

BOREAL METALS CORP.

**FORM 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS**

FOR THE PERIOD ENDED MARCH 31, 2020

The following management's discussion and analysis ("MD&A"), prepared as of July 13, 2020 should be read together with the unaudited interim consolidated financial statements for the period ended March 31, 2020 and the audited consolidated financial statements for the year ended December 31, 2019 and related notes attached thereto, which are prepared in accordance with International Financial Reporting Standards. All amounts are stated in Canadian dollars unless otherwise indicated.

Additional information related to Boreal Metals Corp. (the "Company") is available for view on SEDAR at www.sedar.com.

Forward Looking Statements

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of our management as well as assumptions made by and information currently available to us. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to our company or our management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of our exploration properties. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or our achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

Description of Business

Boreal Metals Corp. (the "Company") was incorporated under the Business Corporations Act, British Columbia on December 31, 2013 and is considered to be in the exploration stage with respect to its mineral properties. The Company's head office address is Suite 340 - 233 West 1st Street, North Vancouver, BC, V7M 1B3.

On February 14, 2017, the Company closed a share purchase agreement with EMX Royalty Corporation ("EMX") to acquire two wholly-owned subsidiary companies, EMX Exploration Scandinavia AB and Iekelvare Minerals AB (together referred to as the "Swedish Companies"), with exploration stage assets in Scandinavia. The Swedish Companies are wholly-owned subsidiaries of the Company which together hold a portfolio of four base and precious metal exploration projects in Sweden and Norway.

On November 21, 2017, the Company obtained a public listing for its securities on the TSX Venture Exchange ("TSX-V") under the trading symbol "BMX" following closing of its offerings of units by way of Short Form Offering Document ("SFOD") and by way of a brokered private placement.

On November 25, 2017, the Company obtained listing on Frankfurt Stock Exchange under the symbol "03E".

On February 15, 2018, the Company amended the share purchase agreement with EMX and completed the acquisition of the Modum project ("Modum") which has exploration licenses in Norway.

On March 20, 2018, the Company completed the acquisition of the Guldgruvan project ("Guldgruvan") from EMX by Boreal Energy Metals Corp. ("BEMC"), a newly created and wholly owned subsidiary of Boreal, through its wholly owned subsidiary Boreal Battery Metals Scandinavia AB ("BBMSAB").

On May 18, 2018, the Company completed the acquisition of the Njuggräskliden and Mjövattnet projects ("Njuggräskliden and Mjövattnet") in Sweden from EMX through BEMC's subsidiary, BBMSAB.

On August 26, 2019, the Company obtained listing and commenced trading on the OTCQB under the symbol "BORMF".

On November 5, 2019, the Company sold all the shares of BBMSAB, including Modum, Guldgruvan, Njuggräskliden and Mjövattnet (collectively known as the "Battery Metals Projects"), for proceeds of \$1.

Boreal is a mineral exploration company focused on the discovery of zinc, copper, silver, gold, cobalt and nickel deposits in exceptional, historical mining project areas spanning Sweden and Norway. The Company aims to discover new economic mineral deposits in known mining districts that have seen little or no modern exploration techniques.

Significant Events

On February 20, 2019, the Company closed a non-brokered private placement of 17,060,934 units at \$0.095 for gross proceeds of \$1,620,789. Each unit consisted of one common share and one share purchase warrant, with each warrant exercisable into one additional common share at a price of \$0.15 until February 20, 2021. A value of \$255,914 was allocated to the 17,060,934 warrants. The securities issued under the private placement will be subject to statutory hold periods expiring four months and one day from the issue date.

In connection with the private placement, the Company paid finders' fees to certain arm's length finders of \$18,100 in cash and issued 120,800 units having the same composition as the private placement units. A value of \$1,812 was assigned to the 120,800 warrants issued with the finders' units.

Of the 17,060,934 units issued in the private placement noted above, EMX acquired 1,995,672 units for proceeds of \$189,589. Immediately prior to the acquisition, EMX had ownership of 5,530,063 common shares (representing 9.4% of the Company's outstanding common shares). Immediately following the acquisition, EMX had ownership of 7,525,735 common shares (representing 9.9% of the Company's outstanding common shares) and warrants to purchase an additional 1,995,672 common shares.

