EUROPEAN METALS CORP.

(AN EXPLORATION STAGE COMPANY)

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED

DECEMBER 31, 2019 AND 2018

(EXPRESSED IN CANADIAN DOLLARS)

(AUDITED)

This Management Discussion and Analysis ("MD&A") of European Metals Corp. ("EMC" or the "Company") is dated April 24, 2020 and provides an analysis of the Company's performance and financial condition for the year ended December 31, 2019 as well as an analysis of future prospects. The Board of Directors carries out its responsibility for review of this disclosure principally through its audit committee, comprised of independent directors. The audit committee reviews this disclosure and recommends its approval by the Board of Directors.

This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 F1– Continuous Disclosure Obligations. This MD&A should be read in conjunction with our audited financial statements and related notes for the year ended December 31, 2019, prepared in accordance with International Financial Reporting Standards. All figures are in Canadian Dollars unless stated otherwise. The financial statements and additional information, including the Company's Certifications of Annual and Filings and press releases, are available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

The Company is in the exploration stage and is subject to the risks and challenges similar to other companies in a comparable stage of exploration. These risks include, but are not limited to, dependence on key individuals, successful exploration results and the ability to secure adequate financing to meet the minimum capital required to successfully advance the projects and continue as a going concern.

The Company's head office is located at Suite 810 - 789 West Pender Street, Vancouver, British Columbia V6C 1H2, Canada. The shares of EMC were listed on the Canadian Stock Exchange (the "CSE") under the symbol "ECU" and on the OTCQB under the symbol "MNTCF".

This document is required by securities legislation to contain and does contain forward-looking statements, opinions about future events and comments regarding risks and opportunities, which reflect the Company's current expectations regarding future events. To the extent that any statements in this document contain information that is not historic, the statements are essentially forward-looking and are often identified by words such as, but not limited to, "anticipate", "expect", "estimate", "intend", "project", "plan" "might", "could" and "believe". In the interest of providing shareholders and potential investors with information regarding EMC, including management's assessment of future plans and future operations, certain statements in this MD&A are forward-looking and are subject to the risks, uncertainties and other important factors that could cause the Company's actual performance to differ materially from that expressed in or implied by such statements. Such factors include, but are not limited to volatility and sensitivity to market metal prices, impact of change in foreign currency exchange rates and interest rates, imprecision in reserve estimates, environmental risks including increased regulatory burdens, unexpected geological conditions, adverse mining conditions, changes in government regulations and policies, including laws and policies; and failure to obtain necessary permits and approvals from government authorities, and other development and operating risks.

Although the Company believes that the expectations conveyed by the forward-looking statements are based upon information available on the date that such statements were made, there can be no assurance that such expectations will prove to be correct. The reader is cautioned not to rely on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements unless required to do so by applicable Securities laws. All subsequent forward-looking statements, whether written or orally attributable to the Corporation or persons acting on its behalf, are expressly qualified in their entirety by these cautionary statements.

Overall Performance

EMC is carrying on the business of the acquisition and exploration of properties for mining of precious and base metals. EMC has not earned any revenue to date from its mining operations and is therefore considered to be in the exploration ("exploration") stage.

The public trading in the shares of the Company was halted on May 5, 2016 due to the inability of the Company to file the year ended December 31, 2015 financial statements and MD & A for 2015 by the required regulatory deadline. Funds were not available at the required time to complete the filings. The cease trade order previously imposed by the Ontario Securities Commission was revoked on March 29, 2018.

Trading will recommence once a resubmission of a qualifying transaction has been approved by the CSE.

On August 22, 2019 the Company completed a consolidation of its share capital on a one new for five hundred old basis. The share and per share amounts have been adjusted within these financial statements to reflect the share consolidation.

The financial statements, references to notes and discussion presented within this report make reference to the audited consolidated financial statements for the year ended December 31, 2019 of European Metals Corp. and its wholly-owned subsidiaries: Mantis Explorations Inc., Mantis Explorations Ltd., Avenue Bancorp Ltd., and University Avenue Management Ltd. On consolidation, all intercompany transactions and balances have been eliminated.

The consolidated financial statements have been prepared on a going concern basis, which assumes the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events or conditions that cast significant doubt upon the entity's ability to continue as a going concern, as described in the following paragraphs.

All figures are in Canadian Dollars unless otherwise stated. Additional information relating to the Company can be found on SEDAR at www.sedar.com.

