

GENERATION MINING

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED DECEMBER 31, 2018 AND THE PERIOD JANUARY 11, 2018 TO DECEMBER 31, 2018

This Management's Discussion and Analysis ("MD&A") reviews the financial condition and results of operations of Generation Mining Limited ("Generation" or the "Company") for the three months ended December 31, 2018 and from the period from incorporation on January 11, 2018 to December 31, 2018. The MD&A was prepared as of April 25, 2019 and should be read in conjunction with the audited financial statements for the period January 11, 2018 to December 31, 2018, including the notes thereto. 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, including the Company's audited financial statements 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

Generation Mining Limited is a mineral exploration and development stage company focused on base and precious metal deposits in Canada. 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.

Generation Mining Limited was incorporated under the Business Corporations Act (Ontario) on January 11, 2018, for the sole purpose of participating in an arrangement agreement ("the Arrangement") and to hold certain Property and Liabilities (such terms defined in Section – General Development of the Business) upon the completion of the Arrangement. Its registered office is located at 365 Bay Street, Suite 400, Toronto, Ontario M5H 2V1. 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 economic deposits with the objective of enhancing the value of its properties either by direct exploration or through joint ventures to third parties.

HIGHLIGHTS

- Company incorporated on January 11, 2018;
- Spinoff transaction completed with Osisko Metals Inc. on February 23, 2018;
- Purchase of Rawdon (formerly Kennetcook) project in Nova Scotia on March 16, 2018;
- \$2.6 million private placement financing completed on April 25, 2018;
- Common shares of Company listed for trading on Canadian Securities Exchange on May 9, 2018;
- Executed option agreement for Alberta Zinc project on May 10, 2018;

- Undertook significant exploration program, primarily on the Darnley Bay Anomaly and Rawdon Zinc projects;
- Executed agreement to assign the exclusive right and option to acquire 100% interest in the Clear Lake property on October 1, 2018;
- Received Depository Trust Company eligibility to facilitate electronic settlement of transfers of the Company's common shares in the United States;
- Signed long term lease for office space on February 20, 2019;
- Announced letter of intent to option the Marathon PGM deposit in Ontario on April 17, 2019.

SUBSEQUENT EVENTS

On February 20, 2019, the Company co-signed a lease for office space commencing on May 1, 2019 for a term of six years and six months. The Company has a commitment for its share of the basic and additional rent of \$10,687 per month.

On April 17, 2019, Generation announced that it has 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 "Property"). The Property consists of 44 mining leases totalling 3,013 hectares, and an additional 82 contiguous mining claims covering 13,312 hectares. The LOI gives Generation until June 15, 2019 to complete its confirmatory due diligence review, negotiate a definitive agreement, raise the required funds (at least CDN\$8 million) and complete the earn in of an initial 51% interest in the Property (as described later in Exploration Activities section of the MD&A).

OUTLOOK

The Company's focus for 2019 is to continue the exploration program on its current properties. In addition, Generation intends to complete its confirmatory due diligence review, negotiate a definitive agreement on the Marathon PGM deposit, raise the required funds, complete the earn in of an initial 51% interest and develop an exploration program for the Marathon PGM deposit.

GOING CONCERN UNCERTAINTY

The Company is at an early stage of development and, as is common with many exploration companies, it relies on financings to fund its exploration and acquisition activities. The Company had working capital of \$1,402,076 (excluding marketable securities) as at December 31, 2018; had not yet achieved profitable operations; had accumulated losses of \$1,492,819 as at December 31, 2018; 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.

GENERAL DEVELOPMENT OF THE BUSINESS

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 Mining Limited.

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 the Company.

Contribution Agreement

Pursuant to the Arrangement, the Company, Pine Point and Osisko Metals entered into a Contribution Agreement dated February 23, 2018, pursuant to which Pine Point transferred the Transferred Property (defined below) to Generation Mining Limited and the Company assumed the Transferred Liabilities (as defined below). The "Transferred Property" includes:

- Pine Point’s interest in the Davidson molybdenum project in British Columbia;
- Pine Point’s interest in the Clear-Lake zinc-lead-silver project in Yukon;
- Pine Point’s interest in the “Darnley Bay Anomaly” and diamond project in Northwest Territories;
- Pine Point’s interest in the Nak Copper-Gold project in British Columbia;
- Pine Point’s interest in the Lac Lessard project in northern Quebec;
- Those physical assets not located at the Pine Point project location, including all assets located in Pine Point’s Toronto office, computers, office supplies and furnishings; and
- The cash held by, and cash amounts otherwise owing to, Pine Point (including all available tax refunds and receivables paid or payable from any governmental entity), less certain cash amount to be retained by Pine Point.