On October 31, 2019, the license for Adak VMS Project expired.

On November 5, 2019, BEMC returned the Battery Metals Projects to EMX. All of the issued and outstanding shares of BBMSAB were sold to EMX for proceeds of \$1. The royalty agreements related to the above projects have been terminated.

On November 21, 2019, 12,899,000 warrants with exercise prices between \$0.40 and \$0.50 expired.

On November 25, 2019, the Company obtained a loan of \$800,000 from EMX, bearing interest of 0.65% compounded monthly. The loan is secured by pledge of stock of Iekelvare Minerals AB ("Iekelvare"), guaranteed by Iekelvare and obligation to transfer the Gumsberg License (or Iekelvare) back to EMX if loan is in default. The loan is repayable by November 25, 2020.

On November 29, 2019, Mr. Karl Antonius' ("Former President") role as president of the Company has been terminated for cause. The Former President failed to make timely and adequate disclosure to the Company's Board of Directors of his role in court proceedings in British Columbia. The Former President is no longer an officer or employee of the Company. Accordingly, on his date of termination, 900,000 options issued to him on September 14, 2019 have been cancelled.

On December 31, 2019, the license for Tynset VMS Project expired.

Exploration and Evaluation Assets

On February 14, 2017, the Company acquired two companies that were wholly-owned subsidiaries of EMX which together represent a portfolio of four Scandinavian base and precious metal (zinc-lead-copper-silver-gold) exploration projects including Gumsberg and Adak exploration assets in Sweden and the Tynset and Burfjord assets in Norway.

To acquire the Swedish Companies, the Company issued 1,713,390 of its common shares to EMX Royalty which represented a 19.9% equity ownership in the Company and had the continuing obligation to issue additional shares to maintain 19.9% interest, at no additional cost to EMX, until the Company has raised \$5,000,000 in equity (raised on November 21, 2017); thereafter, EMX has the right to participate pro-rata in future financings at its own cost to maintain its 19.9% interest. During 2017, a total of 7,492,592 common shares valued at \$1,290,997 of the Company were issued to EMX due to above obligation.

On February 15, 2018, the Company amended the share purchase agreement with EMX and included the acquisition of Modum. Pursuant to the terms of the agreement, the Company issued to EMX 1,324,181 common shares valued at \$397,254, which brought EMX's equity ownership in Boreal to 19.9%.

EMX has also been granted a 3% net smelter return ("NSR") royalty on each of the Properties, of which a 1% NSR royalty may be purchased by the Company on or before the fifth anniversary of the closing date in 0.5% increments for a total of (a) USD\$2,500,000, or (b) at the purchaser's option, USD\$2,000,000 plus shares of the Company equal in value to USD\$500,000.

EMX will receive annual advance royalty ("AAR") payments of USD\$20,000 for each of the Properties commencing on the second anniversary of the closing, with each AAR payment increasing by USD\$5,000 per year until reaching USD\$60,000 per year, except that the Company may forgo AAR payments on two of the four Properties in years two and three. Once reaching USD\$60,000, AAR payments will be adjusted each year according to the Consumer Price Index (as published by the U.S. Department of Labor, Bureau of Labor Statistics). EMX Royalty will receive a 0.5% NSR royalty on any new mineral exploration projects generated by the Company in Sweden or Norway, excluding projects acquired from a third party containing a mineral resource or reserve or an existing mining operation. EMX Royalty has the right to nominate one seat on the Board of Directors of the Company.

On March 20, 2018, the Company completed the acquisition of the Guldgruvan project from EMX by BEMC.

On May 18, 2018, the Company completed the acquisition of the Njuggträskliden and Mjövattnet projects from EMX by BEMC.

On October 31, 2019, the Adak licenses expired. The Company recorded impairment expense of \$422,080 related to the Adak projects during the year ended December 31, 2019.

On November 5, 2019, the Company returned the Battery Metals Projects to EMX for proceeds of \$1. As a result, the Battery Metals Projects' royalty agreement have terminated. The Company recorded loss on disposal related to the Battery Metals Projects of \$688,471.

On December 31, 2019, the Tynset licenses expired. The Company recorded impairment expense of \$653,795 related to the Tynset projects during the year ended December 31, 2019.

