

BOREAL METALS CORP.

**FORM 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

The following management's discussion and analysis ("MD&A"), prepared as of November 27, 2019 should be read together with the unaudited interim consolidated financial statements for the period ended September 30, 2019 and the audited consolidated financial statements for the year ended December 31, 2018 and related notes attached thereto, which are prepared in accordance with International Financial Reporting Standards. All amounts are stated in Canadian dollars unless otherwise indicated.

Additional information related to Boreal Metals Corp. (the "Company") is available for view on SEDAR at www.sedar.com.

Forward Looking Statements

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of our management as well as assumptions made by and information currently available to us. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to our company or our 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 our exploration properties. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or our achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

Description of Business

Boreal Metals Corp. (the "Company") was incorporated under the Business Corporations Act, British Columbia on December 31, 2013 and is considered to be in the exploration stage with respect to its mineral properties. The Company's head office address is Suite 340 - 233 West 1st Street, North Vancouver, BC, V7M 1B3.

On February 14, 2017, the Company closed a share purchase agreement with EMX Royalty Corporation ("EMX") to acquire two wholly owned subsidiary companies, EMX Exploration Scandinavia AB and lekelvare Minerals AB (together referred to as the "Swedish Companies"), with exploration stage assets in Scandinavia. The Swedish Companies are wholly owned subsidiaries of the Company which together hold a portfolio of four base and precious metal exploration projects in Sweden and Norway.

On November 21, 2017, the Company obtained a public listing for its securities on the TSX Venture Exchange ("TSX-V") under the trading symbol "BMX" following closing of its offerings of units by way of Short Form Offering Document ("SFOD") and by way of a brokered private placement.

On November 25, 2017, the Company obtained listing on Frankfurt Stock Exchange under the symbol "03E".

On February 15, 2018, the Company amended the share purchase agreement with EMX and completed the acquisition of the Modum project ("Modum") which has exploration licenses in Norway.

On March 20, 2018, the Company completed the acquisition of the Guldgruvan project ("Guldgruvan") from EMX by Boreal Energy Metals Corp. ("BEMC"), a newly created and wholly owned subsidiary of Boreal, through its wholly owned subsidiary Boreal Battery Metals Scandinavia AB ("BBMSAB").

On May 18, 2018, the Company completed the acquisition of the Njuggträskliden and Mjövattnet projects ("Njuggträskliden and Mjövattnet") in Sweden from EMX through BEMC's subsidiary, BBMSAB.

On August 26, 2019, the Company obtained listing and commenced trading on the OTCQB under the symbol "BORMF".

Boreal is a mineral exploration company focused on the discovery of zinc, copper, silver, gold, cobalt and nickel deposits in exceptional, historical mining project areas spanning Sweden and Norway. The Company aims to discover new economic mineral deposits in known mining districts that have seen little or no modern exploration techniques.

Significant Events

On February 20, 2019, the Company closed a non-brokered private placement of 17,060,934 units at \$0.095 for gross proceeds of \$1,620,929. Each unit consisted of one common share and one share purchase warrant, with each warrant exercisable into one additional common share at a price of \$0.15 until February 20, 2021. A value of \$256,054 was allocated to the 17,060,934 warrants. The securities issued under the private placement will be subject to statutory hold periods expiring four months and one day from the issue date.

In connection with the private placement, the Company paid finders' fees to certain arm's length finders of \$18,240 in cash and issued 120,800 units having the same composition as the private placement units. A value of \$5,615 was assigned to the 120,800 warrants issued with the finders' units.

Of the 17,060,934 units issued in the private placement noted above, EMX acquired 1,995,672 units for proceeds of \$189,589. Immediately prior to the acquisition, EMX had ownership of 5,530,063 common shares (representing 9.4% of the Company's outstanding common shares). Immediately following the acquisition, EMX had ownership of 7,525,735 common shares (representing 9.9% of the Company's outstanding common shares) and warrants to purchase an additional 1,995,672 common shares.

Exploration and Evaluation Assets

On February 14, 2017, the Company acquired two companies that were wholly-owned subsidiaries of EMX which together represent a portfolio of four Scandinavian base and precious metal (zinc-lead-copper-silver-gold) exploration projects including Gumsberg and Adak exploration assets in Sweden and the Tynset and Burfjord assets in Norway.

To acquire the Swedish Companies, the Company issued 1,713,390 of its common shares to EMX Royalty which represented a 19.9% equity ownership in the Company and had the continuing obligation to issue additional shares to maintain 19.9% interest, at no additional cost to EMX, until the Company has raised \$5,000,000 in equity (raised on November 21, 2017); thereafter, EMX has the right to participate pro-rata in future financings at its own cost to maintain its 19.9% interest. During 2017, a total of 7,492,592 common shares valued at \$1,290,997 of the Company were issued to EMX due to above obligation.

On February 15, 2018, the Company amended the share purchase agreement with EMX and included the acquisition of Modum. Pursuant to the terms of the agreement, the Company issued to EMX 1,324,181 common shares valued at \$397,254, which brought EMX's equity ownership in Boreal to 19.9%.

EMX has also been granted a 3% net smelter return ("NSR") royalty on each of the Properties, of which a 1% NSR royalty may be purchased by the Company on or before the fifth anniversary of the closing date in 0.5% increments for a total of (a) USD\$2,500,000, or (b) at the purchaser's option, USD\$2,000,000 plus shares of the Company equal in value to USD\$500,000.

