GENERATIONMINING

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2019

This Management's Discussion and Analysis ("MD&A") reviews the consolidated financial condition and results of operations of Generation Mining Limited and its wholly owned subsidiary company (together "Generation" or the "Company") for the three and nine months ended September 30, 2019. The MD&A was prepared as of November 26, 2019 and should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2019, and the December31, 2018 year end audited financial statements including the notes thereto. The Company was incorporated on January 11, 2018. In the MD&A where comparisons are made to the same period of the prior year, it refers to the prior period from January 11 to September 30, 2018. These financial statements and notes have been prepared in accordance with the International Financial Reporting Standards or ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), including International Accounting Standards 34 - Interim Financial Reporting ("IAS 34").The disclosure contained in this MD&A has been approved by the Board of Directors of the Company. All figures are in Canadian dollars unless stated otherwise. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

This MD&A includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical fact, that address future exploration activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements.

OVERVIEW

The Company is an exploration and development stage company focused on precious and base metal deposits in Canada. The Company has recently completed the earn-in of an initial 51% interest in the Marathon PGM deposit in Ontario and has since commenced exploring and evaluating the deposit as the operator of the Marathon joint venture. In addition, the Company holds an option on the Davidson molybdenum deposit near Smithers, British Columbia and four promising exploration projects in Nova Scotia, Alberta, British Columbia and the Northwest Territories.

The Company was incorporated under the Business Corporations Act (Ontario) on January 11, 2018, for the sole purpose of participating in an arrangement agreement and to hold certain property and liabilities (see Mineral Properties and Agreements section) upon the completion of the arrangement agreement. Its registered office is located at 100 King Street West, Suite 7010, Toronto, Ontario M5X 1B1. The Company's common shares trade on the Canadian Securities Exchange under the symbol GENM.

Management's strategy is to increase shareholder value by acquiring and exploring properties in safe geographic areas with the potential to host economic deposits with the objective of enhancing the value of its properties either by direct exploration or through joint ventures with third parties.

Scientific and technical information contained in this MD&A relating to mineral reserves, mineral resources and exploration results was reviewed and approved by Rod Thomas, P.Geo., Director and Vice President, Exploration of the Company, a "Qualified Person" under National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

HIGHLIGHTS

- The acquisition of a 51% initial interest in the Marathon property near Marathon, Ontario was successfully completed, and a joint venture agreement was entered with Sibanye-Stillwater's Canadian subsidiary company in July 2019, with Generation now being the operator of the Marathon joint venture.
- A 39-diamond-drill-hole (in aggregate 12,442-metre) exploration program testing multiple targets along more than 20 kilometers of prospective strike length at the Marathon project was commenced in August and completed in early November 2019.
- A 200-sensor passive seismic survey on the Sally area of the Marathon property was completed during the quarter to identify the potential for higher grade PGM deposits at depth.
- A NI 43-101 Technical Report was filed on October 24, 2019 for a mineral resource estimate on the Marathon project, bringing the Measured and Indicated Mineral Resource to 7.13 million ounces palladium equivalent ("PdEq"), representing a 20% increase in contained PdEq ounces compared with the most recently published mineral resource on the property from 2010.
- A Preliminary Economic Assessment for the Marathon project, to be conducted by P&E Mining Consultants, was initiated in October 2019 and scheduled to be completed by year-end.
- 215 new claim blocks (4,558 hectares) were staked on behalf of the Marathon joint venture on August 19, 2019, increasing the Company's land position at the Marathon property to include 45 leases and 1071 claims totaling 21, 965 hectares.
- A non-brokered private placement financing of 6,167,460 flow-through shares was completed, in two tranches in August and September 2019 respectively, at a price of $0.315 per share for aggregate gross proceeds of $1,942,750.

MARATHON PROPERTY AND JOINT VENTURE

On April 17, 2019, Generation announced that it signed a Letter of Intent (the "LOI") with Sibanye Gold Limited, trading as Sibanye-Stillwater ("Sibanye-Stillwater") which allows the Company to earn an initial 51% interest (and potentially up to an 80% interest) in Sibanye-Stillwater's Marathon PGM deposit, located near Marathon, Ontario (the "Marathon Property"). Upon signing the LOI, the Company paid to Sibanye-Stillwater a deposit of $100,000.

On May 6, 2019, the Company, announced an $8 million bought deal private placement ("Private Placement"), the net proceeds of which were to be used to complete the acquisition of the Marathon Property, for exploration and development of the Marathon Property and for working capital and general corporate purposes.

On May 28, 2019, the Company incorporated a wholly owned subsidiary, Generation PGM Inc., to operate the Marathon Property joint venture.