As at period ended March 31, 2020, the Company is the owner of base metal mining licenses located in Norway known as the Burfjord license and in Sweden known as the Gumsberg project.

As at March 31, 2020, the exploration and evaluation costs were incurred by the Company as follows:

Acquisition costs	Adak	Gumsberg	Burfjord	Tynset	Battery Metals Projects	Total
	\$	\$	\$	\$	\$	\$
Balance, December 31, 2018	376,557	376,558	376,558	376,557	609,142	2,115,372
Impairment	(376,557)	-	-	(376,557)	-	(753,114)
Disposal	-	-	-	-	(609,142)	(609,142)
Balance, December 31, 2019	-	376,558	376,558	-	-	753,116
Balance, March 31, 2020	-	376,558	376,558	-	-	753,116

Exploration costs	Adak	Gumsberg	Burfjord	Tynset	Battery Metals Projects	Total
	\$	\$	\$	\$	\$	\$
Balance, December 31, 2018	44,234	1,474,154	694,140	190,277	46,678	2,449,483
Accommodation	-	14,548	-	-	-	14,548
Drilling	-	344,394	-	-	-	344,394
Field work	935	226,003	38,120	83	245	265,386
Exploration licenses	-	154,998	38,792	83,669	19,951	297,410
Geological	354	121,749	36,638	3,209	284	162,234
Geophysical	-	6,711	370	-	277	7,358
Geochemical	-	239	-	-	-	239
Other	-	90,364	19,704	-	-	110,068
Impairment	(45,523)	-	-	(277,238)	-	(322,761)
Disposal	-	-	-	-	(67,435)	(67,435)
Balance, December 31, 2019	-	2,433,160	827,764	-	-	3,260,924
Accommodation	-	695	-	-	-	695
Exploration licenses	-	-	41,117	-	-	41,117
Geological	-	(84)	(138)	-	-	(222)
Other	-	782	540	-	-	1,322
Incurring in 2020	-	1,393	41,519	-	-	42,912
Balance, March 31, 2020	-	2,434,553	869,283	-	-	3,303,836

Total acquisition and exploration costs	Adak	Gumsberg	Burfjord	Tynset	Battery Metals Projects	Total
	\$	\$	\$	\$	\$	\$
Balance, December 31, 2019	-	2,809,718	1,204,322	-	-	4,014,040
Balance, March 31, 2020	-	2,811,111	1,245,841	-	-	4,056,952

Gumsberg VMS Project (Bergslagen District, Sweden)

The strategically situated Gumsberg project consists of six exploration licenses in the Bergslagen Mining District of southern Sweden totaling over 16,370 hectares, where multiple zones of VMS style mineralization have been identified. Precious and base metal VMS-style mineralization at Gumsberg was mined from the 13th century through the early 19th century, with over 30 historic mines present on the property, most notably the Östra Silvberg mine, which was the largest silver mine in Sweden between 1250 and 1590.

On February 28 and May 2, 2018, the Company announced high grade and other encouraging drill results from the 2,545 metre diamond drill program conducted at Gumsberg in late 2018 and early 2018. These drill results confirmed the presence of high-grade silver-zinc-lead mineralization with significant

associated copper and gold mineralization that extend along strike from and below the historic mine workings in the area. Also intersected were previously unrecognized zones of mineralization away from the mine workings. These represent novel discoveries of mineralization in the district. Drill intercepts included VMS-type exhalative massive sulfide horizons, primary replacement style and related high-grade lenses and shoots of silver-zinc-lead mineralization. Similar styles of mineralization occur throughout the Bergslagen district in southern Sweden, which is host to multiple world-renowned base metal sulphide deposits.

In September 2018, Boreal announced the results of a 61-line kilometre, high resolution ground magnetometer survey at Gumsberg. The survey confirmed the potential for stacked or structurally repeated mineralized zones and provided better resolution of the known trends of mineralization in the area.

In December 2018, Boreal commenced further 1,000 metre drill program Gumsberg to test a variety of shallow drill targets across the prospective high-grade VMS mineral trend in the Östra Silvberg mine area. This drill program commenced in January 2019 and the results were released on January 28, 2019 and March 4, 2019. Boreal announced a 1,500 metre drill program to conduct additional exploration drilling with the objective to extend the strike length and down-plunge continuation of this high-grade zone.