This MD&A was prepared with the information available as at April 24, 2020.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

As at December 31, 2019, the Company has not generated any revenues from operations. The Company has realized net loss and comprehensive loss of $263,212 for the current year (2018 – $101,292), and a working capital deficiency of $407,373 (December 31, 2019 – $1,021,976) and an accumulated deficit of $20,034,384 (December 31, 2018 - $19,771,172). The Company's operations have been primarily funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. The Company will continue to require additional funding to maintain its ongoing levels of operations and administration, retire its indebtedness as they come due, and meet any property maintenance payments for the next fiscal year. The current funds available to the Company are not sufficient to explore the existing projects and to complete the development of its projects. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future.

The Company had no revenue during the years ended December 31, 2019 and 2018, respectively.

During the year ended December 31, 2019, the Company wrote-off $130,914 of accounts payable and settled $712,815 of debt in a shares for debt agreement.

Funding continues to be difficult to access in 2019 and the ability of the Company to continue as a going concern, realize its assets and discharge its liabilities in the normal course of business and continue with, or expand upon its exploration programs is contingent upon securing equity financing or monetizing assets. The timing and availability of additional financing will be determined largely by market conditions, legal restrictions, and the results of the Company's ongoing exploration programs. There is no certainty that the Company will be able to raise funds as they are required in the future. As at December 31, 2019, the Company has received $165,000 of share subscriptions for a private placement of 28,700,000 common shares at $0.025 per share for gross proceeds of $709,250 that was completed subsequent to year end.

These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets, liabilities and reported expenses should the Company be unable to continue as a going concern. These adjustments could be material.

This discussion contains forward-looking statements that involve risks and uncertainties. Exploration expenditures are deferred and included on the consolidated statements of financial position unless the value is impaired, or the projects are abandoned which results in such expenditures being written of.

SUBSEQUENT EVENTS

Shares for Debt Settlement

On January 3, 2020, the Company issued 17,833,817 common shares valued at $0.025 per share to settle $445,845 of accounts payable and accrued liabilities.

The common shares are subject to a four month hold period.

Private Placement

On January 31, 2020, the Company completed the first tranche of a non-brokered private placement of 16,770,000 common shares at $0.025 per share for gross proceeds of $419,250.

On February 24, 2020, the Company completed the second tranche of the non-brokered private placement of 11,600,000 common shares at $0.025 per share for gross proceeds of $290,000.

The Company paid $12,023 cash and issued 480,900 finder's warrants in relation to the private placement. Each finder's warrant will be exercisable at $0.025 per share and will expire on January 31, 2022.

The common shares are subject to a four month hold period.

Cree Lake Property Option

On February 13, 2020, the Company entered into an option agreement (the "Agreement") with Blackrock Exploration Inc. (the "Optionor") to earn up to a 51% undivided interest (the "Option") in the Cree Lake Gold Property located in Swayze Township, Ontario.

The Cree Lake Gold Property is located in Swayze, Cunningham and Dore Townships, approximately 195 kilometers northwest of Sudbury, Ontario. The project comprises 151 single cell and 43 boundary claims covering approximately 4,074 hectares.

In order to earn the Option, the Company will issue to the Optionor an aggregate 16,000,000 common shares and incur exploration expenditures on the Cree Lake Gold Property, as follows:

Date	Common Shares	Exploration Expenditures
Within 10 days of the execution of the Agreement (issued Feb 23/20)	4,000,000	Nil
On or before June 30, 2020	4,000,000	Nil
On or before October 31, 2020	4,000,000	$160,000
On or before December 31, 2021	4,000,000	$200,000
On or before December 31, 2022	Nil	$300,000

In addition, the Optionor has retained a 3 % net smelter royalty ("NSR") on the Cree Lake Gold Property and the Company will have the right to purchase from the Optionor one-half of the 3% NSR for $2,000,000 at any time during the term of the Agreement.

RELATED PARTY TRANSACIONS AND KEY MANAGEMENT COMPENSATION

Key personnel and directors are:

Vicki Rosenthal – Director, President, CEO and CFO (resigned as CEO on February 26, 2020)
Matthew Fish – Director (appointed as CEO on February 26, 2020)
Maciej Lis - Director

(a) Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

The Company had the following related party expenses during the year ended December 31, 2019:

Included in accounts payable is an amount of $Nil (2018 - $10,014) owing to the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

Included in accounts payable is an amount of $443,914 (2018 - $443,914) owing to a former Chairman and Chief Executive Officer of the Company for wages earned in prior years. These transactions were in the normal course of operations and were measured at the exchange amounts, which were the amounts of consideration established and agreed to by the parties.

