Class 1 Nickel and Technologies Limited
(Formerly Lakefield Marketing Corporation)

MANAGEMENT'S DISCUSSION AND ANALYSIS –

QUARTERLY HIGHLIGHTS

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020

(EXPRESSED IN CANADIAN DOLLARS)

INTRODUCTION

The following Management Discussion and Analysis ("MD&A") of the financial condition and results of operations of Class 1 Nickel and Technologies Limited (formerly Lakefield Marketing Corporation) ("Class 1" or the "Company") was prepared by management as at November 29, 2020 and was reviewed and approved by the Audit Committee. The following discussion of performance, financial condition and future prospects should be read in conjunction with the audited consolidated financial statements of Class 1 and notes thereto for the three and nine months ended September 30, 2020. The information provided herein supplements but does not form part of the financial statements. All amounts are stated in Canadian dollars unless otherwise indicated. Additional information related to the Company is available for view on SEDAR at **www.sedar.com**.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this document constitute forward-looking statements. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", and "believe", used by any of the Company's management, are intended to identify forward-looking statements. Such statements reflect the Company's forecasts, estimates and expectations, as they relate to the Company's views with respect to future events and are subject to certain risks, uncertainties, and assumptions. Many factors could cause the Company's performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events, or developments.

Forward-looking statements	Assumptions	Risk factors
Potential of the Company's properties to contain economic deposits of precious and base metals.	Financing will be available for future exploration and evaluation of the Company's properties; the actual results of the Company's exploration and evaluation activities will be favourable; operating, exploration and evaluation costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Company; the price of precious and base metals and applicable interest and exchange rates will be favourable to the Company; no title disputes exist with respect to the Company's properties.	Precious and base metals price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; availability of financing for and actual results of the Company's exploration and evaluation activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; ongoing uncertainties relating to the COVID-19 virus; the Company's ability to retain and attract skilled staff; availability of permits.

Forward-looking statements	Assumptions	Risk factors
The Company's ability to meet its working capital needs at the current level for the twelve-month period ending September 30, 2021.	Financing will be available for the Company's exploration and evaluation activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to the Company; the price of gold and/or other applicable metals will be favourable to the Company; no title disputes exist with respect to the Company's properties.	Nickel and other metals price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; ongoing uncertainties relating to the COVID-19 virus. the Company's ability to retain and attract skilled staff; availability of permits; market competition.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risks and uncertainties" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

NATURE OF BUSINESS

The Company

Class 1 was incorporated on December 12, 1989 as "871900 Ontario Limited" under the *Business Corporations Act* (Ontario). The Company's head office and registered office is located at 82 Richmond Street East, Toronto, Ontario M5C 1P1. Class 1 was formerly named "Lakefield Marketing Corporation" until it completed a business combination transaction (the "Transaction") with Legendary Ore Mining Corporation on September 24, 2019, whereby it changed its name to "Class 1 Nickel and Technologies Limited".

On August 20, 2020, the Company commenced trading on the Canadian Securities Exchange under the symbol "NICO".

Principal Business

The Company is engaged in the business of mineral exploration and the acquisition of mineral property assets in Canada. Its objective is to locate and develop economic base metal properties of merit and to conduct its exploration program on the AlexoDundonald Project. The Company currently beneficially owns 100% of the AlexoDundonald Project and holds an option to acquire a 100% interest in the Somanike Project located in the Abitibi Region of Quebec.

The Company generates very little revenue, therefore its ability to ensure continuing operations is dependent on acquiring full control of its mineral property interests, the discovery of potentially economically recoverable Mineral Resources reserves, confirmation of its interest in the underlying mineral claims, and its ability to obtain necessary financing to complete the exploration activities, development, if they are proven successful, and future profitable production.

Class 1's goal is to deliver superior returns to shareholders by concentrating on the exploration of its existing properties and the acquisition of properties that have the potential to contain nickel sulphide. The Company currently plans to focus on its material properties, as set out below under "

CORPORATE HIGHLIGHTS

On April 22, 2020, the Company closed a non-brokered private placement of 9,500,000 common shares of the Company at $0.10 per share for gross proceeds of $950,000. A director of the Company subscribed for 6,000,000 shares in the placement.