Drill highlights from previous Boreal diamond drilling are presented in the table below (for full results please refer to Boreal news releases dated February 28, 2018, May 2, 2018, January 28, 2019 and March 3, 2019):

Hole ID	From Meters	To Meters	Length Meters	Zn %	Ag g/t	Pb %	Cu %	Au g/t	Prospect Name
BM-17-001 ^x	99.30	106.00	6.70	5.19	16.39	1.08	0.30	0.08	Vallberget
BM-17-002 ^x	88.10	88.62	0.52	5.65	1.63	0.06	0.19	0.05	Vallberget
BM-17-002 ^x	92.30	94.20	1.90	13.55	51.75	5.23	0.27	0.34	Vallberget
BM-17-003 ^x	101.35	102.55	1.20	6.73	25.00	2.10	0.35	0.12	Vallberget
BM-17-004 ^x	105.77	106.37	0.60	4.81	24.94	1.96	0.01	0.02	Vallberget
BM-17-005 ^y	122.30	133.24	10.94	16.97	656.70	8.52	0.03	0.76	Östra Silvberg
BM-17-005 ^y	155.43	165.00	9.57	5.87	183.90	2.33	0.04	0.52	
BM-17-005 ^y	178.16	179.00	0.84	11.56	218.02	5.77	0.04	0.30	
BM-17-006 ^x	14.88	19.95	5.07	3.00	9.25	0.96	0.06	0.02	Vallberget
BM-17-008 ^x	13.25	13.60	0.35	3.20	6.85	0.03	0.05	0.02	Vallberget
BM-17-008 ^x	86.35	87.15	0.80	1.16	0.85	0.05	0.02	0.00	Vallberget
BM-17-011 ^x	53.50	56.65	3.15	3.03	11.69	0.62	0.44	0.19	Vallberget
BM-17-011 ^x	130.50	137.20	6.70	7.01	11.14	0.44	0.10	0.00	
BM-17-012 ^w	321.00	322.00	1.00	1.22	6.20	0.60	0.00	0.10	Östra Silvberg
BM-17-012 ^w	325.00	329.00	4.00	1.01	4.25	0.42	0.01	0.19	
BM-17-012 ^w	332.00	339.00	7.00	1.56	12.20	0.85	0.02	0.18	
GUM-18-003 ^x	105.00	116.00	11.00	5.89	239.00	2.51	0.04	0.96	Östra Silvberg
GUM-18-004 ^x	162.16	173.17	11.01	7.45	275.12	2.65	0.05	0.77	Östra Silvberg

^w True width unknown.

^x Apparent widths reported - true widths are estimated between 80-100% of reported intervals.

^y Apparent widths reported - true widths are estimated at 20-50% of reported interval.

Between March 19, 2019 and April 9, 2019, Boreal executed a 1,562-meter diamond drilling program designed to test the continuity of near-surface, high grade targets at the Östra Silvberg, Vallberget and Gumsgruvan located on the Gumsberg License.

Earlier this year, Boreal applied for extensions on the Gumsberg Licenses 1, 2, 6, 7 and 8. Boreal successfully demonstrated that significant work has been done on the License No. 1. The Inspector of Mines agreed that the complexity of base metal mineralization identified by Boreal on this license requires additional time and expenditures to delineate. Requests for extensions on the Gumsberg 2, and 6 through 8 have been submitted to the Inspector of Mines.

On July 9, 2019 Boreal announced results from its seven-hole, 1,454.8 meter drilling program at the 100% owned Gumsberg project. The new Östra Silvberg South Discovery continued to return high grade silver-zinc-lead mineralization returning consistent intercepts from below surface to roughly 250 metres. Exploration drilling cut significant mineralization at each of the target areas (Table Below). Most of the drilling was conducted at the newly discovered South Zone at Östra Silvberg and returned up to 5.12% Zn, 2.27% Pb and 93 g/t Ag over 8.04 meters. Two of the four holes drilled at Östra Silvberg also intersected unmapped mine workings, which project to deeper levels and further east than was indicated by historic mine. In addition to Boreal's drill successes, this also suggests that mineralization is more extensive in the area than previously recognized.