The “Transferred Liabilities” assumed by the Company pursuant to the Arrangement and the Contribution Agreement include all liabilities and obligations, whether accrued, contingent or otherwise, which arise out of or in connection with, the ownership, possession, financing, development or operation of the Transferred Property or which otherwise pertain or relate to the Transferred Property.

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.

On January 11, 2018, Generation Mining Limited was incorporated to hold all the assets and liabilities of Pine Point, with the exception of the Pine Point Project located in the Northwest Territories. On February 23, 2018, and in accordance with the terms of the Arrangement, the Transferred Property and Transferred Liabilities were transferred to the Company. For accounting purposes, the transaction has been recorded as an asset acquisition.

MINERAL PROPERTIES

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.Ge., Director of the Company and Vice President, Exploration, a "Qualified Person" under National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

Darnley Bay Anomaly, Northwest Territories: The Company holds 100% of the rights to a mineral concession covering the Inuvialuit Settlement Region's Paulatuk 7(1)(a) lands where the Inuvialuit hold the mineral and surface rights. The area hosts base metal and potential 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 Company and Diadem Resources Ltd. jointly hold 13 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. Diadem is currently responsible for all expenses relating to the property.

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 \$250,000 were made prior to December 31, 2018. On April 1, 2019, the third anniversary payment of \$100,000 on the Davidson property was paid. 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%.

Clear Lake, Yukon Territory: 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 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. An additional \$50,000 in cash will be paid and 1,670,000 (5,010,000 post split) common shares of Eastern Zinc will be issued to the Company on October 1, 2019.

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 have been \$45,000 in cash payments and \$25,513 work commitment made as at December 31, 2018. Continuing commitments include \$15,000 on the next anniversary of signing, \$30,000 on the fourth anniversary and \$60,000 on the fifth anniversary. Bonus payments to the vendor will consist of \$25,000 on 1,500 metres of drilling, a further \$25,000 upon a total of 3,000 metres of drilling and \$125,000 and 250,000 common shares will be payable upon the completion of an additional 7000 meters of drilling for a total of 10,000 meters on or before December 31, 2022. The Company has a work commitment balance of \$474,487 to be made prior to August 31, 2019.

Rawdon Zinc, Nova Scotia: On March 16, 2018, the Company entered into a Claims Acquisition Agreement to acquire a 100% interest an exploration property with potential to host lead-zinc-silver-copper mineralization in central Nova Scotia consisting of nine mineral licenses covering an area of approximately 11,171 hectares. Pursuant to the agreement, the Company issued 3,000,000 common shares fair valued at \$191,400 to the vendors. In May of 2018, the Company acquired nine additional mineral licenses covering an area of approximately 9,504 hectares for a total area of 20,675 hectares at December 31, 2018.

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 fair valued at \$31,900 to the vendor upon signing and committed to a minimum of \$100,000 in expenditures on the property by December 8, 2018. On November 16, 2018, the Company was granted a 60-day extension to

complete the work commitment. A further payment of \$50,000 (in cash or shares) on the first anniversary date and an additional \$200,000 before the second anniversary of the agreement is required. The property is subject to a 2% gross metals royalty, of which half can be purchased by the Company at any time for \$1 million.

EXPLORATION ACTIVITIES

The Company has completed a significant exploration program for 2018 including:

- Darnley Bay Gravity Anomaly - a magnetotelluric survey consisting of 116 sites over an area measuring approximately 40 x 50 km;
- Rawdon Zinc Project - a helicopter-borne electromagnetic and magnetic geophysical survey;
- Alberta Zinc Project- a geochemical sampling survey.

On September 12, 2018, the Company conducted a summer magnetotelluric (“MT”) program at its property near Paulatuk, Northwest Territories. The program has had the dual result of imaging the deep source of the Darnley Bay Anomaly and outlining a number of large discrete exploration targets nearer to the surface. A total of 116 magnetotelluric, deep searching geophysical soundings, were collected on the Darnley Bay property, over a 40 x 50-kilometre area, and blanketing the Darnley Bay geophysical anomaly. The program was completed by Quantec Geoscience Ltd., Toronto with technical support provided by Stevens Geophysics Inc., Sudbury, Ontario.

