance of the Company's business, its operations, its financial performance and condition, as well as management's objectives, strategies, beliefs and intentions. Forward-looking statements are frequently identified by such words as "may", "will", "plan", "expect", "anticipate", "estimate", "intend" and similar words referring to future events and results. Forward-looking statements are based on the current opinions and expectations of management. All statements in this discussion, other than statements of historical facts, that address exploration drilling, exploitation activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that may cause actual results to vary from forward looking statements include, but are not limited to, the Company's ability to access capital, the speculative nature of mineral exploration and development, fluctuating commodity prices, competitive risks and reliance on key personnel, as described in more detail in this document under "Risk Factors and Uncertainties". Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.*

All of the Company's public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via [www.sedar.com](http://www.sedar.com) and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.

### NATURE OF BUSINESS

Metallic is a growth stage exploration company, focused on the acquisition and development of high-grade silver and gold exploration properties in brownfield mining districts. The Company was originally incorporated in the Province of British Columbia ("BC") on May 3, 2007 under the Business Corporations Act (British Columbia) and was registered as an extra-territorial corporation under the Business Corporations Act (Yukon) on July 10, 2009. The Company's key assets are located in the high-grade Keno Hill silver district, La Plata silver-gold-copper district, and Klondike gold district. All three districts have existing infrastructure, including grid power, highway and road access. The Company is a reporting issuer in BC, Yukon, Alberta, Ontario, New Brunswick, Nova Scotia and Newfoundland and Labrador. The Company's common shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "MMG" and the OTC Exchange under the symbol "MMNGF". To date the Company has not generated any significant revenues.



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### OUTLOOK AND STRATEGY

Metallic is a member of the Metallic Group of Companies, a collaboration of three precious and/or base metals exploration companies, with a portfolio of large, brownfields assets in established mining districts adjacent to some of the industry's highest-grade producers of silver, platinum group metals and copper. The Metallic Group includes highly successful explorationists, formerly with leading explorer/developers including NovaGold Resources Inc., Trilogy Metals Inc., Wellgreen Platinum Ltd. (now Nickel Creek Platinum Corp.), as well as larger producers including Placer Dome Inc. (now Barrick Gold Corporation), Goldfields Limited, and Stillwater Mining Company (now Sibanye-Stillwater).

Member companies include **Metallic, Group Ten Metals Inc. (TSX-V: PGE)** in the Stillwater PGM-Ni-Cu district of Montana ("**Group Ten**"), and **Granite Creek Copper Ltd. (TSX-V: GCX)** in the Minto copper district of the Yukon ("**Granite Creek**"). Each of the Metallic Group companies has a dedicated, highly experienced management team and board of directors with a track record of exploration and project development success, along with shared back-office and corporate support for cost efficiency and access to industry specialists.

### HIGHLIGHTS AND KEY DEVELOPMENTS

- On May 27, 2020, the Company reported exploration results and ongoing 3D modelling at the West Keno targets on its Keno Silver project. The exploration focused on Keno Hill style high-grade silver-lead-zinc mineralization at the Formo, Silver Queen and Duncan Creek priority target areas. Highlights of exploration results were; (i) underground channel samples from the Formo target area show three high-grade mineralized shoots grading more than 1,000 g/t silver equivalent (Ag Eq) grade that remain open to expansion; (ii) grades from the main Formo deposit returned an average of 7,459 g/t Ag Eq over 45 m lateral width on the 2800 level, 33 m lateral width grading 1,795 Ag Eq on the 2700 level and 44 m lateral width grading 2,258 Ag Eq on the 2600 level with mineralization open to expansion; (iii) identification of two adjacent high-grade mineralized shoots in underground sampling at Formo on the 2600 level that are open to expansion laterally and to depth; (iv) definition of two new untested surface target zones were identified along the main Formo structure; (v) refinement of two priority drill targets at the Silver Queen target area down dip of Alexco Resources' high-grade Silver King deposit and trend extension of the Birmingham systems; (vi) discovery of two new multi-kilometer soil anomalies at the early stage Duncan target area; and (vii) receipt of permits for drilling at Formo and Silver Queen in place with planning underway for the next phase of exploration activities;
- On February 27, 2020, the Company provided an exploration and business update on its Yukon and Colorado projects. The update summarized the significant progress made over the past 12 months at its flagship Keno Silver project, and McKay and Silver Hill project in the Yukon and La Plata silver-gold-copper project in Colorado as well as provided an overview of anticipated pending exploration results from fall and winter exploration work and analysis from each of the projects. The Company noted that it is well funded to be able to complete the next major milestones on its portfolio of projects and looks forward to reporting a series of announcements as additional analysis is completed. Planning is underway for exploration activities in 2020 with future updates to follow;
- On October 17, 2019, the Company completed a non-brokered private placement for gross proceeds of \$2,750,000 through the issuance of 12.5 million flow-through ("**FT**") units at a price of \$0.22 per unit, with a strategic level investment by Eric Sprott, one of the industry's most prominent and renowned resource investors.



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Each unit consisted of one FT common share and one-half non-flow-through (“NFT”) share purchase warrant. Each whole warrant entitles the holder to acquire one common share of the Company at an exercise price of \$0.25 with an expiry of October 17, 2021. The Company paid a finder’s fee to Mackie Research Capital of 500,000 units under the same terms and conditions as the private placement. Gross proceeds from the private placement are being used primarily for further exploration on the Keno silver project and other Canadian exploration properties;

- In connection with the La Plata property acquisition noted below, on September 26, 2019, the Company issued a total of 2,500,000 units, consisting of 2,500,000 common shares and 1,250,000 share purchase warrants to the vendors, with each warrant entitling the holder to acquire one common share of the Company at an exercise price of \$0.24 with an expiry of September 26, 2022;
- On September 10, 2019, the Company announced initiating on-site exploration to collect geologic, geochemical and geophysical information covering the La Plata mining district, including synthesis of past exploration and mining information to systematically refine future targets for drilling. The Company believes that systematic exploration at the La Plata property has the potential to rapidly expand the size of the known areas of porphyry silver-gold-copper mineralization, as well as to define high-grade silver and gold targets within the surrounding epithermal mineralization zones;
- On September 10, 2019, the Company entered into an option agreement to acquire a 100% interest in the La Plata silver-gold-copper property in southwest Colorado from two arms-length vendors. The La Plata property, which is approximately 26 kilometers (“km”) northwest of Durango, Colorado, covers approximately 33km<sup>2</sup> in the historic high-grade La Plata mining district. In consideration, the Company will issue a total of 10 million units and US\$500,000 to the vendors over a period of four years upon the achievement of certain milestones;

Upon issuance, each of the units will comprise of one common share and one-half of a share purchase warrant, with each full warrant exercisable into one common share of the Company for a period of 36 months from issuance at an exercise price equal to 120% of the 20-day volume weighted average trading price of the Company’s common shares on the TSX-V on the business day immediately preceding the date of issuance.