(b) In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key management of the Company was as follows:

	December 31, 2019 $	December 31, 2018 $
Accounting fees to the CEO and CFO	5,000	5,000
Consulting fees to the CEO and CFO	-	5,000
Directors fees to a director, and the CEO and CFO	123,000	-
Legal fees to a director of the Company	7,445	19,800
Rent fees to the CEO and CFO	-	4,000
	135,445	33,800

ENVIRONMENTAL LIABILITIES

The Company is not aware of any environmental liabilities, obligations or responsibilities associated with the Company's mining interests.

CAPITAL RISK MANAGEMENT

The Company includes equity, comprising issued share capital, share subscriptions received in advance, warrant reserves, and deficit, in the definition of capital, which as at December 31, 2019 totaled a deficit of $407,373 (December 31, 2018 - $1,021,976).

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund its exploration commitments. To secure the additional capital necessary to continue with the exploration of mineral properties, the Company may attempt to raise additional funds through the issuance of debt or equity. The Company is not subject to any capital requirements imposed by a lending institution.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares and adjusting capital spending. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

There were no changes in the Company's process, policies and approach to capital management during the years ended December 31, 2019 and 2018, respectively.

FINANCIAL RISK MANAGEMENT

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and price risk).

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and sales tax recoverable. Cash is held with a Canadian chartered bank, from which management believes the risk of loss to be minimal.

Sales tax recoverable normally consists of goods and services tax receivable from government authorities in Canada. There are no sales taxes recoverable at December 31, 2019. The Company had $3,544 of sales tax recoverable in the comparative fiscal year ended December 31, 2018.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2019, the Company had cash of $157,151 (December 31, 2018 - $23,971) to settle sales tax payable, and trade accounts payable and accrued liabilities totalling $564,524 (December 31, 2018 - $1,049,491), the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity. As discussed in Note 1, the Company's ability to continually meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing. Management is continuing in its efforts to secure a financing and believes it will be successful.

(iii) Market risk

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

(iv) Interest rate risk

The Company has cash and cash equivalent balances and no variable interest-bearing debt. The Company's current policy is to invest excess cash in guaranteed investment certificates issued by a Canadian chartered bank with which it keeps its bank accounts. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered bank.

(v) Foreign currency risk

The Company's functional and presentation currency is the Canadian Dollar and major purchases are transacted in Canadian Dollars. The Company at the present time does not have any foreign currency balances subject to foreign currency risk.

(vi) Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve-month period:

Cash is subject to floating interest rates. The Company has no variable debt and receives low interest rates on its cash and cash equivalents balances. As such, the Company does not have significant interest rate risk.

FAIR VALUE MEASUREMENTS

Assets and liabilities measured at fair value on a recurring basis and categories of financial instruments are as follows:

a) Assets and liabilities measured at fair value on a recurring basis:

	Level 1 $	Level 2 $	Level 3 $	Aggregate fair value $
As at December 31, 2019				
Cash	157,151	-	-	157,151
Sales tax payable	(10,937)	-	-	(10,937)
Accounts payable and accrued liabilities	(553,587)	-	-	(553,587)
As at December 31, 2018				
Cash	23,971	-	-	23,971
Sales tax recoverable	3,544	-	-	3,544
Accounts payable and accrued liabilities	(1,049,491)	-	-	(1,049,491)

b) Categories of financial instruments:

	December 31, 2019	December 31 ,2018
	$	$
Financial assets		
Cash	157,151	23,971
Sales tax receivable	-	3,544
	157,151	27,515
Financial liabilities		
Sales tax payable	10,937	-
Accounts payable and accrued liabilities	1,112,842	1,049,491
	1,112,842	1,049,491

The Company has not offset financial assets with financial liabilities.

The carrying value of the Company's accounts payable and accrued liabilities, and sales tax payable approximates their fair value due to their short-term maturity.

Future Outlook

European Metals Corp. is in the exploration stage and all previous properties which the Company had acquired in prior years in which an interest had been maintained have been fully impaired in the financial statements. Concurrent with the relisting the Company is seeking a qualifying transaction to revitalize the Company. (see Subsequent Events)

Financial Overview

The Company does not earn any significant revenue from consolidated operations. Interest is derived from the investment of funds for the period between the receipt of funds from equity placements and the disbursement of exploration expenditures.