The Company continued interpretation of results from the MT program at Darnley Bay. Analysis of the MT data has indicated four large, conductive MT anomaly locations ranging from 800-1200 meters in depth to the top of the source. Each of the MT anomaly source locations is larger than one square kilometer and is marked by a significant decrease in resistivity. All four drill targets are coincident with strong gravity and magnetic anomalies. A total of 116 MT, deep searching geophysical soundings, were collected on the property, over a 2000 square-kilometer area blanketing the Darnley Bay gravity anomaly. The MT data was used to estimate the electrical resistivity structure of the Earth beneath each data station. The MT data suggests four discrete locations of significantly decreasing resistivity (i.e. increasing conductivity) in the subsurface, all closely associated with local fault structures interpreted to offset the basin layering, and coincident with strong local gravity and magnetic peaks. Of importance to Generation Mining is that the source rocks of these MT anomalies are located within 800-1200 meters of surface and may be associated with prospective rocks in the sedimentary basin whose origins may be connected to a deeply seated intrusive event.

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 earn the interest, Eastern Zinc paid \$50,000 in cash and issued 4,200,000 common shares in the capital of Eastern Zinc to the Company upon the execution of the agreement. An additional \$50,000 in cash will be paid and 1,670,000 common shares issued by Eastern Zinc to the Company on October 1, 2019. Subsequent to October 1, 2018, Eastern Zinc’s common shares were split 3:1.

Generation Mining announced on November 28, 2018 that all permits have been received for a sampling program to be conducted on the Alberta Zinc property near High Level, Alberta. On November 16, 2018, the Company was granted a 60-day extension on the December 8, 2018 deadline to spend \$100,000 on the Alberta Zinc property. The geochemical sampling survey which was planned for the third quarter of 2018 was rescheduled and was completed prior to February 6, 2019.

On November 21, 2018, The Company announced initial results from the 2018 airborne VTEM™ (Versatile Time Domain Electromagnetic System) survey, part of the base metals exploration program at its Rawdon East property in central Nova Scotia. The program has identified several VTEM™ anomalies representing high-priority drill targets on the recently-staked Rawdon East property. A 222 line-km VTEM™ survey,

completed in August, has identified VTEM™ anomalies in geologic units which host a number of historical lead-zinc deposits.

On February 7, 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 kilometres 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.

Acquisition, Evaluation and Exploration Expenditures for 2018

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

| | Acquisition and Evaluation | | Exploration | Cumulative from January 11 to December 31, 2018 |
|---|----------------------------|-----------|-------------|---|
| | Cash | Shares | | |
| Darnley Bay Anomaly | 23,350 | - | 528,785 | 552,135 |
| Darnley Bay Diamond | - | - | - | - |
| Davidson | 181,289 | - | - | 181,289 |
| Nak | 25,971 | - | 2,042 | 28,013 |
| Clear Lake | 23,320 | - | - | 23,320 |
| Rawdon Zinc (formerly Kennetcook) | 41,950 | 191,400 | 291,549 | 524,899 |
| Alberta Zinc | 34,575 | 31,900 | 87,282 | 153,757 |
| Total expenditures in the period | \$ 330,455 | \$223,300 | \$ 909,658 | \$ 1,463,413 |
| Transfer of mineral properties from Arrangement | | | | 1,216,848 |
| Total mineral property expense | | | | \$ 2,680,261 |

Binding Letter to Option the Marathon PGM Deposit

On April 17, 2019, the Company announced that it had signed a binding 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 “Property”). The Property consists of 44 mining leases totaling 3,013 hectares, and an additional 82 contiguous mining claims covering 13,312 hectares. The LOI gives Generation until June 15, 2019 to complete its confirmatory due diligence review, negotiate a definitive agreement, raise the required funds and complete the earn in of an initial 51% interest in the Property.

About the Property

The Property was developed from 1985 to 2010 by various companies and was eventually owned by Marathon PGM Corporation. Stillwater Mining Company (“Stillwater”) acquired Marathon PGM Corporation in 2010 for US\$118 million. In 2017, the Property was acquired by Sibanye-Stillwater when it purchased Stillwater.