The La Plata property will be subject to a 2% Net Smelter Return Royalty (“NSR”) and the Company will have the ability to buy back up to 0.5% of this NSR;

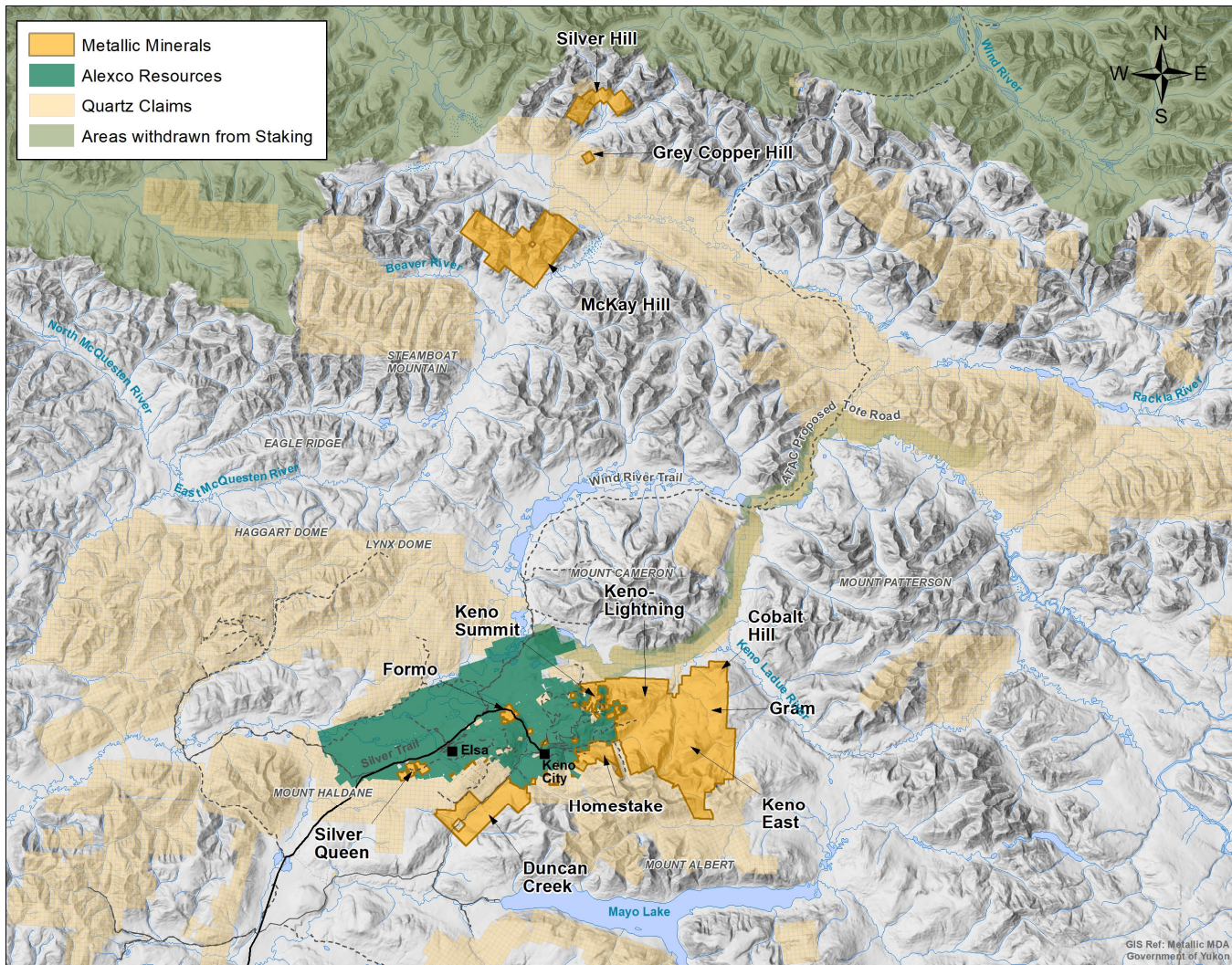
- On August 14, 2019, the Company announced results of its continued compilation and synthesis of historic and new exploration data from the Central Keno Hill silver district, which covers the central 12km of the 35km long Keno Hill silver district. These results confirmed bonanza-grade Keno-style silver mineralization including samples of over 1,000 grams/tonne (“g/t”) silver at the Caribou and Homestake advanced-stage targets along with eight additional earlier stage targets that are being advanced to drill testing stage. Recent sampling work has also identified two new multi-kilometer soil targets with highly elevated silver, lead, and zinc in soils in the Keno Summit area that extend from areas with recognized high-grade Keno-type high-grade structures; and
- On August 2, 2019 the Company announced that all the remaining warrants from its June 30, 2016 financing had been fully exercised for gross proceeds of \$1,746,600. Directors, management, and employees of the Company exercised 100% of their warrants, contributing \$670,000 to the proceeds.

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**MINERAL PROPERTIES**

**YUKON SILVER PROJECTS, CANADA**

As shown in Figure 1 below, Metallic’s core Keno silver project is located in the historic Keno Hill silver district of Canada’s Yukon Territory, with over 295 million ounces (“Moz”) of high-grade silver in past production and current M&I resources and excellent existing infrastructure, including grid power, highway and road access. In addition, its McKay Hill project is a historic producer and is located northeast of the Keno silver project in a newly emerging silver and gold mining district.



**Figure 1.** The Company’s silver properties consist of the Keno silver project and McKay and Silver Hill projects located in central Yukon Territory of Canada. The Keno silver project comprises the Keno-Lightning (which includes Homestake), Keno Summit, Gram, Keno-East, Cobalt Hill, Duncan Creek, Formo and Silver Queen properties.



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### **KENO SILVER PROJECT**

Metallic's 100% owned Keno silver project covers 166 square km ("km<sup>2</sup>") within the Keno Hill silver district located in Canada's Yukon Territory. The Keno silver project is a brownfields exploration project within one of the world's highest-grade silver districts, which has produced over 220 Moz ozs of high-grade silver over the past 100 years at an average grade exceeding 1,300 g/t. The Keno silver project, which is located near the communities of Keno City and Mayo, has excellent existing infrastructure with highway and road access, grid power and access to existing deep sea ports.

The Keno silver project covers the eastern and central portions of the Keno Hill silver district along with select portions of the western part of the district. The Company's holdings are along trend and down dip of most of the historically productive trends within the district. These areas of the district have been under-explored due to previously fragmented, private land ownership that has largely been consolidated by Metallic. The Keno silver project directly adjoins Alexco Resource Corp.'s operations, including the Bellekeno, Birmingham, Flame & Moth and Lucky Queen deposits, which contain 74 million ozs of high-grade silver in current Measured & Indicated resources and an additional 24 million in Inferred resources. Ten of the twelve known Keno-style high-grade silver structural trends occur on the Keno silver project in areas underlain by the preferred host rocks within the district.

The Keno silver project has seen shallow, historic production from eight mines, including five with average grades above 5,000 g/t silver. Metallic has been compiling and integrating recent and historic geologic and geophysical data into its project database and modelling work. Exploration work has defined 3 high-grade advanced stage targets through drilling, trenching and underground sampling, advanced 6 additional targets to drill ready stage and has identified 12 priority multi-kilometer scale early stage exploration targets.

The Keno silver project is made up of eight main properties across the 35 kilometer-long Keno Hill silver district comprising Keno-Lightning, Keno Summit, Gram, Keno East, Cobalt Hill, Duncan Creek, Formo and Silver Queen properties.

#### **a) Keno-Lightning Property**

The Keno-Lightning property, which includes Homestake, is the largest property within the Keno silver project and is subject to a 3% NSR. The Company has the option to buy back up to 2% of this NSR.

#### **b) Keno Summit Property**

The Company owns 100% of 17 claims and five leases on the Keno Summit property.