Results of Operations

The Company continues to monitor its projects that were acquired in prior years for which a full impairment charge has been provided, and is actively assessing new projects and business opportunities.

CONSOLIDATED RESULTS OF OPERATIONS

All of the balances set out in this and following sections, including the Summary of quarterly results conform to IFRS standards.

	For the years ended, December 31, 2019	December 31, 2018
	$	$
Expenses		
Amortization	**-**	872
Consulting fees	**152,008**	(10,000)
Directors fees	**123,000**	-
General and office administration	**9,589**	59,908
Professional fees	**90,220**	29,025
Registration, filing and transfer agent fees	**15,388**	21,487
Shareholder communications	**3,921**	-
Loss before other item	**(394,126)**	(101,292)
Other item		
Write-off of accounts payable	**130,914**	-
Net loss and comprehensive loss for the year	**(263,212)**	(101,292)

For the year ended December 31, 2019 compared to the year ended December 31, 2018

During the year ended December 31, 2019, the Company reported a net loss and comprehensive loss of $263,212 (2018 - $101,292), an increase in loss of $161,920. Some of the significant charges to operations are as follows:

i) Consulting fees in 2019 are $152,008 compared to a $10,000 recovery in 2018. During 2019, the Company hired a consulting firm to help develop the business, seek potential new mining projects and financing opportunities. The 2018 recovery was attributed to certain consulting fee accruals being reversed.

ii) Directors fees of $123,000 (2018 - $Nil) were incurred as a result of increased demand of directors' services in relation to the 500:1 share consolidation, shares for debt settlement, work on subsequently completed private placement, and seeking properties of merit.

iii) Professional fees in 2019 increased by $61,195, from $29,025 in 2018 to $90,220 in 2019. The increase is mainly associated with services rendered for the 500:1 share consolidation completed on August 22, 2019, shares for debt settlement, and the 1st tranche of the private placement completed subsequent to December 31, 2019. Professional fees are comprised of accounting, audit, corporate and legal fees.

iv) Registration, filing and transfer agent fees decreased $6,099 from $21,487 in 2018 to $15,388 in 2019. The reduction in these expenses is the result of less information to be disseminated.

Selected Annual Information

	December 31, 2019 $	December 31, 2018 $	December 31, 2017 $
Total assets	157,151	27,515	19,606
Total long term financial liabilities	-	-	-
Total revenues	-	-	-
Net income (loss) and comprehensive income (loss)	(263,212)	(101,292)	(55,612)
Loss per share, basic and diluted	(0.07)	(0.04)	(0.02)

Summary of Quarterly Results

Quarterly variances occur mainly due to seasonal factors, administrative costs and fees related to new property acquisitions, business partnerships and combinations and levels of exploration activities.

The information presented below highlights the Company's unaudited quarterly results for the past eight quarters. The financial information referenced below has been prepared in accordance with IFRS.

	Net Earnings (Loss) and Comprehensive Earnings (Loss)					
Quarter Ended	Total $	Write downs, write-offs, and impairments $	Income (loss) before write down and taxes	Earnings (loss) per share $	Total assets $	Working Capital Deficiency $
December 31, 2019	(177,626)	130,914	(308,540)	(0.04)	157,151	(407,373)
September 30, 2019	(40,242)	-	(40,242)	(0.01)	5,280	(1,107,562)
June 30, 2019	(19,509)	-	(19,509)	(0.01)	10,458	(1,067,320)
March 31, 2019	(25,835)	-	(25,835)	(0.01)	22,427	(1,047,991)
December 31, 2018	2,295	-	2,295	0.00	27,515	(971,976)
September 30, 2018	(34,608)	-	(34,608)	(0.01)	35,525	(974,271)
June 30, 2018	(52,204)	-	(52,204)	(0.02)	39,582	(940,434)
March 31, 2018	(16,775)	-	(16,775)	(0.01)	25,201	(892,681)

The accounts payable are comprised as follows:

	December 31, 2019 $	December 31, 2018 $
Accounts payable and accrued liabilities	120,610	820,876
Accounts payable	443,914	228,615
	564,524	1,049,491

Fourth Quarter Financial Review

During the three-months ended December 31, 2019 ("Q4-2019") the Company recorded a net loss and comprehensive loss of $177,626 compared to net income and comprehensive income of $2,295 for the three months ended December 31, 2018 ("Q3-2018"), an increase in loss of $179,921.