The Property is located in north-western Ontario approximately 215 km east of Thunder Bay and 10 km north of Marathon, Ontario, on the eastern margin of the Coldwell Complex, a Proterozoic layered intrusion. The palladium, platinum and copper mineralisation in the Property occurs principally in the Two Duck Lake gabbro. The known zones of significant mineralisation have a total north-south strike length of approximately 3km and dip 30° to 40° toward the west. The mineralisation has a true thickness ranging from 4m to 100m.

More than 146,000 metres of drilling in 790 holes have been drilled to date on the Property, which has been the subject of feasibility studies and numerous mineral resource estimates. The portion of the Property that hosts the Marathon deposit has no outstanding royalties.

The Property is located in close proximity to excellent infrastructure. The Trans-Canada highway runs through the Property, as does the main line of the Canadian Pacific Railroad. There are also several power lines crossing the Property. The town of Marathon, where many of the employees of the nearby Hemlo gold mine reside, offers a staging point for any future mine construction.

Transaction Terms

- (a) Generation paid to Sibanye-Stillwater CDN\$100,000 upon signing of the letter of intent;
 - (b) In order to earn an initial 51% interest in the Property (at which time Generation shall assume all commitments on the Property and shall become the sole operator of the Property unless and until the interest of Generation in the Property shall reduce to a minority interest), Generation shall, on or before June 15, 2019:
 - (i) raise at least CDN\$8 million through a financing via the sale of shares or other securities;
 - (ii) pay to Sibanye-Stillwater (or as directed by Sibanye-Stillwater) an additional CDN\$2,900,000 in cash; and
 - (iii) issue to Sibanye-Stillwater CDN\$3,000,000 worth of common shares of Generation, at a deemed price per common share equal to the price per common share issued pursuant to the above-mentioned financing;
 - (c) for an additional 29% interest in the Property, within four years of the closing date (the “Second Earn-In Period”):
 - (i) Generation shall make total cash exploration and development expenditures on the Property of at least CDN\$10,000,000,
 - (ii) during the Second Earn In Period, Generation must make all required expenditures in respect of the Property and related permits and associated rights which comprise taxes.
- If Generation does not earn into the additional 29% interest in the Property, then for a period of 90 days after the termination of the Second Earn-In Period, Sibanye-Stillwater shall have a onetime option to re-acquire an additional 31% interest in the Property for a total 80% interest, for CDN\$1.00.
- (d) Once Generation has earned an 80% interest in the Property, Sibanye-Stillwater shall fund any future exploration and development costs on a pro rata basis with Generation (80% funded by Generation and 20% funded by Sibanye-Stillwater) in order to maintain its 20% interest in the Property, subject to normal dilution provisions.
 - (e) Upon Generation completing a definitive feasibility study (the “DFS”) and making a positive commercial production decision, so long as Sibanye-Stillwater has a minimum 20% interest in the Property, then Sibanye-Stillwater will have 90 days to increase its ownership from 20% to a total 51% interest by, within 90 days of the commercial decision date, agreeing to fund 31% of the total capital costs as estimated

in the DFS, after which Sibanye-Stillwater and Generation will contribute the remaining funds on a 51%/49% basis.

Generation intends to complete its confirmatory due diligence review, negotiate a definitive agreement on the Marathon PGM deposit, raise the required funds, complete the earn in of an initial 51% interest and develop an exploration program for the Marathon PGM deposit.

OVERALL PERFORMANCE

| | Three months ended December 31, 2018 | January 11 to December 31, 2018 |
|--|---|------------------------------------|
| Acquisition, evaluation and exploration expenditures | \$126,056 | \$2,680,261 |
| Administrative expenses | 191,093 | 645,703 |
| Share-based payments | 33,162 | 320,626 |
| <hr/> | | |
| Operating loss | (350,311) | (3,646,590) |
| <hr/> | | |
| Net income (loss) and comprehensive income (loss) | 1,803,461 | (1,492,819) |
| | | |
| Basic and diluted earnings (loss) per share | \$0.04 | \$(0.04) |
| | | |
| Weighted average number of commons shares outstanding | 45,469,934 | 35,225,773 |

Operating loss for the three months ended December 31, 2018 was \$(350,311). Net income and comprehensive income for the three months ended December 31, 2018 was \$1,803,461 or \$0.04 per share. As this is the first year of the Company's operation, there are no comparative results for the prior year.