On June 25, 2019, The Company signed an acquisition agreement with Sibanye-Stillwater, pursuant to which, on closing the Company will earn an initial 51% interest in the Marathon Property, for a total consideration of $6 million to be paid in a combination of cash and common shares of the Company. According to the acquisition agreement, the Company will form an unincorporated Marathon joint venture (the “Marathon JV”) with Stillwater Canada Inc. (“Stillwater”), a wholly owned subsidiary of Sibanye-Stillwater.

According to the acquisition agreement, the Company has the right to earn an additional 29% interest in the Marathon Property (the “Second Interest”) by spending $10 million in exploration and development expenditures and preparing a Preliminary Economic Assessment (the “PEA”) within four years following the closing of the acquisition (the “Second Earn-In Period”). During the Second Earn-In Period, the Company must sole-fund all expenditures of the Marathon JV. Once the Company has earned the Second Interest, the parties will fund expenditures on an 80/20 pro rata basis, subject to normal dilution provisions. If the Company does not earn into the Second Interest, then for a period of 90 days after the termination of the Second Earn-In Period, Stillwater has a one-time option to reacquire from Generation a 31% participating interest in the joint venture (for a total 80% participating interest) for CDN$1.00 and become operator of the Marathon JV. Upon a feasibility study being prepared and the management committee of the Marathon JV making a positive commercial production decision, so long as Sibanye-Stillwater has a minimum 20% interest in the Marathon Property, then Sibanye-Stillwater has 90 days to exercise an option to increase its participating interest in the joint venture to 51% by agreeing to fund 31% of the total capital cost estimated in the feasibility study, after which Sibanye-Stillwater and Generation will contribute the remaining funds on a 51/49 pro rata basis.

The Marathon Property consists of 45 mining leases totaling 8450 hectares, and an additional 856 contiguous mining claims covering 8957 hectares for a total land package of 17,407 hectares.

The completion of the definitive agreements on the Marathon acquisition and Marathon JV satisfied the escrow release terms for the Private Placement and on July 9, 2019, the Company received the gross proceeds of the Private Placement, less the cash commission and other issuance costs. The outstanding subscription receipts for common shares and common share purchase warrants were converted into an aggregate of 28,572,000 common shares and 14,286,000 common share purchase warrants, each such warrant exercisable for one common share at a price of $0.45 per share until July 9, 2021.

On July 10, 2019, The Company, through its wholly owned subsidiary Generation PGM Inc., closed the acquisition of the 51% initial interest in Marathon Property and entered into the Marathon JV agreement with Stillwater. On closing, the Company paid to Stillwater $2.9 million in cash (in addition to the $100,000 previously paid upon signing the LOI) and issued 11,053,795 common shares of the Company at a deemed price of $0.2714 per common share (totaling $3 million), for a total consideration of $6 million. The Company is now the operator of the Marathon JV and assumes all liabilities in respect of the Marathon Property in such operatorship capacity. As a result of the closing, Stillwater owns 12.96% percent of Generation’s issued and outstanding common shares on an undiluted basis.

On August 21, 2019, the Company announced that it had staked 215 new claim blocks (4,558 hectares) at the Marathon Property. This will increase the Marathon JV’s land position to include 45 leases and 1,071 claims which total 21, 965 hectares.

OUTLOOK

The Company will continue to focus on the exploration and development of the Marathon Property for the remainder of 2019. Going forward, the Company intends to engage in such operational programs that will contribute to meeting the required spending in exploration and development expenditures and prepare an upcoming PEA during the Second Earn-In Period, in order to acquire the Second Interest of 29% of the Marathon Property in the next four-year period and increase its initial 51% interest to 80%.

GOING CONCERN UNCERTAINTY

The Company is at an early stage of development and, as in common with many exploration companies, it relies on financings to fund its exploration and acquisition activities. The Company had working capital, excluding marketable securities and restricted cash, of $3,658,882 as at September 30, 2019 (December 31, 2018- $1,402,076); had not yet achieved profitable operations; had accumulated losses of $12,596,516 as at September 30, 2019 (December 31, 2018 - $1,492,819); and expects to incur further losses in the development of its business.

Management is continuously evaluating the market and financing opportunities. The ability of the Company to continue as a going concern is dependent on the Company having access to financing to meet its operational cash needs. It is not possible to determine with any certainty the success or adequacy of these initiatives.

MINERAL PROPERTIES AND AGREEMENTS

Arrangement Agreement

On December 15, 2017, Pine Point Mining Limited ("Pine Point") entered into an arrangement agreement with Osisko Metals Incorporated ("Osisko Metals"), pursuant to which Osisko Metals acquired, by way of court approved plan of arrangement (the "Arrangement"), all the issued and outstanding common shares of Pine Point.