Nine claims are subject to the same NSR as the Gram property, seven claims and two leases are subject to the same NSR as the Silver Queen property, three leases are subject to the same NSR as the Formo property and one claim is not subject to an NSR.

#### **c) Keno-East Property**

The Company staked additional ground in the Keno-East target area, which covers the eastern and southern extension of the Keno Hill silver district. The Company owns 100% of these claims and are not subject to any NSR.



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### d) Gram Property

The Company owns 100% of the Gram property which consists of 42 claims covering approximately 8.7 km<sup>2</sup> on the east side of the Keno Hill silver district.

The Gram property is subject to a 2% NSR for precious metals and a 1% NSR for base metals and the Company has the option to buy back the full NSR.

### e) Cobalt Hill Property

The Company owns 100% of the Cobalt Hill property covering 4.2 km<sup>2</sup> that are contiguous with the eastern end of the Keno-Lightning property in the Keno Hill silver district.

Cobalt Hill is subject to a 3% NSR and the Company has the option to buy back up to 1.5% of this NSR.

### f) Duncan Creek Property

The Duncan Creek property was staked by the Company in January 2017 along with other claims totaling approximately 30.2 km<sup>2</sup>. The Company owns 100% of the Duncan Creek claims and they are not subject to any underlying royalties.

### g) Formo Property

The Company owns 100% of 16 mining leases in the Keno Hill silver district.

The Formo property is subject to a 2% NSR for precious metals and a 1% NSR for base metals. The Company has an option to buy back the full NSR.

### h) Silver Queen Property

The Company owns 100% of the Silver Queen property which consists of 20 claims primarily on the western end of the Keno Hill silver district.

The Silver Queen property is subject to a 2% NSR and the Company has the option to buy back the full NSR.

## KENO SILVER PROJECT WORK PROGRAMS

The Company conducted its inaugural field exploration programs on its Keno silver project in 2017 following a comprehensive review of modern and historic data. Metallic identified more than 40 target areas and prioritized 12 priority target areas for further evaluation including geophysical and geochemical surveys, geologic mapping, and trenching. This was followed by a first phase of drilling focused on the Caribou and Homestake advanced target areas. The results showed that the Caribou and Homestake targets are classic Keno-type high-grade systems with bonanza grades, and that they remain open to further expansion down dip and along trend.

In 2018, the Company followed up on the success of its 2017 exploration program with a combination of target development and refinement along ten of the known mineralized trends traversing Metallic's holdings in the district, as well as step-out drilling at the Caribou, and Homestake advanced stage targets. First reconnaissance drilling was



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also completed in the Keno Summit area at the Gold Hill and Duncan targets. Permitting was completed for future drill testing of the Formo and Silver Queen targets and earlier stage target refinement work included detailed stratigraphic mapping, broad reconnaissance soil sampling, and trenching focused on the Central and Keno East target areas.

Exploration in 2019 continued to systematically build on the Company's 3D geologic model for the district and included the on-going synthesis of recent and historic exploration data covering the East, Central and Western portions of the Keno Hill silver district. Target refinement and advancement work focused on a combination of work at the advanced stage targets located along the known historically productive trends both down dip and along strike from past producing mines, as well as target development in the underexplored eastern part of the district where 10 priority multi-kilometer-scale early-stage targets were identified with highly-elevated silver, lead and zinc in soils and multiple high-grade rock samples over 1,000 g/t silver. Follow-up work on these early-stage targets confirmed the presence of significant high-grade Keno-style silver mineralization hosted within both the Keno Hill quartzite and greenstones which are the most productive host rocks in the district.

Exploration by Metallic Minerals continues to systematically build on the Company's 3D geologic database covering the east, central and western portions of the Keno Hill silver district with a total of 81 drill holes completed on the project since 2007. Work to date has advanced three targets in the central and western parts of the district to step-out drilling stage and several additional targets to drill-ready status along the known historically productive trends that are on strike with past-producing mines. In addition, recent exploration has refined and expanded 12 new priority multi-kilometer-scale early-stage targets for reconnaissance drilling in the under-explored parts of the district where highly elevated silver, lead and zinc in soils and high-grade rock samples have been identified.

Exploration in 2020 to be focused on continued advancement toward resource definition and follow-up on 12 early stage exploration targets to first stage drill testing.

### **MCKAY AND SILVER HILL PROJECT**

The Company owns a 100% interest in the McKay and Silver Hill properties with 55 km<sup>2</sup> of claims located approximately 50 kms north of the Keno Hill silver district in the Yukon Territory and show potential to host significant district-scale silver-gold-copper-lead-zinc mineralized systems similar to those at Keno Hill. McKay Hill is an historic high-grade silver and gold producer with significant copper, lead and zinc mineralization.

The McKay Hill property is subject to a 3% NSR and the Company has the option to buy back up to 2% of this NSR. The 100% owned Silver Hill property was staked by the Company based on several new discoveries and is not subject to an NSR.

### **MCKAY AND SILVER HILL WORK PROGRAMS**

Exploration at McKay Hill has identified six kilometric-scale targets based on soil and rock sampling. To date the Company has identified 37 high-grade silver-gold-copper-lead-zinc vein structures at McKay Hill, that have seen very limited modern exploration. As part of Metallic Minerals' broader regional exploration program at and around McKay Hill, which was partly funded by the Yukon Geological Survey's innovative Yukon Mineral Exploration Program ("YMEP"), the Company identified several new clusters of significant silver-gold-copper-lead-zinc mineralization in the Silver Hill area. Follow-up work in 2019, based on the success of the first year's program and receipt of a second YMEP grant, resulted in the discovery of significant new mineralization centered at three new

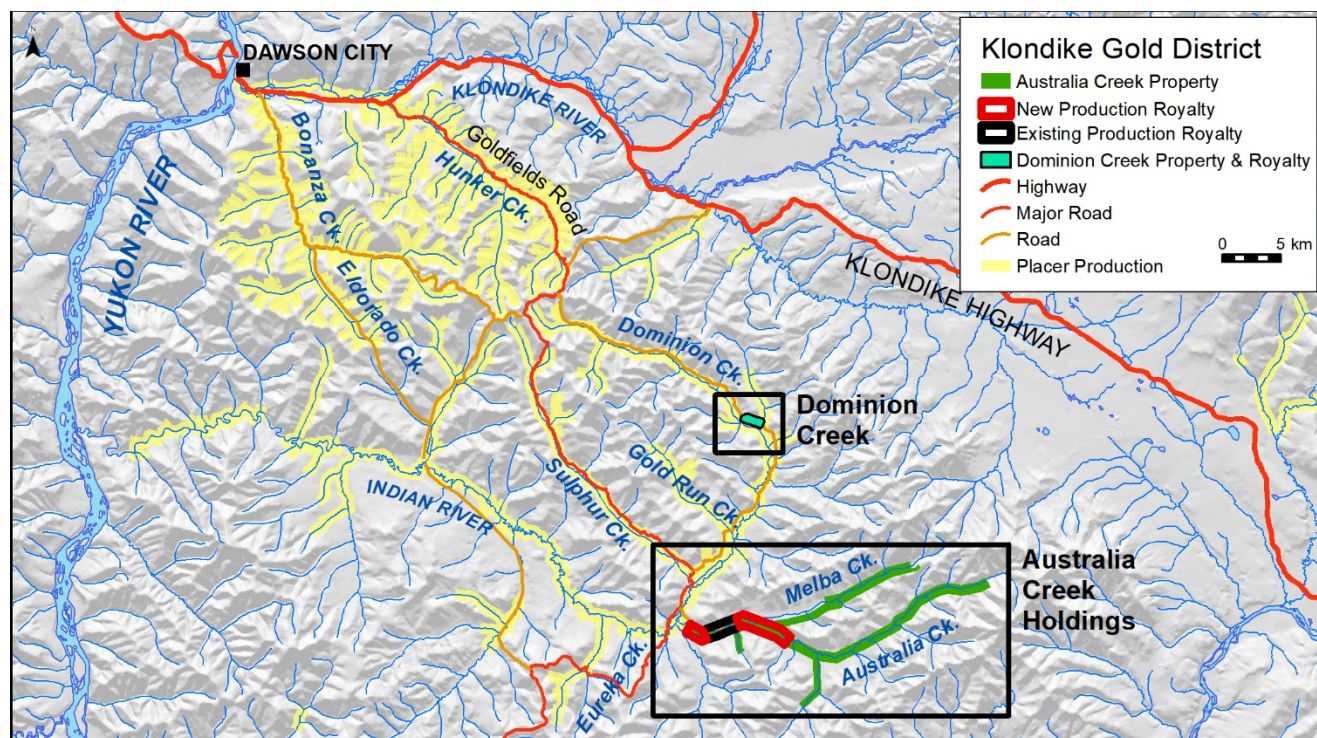
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kilometer-scale target areas. Exploration at both McKay and Silver Hill is being integrated with regional geophysics and satellite and ground-based multi-spectral remote sensing. Based on these new discoveries in 2019, additional claims have been staked which significantly expands the original land package.