On August 20, 2020, the Company commenced trading on the Canadian Securities Exchange under the symbol "NICO".

On August 20 & 24, 2020, the Company issued an aggregate of 234,935 common shares (valued at $160,000) to satisfy all outstanding share issuances required by the Company to earn a 100% undivided interest from Quebec Precious Metals Corporation in the Somanike Property.

On August 31, 2020 the Company announced that work has commenced at the Alexo-Dundonald Nickel project in Timmins Ontario to upgrade the Dundonald North and South historic Mineral Resource to CIM defined classifications and combine it with the existing Alexo Mineral Resource.

On September 3, 2020 the Company announced the appointment of highly regarded Geophysicist Mr. Alan King to the technical management team.

On September 16, 2020 the Company announced that it has contracted Geotech Ltd to fly an extensive VTEM™ plus time-domain electromagnetic survey with additional horizontal magnetic gradiometry over its entire Alexo-Dundonald Nickel-Copper-PGE Property, situated 45 km northeast of the centre of Timmins, Ontario.

On November 2, 2020 the Company announced an updated National Instrument 43-101 Mineral Resource Estimate on its 100% owned Alexo-Dundonald Nickel Project (the "Project" or the "Property") located about approximately 45 km northeast of Timmins, Ontario.

The Project comprises four foundation Mineral resources; Alexo North, Alexo South, Dundonald North and Dundonald South which are situated within a regionally folded package of mafic to ultramafic (basalt and komatiite flows) rocks that trend through the approximately 20 square km land package.

Following the completion of a modern Mineral Resource validation program and a NI 43-101 Technical Report of the Mineral Resources contained within the newly combined Alexo and Dundonald deposit models, Class 1 is reporting an updated total estimated Indicated Mineral Resource of 1.25 Million tonnes (Mt) with an average grade of 0.99% Ni and a total estimated Inferred Mineral Resource of 1.01 Mt with an average grade of 1.08% Nickel. The total estimated Indicated Mineral Resource has increased by 119% and the Inferred Mineral Resource has increased by 1,400% since the previously reported Mineral Resource Estimate contained in the NI 43-101 compliant Technical Report dated June 30, 2020.

On November 4, 2020, the Company announced the closing of the first tranche of a non-brokered private placement (the “Offering”), whereby the Company issued 1,718,445 hard dollar units (“HD Unit”) at an issue price of $0.70 per unit for gross aggregate proceeds of $1,202,912. Each HD Unit consists of one common share and one common share purchase warrant exercisable for 36 months with an exercise price of $1.00.

On November 10, 2020, the Company announced the completion of the previously announced 1,012 line-km VTEM™ Plus time-domain electromagnetic airborne survey by Geotech Ltd., over its Alexo-Dundonald Nickel Sulphide Project.

On November 13, 2020, the Company closed the second and final tranche of the Offering, whereby the Company issued 2,318,750 flow-through units (“FT Units”) at an issue price of $0.80 per unit for gross aggregate proceeds of $1,855,000 and 47,857 HD Units for gross aggregate proceeds of $33,500. Each FT Unit consists of one common share and one half common share purchase warrant exercisable for 36 months with an exercise price of $1.05. In connection with the Offering, the Company paid certain eligible persons (the “Finders”) a cash commission in total of $170,712.98, equal to 8.0% of the gross proceeds of the Offering delivered by Finders and issued 220,396 non-transferable broker warrants (“Finders’ Warrants”) equal to 8.0% of the units issued under the Offering delivered by Finders. Each Finders’ Warrant is exercisable at $1.00 per common share for 36 months from the date of issuance.

On November 24, 2020, the Company announced the quantitative modelling results of the previously announced 1,012 line-km VTEM™ Plus time-domain electromagnetic airborne survey by Geotech Ltd., over its Alexo-Dundonald Nickel Sulphide Project.