EMX will receive annual advance royalty ("AAR") payments of USD\$20,000 for each of the Properties commencing on the second anniversary of the closing, with each AAR payment increasing by USD\$5,000 per year until reaching USD\$60,000 per year, except that the Company may forgo AAR payments on two of the four Properties in years two and three. Once reaching USD\$60,000, AAR payments will be adjusted each year according to the Consumer Price Index (as published by the U.S. Department of Labor, Bureau of Labor Statistics). EMX will receive a 0.5% NSR royalty on any new mineral exploration projects generated by the Company in Sweden or Norway, excluding projects acquired from a third party containing a mineral resource or reserve or an existing mining operation. EMX has the right to nominate one seat on the Board of Directors of the Company.

On March 20, 2018, the Company completed the acquisition of the Guldgruvan project from EMX by BEMC.

On May 18, 2018, the Company completed the acquisition of the Njuggträskliden and Mjövattnet projects from EMX by BEMC.

The Company is the owner of base metal mining licenses located in Norway known as the Burfjord and Tynset licenses and in Sweden known as the Gumsberg and Adak projects. In addition, the Company through BEMC, is the owner of mining licenses located in Norway known as Modum and in Sweden known as the Guldgruvan, Njuggträskliden, and Mjövattnet projects (collectively, the "Battery Metals Projects").

As at September 30, 2019, the exploration and evaluation costs were incurred by the Company as follows:

Acquisition costs	Adak	Gumsberg	Burfjord	Tynset	Battery Metals Projects	Total
	\$	\$	\$	\$	\$	\$
Balance, December 31, 2017	376,557	376,558	376,558	376,557	-	1,506,230
Acquisition	-	-	-	-	609,142	609,142
Balance, December 31, 2018	376,557	376,558	376,558	376,557	609,142	2,115,372
Advance royalty payments	-	26,412	26,412	-	-	52,824
Impairment	(376,557)	-	-	-	-	(376,557)
Balance, September 30, 2019	-	402,970	402,970	376,557	609,142	1,791,639

Exploration costs	Adak	Gumsberg	Burfjord	Tynset	Battery Metals Projects	Total
	\$	\$	\$	\$	\$	\$
Balance, December 31, 2017	35,624	475,786	264,793	22,741	-	798,944
Accommodation	-	37,931	3,747	757	-	42,435
Drilling	-	339,912	-	-	-	339,912
Exploration equipment	716	24,123	-	3,533	-	28,372
Field work	2,277	182,852	326,065	47,421	3,932	562,547
Exploration licenses	131	23,659	26,284	81,173	131	131,378
Geological	5,004	199,892	72,243	33,195	41,900	352,234
Geophysical	-	167,516	-	1,034	-	168,550
Other	482	22,483	1,008	423	715	25,111
Balance, December 31, 2018	44,234	1,474,154	694,140	190,277	46,678	2,449,483
Accommodation	-	14,548	-	-	-	14,548
Drilling	-	344,394	-	-	-	344,394
Exploration equipment	-	-	-	-	-	-
Field work	935	208,075	28,709	-	245	237,964
Exploration licenses	-	156,063	38,792	83,669	19,951	298,475
Geological	354	108,360	23,017	3,209	284	135,224
Geophysical	-	6,711	370	-	277	7,358
Geochemical	-	239	-	-	-	239
Other	-	82,400	1,286	-	-	83,686
Impairment	(45,523)	-	-	-	-	(45,523)
Incurred in 2019	(44,234)	920,790	92,174	86,878	20,757	1,076,365
Balance, September 30, 2019	-	2,394,944	786,314	277,155	67,435	3,525,848

Total acquisition and exploration costs	Adak	Gumsberg	Burfjord	Tynset	Battery Metals Projects	Total
	\$	\$	\$	\$	\$	\$
Balance, December 31, 2018	420,791	1,850,712	1,070,698	566,834	655,820	4,564,855
Balance, September 30, 2019	-	2,797,914	1,189,284	653,712	676,577	5,317,487

Gumsberg VMS Project (Bergslagen District, Sweden)

The strategically situated Gumsberg project consists of five exploration licenses in the Bergslagen Mining District of southern Sweden totaling over 16,370 hectares, where multiple zones of VMS style mineralization have been identified. Precious and base metal VMS-style mineralization at Gumsberg was mined from the 13th century through the early 19th century, with over 30 historic mines present

on the property, most notably the Östra Silvberg mine, which was the largest silver mine in Sweden between 1250 and 1590.

On February 28 and May 2, 2018, the Company announced high grade and other encouraging drill results from the 2,545 metre diamond drill program conducted at Gumsberg in late 2018 and early 2018. These drill results confirmed the presence of high-grade silver-zinc-lead mineralization with significant associated copper and gold mineralization that extend along strike from and below the historic mine workings in the area. Also intersected were previously unrecognized zones of mineralization away from the mine workings. These represent novel discoveries of mineralization in the district. Drill intercepts included VMS-type exhalative massive sulfide horizons, primary replacement style and related high-grade lenses and shoots of silver-zinc-lead mineralization. Similar styles of mineralization occur throughout the Bergslagen district in southern Sweden, which is host to multiple world-renowned base metal sulphide deposits.

In September 2018, the Company announced the results of a 61-line kilometre, high resolution ground magnetometer survey at Gumsberg. The survey confirmed the potential for stacked or structurally repeated mineralized zones and provided better resolution of the known trends of mineralization in the area.