Under the Arrangement, Pine Point shareholders received, in exchange for each of their existing common shares of Pine Point: (i) 0.271 of a common share of Osisko Metals, (ii) 0.0677 of a common share purchase warrant of Osisko Metals, and (iii) 0.1 of a common share of Generation.

Pursuant to the Arrangement, all exploration assets previously owned by Pine Point other than the Pine Point Project located in the Northwest Territories, as well as certain other assets and liabilities of Pine Point, were transferred to Generation. Details of the transaction are contained in the management information circular of Pine Point Mining Limited dated January 17, 2018 which is available at www.sedar.com.

The following are mineral properties and agreements transferred from Pine Point to Generation as a result of the Arrangement:

Darnley Bay Anomaly, Northwest Territories: The Company holds 100% of the rights to a mineral concession covering the Inuvialuit Settlement Region's 7(1)(a) lands where the Inuvialuit hold the mineral and surface rights. The area hosts potential base metal and diamond exploration targets. The Company has an agreement regarding exploration and development with the Inuvialuit Regional Corporation which requires cash payments of $50,000 per year commencing in 2020, or when the TSX-Venture Exchange composite index reaches 1500, and minimum exploration expenditures of $1,000,000 per year commencing in 2020 and cumulative exploration expenditures of $6.3 million by 2025.

Darnley Bay Diamond, Northwest Territories: The property consists of 13 jointly held mineral leases on the Parry Peninsula northeast of Paulatuk in the Inuvialuit Settlement Region's 7(1)(b) lands where the Inuvialuit hold the surface rights and the Crown holds the mineral rights. The focus is on diamond exploration. The Company and Diadem Resources Ltd. continue to cooperate to advance exploration on the property with Diadem currently responsible for all expenses relating to the project.

Davidson, British Columbia: The Company has an option to acquire a 100% interest in a property hosting a molybdenum-tungsten deposit which consists of six mineral leases and two mining claims covering an area of 2,087 hectares. The option agreement was signed on April 1, 2016 and payments totalling $350,000 were made over the periods prior to September 30, 2019. There is an ongoing commitment of $100,000 on each anniversary of the agreement until commercial production is achieved or the agreement is terminated. Upon commercial production, the vendor will be entitled to a net smelter return royalty of 3%.

Nak, British Columbia: The Company has an option to earn a 100% interest in a copper-gold project consisting of 14 mineral claims over 1,603 hectares. The option agreement was signed on August 30, 2016 and is subject to a 2% royalty of which 62.5% can be purchased from the vendor for $1.5 million. There has been $60,000 in cash payments and a $33,942 work commitment made as at September 30, 2019. Continuing commitments include $30,000 on the fourth anniversary of signing the option agreement and $60,000 on the fifth anniversary. Bonus payments to the vendor will consist of $25,000 on 1,500 metres of drilling and a further $25,000 upon a total of 3,000 metres of drilling on or before December 31, 2022. The vendor is also entitled to an additional payment $125,000 and a minimum 250,000 common shares (or cash equivalent) in the capital of the Company will be issued upon completion of a further 7,000 metres of drilling on or before December 31, 2022. The Company had a work commitment balance of $466,058 to be made prior to August 31, 2019. On August 20, 2019, the vendor confirmed the Company is not in default of any of the terms and conditions of the agreement. The vendor and the Company are currently in discussion regarding possible amendments to the payment terms and earn in requirements of the option agreement.

Rawdon Zinc (formerly Kennetcook), Nova Scotia: On March 16, 2018, the Company entered into a Claims Acquisition Agreement to acquire a 100% interest in an exploration property with potential to host lead-zinc-silver-copper mineralization in central Nova Scotia consisting of nine mineral licenses totalling 11,171 hectares. Pursuant to the agreement, the Company issued 3,000,000 common shares valued at $191,400 to the vendors (note 10). In May, 2018, the Company acquired nine additional mineral licenses covering an area of 9,504 hectares for a total area of 20,675 hectares at September 30, 2019.

Alberta Zinc, Alberta: On May 10, 2018, the Company entered into an option agreement to acquire a 100% interest in the Alberta Zinc project near High Level, Alberta covering 60,000 hectares and consisting of eight mineral rights permits. The Company paid $10,000 and issued 500,000 common shares valued at $31,900 to the vendor upon signing the agreement and committed to a minimum of $100,000 in expenditures on the property which was fulfilled as at September 30, 2019. A further payment of $50,000 (in cash or shares) was required on the first anniversary date. The vendor has agreed to postpone the first anniversary payment and has confirmed that the Company is not in breach of the agreement. There is an additional $200,000 payable before the second anniversary of the agreement. The property is subject to a 2% gross metals royalty, of which the Company can purchase half at any time for $1 million.

