Clean Air Metals Inc.
(Formerly Regency Gold Corp.)
Year Ended January 31, 2020
Management's Discussion and Analysis ("MD&A")

Effective date

The following discussion is management's assessment and analysis of the results of operations and financial conditions of Clean Air Metals Inc. (formerly Regency Gold Corp.) (the "Company") and should be read in conjunction with the accompanying consolidated financial statements and related notes thereto for the years ended January 31, 2020 and 2019.

Additional information relating to the Company is available on SEDAR at www.sedar.com.

All financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

The effective date of this MD&A is May 21, 2020.

Overview

Description of the Business

Clean Air Metals Inc. (formerly Regency Gold Corp.) (the "Company") is a publicly traded company incorporated under the laws of the Province of British Columbia and continued under the Canada Business Corporations Act. The Company's shares are listed on the NEX board of the TSX Venture Exchange ("TSXV"). The corporate office of the Company is 1004 Alloy Drive, Thunder Bay, ON P7B 6A5. The Company is engaged in the identification, acquisition, exploration and, if warranted, development of exploration and evaluation assets.

On April 4, 2018, the Company completed a non-brokered private placement through the issuance of 11,111,112 units for gross proceeds of $1 million. Each unit consisted of one common share and one common share purchase warrant, exercisable at $0.12 for a period of 12 months from the issue date. During the year ended January 31, 2020, all of the warrants were exercised at $0.12, generating gross proceeds of $1,333,333.

On December 12, 2018, the Company entered into a non-binding arms-length letter of intent to acquire all of the issued and outstanding shares of V23 Resources Corp. from Cellcube Energy Storage Systems Inc., a company listed on the Canadian Securities Exchange. On February 8, 2019, the Company entered into a definitive agreement to acquire Vanadium North Resources Inc. pursuant to which the Company has agreed to acquire all of the issued and outstanding common shares of Vanadium North (see Proposed Transactions for further detail). As of the date of this report, the Company has terminated the definitive agreement with Vanadium North and the non-binding letter of intent with Cellcube Energy Storage Systems Inc. has lapsed. The Company is no longer pursuing the acquisition of V23 Resources Corp. or Vanadium North.

On January 6, 2020, and as amended on January 27, 2020 the Company entered into a definitive option agreement with Benton Resources Inc. whereby the Company has acquired an option to acquire a 100% right, title and interest in the Escape Lake property, subject to a 1% net smelter return royalty to be retained by Rio Tinto Exploration Canada Inc. (RTEC), from Benton with such option to be conditional on Benton exercising its pre-existing option to acquire the Escape Lake property from RTEC. In addition, Benton also assigned to the Company its rights under a letter of intent previously entered into with Panoramic Resources Inc. (PAN) pursuant to which Benton acquired the right to acquire 100 per cent of PAN's subsidiary, Panoramic PGM (Canada) Ltd., which owns the Thunder Bay North project (the TBN project). Subsequent to the year ended January 31, 2020, both transactions were completed (see Proposed Transactions and Subsequent Events for further detail).

The Company has been inactive for more than one year, when it ceased its involvement in the life sciences and pharmaceutical sector. The Company's shares are now listed on the NEX board of the

TSX-V under the symbol RAU.H. The proposed Benton transaction will result in the reactivation of the Company under the TSX-V polices and will require a change of business of the Company to the mining sector. The common shares of Clean Air Metals have been halted in connection with this announcement with trading scheduled to re-commence on the TSX Venture Exchange effective May 22, 2020 under the new symbol "AIR".

Selected Annual Information

	January 31, 2020 $	January 31, 2019 $	January 31, 2018 $
Total revenues	**-**	-	-
Loss for the year	**1,135,819**	223,116	103,195
Basic and diluted loss per share	**(0.05)**	(0.02)	(0.05)
Total assets	**1,961,497**	721,063	8,712
Total long-term financial liabilities	**-**	-	-
Cash dividends declared per share	**-**	-	-

Results of Operations

Results of Operations for the year ended January 31, 2020

The Company incurred a loss and comprehensive loss for the year ended January 31, 2020 of $1,135,819 as compared to a loss of $223,116 for the year ended January 31, 2019. The increase in loss of $912,703 is primarily due to the following:

- Professional fees increased from $9,864 during the year ended January 31, 2019 to $114,886 during the year ended January 31, 2020. The increase in cost is primarily due to legal fees incurred during the year in relation to the proposed transactions with Vanadium North and V23 Resources which have since been terminated.
- Geological consulting increased from $Nil during the year ended January 31, 2019 to $314,030 during the year ended January 31, 2020. The increase is primarily due to the Company retaining the services of professional geologists to review and assess the Ontario mining projects considered as part of the definitive agreement entered into with Benton Resources Inc.
- Share-based compensation increased from $Nil during the year ended January 31, 2019 to $152,560 during the year ended January 31, 2020. The increase is due to the grant of 1,275,000 incentive stock options during the current year, whereas there were no stock options outstanding in the comparative year.
- During the year ended January 31, 2020, the Company accrued a liability of $250,000 as a legal settlement expense and forgave a loan in the amount of $150,000 pursuant to a Mutual Release and Settlement Agreement entered into with Vanadium North (see Proposed Transactions for further detail).

Results of Operations for the three months ended January 31, 2020

The Company incurred a loss and comprehensive loss for the three months ended January 31, 2020, of $131,461, as compared to a loss of $131,056 for the three months ended January 31, 2019, representing an increase in loss of $405. The increase in loss is similar, as expected, as the Company has been preserving resources during the fourth fiscal quarter while working towards completing the proposed transaction with Benton.

Summary of Quarterly Results

	January31 2020 $	October 31 2019 $	July 31 2019 $	April 30 2019 $	January 31 2019 $	October 31 2018 $	July 31 2018 $	April 30 2018 $
Total revenues	**-**	-	-	-	-	-	-	-
Net income (loss)	**(131,461)**	(880,507)	(91,555)	(32,296)	(131,056)	(21,971)	(50,904)	(19,185)
Net loss per share - basic and diluted	**(0.04)**	(0.03)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)

The Company is an exploration stage company. At this time, any issues of seasonality or market fluctuations have no impact on the financial results of the Company. The Company defers the acquisition costs of its exploration and evaluation assets, and expenses its property exploration and general and administration costs.

Fourth Quarter

On January 6, 2020, and as amended January 27, 2020, the Company entered into a definitive option agreement with Benton Resources Inc. whereby the Company has acquired an option to acquire a 100% right, title and interest in the Escape Lake property, subject to a 1% net smelter return royalty to be retained by Rio Tinto Exploration Canada Inc. (RTEC), from Benton with such option to be conditional on Benton exercising its pre-existing option to acquire the Escape Lake property from RTEC. In addition, Benton also assigned to the Company its rights under a letter of intent previously entered into with Panoramic Resources Inc. (PAN) pursuant to which Benton acquired the right to acquire 100 per cent of PAN's subsidiary, Panoramic PGM (Canada) Ltd., which owns the Thunder Bay North project (the TBN project). The terms of the agreements are outlined under Proposed Transactions.

In January 2020, the Company announced that it proposes to complete a brokered private placement to raise gross proceeds of up to $15 million through the issuance of up to 75 million subscription receipts.

The net proceeds of the offering will be placed in escrow pending satisfaction of certain escrow release conditions which will include the closing of the grant of the option under the Benton option agreement.
Upon satisfaction of the escrow release conditions prior to 120 days following the closing of the offering, each subscription receipt shall entitle the holder thereof to receive, without payment of any additional consideration and subject to adjustment, units of Clean Air Metals. Each unit will consist of one common share of the Company and one-half of one common share purchase warrant, with each warrant entitling the holder thereof to acquire one common share of the Company at $0.30. In the event the escrow release conditions are not satisfied by the escrow release deadline, the proceeds will be returned to the holders of the subscription receipts. Subsequent to January 31, 2020, the Company closed the brokered private placement for gross proceeds of $15 million(see Subsequent Events).

Liquidity

The Company has working capital in the amount of $1,268,382 as at January 31, 2020 (January 31, 2019 – $683,609), an increase primarily due to the exercise of warrants and increase in prepaid expense during the year ended January 31, 2020.

Capital Resources

The Company manages common shares, stock options, and share purchase warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its exploration and evaluation assets, pursue its exploration activities, and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company does not have any externally imposed capital requirements to which it is subject.

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

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash on deposit in an interest bearing Canadian chartered bank account, where possible.

There have been no changes to the Company's approach to capital management during the year ended January 31, 2020. The Company is not subject to externally imposed capital requirements.

During the year ended January 31, 2020, the Company received advances in the amount of $Nil (January 31, 2019 - $2,000) from William Radvak, CEO. The amounts payable were non-interest bearing and repayable upon demand.