In December 2018, the Company commenced further 1,000 metre drill program Gumsberg to test a variety of shallow drill targets across the prospective high-grade VMS mineral trend in the Östra Silvberg mine area. This drill program commenced in January 2019 and the results were released on January 28, 2019 and March 4, 2019. The Company announced a 1,500 metre drill program to conduct additional exploration drilling with the objective to extend the strike length and down-plunge continuation of this high-grade zone.

Drill highlights from previous the Company diamond drilling are presented in the table below (for full results please refer to Boreal news releases dated February 28, 2018, May 2, 2018, January 28, 2019 and March 3, 2019):

Hole ID	From Meters	To Meters	Length Meters	Zn %	Ag g/t	Pb %	Cu %	Au g/t	Prospect Name
BM-17-001 ^x	99.30	106.00	6.70	5.19	16.39	1.08	0.30	0.08	Vallberget
BM-17-002 ^x	88.10	88.62	0.52	5.65	1.63	0.06	0.19	0.05	Vallberget
BM-17-002 ^x	92.30	94.20	1.90	13.55	51.75	5.23	0.27	0.34	Vallberget
BM-17-003 ^x	101.35	102.55	1.20	6.73	25.00	2.10	0.35	0.12	Vallberget
BM-17-004 ^x	105.77	106.37	0.60	4.81	24.94	1.96	0.01	0.02	Vallberget
BM-17-005 ^y	122.30	133.24	10.94	16.97	656.70	8.52	0.03	0.76	Östra Silvberg
BM-17-005 ^y	155.43	165.00	9.57	5.87	183.90	2.33	0.04	0.52	
BM-17-005 ^y	178.16	179.00	0.84	11.56	218.02	5.77	0.04	0.30	
BM-17-006 ^x	14.88	19.95	5.07	3.00	9.25	0.96	0.06	0.02	Vallberget
BM-17-008 ^x	13.25	13.60	0.35	3.20	6.85	0.03	0.05	0.02	Vallberget
BM-17-008 ^x	86.35	87.15	0.80	1.16	0.85	0.05	0.02	0.00	Vallberget
BM-17-011 ^x	53.50	56.65	3.15	3.03	11.69	0.62	0.44	0.19	Vallberget
BM-17-011 ^x	130.50	137.20	6.70	7.01	11.14	0.44	0.10	0.00	

BM-17-012 ^w	321.00	322.00	1.00	1.22	6.20	0.60	0.00	0.10	Östra Silvberg
BM-17-012 ^w	325.00	329.00	4.00	1.01	4.25	0.42	0.01	0.19	
BM-17-012 ^w	332.00	339.00	7.00	1.56	12.20	0.85	0.02	0.18	
GUM-18-003 ^x	105.00	116.00	11.00	5.89	239.00	2.51	0.04	0.96	Östra Silvberg
GUM-18-004 ^x	162.16	173.17	11.01	7.45	275.12	2.65	0.05	0.77	Östra Silvberg

^w True width unknown.

^x Apparent widths reported - true widths are estimated between 80-100% of reported intervals.

^y Apparent widths reported - true widths are estimated at 20-50% of reported interval.

Between March 19, 2019 and April 9, 2019, the Company executed a 1,562-meter diamond drilling program designed to test the continuity of near-surface, high grade targets at the Östra Silvberg, Vallberget and Gumsgruvan located on the Gumsberg License.

On July 9, 2019, the Company announced results from its seven-hole, 1,454.8 meter drilling program at the 100% owned Gumsberg project. The new Östra Silvberg South Discovery continued to return high grade silver-zinc-lead mineralization returning consistent intercepts from below surface to roughly 250 metres. Exploration drilling cut significant mineralization at each of the target areas (Table Below). Most of the drilling was conducted at the newly discovered South Zone at Östra Silvberg and returned up to 5.12% Zn, 2.27% Pb and 93 g/t Ag over 8.04 meters. Two of the four holes drilled at Östra Silvberg also intersected unmapped mine workings, which project to deeper levels and further east than was indicated by historic mine. In addition to the Company's drill successes, this also suggests that mineralization is more extensive in the area than previously recognized.

Hole ID	From (m)	To (m)	Length (m)	Zinc (%)	Silver (g/t)	Lead (%)	Gold (g/t)	Prospect Name
GUM-19-01 ^x	304.96	306.95	1.99	2.28	25.52	0.92	0.128	Östra Silvberg
<i>Incl.</i>	304.96	306.08	1.12	3.38	37.88	1.31	0.171	
GUM-19-02 ^x	No Significant Intercepts							Östra Silvberg
GUM-19-03 ^y	262.25	270.29	8.04	5.12	93.05	2.27	0.434	Östra Silvberg
GUM-19-04 ^y	77.60	77.80	0.20	2.77	12.75	0.07	0.003	Gumsgruvan
GUM-18-05B	2018 hole extended to 242.2 m depth where it hit unmapped historical mine workings							Östra Silvberg
GUM-19-05	No Significant Intercepts							Gumsgruvan
GUM-19-06 ^y	177.10	178.10	1.00	1.84	7.70	1.40	0.108	Vallberget
GUM-19-06 ^y	183.10	184.10	1.00	1.04	3.24	0.69	0.091	

^x Lengths reported as seen in drill core - true widths are estimated to be 50% of reported intervals.

^y Lengths reported as seen in drill core - true widths are estimated to be 90% of reported intervals.