Clear Lake, Yukon Territory: On May 24, 2016, the Company entered into an option agreement to earn a 100% interest in a zinc-lead-silver property consisting of 121 claims covering approximately 2,479 hectares. Agreement payments and work commitments of $23,320 were made in the period from January 11, 2018 to October 1, 2018. On October 1, 2018, the Company entered into an Assignment, Assumption and Amending Agreement with Eastern Zinc Corp. ("Eastern Zinc") and the optionor of the Clear Lake property to assign the exclusive right and option to acquire a 100% interest in the property to Eastern Zinc. Pursuant to the agreement, Eastern Zinc paid $50,000 in cash and issued 4,200,000 common shares of Eastern Zinc to the Company. The shares were subject to a hold period ended on February 1, 2019. An additional $50,000 in cash will be paid and 1,670,000 common shares of Eastern Zinc will be issued to the Company on October 1, 2019. On October 19, 2018, Eastern Zinc undertook a split of its issued and outstanding shares on three shares for one existing share basis. At September 30, 2019, the Company held

12,600,000 common shares of Eastern Zinc valued at $605,443 and an additional 5,010,000 common shares valued at $240,736 are receivable on October 1, 2019 (note 8, 12 and 15). Subsequent to the end of the quarter on October 24, 2019, the Company executed an extension agreement with Eastern Zinc to extend the cash and share payment due on October 1, 2019 to April 1, 2020.

EXPLORATION AND EVALUATION ACTIVITIES

On July 19, 2019, the Company commenced a 200-sensor passive seismic survey on the Sally area of the Company's Marathon Property. The Sally area is situated 20 km from the Town of Marathon and 15 km northwest along strike from the main Marathon PGM-Cu deposit along the highly prospective margin of the Coldwell Complex. The survey covers an area of 3 km by 4 km and will have a depth resolution of 2 km. The survey is designed to identify the potential for higher grade PGM deposits at depth. The survey is designed to resolve mafic–ultramafic magma conduits (feeder zones), which have episodically mineralized thick intervals of disseminated PGM-Cu mineralization at Sally. Mafic-ultramafic conduits (feeder zones) have the potential to host massive sulfide mineralization. Results of the survey are expected by December 2019.

In August 2019, the Company commenced a planned 12,000-metre drilling program using two diamond drills to test multiple targets along more than 20 km of prospective strike length at the Marathon Property. The exploration program was completed in early November 2019 with 39 holes drilled amounting to a total of 12,422 metres. Drilling focused on the W Horizon and the Main Zone of the Marathon deposit, as well as on the Geordie East and Geordie North targets, the West Feeder Zone, and the Boyer Zone. Apart from Geordie East none of these targets have been previously drilled. Assay results are available for the first 22 holes as of the date of the MD&A. Assay results from the remaining holes are expected by year-end of 2019. Generation reported on drill results in an October 8th, 2019 news release noting the completion of 21 drill holes and disclosing assay results from the first three holes drilled on the Marathon W Horizon with the highest assays from drill hole M 19-530 which returned 3.08 g/t Pt and 8.97 g/t Pd over an 8 meter contiguous core length.

On September 9, 2019, Generation released an Updated Mineral Resource Estimate on the Marathon Property deposit prepared by P&E Mining Consultants ("P&E"). The study estimated that the Marathon deposit contains a Measured and Indicated Mineral Resource of 7.13 million ounces PdEq, within a 179-million-tonne pit constrained deposit grading 1.24 grams per tonne PdEq, calculated at a $13-net-smelter-royalty-per-tonne ("NSR") cut-off (includes an estimated 3.24 million ounces Pd, 1.06 million oz platinum and 796 million pounds of Cu). As a gauge of resource integrity and Mineral Resource Sensitivity, if the cut-off is increased to $25 NSR per tonne then the deposit contains a Measured and Indicated Mineral Resource of 5.83 million ounces PdEq within a 116-million-tonne pit constrained deposit grading 1.56 grams per tonne PdEq (includes an estimated 2.74 million oz Pd, 0.85 million oz Pt and 639 million lb of Cu). Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability.

On October 15, 2019, the Company announced that it has engaged P&E to undertake a PEA of the Marathon deposit on its Marathon Palladium-Copper project. The PEA was initiated immediately and expected to be completed by year-end. The Company has instructed P&E to investigate a number of mining scenarios, including a smaller, higher grade starter pit which can be expanded to full production after the initial payback has been achieved.