There can be no assurance that additional financing will be available to the Company or, if it is, that it will be available on terms acceptable to the Company and will be sufficient to fund cash needs until the Company acquires an operating business or achieves positive cash flow. The Company currently has no commitments for any credit facilities such as revolving credit agreements or lines of credit that could provide additional working capital.

As at the date of this MD&A, other than as described herein and in the Financial Statements, in particular the Subsequent Events, the Company has no other arrangements for sources of financing.

Off-Balance Sheet Arrangements and Proposed Transactions

Benton Resources Inc.

On January 6, 2020, and as amended January 27, 2020, the Company entered into a definitive option agreement with Benton Resources Inc.("BEX") whereby the Company has acquired an option to acquire a 100% right, title and interest in the Escape Lake property, subject to a 1% net smelter return royalty to be retained by Rio Tinto Exploration Canada Inc. (RTEC), from Benton with such option to be conditional on Benton exercising its pre-existing option to acquire the Escape Lake property from RTEC. In addition, Benton also assigned to the Company its rights under a letter of intent previously entered into with Panoramic Resources Inc. (PAN) pursuant to which Benton acquired the right to acquire 100 per cent of PAN's subsidiary, Panoramic PGM (Canada) Ltd., which owns the Thunder Bay North project (the TBN project).

Off-Balance Sheet Arrangements and Proposed Transactions - *(continued)*

The TBN project is located approximately 50 kilometres northeast of Thunder Bay within the Thunder Bay mining division in northwest Ontario, Canada, in the northern part of the Proterozoic mid-continental rift region, an important emerging nickel-copper-platinum group metals province. The TBN project consists of 219 unpatented mining claims (2,551 claim units of 16 hectares) covering approximately 40,816 hectares. The 220-hectare Escape Lake property is located within the TBN project claim block and along the interpreted conduit system, which contains/controls the platinum-lean-base metal mineralization on the TBN project. Rio Tinto staked the Escape Lake block in 2006 and performed successive rounds of limited diamond drilling between 2010 and 2012.

Subsequent to January 31, 2020, the above proposed transactions were completed effective May 14, 2020 (see Subsequent Events for terms and conditions and further details).

V23 Resources Corp.

On December 12, 2018, the Company entered into a non-binding arms-length letter of intent to acquire all of the issued and outstanding shares of V23 Resources Corp. from Cellcube Energy Storage Systems Inc., a company listed on the Canadian Securities Exchange. The acquisition of V23 represents an increase in the mineral properties held by Regency and the expansion of the Company into the vanadium exploration space. Pursuant to the terms of the LOI, Regency would issue to Cellcube such number of common shares in the capital of Regency as will be agreed to between the parties pursuant to a definitive agreement, following which Cellcube will distribute certain consideration shares to its shareholders. As of the date of this report, the non-binding letter of intent has lapsed and the Company does not intend to pursue the acquisition of V23 Resources Corp.

Vanadium North Resources Inc.

On February 8, 2019, the Company entered into a definitive agreement to acquire Vanadium North Resources Inc. ("Vanadium North"), pursuant to which the Company has agreed to acquire all of the issued and outstanding common shares of Vanadium North. Vanadium North is a privately-owned Canadian mining company that holds the Valley of Vanadium project in the Northwest Territories. The 9,600-hectare project comprises wholly owned claims in addition to an option to acquire 100 per cent of mining claims owned by Strategic Metals Ltd. ("Strategic Metals"), previously known as the Van project. Strategic Metals and Vanadium North are arm's-length parties to each other.

Strategic Metals will retain a 2-per-cent net smelter return royalty on any commercial production from the property, one-half of which may be purchased for a payment of $1-million any time prior to the commencement of commercial production. Upon completion of the acquisition: (a) the Company will own 100 per cent of Vanadium North in consideration for the issuance to Vanadium North shareholders of an aggregate of 13,995,985 common shares in the capital of the Company; and (b) the Company will issue 7.5 million common shares to Strategic Metals.

On July 18, 2019, the Company announced that it had terminated the definitive agreement with Vanadium North due to unfavorable market conditions which prevented the Company and Vanadium North from raising minimum gross proceeds of $2 million as a condition to the proposed transaction. Vanadium North has indicated that it opposes the termination of the proposed transaction and may pursue legal action against the Company. Regency believes that such claims would be without merit and intends to vigorously defend any claims that may arise. In connection with the proposed transaction, the Company had extended a secured loan in the amount of $150,000 to Vanadium North. The Company has provided notice to Vanadium North regarding the return of the loaned finances and may proceed to take additional steps to enforce its rights and obtain repayment.