TRENDS AND ECONOMIC CONDITIONS

The Company continues to monitor its spending and will amend its plans based on business opportunities that may arise in the future. Management regularly monitors economic conditions and estimates their impact on the Company’s operations and incorporates these estimates in both short-term operating and longer term strategic decisions.

Due to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management’s going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- Global gold prices
- Demand for gold and the ability to explore for gold;
- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on service provider availability, such as legal and accounting;
- Purchasing power of the Canadian dollar;
- Ability to obtain funding.

MINERAL PROPERTY INTERESTS

Eugene Puritch, P.Eng, FEC, CET is an independent Qualified Person under the definition of National Instrument 43-101. Mr. Puritch has approved the disclosure contained under the heading “Mineral Property Interests” and has verified the scientific and technical data contained herein.

Alexo-Dundonald Project

A comprehensive NI 43-101 Technical Report is available for the Alexo-Dundonald Project from the Company’s website at www.class1nickel.com and from its profile at www.sedar.com.

The Alexo-Dundonald Nickel Project is located approximately 45 km northeast of the City town of Timmins, Ontario, Canada. It covers an area of approximately 1,895 hectares and comprises 95 Boundary Cell Mining Claims, Single Cell Mining Claims, Leased Claims and Patented Claims.

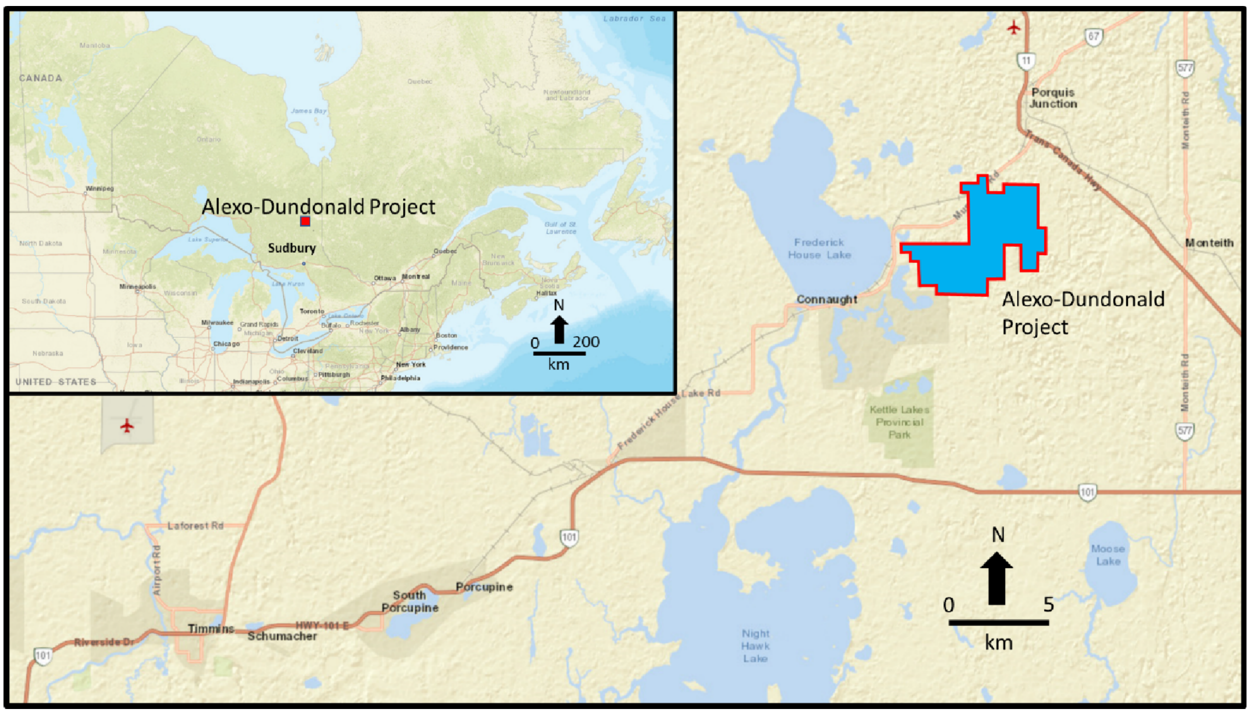

Figure 1 – Geographical location of Alexo-Dundonald Project

The geological setting of the Alexo-Dundonald Project area corresponds to the depositional equivalent environment of the Kidd-Munro assemblage. The Kidd-Munro assemblage is subdivided into lower and upper parts. The lower part of the Kidd-Munro assemblage (2719–2717 Ma) includes localised, regionally discontinuous depositional centres of predominantly intermediate to felsic calc-alkaline volcanic rocks. The upper part of the Kidd-Munro assemblage (2717–2711 Ma) extends across the Abitibi greenstone belt. It consists of tholeiitic and komatiitic volcanic rocks with minor centimetre- to metre-scale graphitic metasedimentary rocks and localised felsic volcanic centres. It has been interpreted that the upper Kidd-Munro assemblage reflects the impact of widespread mantle plume-related magmatism on localised lower Kidd-Munro arc-magmatism volcanic centres.