Ongoing exploration, which includes the development of a 3D geologic model of the project, is designed to incorporate these new results into target ranking and prioritization. Exploration in 2020 at McKay and Silver Hill will be coordinated with the Company’s Keno Silver project exploration activities.

**KLONDIKE GOLD DISTRICT, CANADA – ROYALTY PORTFOLIO**

As shown in Figure 2 below, Metallic’s alluvial properties consist of Australia Creek and Dominion Creek, which are tributaries of the Indian River, in the Klondike Gold District near Dawson City, Yukon. Australia Creek and Dominion Creek are part of the historic Klondike Gold District that is estimated to have produced over 20 million ounces of gold since its discovery in 1898<sup>1</sup>. Australia Creek and its benches are now recognized by Yukon Geological Survey as an eastern continuation of the highly-productive Indian River drainage system, which is the largest placer gold producing area in the Yukon. Mining on the Indian River began in the late 1970’s and has produced about 250,000 ounces, or more than 40% of all placer gold production in the Yukon through 2015.<sup>1</sup>



**Figure 2.** The Company’s alluvial properties located in the Klondike Gold District, Yukon, consisting of Australia Creek and Dominion Creek.

<sup>1</sup> Yukon Geological Survey (“YGS”) Yukon Placer Mining Industry Report 2010-2014.





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### AUSTRALIA CREEK PROPERTY

The Company acquired a 100% interest in approximately 26 miles (42 km) of mining rights and 18 miles (29 km) of bench claims along the Australia Creek drainage (“**Australia Creek Property**”), a tributary to the Indian River, in the Klondike Gold District near Dawson City, Yukon (see Figure 2 on Page 9). The vendors will receive a 4% royalty from the Company on all alluvial gold production. The Company has the ability to buy back the full royalty. One of the vendors is a related party as a director of the Company.

The Company completed its final earn in for a 100% interest in the underlying Australia Creek Property with the issuance of 200,000 common shares of the Company on March 30, 2020.

In the fall of 2017, the Company entered into the first production royalty agreement with respect to a two-mile portion of the Australia Creek Property. Under the production royalty agreement, the Company has given an experienced arms-length alluvial mining operator an exclusive right to mine Lower Australia Creek, in exchange for a 12% royalty on all gold production, payable to the Company. Under the agreement the operator is required to complete exploration and development activities in preparation for mining by the end of 2020. Work to date on the first lease has included upgrading road access to the site, completion of geophysical surveys and test pits in order to assist in defining depth to bedrock as well as defining paleo-channels. Work in 2020 is anticipated to include a bulk sample in preparation for the start of production.

In the fall of 2018, the Company entered into a second production royalty agreement covering four additional miles of valley bottom and bench alluvial claims in two blocks of its Australia Creek property with an experienced alluvial mining operator in exchange for a 10% royalty on all gold production. This portion of the property required development of road access but is fully permitted for full scale production mining allowing for production to proceed following completion of test work. In late 2018, the operator mobilized mining equipment to the site and in 2019 conducted exploration work including drilling and bulk sample test pit development, which confirmed the presence of significant alluvial gold. Work in 2020 is anticipated to include a bulk sample in preparation for the start of production.

The Company now has approximately 6 miles out of its 26 miles of valley and bench alluvial claims under production royalty agreements. The areas under royalty agreements are fully permitted for full-scale production mining allowing for production to proceed following completion of test work. Metallic has initiated new alluvial mine permit applications on an additional 8 miles of the Australia Creek drainage above its current operators.

The Company is currently in discussions with additional experienced operators on further production royalty agreements on these highly prospective areas.

### DOMINION CREEK PROPERTY

The Company acquired a 100% interest in mining rights from an arms-length party consisting of 10 claims totalling approximately 1 mile (1.6 km) along a bench of Dominion Creek, a tributary to the Indian River, in the Klondike Gold District near Dawson City, Yukon (see Figure 2 on Page 9). The Company also entered into a production royalty agreement with respect to these claims under which the Company has granted exclusive mining rights to an experienced alluvial mining operator in exchange for a 15% royalty on all gold production.



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Work to date has included site preparation, geophysics and test mining which has demonstrated confirmed the presence of recoverable alluvial gold on the Dominion Creek property. Work in 2020 is anticipated to focus on the collection of a bulk sample in preparation for the start of production.