During the first quarter of 2019, the Company released additional results from the 2018 airborne VTEM™ survey on the western portion of the Rawdon property in Nova Scotia, where 976 line kilometers of VTEM™ survey were flown in late 2018. The VTEM™ survey discovered four conductive responses of primary interest, all of them proximal to the Rawdon Fault Zone, which is believed to have placed the prospective (for Zn, Pb and Cu mineralization) lower units of the variably conductive Windsor Group rocks in faulted contact with the basement rocks of the older, and magnetic Meguma Super Group. These discoveries are supported by an extensive database of historic airborne/ground geophysical and drill hole data, including gravity, magnetic, EM and 2D seismic, and are now drill-ready.

The Company received, during the first quarter of 2019, assay results from till samples obtained by the geochemical sampling survey at the Alberta Zinc project, which was completed in the last quarter of 2018.

Acquisition, Evaluation and Exploration Expenditures

The following table displays the acquisition, evaluation and exploration expenses by project for the three and nine months ended September 30, 2019 compared with the same period in the prior year.

	Three months ended		Nine months ended	January 11, 2018 to
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Marathon	7,458,814	-	7,458,814	-
Darnley Bay Anomaly	-	318,555	24,806	496,334
Davidson	-	4,624	133,191	181,289
Nak	15,000	15,000	23,429	17,042
Clear Lake	-	13,320	-	23,320
Rawdon Zinc (formerly Kennetcook)	2,010	140,228	25,869	544,473
Alberta Zinc	-	9,173	26,018	74,889
Total expenditures in the period	$ 7,475,824	$ 500,900	$ 7,692,127	$ 1,337,347
Transfer of mineral properties	-	-	-	1,216,848
Total mineral property expenditures	$ 7,475,824	$ 500,900	$ 7,692,127	$ 2,554,195

The cumulative acquisition, evaluation and exploration expenditures incurred by Generation by property are summarised as follows:

	Acquisition and Evaluation		Exploration	Cumulative from January 11, 2018 to September 30, 2019
	Cash	Shares		
Marathon	3,275,661	3,000,000	1,183,153	7,458,814
Darnley Bay Anomaly	48,156	-	528,785	576,941
Davidson	314,480	-	-	314,480
Nak	49,400	-	2,042	51,442
Clear Lake	23,320	-	-	23,320
Rawdon Zinc (formerly Kennetcook)	60,394	191,400	298,974	550,768
Alberta Zinc	60,593	31,900	87,282	179,775
Total expenditures in the period	$ 3,832,004	$3,223,300	$ 2,100,236	$ 9,155,540
Transfer of mineral properties from Arrangement		1,216,848		1,216,848
Total cumulative mineral property expenditures	$ 3,832,004	$4,440,148	$ 2,100,236	$ 10,372,388

RESULTS FROM OPERATIONS

Operating loss for the three and nine months ended September 30, 2019 was $8,979,386 and $9,999,799, respectively, compared to loss of $641,215 and $3,296,280, respectively in the same periods in 2018.

The Company's accounting policy is to expense acquisition, evaluation and exploration expenditures incurred prior to the establishment of technical feasibility and commercial viability on its mineral properties. Included in the acquisition, evaluation and exploration expenses in the three and nine months ended September 30, 2019 was the cost of $7,458,814 related to the acquisition and operation of Marathon Property. At September 30, 2019, the Company has incurred $1,337,982 in exploration and evaluation expenditures on the Marathon Property.

The acquisition, evaluation and exploration expenses for the nine months in the prior year consisted mainly the cost of the properties transferred through the Arrangement of $1,216,848, the cost of acquisition and a helicopter-borne electromagnetic and magnetic geophysical survey of the Rawdon Zinc project, and exploration expenses including the cost of a magnetotelluric survey on the Darnley Bay Anomaly project.

Share-based compensation expenses, a non-cash item, were $1,101,000 for the three and nine months ended September 30, 2019, compared to $nil and $287,464 respectively, in the same periods of 2018. Professional fees and investor communication expenses increased by $212,778 and $562,845, respectively, during the three and nine months ended September 30, 2019 in comparison with the same periods in 2018, due to increased activities in the financing and acquisition of the Marathon Property. Comprehensive loss was $9,505,184 and $11,103,697, respectively, for the three and nine months ended September 30, 2019, after accounting for a revaluation loss of $525,798 and $1,103,898, respectively, on the common shares held in and receivable from Eastern Zinc.