^{*} Hole encountered a previously unmapped stope and was terminated at 233.00 to 234.20.

The Gumsberg No 1 Exploration permit has been extended for an additional four-year period to January 21, 2023.

Burfjord Copper-Gold Project (Alta Region, Norway)

The Burfjord copper-gold project is comprised of six exploration licenses totaling 5,500 hectares in the Kåfjord copper belt near Alta, Norway. Copper mineralization was mined in the Burfjord area during the 19th century, with over 25 historic mines and prospects developed along the flanks of a prominent 4 x 6

kilometre fold (anticline) consisting of interbedded sedimentary and volcanic rocks. Copper and gold mineralization at Burfjord is hosted by swarms of iron-oxide rich carbonate veins, with high grade copper mineralization (the target of the historic mining activity) focused along contacts between rock types. However, cut-off grades in the primitive 19th century-era mining operations were quite high (likely exceeding 3% copper), and Boreal sees potential for larger tonnages of mineralization at lower grades in areas adjacent to and surrounding the historic mines.

On January 4, 2018 the Company announced the results of an Induced Polarization Geophysical Survey ("IP Geophysical Survey") at the 100% owned Burfjord Project. The results of the survey indicate along-strike continuity of sulphide mineralization over a three-kilometre segment of prospective stratigraphy and depth continuity in excess of 100 metres; beyond the depth limitations of the pole-dipole electrode configuration. An IP and Resistivity Survey was conducted between October 5 and October 25, 2017 at Burfjord, by GeoVista AB. The survey results successfully demonstrate the projection of mineralization under cover for widths on the order of 100 metres or more, the continuity of the mineralization along trend for at least 3,000 metres, and projection to depths of at least 100 metres. Based on these results, Boreal has commenced a drill program to test the grade and continuity of mineralization.

In late September 2018, the Company commenced a 1,000-metre drill program at Burfjord. The drill program was designed to test multiple copper and gold targets in the Burfjord area, particularly in the southwest area of the anticline, where much of the historical mining activities were focussed. In total, seven holes were drilled totalling 951 metres. Drilling at Burfjord was completed on time and under budget. The results from this widely spaced reconnaissance drill program confirmed the presence of broad zones of copper mineralization enveloping high-grade copper veins at Burfjord. Significant drill results from this drill program are summarized in the table below.

Hole ID	From Meters	To Meters	Length Meters	Cu %	Au g/t	In ppm
BUR-18-001	10.00	16.00	6.00	0.18	0.01	0.05
BUR-18-001	24.00	27.00	3.00	0.12	0.10	0.08
BUR-18-001	71.50	82.50	11.00	0.11	0.02	0.05
<i>Incl.</i>	79.00	82.50	3.50	0.21	0.01	0.08
BUR-18-002	15.00	20.00	5.00	0.20	0.03	0.09
BUR-18-002	39.00	62.00	23.00	0.14	0.01	0.05
BUR-18-003	73.00	84.00	11.00	0.14	0.01	0.07
BUR-18-003	184.00	216.00	32.00	0.56	0.26	0.50
<i>Incl.</i>	184.85	188.31	3.46	4.31	2.22	3.69
<i>also incl.</i>	184.00	191.00	7.00	2.30	1.13	2.05
BUR-18-004	58.60	59.33	0.73	2.46	0.15	0.17
BUR-18-004	66.00	67.60	1.60	0.19	0.01	0.09
BUR-18-004	88.00	89.00	1.00	0.51	0.04	0.59
BUR-18-005	25.00	102.00	77.00	0.11	0.01	0.11
<i>Incl.</i>	52.00	62.00	10.00	0.24	0.04	0.20
<i>Incl.</i>	93.00	98.00	5.00	0.23	0.02	0.19
BUR-18-007	96.00	99.00	3.00	0.16	0.28	0.11
BUR-18-007	138.00	140.00	2.00	0.12	0.07	0.12

**Lengths reported as seen in drill core. True widths are estimated at 85-100% of reported lengths.*

During the third quarter of 2019, the Company received a further three year extension of the Burfjord exploration permit.

Tynset VMS project (Røros District, Norway)

The Tynset project is comprised of several exploration licenses totaling 17,000 hectares in the Røros Mining District of central Norway, which hosts a ~30-kilometre trend of VMS style mineral occurrences and historic mines, including the Vingelen Mine, which was operated in the 18th and 19th centuries.

During the summer months of 2018, surface sampling, mapping and geophysical programs took place on the Tynset project. These work programs were being focused in the areas of historic mines at Vingelen and Fådalsgruven and included soil sampling surveys, mapping and ground magnetometer surveys using a continuous read, high resolution magnetometer. In total, 23 lines of soil samples were collected, constituting over 650 individual samples, and 86-line kilometres of high resolution ground magnetic surveys were completed.

These programs generated multiple new geochemical and geophysical targets, as well as, further refined the understanding of geological features and trends in both areas. In particular, new geological targets were identified to the south of the historic mine workings at Fådalsgruven, and several additional trends of mineralization appear to have been identified at Vingelen.