### **US PROJECTS**

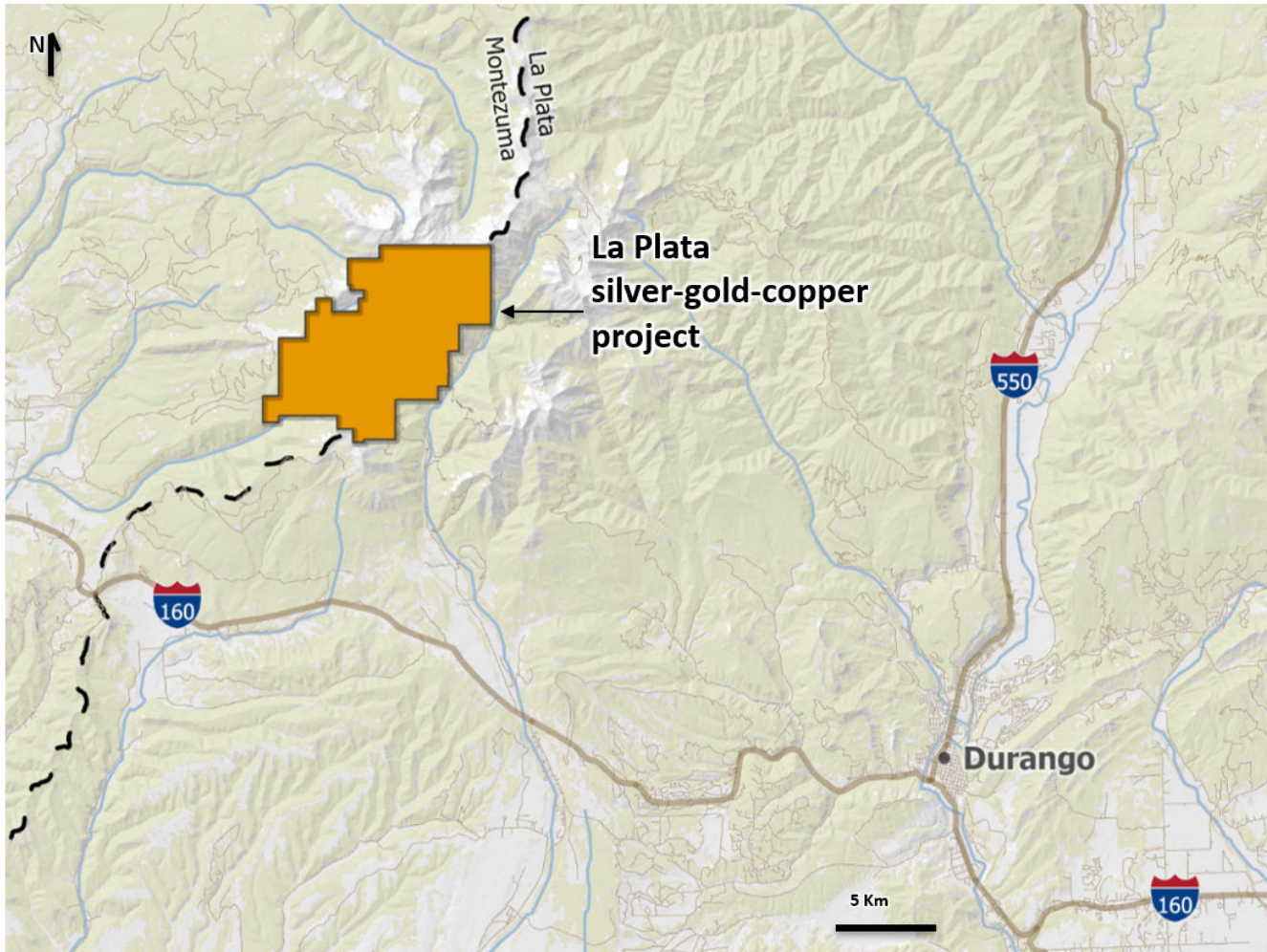
#### **LA PLATA SILVER-GOLD-COPPER PROJECT**

On September 10, 2019, the Company entered into an option agreement to acquire a 100% interest in the La Plata property in southwest Colorado from two arms-length vendors. The property, which is approximately 26 km northwest of Durango, Colorado, covers approximately 33km<sup>2</sup> in the historic high-grade La Plata mining district. In consideration, the Company will issue a total of 10 million units and US\$500,000 to the vendors over a period of four years upon the achievement of certain milestones. La Plata will be subject to a 2% NSR and the Company will have the ability to buy back up to 0.5% of this NSR. As of the date of this MD&A, the Company has a remaining commitment of 7.5 million units and US\$500,000.

Upon issuance, each of the units will comprise of one common share and one-half of a share purchase warrant, with each full warrant exercisable into one common share of the Company for a period of 36 months from issuance at an exercise price equal to 120% of the 20-day volume weighted average trading price of the Company's common shares on the TSX-V on the business day immediately preceding the date of issuance.

The La Plata district has a long and rich history of mining. High-grade silver and gold production has been documented from the 1870s through the early 1940s from vein structures, replacement bodies and breccia zones at over 90 individual mines and prospects. From the 1950s to the 1970s, 49 holes were drilled on the La Plata property totalling 12,700m by major miners Rio Tinto and Freeport-McMoran (formerly Phelps-Dodge). Drill holes and trenches confirmed the presence of a large-scale, multi-phase, precious-metals-rich alkalic copper porphyry system grading up to 1% copper with significant silver and other precious metals.

The La Plata property has been privately held since 2002, following sale of the last of the claims held by Freeport-McMoran near the bottom of the last copper market cycle. There has been virtually no modern exploration in over 50 years on either the large-scale porphyry system or the surrounding high-grade epithermal zones, both of which will be a focus for Metallic. Systematic exploration at the La Plata property has the potential to rapidly enhance the size of the known historic mineral resources and to identify and expand the higher-grade zones within the broader porphyry and epithermal mineralized systems.



**Figure 3.** The Company's La Plata silver-gold-copper property located in the La Plata mining district of Colorado.

### **LA PLATA SILVER-GOLD-COPPER PROJECT WORK PROGRAM**

In the fall of 2019, the Company initiated an on-site exploration program to collect geological, geochemical and geophysical information covering this historic high-grade brownfields district, including synthesis of past exploration and mining information to systematically refine future targets for drilling. Exploration in the fall of 2019 and early 2020 emphasized the utilization of modern exploration tools to assess both the central precious metals rich porphyry system, (drilled by Rio Tinto and Freeport-McMoran), and the surrounding high-grade silver-lead-zinc and epithermal silver-gold-telluride mineralization, which were the focus of historic mining and prospecting from the 1870s to 1940s.

Fieldwork completed by Metallic Minerals at La Plata has focused on assessing key characteristics of the various styles of mineralization through mapping, prospecting, and soil sampling. A property-wide soil and rock sampling



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program was completed to establish mineralized anomalies and domains for the various styles of mineralization. In addition, interpretation of airborne geophysics, satellite-based multi-spectral remote sensing, and the new surface sampling is underway. The Company is currently working to refine the 3D geologic model from historic drilling and trenching in preparation for the next phase of exploration in 2020.

**EXPLORATION OUTLOOK**

Metallic Minerals is preparing to carry out exploration programs on each of its projects while implementing precautionary COVID-19 protocols and preventative measures. Drilling is expected to be conducted at the company's flagship Keno Silver project during Q3 targeting high-grade advanced stage targets and early stage targets developed from large geochemical anomalies at East Keno. Maiden drill tests are to be performed at the McKay Hill Project where drill-ready targets have been advanced by Metallic over the past three years. These Yukon based projects will be enhanced with the addition geochemical surveys, geologic mapping, modelling, and prospecting while the company reviews new geophysical techniques to assist in vectoring to mineralization. Work is also advancing at the company's La Plata Project including advanced airborne geophysical surveys with results anticipated in Q3.

The company looks forward to providing continued updates on from the 2020 field season and new exploration activities as they are completed.

**QUALIFIED PERSON**

Mr. Scott Petsel, P.Ge., VP Exploration for the Company and a Qualified Person within the meaning of National Instrument 43-101, has reviewed the technical information in this MD&A.