Previous exploration activity and results in the Alexo-Dundonald Project area have been extensively reviewed and documented by the NI 43-101 Technical Reports prepared by Montgomery (2004), Harron (2009) and Puritch *et al* (2010, 2012). Significant drill intersections reported therein represent the latest rounds of drilling by the last companies to drill on the various target areas within the Project (Canadian Arrow at Alexo-Kelex in 2004–2005 and 2010–2011; First Nickel at Dundonald in 2004–2005; and Falconbridge at Dundeal in 1989) and are presented as an indication of nickel grade and continuity of mineralisation typical of the Project. For more information, please refer to the NI 43-101 Technical Report on the Alexo-Dundonald Project posted to the Company's SEDAR profile on August 14, 2020 at www.sedar.com.

Summary of Completed Activities (Three Months Ended September 30, 2020)	**(A)** **Spent (approx.)** **(Three Months Ended September 30, 2020)**	**Plans for the Project (Fiscal 2021)**	**(B)** **Planned Expenditures (approx.)**
The Company completed a VTEM™ survey on the Alexo-Dundonald Nickel Project, thereby completing phase 1 of the exploration program as recommended under the Amended NI 43-101 Technical Report on the Alexo-Dundonald Nickel Project dated June 30, 2020. The Company continues to finalize the interpretation of anomalies identified by the VTEM™ survey. See Note 1 below.	$197,780	Continue interpreting the anomalies identified by the VTEM™ survey conducted on the Alexo-Dundonald Project. The Company intends to further explore the anomalies identified by the VTEM™ survey. The Company intends to undergo a 10,000m diamond drilling campaign on the Alexo-Dundonald Project focusing on the VTEM™ anomalies, as recommended as the phase 2 exploration program under the amended NI 43-101 Technical Report on the Alexo-Dundonald Nickel Project dated June 30, 2020. The Company will have to raise equity capital in Fiscal Year 2021 in amounts sufficient to fund its exploration work requirements. The major variables are expected to be the size, timing and results of the Company's exploration program and its ability to continue to access capital to fund its ongoing operations.	$2,000,000
	$197,780		$2,000,000

Note 1

Alexo-Kelex Property

The Company acquired a 100% interest (subject to a vendor buy-back) in Legendary Ore Mining Corporation, which held the Alexo-Kelex Property, under the Alexo-Kelex Agreement dated October 18, 2018 between Vanicom Resources Limited ("Vanicom"), Tartisan Nickel Corp. ("Tartisan") and Canadian Arrow Mines Limited ("Canadian Arrow"). The Alexo-Kelex Property consists of 55 mining claims and leases covering 940.43 hectares located in the Clergue and Dundonald townships near Timmins, Ontario. The Alexo-Kelex Property is subject to a 0.5% NSR with, which could be bought out by the Company for $1,000,000. The Alexo-Kelex Property is also subject to an existing 1.5% NSR granted to Outokumpu Mines Ltd.