Off-Balance Sheet Arrangements and Proposed Transactions - *(continued)*

The Company was served with a notice of civil claim filed on July 24, 2019, with the Supreme Court of British Columbia by Vanadium North Resources Inc., naming Regency as a defendant. The claim relates to the Company's termination of the share exchange agreement dated February 8, 2019, with Vanadium North and its shareholders, pursuant to which the Company has agreed to acquire all of the issued and outstanding common shares of Vanadium North, previously announced in a news release of Regency dated July 17, 2019. The claim alleges that the termination did not occur in accordance with the agreement.

On November 1, 2019, the Company entered into a Mutual Release and Settlement Agreement with Vanadium North whereby the Company agreed to forgive the $150,000 loan and make a payment of $250,000 by March 1, 2020, which has been paid subsequent to the year ended January 31, 2020

Transactions with Related Parties

The Company's related parties consist of companies with directors and officers in common and companies owned in whole or in part by executive officers and directors as follows:

Name	**Nature of transactions**
KMC Capital Corp	Consulting as CFO and Corporate Secretary
Bill Radvak	Management Fees as President and CEO

Trade and other accounts payable as at January 31, 2020 includes $128 (January 31, 2019 - $6,700) to directors, officers, or companies they control. The amounts are non-interest bearing, unsecured and due on demand.

The remuneration of directors and other members of key management personnel during the years ended January 31, 2020, and 2019, were as follows:

		2020		2019
Consulting fees, CEO	**$**	**25,000**	$	28,500
Bonus, CEO		**-**		30,000
Consulting fees, CFO (1)		**26,000**		24,000
Bonus, CFO		**-**		15,000
Consulting fees, Directors		**-**		20,000
Bonus, Directors (2)		**-**		10,000
Share-based compensation		**152,560**		-
Total	**$**	**203,560**	$	127,500

Financial Instruments and Related Risks

Financial instruments are classified into one of the following categories: FVTPL; FVTOCI; or amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	**January 31, 2020**	January 31, 2019
Cash	FVTPL	**$ 1,547,073**	$ 704,747
Trade and other payables	Amortized Cost	**297,263**	28,631
Note payable	Amortized Cost	**251,323**	1,323

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash is measured at fair value using level one as the basis for measurement in the fair value hierarchy.

Risk Management

The Company's risk exposures and the impact on the Company's consolidated financial instruments are summarized as follows:

Credit Risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash, receivables, and balances receivable from the government. The Company limits the exposure to credit risk in its cash by only holding its cash with high-credit quality financial institutions in business and/or savings accounts.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next ninety days. The Company is exposed to liquidity risk.

Risk Management – *(continued)*

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

(a) Interest Rate Risk: Management has determined that the Company is not exposed to any significant interest rate risks.

(b) Foreign Currency Risk: The Company has identified its functional currency as the Canadian dollar. Transactions are transacted in Canadian dollars and in US dollars. The Company purchases US dollars as needed to support the cash needs of its foreign operation, however, the Company does not have a US dollar bank account. Management believes the foreign exchange risk related to currency conversions are minimal and therefore, does not hedge its foreign exchange risk.

(c) Commodity Price Risk: Management has determined that the Company is not exposed to any significant commodity price risks. The Company does not have any hedging or other commodity based risks in respect to its operational activities.

Disclosure of Outstanding Share Data

The following details the share capital structure as of the date of this MD&A.

	Common Shares Issued and Outstanding	Common Share Purchase Warrants	Stock Options
Balance, January 31, 2020	25,483,382	-	1,275,000
Balance, May 21, 2020	126,299,266	37,500,000	7,640,000

During the year ended January 31, 2020 the following share issuances occurred:

a) On April 4, 2019, the Company issued 11,111,112 common shares pursuant to the exercise of common share purchase warrants at a price of $0.12 for gross proceeds of $1,333,333.