**CAPITALIZED ACQUISITION COSTS**

The changes in capitalized exploration and evaluation assets for the nine months ended April 30, 2020 are presented below:

	<b>Keno Silver Project</b>	<b>McKay Hill Project</b>	<b>Klondike Gold Project</b>	<b>La Plata Project</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Balance, July 31, 2019</b>	<b>495,796</b>	<b>25,449</b>	<b>458,647</b>	<b>-</b>	<b>979,892</b>
Cash payments	-	-	37,500	-	37,500
Licensing & maintenance	9,463	28	1,140	170,635	181,266
Shares issued	-	2,413	12,730	-	15,143
Warrants issued	-	-	30,000	582,368	612,368
<b>Balance, April 30, 2020</b>	<b>505,259</b>	<b>27,890</b>	<b>540,017</b>	<b>753,003</b>	<b>1,826,169</b>



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**EXPLORATION EXPENDITURES**

A summary of the exploration and evaluation expenditures incurred for the nine months ended April 30, 2020 is presented below:

	<b>Keno Silver Project</b>	<b>McKay Hill Project</b>	<b>Klondike Gold Project</b>	<b>La Plata Project</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Analysis	19,737	7,032	-	20,593	47,362
Camp costs	15,659	1,957	-	5,145	22,761
Community consult and permitting	1,787	-	-	-	1,787
Consulting	187,767	57,872	129,052	137,579	512,270
Equipment and communication	10,744	1,063	41,655	8,105	61,567
Fuel	24,446	52	2,459	387	27,344
Geophysics	31,548	-	-	4,536	36,084
Helicopter	-	24,926	11,546	-	36,472
Lands & Permitting	1,263	499	1,403	371	3,536
Transportation and travel	8,128	1,726	8,989	9,701	28,544
	301,079	95,127	195,104	186,417	777,727
Less: Government Grants	(6,978)	(45,396)	-	-	(52,374)
	<b>294,101</b>	<b>49,731</b>	<b>195,104</b>	<b>186,417</b>	<b>725,353</b>

**OVERALL PERFORMANCE**

**FINANCIAL CONDITION**

The net assets of the Company increased from \$1,940,016 at July 31, 2019 to \$3,562,679 at April 30, 2020, an increase of \$1,622,663.

Significant assets at April 30, 2020 were cash and cash equivalents of \$2,091,800 (July 31, 2019: \$813,348), exploration and evaluation assets of \$1,826,169 (July 31, 2019: \$979,892) due from related party of \$26,155 (July 31, 2019: \$145,001) and receivables of \$93,463 (July 31, 2019: \$113,905).

The liabilities at April 30, 2020 were FT share premium liability of \$353,430 (July 31, 2019: \$12,030), accounts payable and accrued liabilities of \$187,640 (July 31, 2019: \$153,930) and loans payable of \$Nil (July 31, 2019: \$22,000).

The majority of the increase in exploration and evaluation assets of \$846,277 was a result of the Company capitalizing \$753,003 of costs related to the La Plata property acquisition. During the nine months ended April 30, 2020, the Company issued 2,500,000 units to the vendors. Each unit was comprised of one common share and one-half share purchase warrant. The common shares issued were valued at \$500,000 and the 1,250,000 warrants were valued at fair value using the Black-Scholes model of \$82,368 and capitalized licensing costs totalling \$170,635.



## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED APRIL 30, 2020

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The amount of \$26,155 due from related party at April 30, 2020 was a net receivable from TruePoint Exploration Inc. (“**TruePoint**”) (see ‘*Related Party Transactions*’ on Pages 17 and 18).

The FT share premium liability is an estimated premium that investors pay for the FT feature. Upon eligible exploration expenses being incurred, the Company reduces the liability and recognizes a deferred tax recovery in income for the amount of the tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision. At the end of a period, the FT share premium liability consists of the portion of the premium on FT shares that corresponds to the portion of qualifying exploration expenditures that have not yet been incurred. As a result of the issuance of FT shares on October 17, 2019, the Company had a commitment to incur \$2,750,000 in qualifying Canadian exploration expenditures on or before December 31, 2020. As at April 30, 2020 the Company has incurred \$401,909 of qualifying exploration expenditures.

### RESULTS OF OPERATIONS

#### Three months ended April 30, 2020

The net loss for the quarter ended April 30, 2020 was \$405,730 (2019: \$207,424). The periods are comparable other than exploration expenditures were higher in the current fiscal year, net of government grants received.

The most significant expenses for the quarter ended April 30, 2020 were consulting fees of \$99,650 (2019: \$129,701), exploration expenditures of \$207,508 (2019: exploration recovery of \$64,122 due to minimal expenditures and government grants received), share-based payment expense of \$71,314 (2019: \$66,343) and investor relations and corporate development expenses of \$47,075 (2019: \$53,824). Other items consisted of other income of \$42,422 (2019: \$8,175) and interest and miscellaneous income of \$10,767 (2019: \$nil).

The majority of the consulting fees of \$99,650 for the three months ended April 30, 2020 consisted of CEO fees of \$37,500, VP Exploration fees of \$16,495, geological consulting of \$28,750 and CFO fees of \$16,055.

Of the \$207,508 in exploration expenditures for the three months ended April 30, 2020, \$159,573 were incurred on the Klondike gold project, \$24,841 on the La Plata project, \$25,904 on the McKay Hill project (less a \$45,396 government grant) and \$49,565 on the Keno silver project (less a \$6,978 government grant).

Share-based payment expense is calculated by using the Black-Scholes Option Pricing Model, which is a fair value method of accounting for all awards of stock options. Variations in share-based payment expense is based on a number of factors including, but not limited to, the size and occurrence of grants during a particular period, the Company's share price at the time of an option grant and the timing of recording share-based payments expense based on vesting schedules. The share-based payment expense was \$4,971 higher for the quarter ended April 30, 2020 as compared to 2019.

The majority of investor relations and corporate development expenses of \$47,075 for the quarter ended April 30, 2020 consisted of corporate advisory fees of \$17,421, conference costs of \$14,581 and advertising costs of \$3,208.

Other income consisted exclusively of the settlement of FT share premium liability as a result of incurring qualified exploration expenditures.



## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED APRIL 30, 2020

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### **Nine months ended April 30, 2020**

The net loss for the nine months ended April 30, 2020 was \$1,594,287 (2019: \$1,834,088). The majority of the decrease in net loss year-over-year is a result of the Company conducting larger field exploration programs and investor relations costs during fiscal 2019.

The most significant expenses for the nine months ended April 30, 2020 were exploration expenditures of \$725,353 (2019: \$985,191), consulting fees of \$307,337 (2019: \$374,932), share-based payment expense of \$270,654 (2019: \$123,444) and investor relations and corporate development expenses of \$214,591 (2019: \$345,132). Other items consisted of other income of \$72,525 (2019: \$139,104) and interest and miscellaneous income of \$44,296 (2019: \$492).

The majority of 2020 exploration expenditures of \$725,353 were consulting fees of \$512,270, analysis of \$47,362 and geophysics costs of \$36,084. Of the \$725,353 in exploration expenditures for the nine months ended April 30, 2020, \$301,079 were incurred on the Keno silver project less a \$6,978 government grant, \$186,417 on the La Plata project, \$95,127 on the McKay Hill project less a \$49,731 government grant and \$195,104 on the Klondike gold project.

The majority of the consulting fees of \$307,337 nine months ended April 30, 2020 consisted of CEO fees of \$136,000, VP Exploration fees of \$76,684, geological consulting \$28,750 and CFO fees of \$37,055.

Share-based payment expense was higher by \$147,210 as a result of the Company granting 1,700,000 stock options during the quarter ended October 31, 2019 (2019: Nil) with a weighted average exercise price of \$0.18 per share.

The majority of the investor relations and corporate development expenses of \$214,591 for the nine months ended April 30, 2020 consisted of corporate advisory fees of \$65,108, advertising costs of \$46,683 and conference costs of \$49,328.