The Alexo-Kelex Agreement allows Tartisan to re-acquire the Alexo-Kelex Property from Legendary for $1.00 if Legendary fails to incur by October 18, 2021 (a) $750,000 worth of Exploration Expenditures (as defined thereunder) on the Alexo-Kelex Property; and (b) $1,500,000 worth of Exploration Expenditures (as defined thereunder) on the Alexo-Dundonald Project. As at September 30, 2020, the Company has spent the following on the Alexo-Kelex Property:

	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Administrative costs	1,743	-	2,821	-
Exploration and evaluation	98,890	349,974	136,094	349,974
Field equipment	-	-	308	-
	100,633	349,974	139,223	349,974

Dundonald Property

The Company acquired a 100% interest (subject to a vendor buy-back) in the Dundonald Property under the Dundonald Agreement dated November 9, 2018 between Legendary Ore Mining Corporation (a subsidiary of the Company) and Transition Metals Corp. ("Transition"). The Dundonald Property consists of 40 mineral claims and leases covering 954.075 hectares located in the Clergue and Dundonald townships near Timmins, Ontario. The Dundonald Property is subject to a 2.5% NSR royalty granted to Transition by Legendary upon acquisition of the property.

The Dundonald Agreement allows Transition to re-acquire the Dundonald Property from Legendary for $1.00 if Legendary fails to incur by November 9, 2021 $1,500,000 worth of Exploration Expenditures on the Alexo-Dundonald Project. As of the date of this report, the Company has spent the following amount on the Dundonald property:

	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Administrative costs	1,742	-	2,820	-
Exploration and evaluation	98,890	349,974	136,094	349,974
Field equipment	-	-	308	-
	100,632	349,974	139,222	349,974

Somanike Project

The Company has the option to acquire a 100% interest in the Somanike Property pursuant an option agreement dated September 24, 2019, as amended and restated April 27, 2020, between Legendary (a wholly-owned subsidiary of the Company) and Vanicom (the "Legendary Somanike Option Agreement"). Under the Legendary Somanike Option Agreement, the Company may exercise the option granted to Vanicom by Quebec Precious Metals Corporation ("QPMC") under an option agreement dated August 20, 2018, as amended (the "QPMC Option Agreement"), by paying Vanicom $1.00 plus reimbursing Vanicom for all expenses made on the Somanike Property prior to the Company exercising said option. The Somanike Property consists of 110 mining titles covering 5146.06 hectares located in the Abitibi area of the Province of Quebec. The Legendary Somanike Option Agreement was entered into following a reorganization of Vanicom, whereby Vanicom divested its ownership of Legendary to Vanicom shareholders, which was completed on September 19, 2019.

Exploration in the Somanike Project (the "Project") area has been dormant since the early 1970s following the closing of the Marbridge Ni-Cu Mine in 1968. Historical exploration programs focused on Ni-Cu with the majority of assays conducted for Ni and very limited Cu. Very few assays were taken for Au, Zn, Cu, and Ag. The entire project area was not investigated by modern surveys until 2014-15 when Sphinx Resources Ltd. ("Sphinx") flew a VTEM survey over the entire Project with the objective of identifying nickel-copper, gold and VMS targets. Compilation of all historical drill data in conjunction with the new VTEM survey identified a previously unrecognized sulphide iron formations occurring across the Project. Numerous targets were generated and programs designed for the commodities listed above.

To maintain the option to the Somanike Property under the QPMC Option Agreement, the Company has issued 181,089 Common Shares to QPMC and 53,846 Common Shares to Globex Mining Enterprises Inc. Prior to exercising its option under the Legendary Somanike Option Agreement, the Company must pay QPMC $25,000 in cash prior to June 15, 2022 and $50,000 in cash prior to June 15, 2023. Also, prior to exercising the option on the Somanike Project, the Company must drill 750m of core on certain claims held by Globex Mining Enterprises Inc.