Other Projects

Adak VMS Project (Skelleftea District, Sweden)

The Adak exploration license is located in Skellefteå Mining District in north Sweden. The Company's Adak project consists of the historical Adakfältet Mine Field which consists of the Adak, Lindsköld, and Brännmyarn mines which together account for 6.33 Mt @ 2.02% Cu, 0.6 g/t Au, 9 g/t Ag and the Rudtjebäcken Mine with 4.75Mt @ 0.9% Cu, 3% Zn, 0.3 g/t Au, 10 g/t Ag (historical, non-43-101compliant resources). These mines were contract mined by Boliden on behalf of the Swedish Government between 1932 and early 1978, when the mining complex was destroyed by a fire. The facilities were not rebuilt or re-opened since.

In 2018, the Company compiled historic information and generated digital 3-D models of the mine workings and historic drill intercepts at Adak to help refine drill targeting. Subsurface geologic data include over 700 drill holes and extensive underground development maps and data. This database, coupled with modern direct detection electromagnetic geophysical methods, has identified high potential drill targets within and adjacent to the existing mining footprint.

Modum Cobalt Project (Norway)

The 13,115 Ha Modum cobalt-copper project is located approximately 75 kilometres west of Oslo, Norway. The Modum project is accessible year-round, with robust infrastructure including road, rail, power, and skilled labour in nearby municipalities. The Modum property position surrounds an inlier of exploration licenses held by third parties that partially cover the Skuterud Cobalt Mine, one of Europe's

most prolific historic cobalt producers. Historic mine workings, prospects and trends of cobalt and copper mineralization extend onto the Company's property. During 2018, the Company conducted surface exploration programs at Modum, including sampling of soil and till materials along the geologic trend of the historic mining areas.

Guldgruvan Cobalt Project (Los Cobalt Mine, Sweden)

The 2,400 Ha Guldgruvan Cobalt Project is located near the town of Los, Sweden. The Project is accessible year-round, with robust infrastructure including paved roads, power, and skilled labour in nearby municipalities. The Guldgruvan Project contains numerous historical workings, test pits and shallow drill holes in addition to five major mining sites which were the focus of historical production. Those include the Los Cobalt Mine, one of the few historic mines in Sweden that produced cobalt as its primary commodity.

Njuggträskliden and Mjövattnet Nickel-Copper-Cobalt Projects (Skellefteå, Sweden)

The Njuggträskliden and Mjövattnet nickel-copper-cobalt projects are located in the Skellefteå mining area in Northern Sweden. The 9,000-hectare Njuggträskliden and 6,400 hectare Mjövattnet licenses cover multiple drill defined zones of nickel-rich sulfide mineralization. The Projects were recognized during a nationwide reconnaissance exploration program for nickel conducted between 1968 and 1984 by the Swedish Geological Survey ("SGU") and other government entities. This led to the discovery of nickel mineralization at Mjövattnet in 1971, followed by the discovery of Njuggträskliden in 1974. More than 80 nickel occurrences were identified during the reconnaissance programs, including Njuggträskliden and Mjövattnet, with state funded drill programs defining multiple historic mineral resources.

Exploration Outlook

The Company is pleased with the progress made on its exploration programs in Scandinavia, especially with the continued drill success from the Gumsberg project in Sweden, where exploration drill holes intersected significant base-metal and silver rich styles of mineralization. Likewise, an initial drill program was conducted at the Burfjord project in northern Norway and results confirm the presence of broad zones of copper mineralization enveloping high-grade copper veins.

The Gumsberg project continues to be the Company's flagship project. The Company discovered new high-grade zones of mineralization in the Loberget-Vallberget and Östrasilvberg areas on the Gumsberg project in the 2017-2018 drill programs and continued to have success in 2019. The drill defined zones of high-grade mineralization remain open in multiple directions. The Company intends to conduct further work in these target areas, including drilling to deeper levels and additional geophysical surveys.

Selected Annual Financial Information

The Company's Consolidated Financial Statements for the years ended December 31, 2018, 2017, and 2016 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as

issued by the International Accounting Standards Board ("IASB"). The following selected financial information is taken from the annual consolidated financial statements and should be read in conjunction with those statements.

During fiscal 2018, the Company changed its accounting policy with respect to exploration and evaluation expenditures to better represent total costs incurred on its exploration and evaluation assets. In prior years the Company's policy was to charge to operations exploration expenditures as incurred. The Company has elected to change this accounting policy to now capitalize by property all costs directly related to the exploration and evaluation of mineral properties classified as exploration and evaluation assets, effective with the presentation of these financial statements, on a retrospective basis.

	December 31, 2018	December 31, 2017 (restated)	December 31, 2016 (restated)
Cash	241,820	3,397,728	196,987
Total assets	5,109,227	6,119,693	205,918
Total liabilities	339,285	686,862	181,551
Shareholders' equity	4,769,942	5,432,831	24,367
Net loss and comprehensive loss	(1,925,458)	(1,403,621)	(171,541)
Basic and diluted loss per common share	(0.03)	(0.05)	(0.02)

Results of Operations

For the three month periods ended September 30, 2019 and 2018

During the period ended September 30, 2019, the Company incurred a net loss of \$782,661, an increase of \$142,182 compared to \$640,479 net loss incurred in the same period of 2018. This increase is due to an impairment on the Adak VMS Project being greater than the decrease in the Company's operating expenses.

During the three month period ended September 30, 2019, the Company's major operating expenses were as follows:

Audit and accounting fees totaled \$33,839 (2018 - \$50,336) which decreased because due to cost cutting measures taken by management and more fees were incurred in 2018 with setting up two offices in Canada and Sweden.

Consulting fees of \$14,942 (2018 - \$21,798) decreased due to decreased activity in the Company.