During the year ended January 31, 2019 the following share issuances occurred:

a) On April 4, 2018, the Company completed a non-brokered private placement through the issuance of 11,111,112 units at a price of $0.09 per unit. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable at $0.12 for a period of 12 months, expiring April 4, 2019.

b) On November 15, 2018, the Company issued an aggregate of 1,332,500 common shares at $0.18 to settle outstanding debt in the amount of $213,200. The common shares issued had a fair value of $239,850, as a result the Company recorded a loss on settlement of $26,650. The outstanding debts were in respect to management fees due to its Chief Executive Officer and Chief Financial Officer which have been accrued, and to a consultant for past services rendered.

New standards, interpretations and amendments

IFRS 16 Leases - IFRS 16 supersedes IAS 17 Leases and requires how leases will be recognized, measured, presented and disclosed. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is twelve months or less or the underlying asset has a low value.

On adoption of IFRS 16, the Company used the following additional practical expedients:
- Applied a single discount rate to a portfolio of leases with similar characteristics;
- Applied the exemption not to recognize right-of-use assets and lease liabilities for short-term leases with terms less than 12 months and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line or other systematic basis over the lease term;
- Excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The Company chose to adopt the modified retrospective approach on transition to IFRS 16 on February 1, 2019. Accordingly, the comparative information presented for the prior period has not been restated and is presented as previously reported under IAS 17 and related interpretations. As at February 1, 2019, all of the Company's leases are short-term leases with a term of 12 months or less and recorded as operating leases. As such the cumulative effect of initial application recognized in retained earnings at February 1, 2019 is $nil.

New standards, interpretations and amendments issued but not yet adopted

A number of new standards and amendments to existing standards have been issued by the IASB that are mandatory for accounting periods beginning on or after January 1, 2020, or later periods. The Company has not early adopted these new standards in preparing these financial statements. There new standards are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Subsequent Events

Subsequent to the year ended January 31, 2020, the following significant transactions occurred:

a) On March 11, 2020, various authorities declared a pandemic related to COVID 19 resulting in restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. These restrictions are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Company operates.

   The Company believes that these potential delays are temporary and it expects to resume its pursuits as restrictions are alleviated. To date, the Company has experienced some labor and supply shortages due to COVID-19 during the planning phase of its proposed exploration program. Despite the shortages, the Company was able to procure the necessary contractors, equipment and supplies required in order to commence its planned exploration program, however if shortages continue to persist or worsen, it may have a material impact on the Company's operations and exploration plans.

Subsequent Events – *(continued)*

b) In February 2020, the Company issued subscription receipts under a private placement (the "Private Placement" for 75,000,000 units at $0.20 per unit for aggregate gross proceeds of $15,000,000. Each unit consists of one common share and one-half common share purchase warrant of the Company exercisable at $0.30 per share for a period of 24 months. The subscription receipts are convertible into units upon satisfaction of certain conditions, including the closing of the proposed acquisitions outlined in Note 14 (d) below and TSXV approval.

In February 2020, The Company granted an aggregate of 4,312,500 compensation options as consideration for services provided by the agents in connection with the Private Placement with an exercise price of $0.20 per unit, a term of 24 months and immediate vesting. Each compensation option will allow the holder to purchase one unit of the Company which consists of one common share and one-half common share purchase warrant exercisable at $0.30 per share for a period of 24 months.

In May 2020, the Company met all conditions to convert the subscription receipts issued under the Private Placement, resulting in the issuance of 75,000,000 common shares and 37,500,000 common share purchase warrants exercisable at $0.30 for a period of 24 months.

c) In May 2020, The Company granted an aggregate of 7,565,000 incentive stock options to the directors, officers, employees and consultants of the Company with an exercise price of $0.20 per unit and a term of 60 months. The options are subject to vesting provisions as follows: 25% of the options vest on the grant date; 25% of the options vest 6 months after the grant date; and 50% of the options vest 12 months after the grant date.

d) In May 2020, the Company completed the acquisition of its option to acquire a 100% right, title and interest in and to the Escape Lake Property (the "Escape Lake Property"), subject to a 1% net smelter return royalty to be retained by Rio Tinto Exploration Canada Inc. ("RTEC"), pursuant to the terms of a definitive option agreement (the "Option Agreement") entered into with Benton Resources Inc. ("BEX") on January 6, 2020 and as amended on January 27, 2020. Concurrently, and pursuant to the terms of a definitive share purchase agreement (the "PAN Agreement")entered into with Magma Metals Pty Ltd. ("Magma"), dated January 6, 2020, the Company also completed the acquisition of 100% of Panoramic Resources Limited's indirect subsidiary, Panoramic PGMs (Canada) Ltd. ("Pan Subsidiary"), which owns the Thunder Bay North Project ("TBN Project"). The Option Agreement is conditional on BEX exercising its pre-existing option to acquire the Escape Lake Property from RTEC. In addition, BEX also assigned to the Company its rights under a letter of intent previously entered into with Panoramic Resources Ltd. ("PAN") pursuant to which BEX acquired the right to acquire 100% of PAN's subsidiary, Panoramic PGMS (Canada) Ltd. ("PGMS") which owns the Thunder Bay North Project (the "TBN Project").