Figure 2 – Geographical location of Somanike Project

As of the date of this report, the Company has spent the following amount on the Somanike property:

	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019 (1)	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019 (1)
Administrative costs	160,000	-	160,000	-
Acquisition costs	-	1,833	-	1,833
Exploration and evaluation	-	32,155	-	32,155
	160,000	33,988	160,000	33,988

Notes:
(1) The Company reimbursed Vanicom for $1,160,976 in expenses incurred on the Somanike Property up to August 1, 2019 by issuing 57,250,000 Common Shares to Vanicom on August 1, 2019. Vanicom continues to incur expenses on the Somanike project as option holder; however, these figures are not disclosed in this report.
(2) Includes certain expenses paid in Australian dollars. The figures above imply a AUD-CAD foreign exchange rate of 0.9592 CAD = 1 AUD (as of November 27, 2020).

RESULTS OF OPERATIONS

Three months ended September 30, 2020, compared with three months ended September 30, 2019

The Company recorded a comprehensive loss of $606,927 compared to $1,398,727 in the prior period. During the year ended December 31, 2019, the Company completed a 3-way transaction that resulting in Class 1 becoming an operating exploration entity. The decrease in the net loss of $791,800 in spending was attributed to the following a decrease in exploration and evaluation of $372,671 as the majority of acquisitions costs were incurred in during the three months ended September 30, 2019, and a decrease in professional fees of $269,342 due to the decreased costs as a result of the Company completing the 3-way transaction in the three months ended September 30, 2019.

Nine months ended September 30, 2020, compared with nine months ended September 30, 2019

The Company recorded a comprehensive loss of $1,064,685 compared to $1,403,227 in the prior period. During the year ended December 31, 2019, the Company completed a 3-way transaction that resulting in Class 1 becoming an operating exploration entity. The decrease in the net loss of $338,542 in spending was attributed to the following a decrease in exploration and evaluation of $295,491 as the majority of acquisitions costs were incurred in during the three months ended September 30, 2019, and decrease in professional fees of $38,586 due to the decreased costs as a result of the Company completing the 3-way transaction.

Quarterly results vary in accordance with the Company’s exploration, financing and noncash expenses. The Company’s professional fees vary in each quarter depending on financing activities being undertaken.

LIQUIDITY AND CAPITAL

Class 1 is an exploration-stage company and does not generate revenues. As such, it finances all of its operations and the exploration of its mineral properties entirely through the issuance of share capital. Although the Company has to date been successful in its attempts to raise capital, there can be no assurance that its future efforts will likewise be successful. The mineral exploration business is high risk and the vast majority of exploration projects on which capital is spent will not result in producing mines. The success of future financings will depend on a variety of factors including geological success – i.e. obtaining superior results from exploration; a positive investment climate encompassing strong metal prices, solid stock market conditions, and a “risk-on” appetite among investors; and the Company’s track record and management’s ability and experience. If such financing is unavailable, the Company may be unable to retain its mineral interests and execute its business plans. As at September 30, 2020, the Company has not earned significant revenue and has an accumulated deficit of $2,630,813 (December 31, 2019 - $1,566,128). In order to reach sustainable business operations, the Company is actively seeking additional sources of liquidity.

The Company’s cash balance as of September 30, 2020 was $125,158 compared to $352,339 as of December 31, 2019. As of September 30, 2020, the Company had current assets of $297,215 (December 31, 2019 – $199,513), current liabilities of $122,442 (December 31, 2019 – $70,055), and a working capital of $174,773 (December 31, 2019 – $174,773).

On April 23, 2020, the Company closed a non-brokered private placement of 9,500,000 Common Shares for gross aggregate proceeds of $950,000.

Operating Activities

During the nine months ended September 30, 2020 and 2019, the Company’s operating activities used cash of $999,047 and $1,343,245, respectively. Cash used in operating activities for the nine months ended September 30, 2020 is mainly attributable to net loss for the period of $1,064,685 and non cash issuance of shares for expenditure option payments of $160,000, an increase in accounts payable and accrued liabilities of $52,387, offset by an increase in accounts receivable of $75,923, an increase in the amounts due from related parties of $34,666 and an increase in prepaid expenses of $36,160. The cash flows used in operating activities for the nine months ended September 30, 2019 arose primarily from the net loss for the period of $1,403,227, an increase in accounts payable and accrued liabilities of $47,076, an increase in other payables of $22,008, offset by an increase in accounts receivable of $1,202, and an increase in prepaid expenses of $7,900.