Summary of Quarterly Results

Three Months Ended	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Incorporation to Mar 31, 2018
Acquisition, evaluation and exploration	$7,475,824	$7,425	$208,878	$126,056	$500,900	$685,577	$1,367,728
General and administration	402,562	613,029	191,083	191,093	140,316	257,144	57,151
Share-based payments	1,101,000.00	-	-	33,162	-	287,464	-
Operating loss	(8,979,386)	(620,454)	(399,961)	(350,311)	(641,216)	(1,230,185)	(1,424,879)
Net income (loss) and comprehensive income (loss)	(9,505,184)	(1,334,654)	(263,860)	1,803,461	(641,216)	(1,230,185)	(1,424,879)
Basic and diluted earnings (loss) per share	$(0.110)	$(0.030)	$(0.006)	$0.040	$(0.010)	$(0.030)	$(0.089)
Weighted average number of common shares outstanding	83,909,901	45,573,475	45,469,934	45,469,934	45,469,934	39,162,242	15,969,934

FINANCIAL POSITION

As at September 30, 2019, the Company had total assets of $7,030,641 (December 31, 2018 - $3,251,419) and net assets of $4,965,770 (December 31, 2018 - $2,904,626). Restricted cash at September 30, 2019 included a cash-backed letter of credit of $56,500 related to the lease of the corporate office premise.

Included in prepaid expenses and deposits of $137,960 at September 30, 2019 was a $120,000 deposit paid upon signing the drilling and helicopter contracts for the 12,000-metre drilling program on the Marathon Property.

As at September 30, 2019, receivables of $677,010 (December 31, 2018 - $531,744) and marketable securities of $605,443 (December 31, 2018 - $1,502,550) mainly related to the value of the common shares of Eastern Zinc held and receivable by the Company. The Eastern Zinc common shares are valued at each balance sheet date based on a 30-day volume weighted average price traded on the CSE. At September 30, 2019, the Company held 12,600,000 common shares of Eastern Zinc valued at $605,443 and an additional 5,010,000 common shares valued at $240,736 are receivable at the end of the quarter and as of the date of the MD&A. These shares are part of the consideration for the Company's Clear Lake assignment transaction with Eastern Zinc in October 2018.

The company acquired land, buildings, and vehicles at the cost of $630,035 in July 2019 as a result of the acquisition of the Marathon Property. A depreciation expense of $14,769 was recorded during the three and nine months ended September 30, 2019.

Accounts payable and accrued liabilities amounted to $1,503,026 at September 30, 2019 compared to $183,388 at the end of 2018. The increase is due mainly to the Company's expansion in connection with the acquisition and operation of the Marathon Property. A majority of the amount related to bills and invoices with respect to drilling and evaluation programs ongoing at the end of the quarter.

The debt of $176,077 represents an unsecured amount, including accrued interest, owing to a former officer of Pine Point (formerly Darnley Bay Resources Limited) incurred from October 3, 2003 to April 28, 2006. The obligation payments on the debt were suspended on March 30, 2012. This liability was part of the liabilities assumed by the Company through the Arrangement on February 23, 2018.

As a result of adopting IFRS 16, the Company recognized a right-of-use asset for its corporate office lease. As at September 30, 2019, the balance of the right of use asset was $251,924 (2018 - $nil) after depreciation expense of $17,255, with a corresponding lease liability balance of $256,157 (2018 - $nil).

LIQUIDITY

The Company relies on equity financings to fund its exploration and acquisition activities, cover administrative expenses and to meet obligations as they become due.

Cash used in operating activities during the nine months ended on September 30, 2019 was $4,975,257 compared with $1,480,227 for the same period in the prior year. The increase in cash used in operations in 2019 is mainly due to the acquisition, exploration and evaluation of the Marathon Property, and corresponding increases in professional fees, investor communications expenses and general and administrative expenses, as the Company expanded over the periods.

The Company's main source of liquidity is its cash. These funds are primarily used to finance working capital, exploration expenditures, capital expenditures, and acquisitions. The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash. Cash is held on deposit with a major Canadian chartered bank.

As at September 30, 2019, the Company had current assets of $6,163,451 (December 31, 2018 - $3,251,419) to cover current liabilities of $1,834,601 (December 31, 2018 - $346,793). The current assets included marketable securities and receivables that may not be readily sold for cash to use in operations. As at September 30, 2019, the Company had cash of $4,678,513 and restricted cash of $64,525 (December 31, 2018 - $nil).

A non-brokered private placement financing of 6,167,460 flow-through shares was closed, in two tranches in August and September 2019 respectively, at a price of $0.315 per share for aggregate gross proceeds of $1,942,750. The Company paid a cash finder's fee of $1,575. All proceeds from the sale of the flow-through shares will be used to incur eligible Canadian Exploration Expenses at the Company's Marathon Property and qualify as "flow-through mining expenditures" as defined in the Income Tax Act (the "Qualifying Expenditures"). The Qualifying Expenditures will be renounced to the subscribers with an effective date no later than December 31, 2019.