Consulting fees were the primary component of the Q4-2019 net loss. The Company paid $152,008 in Q4-2019 compared to a $15,000 recovery in Q4-2018 for consulting fees. During Q4-2019, the Company hired a consulting firm to help develop the business, seek potential new mining projects and financing opportunities. The 2018 recovery was attributed to certain consulting fee accruals being reversed.

The Company has no revenues.

During Q4-2019, the Company wrote-off $130,914 of accounts payable which reduced the Company's Q4-2019 net loss.

Outstanding Share Data

Share Capital

On December 20, 2019, the Company issued 28,512,600 common shares valued at $0.025 per share to settle $712,815 of accounts payable and accrued liabilities.

The Company did not issue any common shares during the year ended December 31, 2018.

During the year ended December 31, 2018, the Company reclassified $50,000 from obligation to issue shares to accounts payable.

Share subscriptions received in advance

As at December 31, 2019, the Company received $165,000 in share subscriptions for the first tranche of the non-brokered private placement completed subsequent to year end.

Share options

European Metals Options may be granted under the European Metals Plan to directors, officers, employees and other service providers subject to the rules and regulations of applicable regulatory authorities and any Canadian stock exchange upon which the European Metals shares may be listed or may trade from time to time. The number of European Metals shares reserved for issue to any one person pursuant to the European Metals Plan within any one year period may not exceed 5% of the issued and outstanding European Metals Shares.

The maximum number of European Metals shares which may be reserved for issuance to insiders under the European Metals Plan, any other employer share option plans or options for services, shall be 10% of the total number of European Metals shares issued and outstanding at the time of the grant (on a non-diluted basis). The maximum number of European Metals options which may be granted to any one consultant under the European Metals Plan, any other employer share option plans or options for services, within any 12 month period, must not exceed 2% of the total number of European Metals shares issued and outstanding at the time of the grant (on a non-diluted basis). The maximum number of European Metals options which may be granted to investor relations persons under the European Metals Plan, any other employer share option plans or options for services, within any 12 month period must not exceed, in the aggregate, 2% of the total number of European Metals shares issued and outstanding at the time of the grant (on a non-diluted basis). The exercise price of European Metals options issued under the European Metals Plan may not be less than the fair market value of the European Metals shares at the time the option is granted, subject to any discounts permitted by applicable legislative and regulatory requirements.

The following table summarizes information about share options outstanding and exercisable at December 31, 2019.

The Company applies the fair value method of accounting for all share-based compensation awards.

	Number of options #	**Weighted average exercise price $**
Balance, December 31, 2017	133,000	25.00
Expired	(133,000)	(25.00)
Balance, December 31, 2018 and December 31, 2019	-	-

Warrants

	Number of warrants #	**Weighted average exercise price $**
Balance, December 31, 2017 and 2018	1,409,916	25.00
Expired	(1,409,916)	(25.00)
Balance, December 31, 2019	-	-

The table below shows the outstanding share capital of the Company as of as of the date of this MD&A.

	# of shares
Common Shares	81,502,102
Outstanding Options	-
Outstanding Warrants	480,900
Fully Diluted Share Capital	81,983,002

Share Consolidation

On August 22, 2019 the Company completed a consolidation of its share capital on a one new for five hundred old basis. The share and per share amounts have been adjusted within these financial statements to reflect the share consolidation.

OFF-BALANCE SHEET ARRANGEMENTS

None are applicable at this time, however with mineral exploration, obligations for environmental, First Nation compliance and health and safety issues can create non-reportable concerns. The Company hopes to minimize such situations by maintaining adequate insurance coverage, establishing honest and open communications and operating in a safe and responsible manner compliant with current standards as per the most recent applicable acts and regulations.

OUTLOOK

The Company is dependent on obtaining financing for the exploration and development of its mineral properties and/or any potentially profitable qualifying transaction. Subsequent to December 31, 2019, the Company completed a private placement and entered into the Cree Lake mineral property option agreement which Management hopes will serve as a qualifying transaction. Given the current market in which junior companies find themselves, future financing may be a difficult task. There is no assurance that such financing will be available when required, or under favourable terms.