### **CASH FLOWS**

#### **Three months ended April 30, 2020**

Cash and cash equivalents decreased by \$190,156 during the quarter ended April 30, 2020, from \$2,281,956 at January 31, 2020 to \$2,091,800 at April 30, 2020. The decrease in cash and cash equivalents was a result of cash of \$318,441 used in operating activities, cash of \$nil used in investing activities and cash of \$128,285 provided by financing activities.

The cash of \$318,441 used in operating activities consisted of the net loss of \$405,730, partially offset by a net change in non-cash items of \$29,390 and by a net change in working capital items of \$57,899.

The cash of \$128,285 provided by financing activities consisted entirely of net receipts from related parties of.



**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE NINE MONTHS ENDED APRIL 30, 2020**

**Nine months ended April 30, 2020**

Cash and cash equivalents increased by \$1,278,452 during the nine months ended April 30, 2020, from \$813,348 at July 31, 2019 to \$2,091,800 at April 30, 2020. The increase in cash and cash equivalents was a result of cash of \$2,866,699 provided by financing activities, partially offset by cash of \$1,354,338 used in operating activities and cash of \$233,909 used in investing activities.

The cash of \$2,866,699 provided by financing activities consisted of the Company completing a private placement on October 17, 2019, issuing 12,500,000 units for gross proceeds of \$2,750,000. Each unit consisted of one FT common share and one-half NFT share purchase warrant, with each whole warrant entitling the holder to acquire one common share of the Company at an exercise price of \$0.25 with an expiry of October 17, 2021. Share issue costs were \$2,147.

The cash of \$1,354,338 used in operating activities consisted of the net loss of \$1,594,287, partially offset by a net change in non-cash items of \$177,648 and a net change in working capital items of \$62,301.

The cash of \$233,909 used in investing activities consisted exclusively of capitalized mineral property costs including \$170,635 of licensing costs on the La Plata project and cash option payments of \$37,500 on the Australia Creek property.

**SUMMARY OF QUARTERLY RESULTS**

The following is a summary of the Company’s financial results for the most recent eight quarterly periods:

	<b>Q3, 2020</b>	<b>Q2, 2020</b>	<b>Q1, 2020</b>	<b>Q4, 2019</b>
Net loss for the period	(405,730)	(402,482)	(786,075)	(682,157)
Basic and diluted loss per share	(0.00)	(0.00)	(0.01)	(0.01)
	<b>Q3, 2019</b>	<b>Q2, 2019</b>	<b>Q1, 2019</b>	<b>Q4, 2018</b>
Net loss for the period	(207,424)	(595,942)	(1,030,722)	(1,770,118)
Basic and diluted loss per share	(0.00)	(0.01)	(0,02)	(0,03)

Over the last eight quarters, the Company’s net loss ranged from \$207,424 in Q3, 2019 to \$1,770,118 in Q4, 2018.

The large fluctuations in the quarterly net losses are mainly attributable to the Company conducting significant field exploration programs in certain quarters.





## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED APRIL 30, 2020

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### LIQUIDITY AND CAPITAL RESOURCES

In management's view, given the nature of the operations, which currently consists of its interest in certain mineral properties, the most relevant financial information relates primarily to current liquidity, solvency and planned expenditures. The Company's financial success will be dependent upon the extent to which it can determine whether its resource properties contain reserves, which are economically recoverable.

Such development may take years to complete and the amount of resulting income, if any, is difficult to determine. The Company does not expect to receive significant income in the foreseeable future.

As at April 30, 2020, the Company had current assets totalling \$2,244,375, including \$2,091,800 of cash and cash equivalents. The Company had working capital of \$1,703,305 and no long-term debt.

While the Company has been successful in obtaining the necessary financing through the issuance of common shares and loans from related parties in the past, there is no assurance it will be able to raise funds in this manner in the future and there remain material uncertainties that may cast significant doubt as to the Company's ability to continue as a going concern. The Company's trade and other payables are due in the short term.

### OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

### CONTRACTUAL OBLIGATIONS

As a result of the issuance of FT shares on October 17, 2019, as at April 30, 2020, the Company had a commitment to incur approximately \$2,348,000 more in qualifying Canadian exploration expenditures on or before December 31, 2020.

### RELATED PARTY TRANSACTIONS

Key management personnel are the Directors and Officers of the Company. Key management personnel, or their related parties, may hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Amounts paid by the Company for the services provided by related parties are determined by negotiation among the parties and are reviewed and approved by the Company's Board of Directors. These transactions are in the normal course of operations and are measured at their exchange amount, which is the amount agreed upon by the transacting parties.

In addition to key management personnel, the Company transacted with the following related parties during the nine months ended April 30, 2020 and 2019:

- TruePoint is a privately held exploration service company that provides exploration and administrative services to the Company and several other exploration companies in the industry. Greg Johnson, President and CEO of the Company is a minority shareholder of TruePoint, which makes it a related party. Charges are for exploration, management, accounting and office and administration;
- Midnight Mining Services Ltd. ("**Midnight Mining**") is a private company controlled by Bill Harris, a director of the Company; and



**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE NINE MONTHS ENDED APRIL 30, 2020**

- Foran Mining Corporation (“Foran”), a public company whose CFO, Tim Thiessen, was the CFO of the Company up until March 31, 2020.

Details of transactions between the Company and related parties, in addition to those transactions disclosed elsewhere in this MD&A, are described below.

**a) Related Party Transactions**

Related party transactions for the three and nine months ended April 30, 2020 and 2019 were as follows:

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>2020</b>	<b>April 30 2019</b>	<b>2020</b>	<b>April 30, 2019</b>
	\$	\$	\$	\$
Consulting fees	95,050	100,832	274,739	292,438
Exploration and evaluation assets	30,000	-	67,500	26,250
Share-based payments	359,938	38,812	142,154	95,913
Transactions with TruePoint	44,978	201,368	1,028,423	201,368
	<b>529,966</b>	<b>341,012</b>	<b>1,512,816</b>	<b>615,969</b>

<sup>1</sup> Consulting fees for the three and nine months ended April 30, 2020 and 2019 consisted of fees earned by key management personnel including the CEO, CFO, VP Exploration and Corporate Secretary.

<sup>2</sup> The amount of \$67,500 for the nine months ended April 30, 2020 consisted of option payments to a director of the Company in relation to the Australia Creek option agreement. The amount of \$26,250 for the nine months ended April 30, 2019 consisted of the value of 125,000 common shares issued to a director of the Company in relation to the Australia Creek option agreement.

<sup>3</sup> Exploration and administrative support costs were charged by TruePoint and consisted of mineral exploration and evaluation costs, consulting fees, corporate advisory fees and office and administration costs.

<sup>4</sup> Share-based payment expense is a non-cash item that consisted of the fair value of stock options that were granted to key management personnel.

**b) Related Parties Balances**

The Company’s related party balances consisted of the following:

	<b>April 30, 2020</b>	<b>July 31, 2019</b>
	\$	\$
<b>Current asset</b>		
Due from TruePoint	26,155	145,001

This amount was the net of cash advances made to TruePoint, partially offset by charges from TruePoint for exploration, management and office administration costs.



**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE NINE MONTHS ENDED APRIL 30, 2020**

	<b>April 30, 2020</b>	<b>July 31, 2019</b>
<b>Current liabilities</b>	<b>\$</b>	<b>\$</b>
Due to Midnight Mining	10,000	26,994
Due to Greg Johnson	90,155	-
Due to Tim Thiessen	-	3,150
Due to Foran Mining	-	4,822
	<b>100,155</b>	<b>34,966</b>

<sup>1</sup> These amounts were included in accounts payable and accrued liabilities.