On October 1, 2018, Generation entered into an Assignment, Assumption and Amending Agreement ("Clear Lake Agreement") with Eastern Zinc Corp. ("Eastern Zinc") and the optionor of the Clear Lake zinc-lead-silver deposit located in the Yukon Territory, to assign the exclusive right and option to acquire a 100% interest in the property to Eastern Zinc. The consideration was \$50,000 in cash and 4,200,000 common shares of Eastern Zinc (EZNC:CSE) received at the execution of the Clear Lake Agreement on October 1, 2018 with an additional \$ 50,000 in cash and 1,670,000 (5,010,000 following stock split) common shares to be issued on the one year anniversary of the Clear Lake Agreement. The gain on the transaction was recorded at \$1,424,885.

As at December 31, 2018, the Company held 12,600,000 common shares (20.6%) of the outstanding common shares of Eastern Zinc. Generation does not exert significant influence on Eastern Zinc since it does not have representation on the Board of Directors, does not participate in management or decision-making processes, does not share management personnel and there are no material business dealings or transactions between the Company and Eastern Zinc going forward. Therefore, the Company is accounting for the common shares of Eastern Zinc as a portfolio investment at fair value. As of the date of this report, the Company owns less than 20% of the outstanding common shares of Eastern Zinc.

On October 1, 2018, the common shares of Eastern Zinc were valued at \$1,008,000 based on the market price less a 20 per cent discount for the four-month hold period. As of December 31, 2018, the Eastern Zinc common shares were valued at \$1,502,550 based on a 30-day volume weighted average price less a 10% discount for the remaining hold period placed on the common shares. The discount was based on discount for securities with similar hold periods from restricted stock studies. A gain of \$494,550 was included in the statement of loss and comprehensive loss for the change in the fair value of the investment in Eastern Zinc.

As part of the sale of the Clear Lake property, Eastern Zinc has agreed to pay additional consideration of \$50,000 and 5,010,000 (post stock split) shares of Eastern Zinc on October 1, 2019. The additional consideration has been set up as a receivable and the shares to be received recorded at fair value. As at December 31, 2018, the shares were valued based on the 30-day volume weighted average price less a 32.58% discount or \$447,526. The gain on the securities receivable was \$130,641.

During the fourth quarter of 2018, Generation fulfilled the exploration expenditure commitments relating to the flow through share financing completed in April 2018 and consequently recognised in income a deferred income tax recovery of \$103,695.

Net loss and comprehensive loss for the period January 11 to December 31, 2019 was \$(1,492,819) or \$(0.04) per share.

Summary of Quarterly Results

| | Three months ended December 31, 2018 | Three months ended September 30, 2018 | Three months ended June 30, 2018 | January 11, 2018 to March 31, 2018 |
|--|--|---|--|---------------------------------------|
| Acquisition, evaluation and exploration | \$126,056 | \$500,900 | \$685,577 | \$1,367,728 |
| Administrative expenses | 191,093 | 140,316 | 257,144 | 57,151 |
| Share-based payments | 33,162 | | 287,464 | |
| Operating loss | (350,311) | (641,216) | (1,230,185) | (1,424,879) |
| Net income (loss) and comprehensive income (loss) | 1,803,461 | (641,216) | (1,230,185) | (1,424,879) |
| Basic and diluted earnings (loss) per share | \$0.04 | \$(0.01) | \$(0.03) | \$(0.09) |

In the period January 11, 2018 to March 31, 2018, the acquisition, evaluation and exploration expenditures of \$1,367,728 represented largely the value of the properties that were transferred from Pine Point on February 23, 2018 as a result of the Arrangement (non-cash item \$1,216,848) which were expensed as per the Company's accounting policy for mineral properties and the annual payment on the Davidson molybdenum project (\$100,000). In the three months ended June 30, 2018, exploration activities concentrated on the Darnley Bay Anomaly and acquisition costs relating to the Rawdon (formerly Kennetcook) and Alberta Zinc properties which were largely paid by issuing company shares. Exploration activities increased in the third quarter of 2018 with exploration expenditures of \$430,733 of which \$310,605 was for the Darnley Bay Gravity Anomaly (a magnetotelluric survey) and \$120,128 for the Rawdon Zinc Project (a helicopter-borne electromagnetic and magnetic geophysical survey). In the three months ended December 31, 2018, the exploration program was largely focused on the Alberta Zinc project.