Management fees totaled \$143,958 (2018 - \$120,500) increased due to the appointment of new officers of the Company in the prior quarter.

Marketing fees of \$39,448 (2018 - \$82,519) decreased due to cost cutting measures taken by management and decreased activity in the Company.

Legal fees of \$397 (2018 - \$49,976) decreased due to reduced activity in the Company.

Rent expense recovery of \$39 (2018 - expense of \$11,862) decreased due to the termination of office rental space in Canada and Sweden and Canada in the period to reduce costs.

Travel expenses of \$42,168 (2018 - \$55,808) decreased due to decreased activities.

Share-based payments of \$62,238 (2018 - \$198,861) decreased due to stock options issued during the prior year 2018.

Impairment on exploration and evaluation assets of \$422,080 (2018 - \$Nil) increased due to an impairment write-off on the Adak VMS Project in the current period.

The basic and diluted loss per common share in the three month period ended September 30, 2019 was \$0.01 (2018 - \$0.01).

For the nine month periods ended September 30, 2019 and 2018

During the nine month period ended September 30, 2019, the Company incurred a net loss of \$1,742,375, an increase of \$222,766 compared to \$1,519,609 net loss incurred in the same period of 2018. This increase in the Company expenses was due to an impairment on the Adak VMS Project being greater than the decrease in the Company's operating expenses.

During the period ended September 30, 2019, the Company's major operating expenses were as follows:

Audit and accounting fees totaled \$103,595 (2018 - \$158,135) which decreased due to cost cutting measures taken by management and because more fees were incurred in 2018 with setting up two offices in Canada and Sweden.

Consulting fees of \$59,803 (2018 - \$32,166) increased due to entering into new contracts with consultants to support the Company.

Foreign exchange of \$22,544 (2018 - \$37,990) decreased due to fluctuations in foreign currency.

Office expenses of \$62,134 (2018 - \$67,498) decreased due to decreased activities.

Management fees totaled \$377,858 (2018 - \$291,438) increased due to the appointment of new officers of the Company in the prior quarter.

Marketing fees of \$202,142 (2018 - \$464,747) decreased due to decreased marketing activities.

Legal fees of \$24,721 (2018 - \$52,784) decreased due to decrease corporate activities and exploration and evaluation assets being purchased during the prior year 2018.

Regulatory, filing and transfer agent fees of \$50,037 (2018 - recovery of \$3,080) increased due to increased regulatory and listing activities as a result of share issuances.

Share-based payments of \$203,450 (2018 - \$198,861) increased due to stock options issued during the prior year 2018.

Impairment on exploration and evaluation assets of \$422,080 (2018 - \$Nil) increased due to an impairment write-off on the Adak VMS Project in the current year.

The basic and diluted loss per common share in the nine month period ended September 30, 2019 was \$0.02 (2018 - \$0.03).

Cash flows for the period ended September 30, 2019 and 2018

At September 30, 2019, the Company had \$26,145 cash, compared to \$241,820 cash at December 31, 2018.

In the period ended September 30, 2019, the Company issued shares by way of private placement for net proceeds of \$1,602,689.

In the period ended September 30, 2019, net cash used for operating activities totaled \$577,311 compared to \$1,534,121 of net cash used in operating activities in 2018. The cash used in operating activities consisted of the operating expenses of the Company.

Summary of Quarterly Results

	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017
	\$	\$	\$	\$	\$	\$	\$	\$
Cash	26,145	56,955	1,086,145	241,820	1,229,771	1,750,659	1,665,678	3,397,728
Total assets	5,515,269	5,956,321	6,530,797	5,109,227	5,392,249	5,704,826	5,630,639	6,119,693
Total liabilities	681,563	402,192	535,152	339,285	289,411	160,370	485,035	686,862
Working capital (deficiency)	(600,258)	(248,155)	731,405	119,643	1,176,754	1,884,835	1,647,296	3,120,007
Loss and comprehensive loss attributable to:								
Company's shareholders	(782,890)	(512,175)	(446,568)	(406,173)	(639,811)	(273,088)	(605,492)	(745,790)
Non-controlling interests on BEMC	229	53	(1,024)	324	(668)	(550)	-	-
Net comprehensive loss	(782,661)	(512,122)	(447,592)	(405,849)	(640,479)	(273,638)	(605,492)	(745,790)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)

Liquidity and Capital Resources

To date, the Company has not yet realized profitable operations. The Company will require additional financing to explore and develop its mineral properties and there can be no assurances that such financing will be available, or if available, will be on reasonable terms.

These consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing.

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate programs and may be unable to continue in operation. The Company may seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

The Company's revenues, if any, are expected to be in large part derived from the mining and sale of minerals and metals or interests related thereto. The economics of developing and producing properties are affected by many factors including the cost of operations and the market price of the mineral resource. Depending on the market price of mineral resources, the Company may determine that it is impractical to continue commercial production.

Related Party Transactions

Key management personnel include Patricio Varas as Executive Chairman, Chief Executive Officer and Director; Karl Antonius as President and Director; Alexandra Woodyer Sherron as Chief Financial Officer; and Eric Jensen, David Reid, Jon Sherron, Michael Nordfors, and Thomas Soderqvist (appointed January 1, 2019) as Directors of the Company and its subsidiaries.