Option Agreement

Under the Option Agreement in order to acquire a 100% right, title and interest in the Escape Lake Property from BEX (subject to BEX exercising its pre-existing option with RTEC) and BEX's rights to acquire a 100% right, title and interest in the TBN Project, the Company must complete the following:

i) enter into a definitive share purchase agreement (the "PAN Agreement") with Magma Metals PTY LTD ("Magma"), a wholly-owned subsidiary of PAN, and make an initial $250,000 payment. These requirements have both been completed on January 6, 2020;

Subsequent Events – *(continued)*

ii) issue to BEX an aggregate of 24,615,884 common shares (the "Consideration Shares") in the capital of the Company. The Consideration Shares were issued on May 14, 2020;

iii) fulfill all the remaining payments to RTEC under the terms of an option agreement (the "RTEC Agreement") dated October 9, 2019, between RTEC and BEX required in order for BEX to exercise BEX's option to earn a 100% interest in the Escape Lake Property. These payments are set out under the RTEC Agreement paragraph below;

iv) fulfill all the remaining payments under the terms of the PAN Agreement. These payments are set out under the PAN Agreement paragraph below; and

v) grant to BEX a 0.5% net smelter return royalty from production on the Escape Lake Property and a 0.5% net smelter return royalty from production on any mineral claims comprising the TBN Project over which a net smelter royalty has not previously been granted.

The RTEC Agreement

Under the RTEC Agreement, BEX was granted an option to acquire 100% ownership interest in Escape Lake Property, subject to a 1% net smelter return royalty to be retained by RTEC, in exchange for payment of $6 million by BEX to RTEC over a three-year period, as follows:

i) $3 million due on signing, immediately following receipt of regulatory approval (this amount has been paid by BEX resulting in the issuance of the Consideration Shares to BEX);
ii) $1 million on or before October 9,2020;
iii) $1 million on or before October 9,2021; and
iv) $1 million on or before October 9, 2022.

The Company has assumed and is bound and shall perform the obligations of BEX under the RTEC Agreement.

The PAN Agreement

Under the PAN Agreement, the Company has the right to acquire a 100% ownership interest in the Panoramic PGMS (Canada) Ltd., the subsidiary of Magma that holds the TBN Project, in exchange for payment of $9 million by the Company to PAN over a three-year period, as follows:

i) $4.5 million due on closing of the acquisition of the TBN Project. This amount was paid on May 14, 2020;
ii) $1.5 million on the first anniversary of the closing of the acquisition of the TBN Project;
iii) $1.5 million on the second anniversary of the closing of the acquisition of the TBN Project; and
iv) $1.5 million on the third anniversary of the closing of the acquisition of the TBN Project.

Subsequent Events – *(continued)*

The Company has made the initial payment of $250,000 to PAN by a third-party deposit which has been credited to the purchase price, and extends the proposed closing of the acquisition and the initial payment of $4.5 million, by 60 days.

In addition, the Company has the ability to get up to three additional 30-day extensions by making a $10,000 payment for each extension. The Consideration Shares issued by the Company to BEX shall not exceed 19.68% of the issued share capital of the Company and are subject to a four-month and one day "hold period" from the date of issuance.

e) In May 2020, an aggregate of 1,200,000 incentive stock options were exercised for gross proceeds of $144,000.

Forward Looking Statements

This MD&A contains forward-looking statements that are based on the Company's current expectations and estimates. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "suggest", "indicate" and other similar words or statements that certain events or conditions "may" or "will" occur. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements. Such factors include, among others: the actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans to continue to be refined; possible variations in ore grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing; and fluctuations in metal prices. There may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

Management's Responsibility for the Financial Statements

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of materials fact of omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings, and these financial statements together with the other financial information included in these filings. The Board of Directors' approved the Financial Statements and MD&A and ensures that management has discharged its financial responsibilities.

Other Information

Additional information relating to the Company is available for viewing on SEDAR at www.sedar.com.