Administrative expenses, which comprise management and corporate administration expenses, occupancy costs for corporate offices, professional fees and shareholder and investor communications ranged from a low of \$57,151 upon start-up of the Company to a high of \$257,144 in the second quarter of the 2018 once the Company ramped up its operations and incurred professional fees relating to the listing of its common shares on the Canadian Securities Exchange, increased investor relation expenses and legal costs relating to the acquisition of two mineral properties. The monthly run rate for administrative expenses for the third and fourth quarters of 2018 was approximately \$60,000 per month.

In the second quarter of 2018, there were 3,000,000 stock options issued by the Company while 300,000 stock options were issued in the quarter ending December 31, 2018. Share based payments expense, which is a non-cash item, has ranged from a low of \$nil to a high of \$257,144 depending on the timing associated with the granting of stock options and the recording of the associated share-based payment expense estimated pursuant to the Black-Scholes valuation model.

The Company had a net income in the fourth quarter of 2018 as a result of the gain on the assignment of the Clear Lake option (\$1,424,885) and the recognition in income of a deferred income tax recovery (\$103,695) and the gain on marketable securities and receivables (\$625,191) described in the previous section.

FINANCIAL POSITION

As at December 31, 2018, the Company had assets of \$3,251,419 and an equity position of \$2,904,626. Total assets as at December 31, 2018 consisted primarily of cash of \$1,167,899, receivables of \$531,744 deposits and prepaid expenses of \$49,226 and marketable securities valued at \$1,502,550.

In consideration of the assignment of the Clear Lake option agreement dated October 1, 2018, the Company holds 12,600,000 common shares of Eastern Zinc Corp. The Company may, depending on market and other conditions, or as future circumstances may dictate, from time to time, on an individual or joint basis, increase or dispose of some or all of the existing or additional securities it holds or will hold through market transactions, private agreements, or otherwise.

On October 1, 2018, the common shares of Eastern Zinc were valued at \$1,008,000 based on the market price less a 20 per cent discount for the four-month hold period. As of December 31, 2018, the Eastern Zinc common shares were valued at \$1,502,550 based on a 30-day volume weighted average price less a 10% discount for the remaining hold period placed on the common shares. The discount was based on discount for securities with similar hold periods from restricted stock studies. The investments in common shares are considered a Level 2 in the fair value hierarchy.

As at December 31, 2018, receivables were \$531,744 of which \$497,526 is related to the Clear Lake option assignment agreement. As part of the sale of the Clear Lake property, Eastern Zinc Inc. has agreed to pay additional consideration of \$50,000 and 5,010,000 shares of Eastern Zinc on October 1, 2019. The additional consideration has been set up as a receivable and the shares to be received recorded at fair value. As at December 31, 2018, the shares were valued based on the 30-day volume weighted average price less a 32.58% discount or \$447,526. As at December 31, 2019, accounts payable and accrued liabilities were \$183,388.

Debt of \$163,405 is recorded on the balance sheet and represents an unsecured amount (including accrued interest) owing to a former officer of Pine Point Mining Limited (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 "Transferred Liabilities" assumed by the Company on February 23, 2018.

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 by operating activities during the period January 11, 2018 to December 31, 2018 was \$1,762,627 largely due to cash payments for acquisition and evaluation expenditures (\$330,455), exploration expenditures on the Darnley Bay Anomaly (\$528,785), Rawdon Zinc (\$291,549), Alberta Zinc (\$87,282)

and Nak (\$2,042) projects, administrative and overhead expenses (\$645,703) partially offset by an increase in accounts payable.

Sources of cash for the period January 11, 2018 to December 31, 2018 were from the transaction with Pine Point Mining Limited (\$456,425), net proceeds from private placement (\$2,424,100) and cash proceeds from the Clear Lake property option assignment (\$50,000).

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. As at December 31, 2018, the Company had cash of \$1,167,899. Cash is held on deposit with a major Canadian chartered bank. As at December 31, 2018, the Company had current assets of \$3,251,419 to cover current liabilities of \$346,793. The current assets include marketable securities and receivables that are restricted and may not be readily sold for cash to use in operations.

CAPITAL RESOURCES & GOING CONCERN UNCERTAINTY

Capital resources

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 equity 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. 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.

Going concern uncertainty

The Company is at an early stage of development and, as is common with many exploration companies, it relies on financings to fund its exploration and acquisition activities. The Company had working capital of \$1,402,076 (excluding marketable securities) as at December 31, 2018; had not yet achieved profitable operations; had accumulated losses of \$1,492,819 as at December 31, 2018; and expects to incur further losses in the development of its business. Additional financing will be required in order to conduct its planned work programs on its mineral properties, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. There can be no certainty as to the ability of the Company to raise sufficient additional financing to continue to operate.