The Company entered into the following transactions with related parties during the period ended September 30, 2019:

	For the period ended September 30,	
	2019	2018
Short-term benefits paid or accrued:		
Accounting fees	\$ 41,189	\$ 45,263
Consulting fees	-	26,679
Management fees	362,858	290,500
Share-based payments	156,977	-
Rent	12,000	20,000
	\$ 573,024	\$ 382,442

As of September 30, 2019, included in accounts payable and due to related parties is \$213,242 (December 31, 2018 - \$50,280) due to directors and officers and \$Nil (December 31, 2018 - \$Nil) prepaid to an officer of the Company.

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

Financial Instruments and Other Instruments

Financial instruments

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of receivables, reclamation bond and accounts payable and accrued liabilities approximate their carrying amounts due to the short-term nature of the financial instruments. Cash is classified as financial assets measured at fair value through profit or loss and is measured at fair value using level 1 inputs of the fair value hierarchy. Reclamation bond and receivables are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities are measured at amortized cost.

Risk management

The Company is exposed to a variety of financial instrument related risks to varying degrees:

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge its obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits its exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company is currently investigating financing opportunities so that it has sufficient liquidity to meet liabilities when due.

There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company anticipates it will need additional capital in the future to finance ongoing exploration of its properties, such capital to be derived from the completion of other equity financings. The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for future exploration and development of its project. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration success. In recent years, the securities markets have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

Market risk

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

Currency risk

The Company is exposed to financial risk related to fluctuations in foreign exchange rates. Foreign currency risk is limited to the portion of the Company's business transactions denominated in currencies other than the Canadian Dollar.

Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on cash. The Company's policy is to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the interest rate.

Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Segmented Information

The Company is engaged in one business activity, being the acquisition and exploration of mineral properties. Geographic information is disclosed in Exploration and Evaluation Assets section. All

equipment is held solely in the Scandinavia segment, except for computer equipment which is held in Canada.

Subsequent Events

On October 31, 2019, the license for Adak VMS Project expired.

On November 5, 2019, BEMC returned the Battery Metal Projects to EMX. All of the issued and outstanding shares of BBMSAB were sold to EMX for proceeds of \$1. The royalty agreements related to the Battery Metals Projects have been terminated.

On November 21, 2019, 12,899,000 warrants with exercise prices between \$0.40 and \$0.50 expired.

On November 26, 2019, the Company obtained a loan of \$800,000 from EMX, bearing interest of 0.65% compounded monthly, secured by the Gumsberg Project and shares of one of the Swedish Companies and is repayable by November 25, 2020.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements as at September 30, 2019 and December 31, 2018.

Significant Accounting Policies

These unaudited condensed consolidated financial statements, including comparatives, were prepared in accordance with the accounting policies described in the Company's annual financial statements for the year ended December 31, 2018.

Critical Accounting Estimates

The preparation of the unaudited condensed interim consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates.

Valuation of share-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Site decommissioning obligations

The Company recognizes a provision for future abandonment activities in the financial statements equal to the net present value of the estimated future expenditures required to settle the estimated future obligation at the statement of financial position date. The measurement of the decommissioning obligation involves the use of estimates and assumptions including the discount rate, the expected timing of future expenditures and the amount of future abandonment costs. The estimates were made by management and external consultants considering current costs, technology and enacted legislation. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

Economic recoverability and probability of future economic benefits of exploration and evaluation assets

Management has determined that mineral property costs incurred which were capitalized have future economic benefits and are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geological and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Functional and reporting currency

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency for the Company and its subsidiaries is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, the Effects of Changes in Foreign Exchange Rates.

Acquisition method accounting

In the acquisition of Swedish Companies, significant judgement was required to determine if that transaction represented a business combination or an asset purchase. More specifically, management concluded that Swedish Companies did not represent a business, as the assets acquired were not an integrated set of activities with inputs, processes and outputs.

New Standards Adopted

The Company has adopted the following revised or new IFRS that have been issued effective during the period ended September 30, 2019:

- IFRS 16, Leases is a new standard that sets out the principles for recognition, measurement, presentation and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model. This standard is effective for the years beginning on or after January 1, 2019.

The adoption of the above standards did not have a material impact on the Company's condensed interim consolidated financial statements.

Outstanding Share Data

As at September 30, 2019 and as of the date of this MD&A, the Company had 76,031,629 and 76,031,629 common shares outstanding, respectively.

Stock Options

The Company has adopted a stock option plan whereby, the Company may grant stock options up to a maximum 10% of the issued common shares of the Company at any time.

As at September 30, 2019 and as of the date of this MD&A, the Company had 4,925,000 and 4,925,000 stock options issued and outstanding, respectively.

A summary of stock option transactions during the period ended September 30, 2019 and December 31, 2018 are as follows:

	Weighted average exercise price	Number of options outstanding
Balance, December 31, 2017	\$ -	-
Stock options granted	0.20	4,925,000
Balance, December 31, 2018	\$ 0.20	4,925,000
Stock options granted	-	-
Balance, September 30, 2019	\$ 0.20	4,925,000

The following table summarizes information regarding stock options outstanding and exercisable as at September 30, 2019:

Expiry Date	Number of options outstanding	Weighted average exercise price	Weighted average life (years)	Number of options exercisable	Weighted average exercise price	Weighted average life (years)
September 14, 2028	4,925,000	\$ 0.20	8.96	3,283,340	\$ 0.20	8.96
Balance, September 30, 2019	4,925,000	\$ 0.20	8.96	3,283,340	\$ 0.20	8.96

Warrants

As at September 30, 2019 and as of the date of this MD&A, the Company had 30,081,733 and 17,181,734 warrants issued and outstanding, respectively.