CAPITAL RESOURCES & GOING CONCERN UNCERTAINTY

The Company does not have any debt or credit facilities with financial institutions.

At present, the Company's operations do not generate cash in-flows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. To finance the Company's exploration programs and to cover administrative and overhead expenses, the Company raises money through equity financings. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities.

Management believes it will be able to raise capital as required in the long term but recognizes there will be risks involved that may be beyond their control. If the Company is unable to raise sufficient financing, it may need to scale back its intended exploration program and its other expenses. The Company will be relying on equity financings to fund its exploration and acquisition activities, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. Other than as discussed herein, the Company is not aware of any trends, demands, commitments, events or uncertainties that may result in its liquidity either materially increasing or decreasing at present or in the foreseeable future, other than general market conditions, which are uncertain for junior exploration companies. Material increases or decreases in the Company's liquidity will be substantially determined by the success or failure of its exploration programs, as well as its continued ability to raise capital.

The financial statements of the Company do not include any adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classification that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the financial statements. These adjustments could be material.

DIVIDENDS

The Company has neither declared nor paid any dividends on its common shares. The Company intends to retain its earnings, if any, to finance growth and expand its operation and therefore does not anticipate paying any dividends on its common shares in the foreseeable future.

RELATED PARTY TRANSACTIONS

Key management of the Company includes its directors, Chief Executive Officer and Chief Financial Officer. Compensation to key management is paid in the form of cash and share-based payments.

During the three and nine month periods ended September 30, 2019, key management of the Company charged consulting fees in the amount of $105,200 (2018 - $69,075) and $311,500 (2018 - $121,575), respectively. In addition, the Company granted 2,800,000 stock options to key management (2018 – 2,400,000). The options are exercisable at $0.30 for a five-year period up to July 16, 2024. The fair value of the options was estimated to be $756,000 (2018 - $236,148).

During the first quarter of 2019, two directors of the Company acted as vendors in the Claims Acquisition Agreement for the Rawdon Zinc property, through companies under their control. Under the terms of the Claims Acquisition Agreement, each director received 750,000 common shares of the Company.

As at September 30, 2019, accounts payable include $81,940 (December 31, 2018 - $30,955) due to the related parties mentioned above.

Management believes these transactions are in the normal course of business and are measured at their fair value.

OUTSTANDING SHARE DATA

The Company relies primarily on equity financing to fund its working capital needs. The following table sets forth information concerning the outstanding securities of the Company.

	November 26 2019	September 30 2019	June 30 2019	March 31 2019	December 31 2018	September 30 2018	June 30 2018	March 31 2018
Number of:								
Common shares	91,501,439	91,501,439	45,654,684	45,469,934	45,469,934	45,469,934	45,469,934	15,969,934
Warrants	26,955,250	26,955,250	12,669,250	12,854,000	12,854,000	12,854,000	12,854,000	-
Stock options	7,346,500	7,346,500	3,300,000	3,300,000	3,300,000	3,000,000	3,000,000	-

Common Shares

On June 5, 2019, the Company completed the bought deal Private Placement of 28,572,000 subscription receipts at a price of C$0.28 per subscription receipt for aggregate gross proceeds of $8 million. Each subscription receipt will automatically convert into one unit of the Company in connection with the acquisition of the 51% initial interest in the Marathon Property, with each unit comprised of one common share of the Company and one-half of one common share purchase warrant of the Company (a “Unit”). The gross proceeds of the Private Placement, less 50% of the underwriters’ fees and issuance expenses, were held in escrow as of June 30, 2019, pending satisfaction of certain escrow release conditions, including the completion of the Marathon Property acquisition.

The Company satisfied the escrow release terms for the Private Placement and on July 9, 2019, and received the gross proceeds of the Private Placement, less the cash commission and issuance expenses. The outstanding subscription receipts for common shares and common share purchase warrants were converted into an aggregate of 28,572,000 common shares and 14,286,000 common share purchase warrants, each such warrant exercisable for one common share at a price of $0.45 per share until July 9, 2021. Cost of the Private Placement included a cash commission of 7% of the gross proceeds and compensation options issued to the underwriters to purchase equal to 7% of the total Units issued in the Private Placement.

On July 10, 2019, the Company issued 11,053,795 common shares at a deemed price of $0.2714 per share (totalling $3,000,000) for the acquisition of 51% of the Marathon Property.

A non-brokered private placement financing of 6,167,460 flow-through shares was closed, in two tranches in August and September 2019 respectively, at a price of $0.315 per share for aggregate gross proceeds of $1,942,750. The Company paid a cash finder's fee of $1,575.