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.

COMMITMENTS AND CONTINGENCIES

Under the terms of the Company's mineral property agreements, the Company must make periodic payments and perform minimum levels of explorations to maintain these properties in good standing. The failure of the Company to meet these requirements would lead to the forfeiture of the Company's rights to these properties. The minimum expenditures to keep the properties in good standing through December 31, 2019 are approximately \$900,000

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 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 period from incorporation to December 31, 2018, key management of the Company charged consulting fees of \$201,925.

On March 16, 2018, two directors of the Company acted as vendors in the Claims Acquisition Agreement for the Rawdon Zinc (formerly Kennetcook) property, through companies under their control. Under the terms of the Claims Acquisition Agreement, each director received 750,000 common shares of the Company.

On May 11, 2018, there were 2,400,000 stock options granted to key management of the Company. The options are exercisable at \$0.10 for up to five years. The fair value of the options is \$236,148.

As at December 31, 2018, accounts payable include \$30,955 due to the related parties mentioned above.

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

| | April 25, 2019 | December 31, 2018 | September 30, 2018 | June 30, 2018 | March 31, 2018 | January 11, 2018 |
|---------------|-------------------|----------------------|-----------------------|------------------|-------------------|---------------------|
| Number of: | | | | | | |
| Common shares | 45,469,934 | 45,469,934 | 45,469,934 | 45,469,934 | 15,969,934 | 1 |
| Warrants | 12,854,000 | 12,854,000 | 12,854,000 | 12,854,000 | - | - |
| Stock options | 3,300,000 | 3,300,000 | 3,000,000 | 3,000,000 | - | - |

Common shares

On January 11, 2018, the Company issued one issuer share and as a result of the Arrangement on February 23, 2018, the issue share was cancelled and each of the common shares of Pine Point were exchanged for one common share of the Company which were consolidated on a 10:1 basis resulting in a total of 15,969,934 common shares issued to shareholders of Pine Point.

On April 9, 2018, the Company issued 3,000,000 common shares to the vendors of the Rawdon (formerly Kennetcook) Property pursuant to the Claims Acquisition Agreement dated March 16, 2018.

On April 20, 2018, the Company completed a non-brokered private placement through the issuance of 22,550,000 units at a price of \$0.10 per unit, and the issuance of 2,450,000 flow-through common shares at a price of \$0.10 per flow-through share for aggregate proceeds of \$2,500,000. Each unit consists of one common share and one-half of one common shares purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of \$0.20 until April 20, 2020. Cash commissions to finders were paid at 6% of the proceeds raised and finder's warrants were issued representing 6% of the securities purchased. Each finder's warrant entitles the holder to purchase one common share at \$0.10 per common share until April 20, 2020.

On April 25, 2018, the Company completed a second tranche of its non-brokered private placement raising additional proceeds of \$100,000 through issuance of 500,000 units at a price of \$0.10 per unit, and the issuance of 500,000 flow-through common shares at a price of \$0.10 per flow-through share. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of \$0.20 until April 25, 2020. Cash commissions to finders were paid at 6% of the proceeds raised and finder's warrants were issued representing 6% of the securities purchased. Each finder's warrant entitles the holder to purchase one common share at \$0.10 per common share until April 25, 2020.

On May 14, 2018, the Company issued 500,000 common shares to the vendor of the Alberta Zinc property pursuant to the option agreement dated March 10, 2018.

There were no shares issued in the three- month period ended December 31, 2018.

Warrants

The following table summarizes warrants outstanding as at December 31, 2018.

| | <u>Number of warrants</u> | <u>Exercise price</u> | <u>Expiry date</u> |
|-----------------------------------|---------------------------|-----------------------|--------------------|
| Outstanding, January 11, 2018 | <u>0</u> | | |
| Warrants issued during the period | 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, December 31, 2018 | <u>12,854,000</u> | | |

The fair value of the warrants issued was estimated using the Black-Scholes option pricing model at \$910,944 including broker warrants (\$100,680) which were included as part for share issue cost. The assumptions used in the model were: risk-free interest rate of 1.93%, expected life of warrants of 2 years, expected annualized volatility based of volatility of comparable companies 202%, dividend rate of 0%. Changes in the subjective input assumptions can materially affect the fair value estimate.