A summary of share purchase warrant transactions during the period ended September 30, 2019 are as follows:

Expiry date	Exercise price	WARC life (years)	December 31, 2018	Granted	Exercised	Expired/Cancelled	September 30, 2019
May 21, 2019	\$0.30	-	1,065,000	-	-	(1,065,000)	-
August 14, 2019	\$0.40	-	2,400,250	-	-	(2,400,250)	-
November 21, 2019	\$0.50	0.14	12,399,999	-	-	-	12,399,999
November 21, 2019	\$0.40	0.14	500,000	-	-	-	500,000
February 20, 2021	\$0.15	1.39	-	17,181,734	-	-	17,181,734
Total Outstanding and Exercisable			16,365,249	17,181,734	-	(3,465,250)	30,081,733
Weighted average price			\$ 0.47	\$ 0.15	-	\$ 0.37	\$ 0.30

Escrow Units

In accordance with the escrow agreement dated November 21, 2017, 12,102,236 shares and 3,538,618 warrants were placed in escrow, of which 10% of the escrowed common shares and warrants were released on November 21, 2017. During the period ended September 30, 2019, 15% of the escrowed common shares and warrants were released (year ended December 31, 2018 - 30%). As at September 30, 2019, there were 5,446,006 common shares (December 31, 2018 - 7,261,342) and 1,592,378 warrants (December 31, 2018 - 2,123,171) of the Company held in escrow.

Management's Responsibility for Financial Statements

Information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

Risk Factors

Our exploration programs may not result in a commercial mining operation.

Mineral exploration involves significant risk because few properties that are explored contain bodies of ore that would be commercially economic to develop into producing mines. Our mineral properties are without a known body of commercial ore and our proposed programs are an exploratory search for ore. We do not know whether our current exploration programs will result in any commercial mining operation. If the exploration programs do not result in the discovery of commercial ore, we will be required to acquire additional properties and write-off all of our investments in our existing properties.

We may not have sufficient funds to complete further exploration programs.

We have limited financial resources, do not generate operating revenue and must finance our exploration activity by other means. We do not know whether additional funding will be available for further exploration of our projects or to fulfill our anticipated obligations under our existing property agreements. If we fail to obtain additional financing, we will have to delay or cancel further exploration of our properties, and we could lose all of our interest in our properties.

Factors beyond our control may determine whether any mineral deposits we discover are sufficiently economic to be developed into a mine.

The determination of whether our mineral deposits are economic is affected by numerous factors beyond our control. These factors include market fluctuations for precious metals; metallurgical recoveries associated with the mineralization; the proximity and capacity of natural resource markets and processing equipment; costs of access and surface rights; and government regulations governing prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection.

Mineral exploration is highly speculative and risky; any material changes to the estimated reserves might adversely affect the profitability of the property.

In making determinations about whether to proceed to the next stage of development, we must rely upon estimated calculations as to the mineral reserves and grades of mineralization on our properties. Until ore is actually mined and processed, mineral reserves and grades of mineralization must be considered as estimates only. Any material changes in mineral reserve estimates and grades of mineralization will affect the economic viability of the placing of a property into production and a property's return on capital.

Mineral exploration is hazardous. We could incur liability or damages as we conduct our business due to the dangers inherent in mineral exploration.

Mining operations often encounter unpredictable risks and hazards that add expense or cause delay. These include unusual or unexpected geological formations, changes in metallurgical processing requirements; power outages, labor disruptions, flooding, explosions, rock bursts, cave-ins, landslides and inability to obtain suitable or adequate machinery, equipment or labor. We may become subject to liabilities in connection with pollution, cave-ins or hazards against which we cannot insure against or which we may elect not to insure. The payment of these liabilities could require the use of financial resources that would otherwise be spent on mining operations.

In the future we may be required to comply with government regulations affecting mineral exploration and exploitation, which could adversely affect our business, the results of our operations and our financial condition.

Mining operations and exploration activities are subject to national and local laws and regulations governing prospecting, development, mining and production, exports and taxes, labor standards, occupational health and mine safety, waste disposal, toxic substances, land use and environmental protection. In order to comply, we may be required to make capital and operating expenditures or to close an operation until a particular problem is remedied. In addition, if our activities violate any such laws and regulations, we may be required to compensate those suffering loss or damage, and may be fined if convicted of an offence under such legislation.

Land reclamation requirements for the exploration properties may be burdensome.

Although variable depending on location and the governing authority, land reclamation requirements are generally imposed on mineral exploration companies (as well as companies with mining operations) in order to minimize long term effects of land disturbance. Reclamation may include requirements to control dispersion of potentially deleterious effluents and reasonably re-establish pre-disturbance land forms and vegetation. In order to carry out reclamation obligations imposed on us in connection with our mineral exploration, we must allocate financial resources that might otherwise be spent on further exploration programs.

We face industry competition in the acquisition of exploration properties and the recruitment and retention of qualified personnel.

We compete with other exploration companies, many of which have greater financial resources than us or are further along in their development, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. If we require and are unsuccessful in acquiring additional mineral properties or personnel, we will not be able to grow at the rate we desire or at all.

Approval

The Board of Directors of the Company has approved the disclosure contained in this MD&A on November 27, 2019. A copy of this MD&A will be provided to anyone who requests it and can be found on Sedar at www.sedar.com.