During the three and nine months ended September 30, 2019, a total of 184,750 common shares were issued upon the exercise of 184,750 broker warrants for total proceeds of $18,475. In addition, the Company issued 53,500 common shares upon the exercise of 53,500 options at $0.15 for total proceeds of $8,025.

Warrants

The following table summarizes warrants that have been issued during the period from incorporation on January 11, 2018 to September 30, 2018 and the nine-month period ended September 30, 2019:

	Number of warrants	Exercise price	Expiry date
Outstanding, January 11, 2018	0		
Warrants issued	11,275,000	$ 0.20	April 20, 2020
	1,299,000	$ 0.10	April 20, 2020
	250,000	$ 0.20	April 25, 2020
	30,000	$ 0.10	April 25, 2020
Outstanding, September 30, 2018 and December 31, 2018	12,854,000		
Warrants issued	14,286,000	$ 0.45	July 9, 2021
Broker warrants exercised	(184,750)	$ 0.10	
Outstanding, September 30, 2019	26,955,250		

Stock Options

On May 9, 2018, the Company adopted an incentive Stock Option Plan (the "Plan"). Under the Plan, options are non-assignable and may be granted for a term not exceeding five years. The total number of common shares that may be reserved for issuance may not exceed ten percent of outstanding common shares at the grant date and may not exceed five percent for any one person in any 12-month period. The exercise price of an option may not be lower than the discounted market price of the common shares on the Canadian Securities Exchange. The options are non-transferable. Outstanding options may be adjusted by the Board in certain events, as to exercise price and number of common shares, to prevent dilution or enlargement.

The Company granted 3,900,000 options to purchase common shares for a price of $0.30 over a period of five years to officers, directors and consultants of the Company during the third quarter of 2019. An additional 200,000 options were granted during the quarter exercisable at $0.35 for a period of two years.

RISKS AND UNCERTAINTIES

The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration and development of mining properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward–looking information relating to the Company.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made by the Company towards the search for and evaluation of mineral deposits will result in discoveries or development of commercial quantities of base metals.

There have been no material changes in the risks and uncertainties affecting the Company that were discussed in the Company's 2018 year-end MD&A that was filed on SEDAR on April 26, 2019.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's financial statements in conformity with IFRS requires management to make estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Actual results may differ from those estimates. Significant estimates made by the Company include factors affecting the fair value of equity instruments, income taxes and the determination of going concern assumptions.

SIGNIFICANT ACCOUNTING POLICIES

Generation follows the accounting policies described in Note 3 of the Company's unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2019 and that of December 31, 2018 audited financial statements as published on SEDAR on April 26, 2019.

RECENT ACCOUNTING PRONOUNCEMENT

The Company adopted IFRS 16 Leases, which sets out the principles for the recognition, measurement and disclosure of leases. IFRS 16 provides revised guidance on identifying a lease and for separating lease and non-lease components of a contract. IFRS 16 introduces a single accounting model for all lessees and requires a lessee to recognize right-of-use assets and lease liabilities for leases with terms of more than 12-months, unless the underlying asset is of low value. Under IFRS 16, lessor accounting for operating and finance leases will remain substantially unchanged. The Company's lease of corporate office premise for a term of 78 months commenced in May 2019. The adoption of IFRS 16 has resulted in the recognition of right-of-use asset of $251,924 and lease liability of $256,157 on the Company's financial statements for the nine months ended September 30, 2019.

DISCLOSURE CONTROLS AND PROCEDURES

Management is responsible for the design and effectiveness of disclosure controls and procedures to provide reasonable assurance that material information related to the Company is made known to the Company's certifying officers. The Company's President & Chief Executive Officer and Interim Chief Financial Officer have each evaluated the effectiveness of the Company's disclosure controls and procedures as at September 30, 2019 and have concluded that these controls and procedures are effective. Such controls are facilitated by the small size of the Company's senior management team and their access to material information.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

The Company's management, under the supervision of its President & Chief Executive Officer and Interim Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting. Based on a review of its internal control procedures at the end of the period covered by this MD&A, management believes its internal controls and procedures are appropriately designed as at September 30, 2019.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Except for statements of historical fact relating to Generation, certain information contained in this MD&A constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the potential of the Company's properties; the future price of precious and/or base metals; success of exploration activities; cost and timing of future exploration and development; requirements for additional capital and other statements relating to the financial and business prospects of the Company. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during permitting; the possibility that future exploration results will not be consistent with the Company's expectations; timing and availability of external financing; the uncertainty of conducting activities within a joint venture structure; currency exchange rates; government regulation of mining operations; failure of equipment or processes to operate as anticipated; risks inherent in mineral exploration and development including environmental hazards, industrial accidents, unusual or *unexpected geological formations; and uncertain political and economic environments. Although management of Generation has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.*