Investing Activities

During the nine months ended September 30, 2020 and 2019, the Company did not engage in any investing activities.

Financing Activities

During the nine months ended September 30, 2020 and 2019, the Company’s financing activities generated cash of $950,000 and $1,695,584, respectively. The cash generated from financing activities during the nine months ended September 30, 2020, is due to the Company’s private placement issuing 9,500,000 Common Shares for proceeds of $950,000.

Going concern uncertainty

At each reporting period, management assesses the basis of preparation of the financial statements. These financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards. The going concern basis of presentation assumes that the Company will continue its operations for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. These financial statements do not include any adjustments to amounts and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

For the nine months ended September 30, 2020, the Company incurred a net loss of $1,064,685, respectively (nine months ended September 30, 2019 - $1,403,227) and had negative operating cash flows of $999,047. The Company has an accumulated deficit of $2,630,813 since inception (December 31, 2019 - $1,566,128) and has sufficient cash as at September 30, 2020 to meet its expected obligations over the next twelve months. These factors raise significant doubt about the Company’s ability to continue as a going concern.

The Company’s ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to generate cash flows from operations and to complete negotiations to obtain and successfully close additional funding from debt financing, equity financings or through other arrangements. These conditions indicate the existence of a material uncertainty that may cast significant doubt regarding the Company’s ability to continue as a going concern. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

While the Company has been successful in obtaining financing to date, there can be no assurance that it will be able to do so in the future on terms favorable for the Company. The Company may need to raise additional capital to fund operations. This need may be adversely impacted by uncertain market conditions, approval by regulatory bodies, and adverse results from operations. The Company believes it will be able to acquire sufficient funds to cover planned operations through the next twelve months by securing additional financing through additional private placements if required. The outcome of these matters cannot be predicted at this time.

RELATED PARTY TRANSACTIONS

As at September 30, 2020, the Company has $49,314 in amounts due from a company with common directors of Class 1. The amounts are accrued in the normal course of operation at their exchange value.

Key management includes directors and other key personnel, including the CEO, President and CFO, who have authority and responsibility for planning, directing, and controlling the activities of the Company.

The Chief Executive Officer ("CEO") of the Company is the principal of Cooper Corporate Pty Ltd (“CCPL”). During the three and nine months ended September 30, 2020, the Company paid or accrued consulting fees of $43,545 and $88,545, respectively (three and nine months ended September 30, 2019 - $nil) to CCPL. These services were incurred in the normal course of operations for general corporate management matters. There are no amounts payable as at September 30, 2020.

The Chief Financial Officer ("CFO") of the Company is a senior employee of Marrelli Support Services Inc. ("MSSI"). During the three and nine months ended September 30, 2020, the Company paid or accrued professional fees of $12,002 and $31,133, respectively (three and nine months ended September 30, 2019 - $2,250 and $6,750) to MSSI. These services were incurred in the normal course of operations for general accounting and financial reporting matters. MSSI also provides bookkeeping services to the Company. As at September 30, 2020, MSSI was owed $2,054 (December 31, 2019 - $nil) with respect to services provided. The balance owed was recorded in the statement of financial position in accounts payable.

As at September 30, 2020, David Fitch, a director of the Company, beneficially owns 39,671,130 Common Shares carrying approximately 39.8% of the voting rights attached to all Common Shares. As at September 30, 2020, Benjamin Cooper, President, CEO and director of the Company, beneficially owns 24,985,000 Common Shares carrying approximately 25.0% of the voting rights attached to all Common Shares. As at September 30, 2020, directors and officers of the Company control an aggregate of 66,404,382 Common Shares carrying approximately 66.6% of the voting right attached to all Common Shares.

OFF BALANCE SHEET ARRANGEMENTS

The Company is not a party to any off-balance sheet arrangements or transactions.