**PROPOSED TRANSACTIONS**

As of the date of this report, there were no proposed transactions.

**CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year and include, but are not limited to, the following:

*Share-based payments*

The fair value of share-based payments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

*Exploration and Evaluation Expenditures*

The application of the Company accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will follow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the Company’s profit or loss in the period the new information becomes available.



**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE NINE MONTHS ENDED APRIL 30, 2020**

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*Title to Mineral Property Interests*

Although the Company takes steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company’s title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

*Going Concern*

The preparation of the Company’s financial statements requires management to make judgments regarding the going concern of the Company, as discussed in Note 1 of the condensed consolidated interim financial statements for the nine months ended April 30, 2020.

**FINANCIAL AND OTHER INSTRUMENTS**

The Company’s financial instruments are exposed to certain financial risks which are discussed in detail in Note 9 of the Company’s condensed consolidated interim financial statements for the nine months ended April 30, 2020.

**ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

Exploration expenditures and general and administration expenses for the nine months ended April 30 were as follows:

	<u>2020</u>	<u>2019</u>
	\$	\$
Consulting	307,337	374,932
Depreciation	1,519	2,795
Exploration expenditures	725,353	985,191
Investor relations and corporate development	214,591	345,132
Office and administration	51,005	51,069
Professional fees	58,064	29,742
Property evaluation	30,056	27,775
Share-based payment expense	270,654	123,444
Transfer agent, regulatory and filing fees	49,697	31,739
Travel and accommodation	2,832	1,865
	<u>1,711,108</u>	<u>1,973,684</u>

**DISCLOSURE OF OUTSTANDING SHARE DATA**

As of the date of this report, there were 99,527,304 common shares, 9,829,031 share purchase warrants and 10,759,000 stock options outstanding.

**ACCOUNTING POLICIES**

The Company uses the same policies and methods of computation as in the annual consolidated financial statements for the year ended July 31, 2019.



## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED APRIL 30, 2020

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### **NEW ACCOUNTING STANDARDS ADOPTED**

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after January 1, 2019. The following new standard has been adopted by the Company:

#### **IFRS 16 – Leases**

IFRS 16 is a new standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019. The adoption of this standard did not have an impact on these condensed consolidated interim financial statements as the Company does not have any leases.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

### **RISKS AND UNCERTAINTIES**

The principal business of the Company is the acquisition, exploration and development of silver and gold mineral properties. Given the nature of the mining business, the limited extent of the Company's assets and the present stage of development, the following risk factors, among others, should be considered:

#### ***Exploration Stage Company***

The Company does not hold any known mineral reserves of any kind and does not generate any revenues from production. The Company's success will depend largely upon its ability to locate commercially productive mineral reserves. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful. Success in establishing reserves is a result of a number of factors, including the quality of management, the level of geological and technical expertise, and the quality of property available for exploration.

Once mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves through drilling and bulk sampling, to determine the optimal metallurgical process to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of resources or reserves.

#### ***Operating History and Availability of Financial Resources***

The Company does not have an operating history and has no operating revenues and is unlikely to generate any significant amount in the foreseeable future. Hence, it may not have sufficient financial resources to undertake by itself all of its planned mineral property acquisition and exploration activities. Operations will continue to be financed primarily through the issuance of securities.



## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED APRIL 30, 2020

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The Company will need to continue its reliance on the issuance of such securities for future financing, which may result in dilution to existing shareholders. Furthermore, the amount of additional funds required may not be available under favourable terms, if 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 discontinue its operations.

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

Securities markets in Canada and elsewhere continue to experience 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. If an active market does not develop, the liquidity of the investment may be limited and the market price of such securities may decline below the subscription price.

### ***Competition***

The resource industry is intensively competitive in all of its phases, and the Company competes with many other companies possessing much greater financial and technical resources. Competition is particularly intense with respect to the acquisition of desirable undeveloped properties. The principal competitive factors in the acquisition of prospective properties include the staff and data necessary to identify and investigate such properties, and the financial resources necessary to acquire and develop the projects. Competition could adversely affect the Company's ability to acquire suitable prospects for exploration.

### ***Government Regulations and Environmental Risks and Hazards***

The Company's conduct is subject to various federal, provincial and state laws, and rules and regulations including environmental legislation. The Company has adopted environmental practices designed to ensure that it continues to comply with environmental regulations currently applicable to it. All of the Company's activities are in compliance in all material respects with applicable environmental legislation.

Environmental hazards may exist on the Company's properties, which may have been caused by previous or existing owners or operators of the properties. The Company is not aware of any existing environmental hazards related to any of its current property interests that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the resource property interests, the potential for production on the property may be diminished or negated.



## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED APRIL 30, 2020

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### *Dependence on Key Personnel*

The Company is dependent on a relatively small number of key directors, officers and senior personnel. Loss of any one of those persons could have an adverse effect on the Company. The Company does not currently maintain “key-man” insurance in respect of any of its management.

### *Licenses and Permits*

The operations of the Company require licenses and permits from various government authorities. The Company believes that it holds all necessary licenses and permits under applicable laws and regulations for work in progress and believes it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change in various circumstances. There can be no guarantee that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities or to maintain continued operations that economically justify the cost.

### *Title to Property*

Although the Company has exercised the usual due diligence with respect to title to properties in which it has a material interest, there is no guarantee that title to the properties will not be challenged or impugned. The Company's mineral property interest may be subject to prior unregistered agreements or transfers, aboriginal land claims, government expropriation and title may be affected by undetected defects. In addition, certain mining claims in which the Company has an interest are not recorded in the name of the Company and cannot be recorded until certain steps are taken by other parties.

### ***CORONA VIRUS (COVID-19) PANDEMIC***

Outbreak of the corona virus and the worldwide COVID-19 pandemic may result in impacts to the Company's ongoing exploration plans and activities in 2020. The Company is focused on the health and well-being of its workers and the communities in which we work and has implemented preventative measures accordingly. The Company will continue to monitor advice and regulations from the World Health Organization, governments and local communities, and adjust measures as appropriate. The Company may face disruption to operations, supply chain delays, travel and trade restrictions, and impacts on economic activity in affected countries or regions can be expected that are difficult to quantify. Regional disease outbreaks represent a threat to hiring and maintaining skilled workers, and could be a major health-care challenge for its workforce. There can be no assurance that the Company's personnel will not be impacted by these regional disease outbreaks and ultimately that the Company could see its workforce productivity reduced or incur increased medical costs as a result of these health risks. In addition, the COVID-19 pandemic has created a dramatic slowdown in the global economy. The duration of the COVID-19 outbreak and the resulting travel restrictions, social distancing recommendations, government response actions, business disruptions and business closures may have an impact on the Company's exploration operations and access to capital. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about by the COVID-19 pandemic's impact on global industrial and financial markets which may reduce metal prices, share prices and financial liquidity, thereby limiting access to additional capital.



**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE NINE MONTHS ENDED APRIL 30, 2020**

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**OTHER INFORMATION**

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Director – Bill Harris  
Director – Gregor Hamilton  
Director – Peter Harris  
Directors – Doug Warkentin  
Chief Financial Officer – Rebecca Moriarty  
Vice President, Exploration – Scott Petsel  
Corporate Secretary – Alicia Milne

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Listings

TSX Venture Exchange Symbol: “MMG”  
US OTC: “MMNGF”