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.

Pursuant to the adoption of the Plan and in accordance with its terms, the Company granted on May 11, 2018 an aggregate of 3,000,000 options to purchase common shares exercisable for a price of \$0.10 over a period of five years to officers, directors and consultants of the Company. The fair value of the options granted was \$295,183 using the Black-Scholes option pricing model with the following assumptions; expected dividend yield of 0%, expected volatility of 214% based on the volatility of comparable companies, a risk-free interest rate of 2.21% and an expected average life of five years.

On November 21, 2018, the Company granted an additional 300,000 options to purchase common shares with an exercise price of \$0.15 over a period of two years. The fair value of the options granted was \$25,443 using the Black-Scholes option pricing model with the following assumptions; expected dividend yield of 0%, expected volatility of 196% based on the volatility of comparable companies, a risk-free interest rate of 2.23% and an expected average life of two years.

There were no options that were exercised, expired or cancelled in the period January 11 to December 31, 2018.

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.

Nature of Mineral Exploration

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.

Environmental Risks and Hazards

All phases of the Company’s mineral exploration operations are subject to environmental regulations pertaining to the Northwest Territories, Yukon, Nova Scotia, Alberta, British Columbia and Canada. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the

Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties. The Company may become liable for such environmental hazards caused by previous owners and operators of the properties even where it has attempted to contractually limit its liability.

Permits, Laws and Regulations

Government approvals and permits are currently and may in the future be required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Additional Funding Requirements

The mineral property of the Company is in the exploration and development stage. The Company has no source of operating cash flow and will need to raise additional funds or successfully enter into joint venture arrangements with new partners to complete its projects. There is no assurance that the Company will be able to raise additional funds on reasonable terms. The development of ore deposits which may be found on the exploration property of the Company would depend on the ability of the Company to obtain financing through debt financing, equity financing or other means. If the exploration and development programs of the Company were successful, additional funds would be required to develop the property. The only source of future funds presently available to the Company is the sale of equity capital or the sale of an interest in any of its property in whole or in part. The ability of the Company to arrange such financing in the future would depend in part upon the prevailing capital market conditions, as well as on the business performance of the Company. There can be no assurance that the Company would be successful in its efforts to arrange additional financing if needed on satisfactory terms. If additional financing is raised by the issuance of shares from the treasury of the Corporation, control of the Company may change and shareholders may suffer additional dilution. If adequate financing or joint venture arrangements are not available, the Company may be required to delay, reduce its scope, eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the Company to forfeit its interests in some or all of its property and to reduce or terminate its operations.

Prices for Mineral Commodities

The profitability of the Company's operations will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of mineral commodities and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of mineral commodities has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Company's business, financial condition and result of operations.

Title to Property

The acquisition of title to resource property is a very detailed and time-consuming process. The Company holds an interest in its property through mining claims, leases and agreements with relevant authorities. Title to, and the area of, the mining claims may be disputed. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the property in which the Company may have an interest, which, if successful, could result in the loss or reduction of the Company's interest in the property.

Dependence on Outside Parties

The Company has relied upon consultants, engineers and others and intends to rely on these parties for development and operating expertise. Substantial expenditures are required to develop the exploration infrastructure at the site, to establish mineral reserves through drilling, and to carry out environmental and social impact assessments. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

Conflicts of Interest

A number of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate or that certain directors may have interests in other companies that may be in competition for exploration properties or in other ways, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting such participation or for the acquisition of exploration properties. Further, certain of the directors and officers are involved in other enterprises involved in mineral exploration. As a result, conflicts of interest may arise, and officers and directors cannot devote 100% of their time to the Company.

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 fair value of equity instruments, and income taxes and determination of going concern assumption.

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 Chief Executive Officer and Chief Financial Officer have each evaluated the effectiveness of the Company's disclosure controls and procedures as at December 31, 2018 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 and Chief Executive Officer and 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 December 31, 2018.

FUTURE ACCOUNTING PRONOUNCEMENTS

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRS Interpretation Committee that are mandatory for accounting periods beginning after January 1, 2019 or later periods. Updates that are not applicable or are not consequential to the Company have been excluded.

IFRS 16 Leases 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. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Subsequent to year end, the Company entered a long- term lease for premises for its corporate office. The Company is in the process of evaluating the impact on its financial statements of the adoption of IFRS 16.

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.