ACCOUNTING POLICIES

New standards adopted

Definition of a Business (Amendments to IFRS 3)
The IASB has issued Definition of a Business (Amendments to IFRS 3) to clarify the definition of a business for the purpose of determining whether a transaction should be accounted for as an asset acquisition or a business combination. The amendments:

- clarify the minimum attributes that the acquired assets and activities must have to be considered a business
- remove the assessment of whether market participants can acquire the business and replace missing inputs or processes to enable them to continue to produce outputs
- narrow the definition of a business and the definition of outputs
- add an optional concentration test that allows a simplified assessment of whether an acquired set of activities and assets is not a business

The Company adopted this policy on January 1, 2020, and there was no impact to the unaudited condensed interim consolidated financial statements.

New standards not yet adopted

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2022. There is currently a proposal in place to extend effective date for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

CAPITAL MANAGEMENT

The Company's shareholders' equity comprises its capital under management. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure that optimizes the costs of capital at an acceptable risk level.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

There have been no changes to the Company's approach to capital management during the period ended September 30, 2020. The Company is not subject to externally imposed capital requirements.

OUTSTANDING SHARE DATA AS OF SEPTEMBER 30, 2020 AND AS OF REPORT DATE

As of September 30, 2020 the Company has the following securities issued and outstanding: 99,764,144 Common Shares.

As of the date of this MD&A, the Company has the following securities issued and outstanding: (a) 103,858,059 Common Shares; (b) 1,766,302 HD Warrants (as defined below); (c) 1,159,375 FT Units (as defined below); and (d) 220,375 Finders' Warrants (as defined below).

SUBSEQUENT EVENTS

On October 22, 2020 the Company announced a nonbrokered private placement of: (i) flowthrough units at an issue price of $0.80 per unit; and (ii) hard dollar units at an issue price of $0.70 per unit (collectively, the "Offering"). The Company expects to raise gross proceeds of approximately $3,000,000 from the sale of flowthrough units, hard dollar units, or any combination thereof. Each flowthrough unit will consist of one common share and onehalf of one full common share purchase warrant (a "FT Warrant") exercisable for 36 months from the closing date with an exercise price of $1.05 (a "FT Unit"). Each hard dollar unit will consist of one common share and one full common share purchase warrant (a "HD Unit") exercisable for 36 months from the closing date with an exercise price of $1.00 (a "HD Unit").

On November 4, 2020, the Company announced the closing of the first tranche of the Offering, whereby the Company issued1,718,445 HD Units for gross aggregate proceeds of $1,202,912. On November 13, 2020, the Company closed the second and final tranche of the Offering, whereby the Company issued 2,318,750 FT Units for gross aggregate proceeds of $1,855,000 and 47,857 HD Units for gross aggregate proceeds of $33,500. In connection with the Offering, the Company paid certain eligible persons (the "Finders") a cash commission in total of $170,712.98, equal to 8.0% of the gross proceeds of the Offering delivered by Finders and issued 220,396 non-transferable broker warrants ("Finders' Warrants") equal to 8.0% of the units issued under the Offering delivered by Finders. Each Finders' Warrant is exercisable at $1.00 per common share for 36 months from the date of issuance.

RISKS AND UNCERTAINTIES

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk and Uncertainties" in the Company's annual management's discussion & analysis for the fiscal year ended December 31, 2019, available on SEDAR at www.sedar.com.

Following the global spread of COVID-19, management cannot estimate whether or to what extent this outbreak and potential financial impact may extend to countries outside of those currently impacted. The future impact of the outbreak is highly uncertain and cannot be predicted, and there is no assurance that the outbreak will not have a material adverse impact on the Company's ability to complete a Qualifying Transaction. The extent of the impact, if any, will depend on future developments, including actions taken to contain COVID-19.

At the date of this Interim MD&A, the Canadian federal government and the provincial government of Ontario have not introduced measures that have directly impeded the activities of the Company. Although cash has declined over the period, the Company believes the activities of the Company will continue and accordingly the current situation bears no impact on management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Apart from these and the risk factors noted under the heading "Risks and Uncertainties" below, management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.