Hole ID	From (m)	To (m)	Length (m)	Zinc (%)	Silver (g/t)	Lead (%)	Gold (g/t)	Prospect Name
GUM-19-01 ^x	304.96	306.95	1.99	2.28	25.52	0.92	0.128	Ostra Silvberg
<i>Incl.</i>	304.96	306.08	1.12	3.38	37.88	1.31	0.171	
GUM-19-02 ^x	No Significant Intercepts							Ostra Silvberg
GUM-19-03 ^{yy}	262.25	270.29	8.04	5.12	93.05	2.27	0.434	Ostra Silvberg
GUM-19-04 ^y	77.60	77.80	0.20	2.77	12.75	0.07	0.003	Gumsgruvan
GUM-18-05B	2018 hole extended to 242.2 m depth where it hit unmapped historical mine workings							Ostra Silvberg
GUM-19-05	No Significant Intercepts							Gumsgruvan
GUM-19-06 ^y	177.10	178.10	1.00	1.84	7.70	1.40	0.108	Vallberget
GUM-19-06 ^y	183.10	184.10	1.00	1.04	3.24	0.69	0.091	

^x Lengths reported as seen in drill core - true widths are estimated to be 50% of reported intervals.

^y Lengths reported as seen in drill core - true widths are estimated to be 90% of reported intervals.

* Hole encountered a previously unmapped stope and was terminated at 233.00 to 234.20.

In November 2019, extensions for Gumsberg Licences 6 and 7 were approved. These licences are in good standing until August 12, 2022. Also, in November 2019, Boreal learned that extensions for the Gumsberg License 2 was denied. This licence expires on November 9, 2020. As of December 31, 2019, Boreal has started drafting an application dispensation for reacquiring the key components of Gumsberg License 2.

Burfjord Copper-Gold Project (Alta Region, Norway)

The Burfjord copper-gold project is comprised of six exploration licenses totaling 5,500 hectares in the Kåfjord copper belt near Alta, Norway. Copper mineralization was mined in the Burfjord area during the 19th century, with over 25 historic mines and prospects developed along the flanks of a prominent 4 x 6 kilometre fold (anticline) consisting of interbedded sedimentary and volcanic rocks. Copper and gold mineralization at Burfjord is hosted by swarms of iron-oxide rich carbonate veins, with high grade copper mineralization (the target of the historic mining activity) focused along contacts between rock types. However, cut-off grades in the primitive 19th century-era mining operations were quite high (likely exceeding 3% copper), and Boreal sees potential for larger tonnages of mineralization at lower grades in areas adjacent to and surrounding the historic mines.

On January 4, 2018 the Company announced the results of an Induced Polarization Geophysical Survey ("IP Geophysical Survey") at the 100% owned Burfjord Project. The results of the survey indicate along-strike continuity of sulphide mineralization over a three-kilometre segment of prospective stratigraphy and depth continuity in excess of 100 metres; beyond the depth limitations of the pole-dipole electrode configuration. An IP and Resistivity Survey was conducted between October 5 and October 25, 2017 at Burfjord, by GeoVista AB. The survey results successfully demonstrate the projection of mineralization under cover for widths on the order of 100 metres or more, the continuity of the mineralization along trend for at least 3,000 metres, and projection to depths of at least 100 metres. Based on these results, Boreal has commenced a drill program to test the grade and continuity of mineralization.

In late September 2018, Boreal commenced a 1,000-metre drill program at Burfjord. The drill program was designed to test multiple copper and gold targets in the Burfjord area, particularly in the southwest area of the anticline, where much of the historical mining activities were focussed. In total, seven holes were drilled totalling 951 metres. Drilling at Burfjord was completed on time and under budget. The results from this widely spaced reconnaissance drill program confirmed the presence of broad zones of copper mineralization enveloping high-grade copper veins at Burfjord. Significant drill results from this drill program are summarized in the table below.

Hole ID	From Meters	To Meters	Length Meters	Cu %	Au g/t	In ppm
BUR-18-001	10.00	16.00	6.00	0.18	0.01	0.05
BUR-18-001	24.00	27.00	3.00	0.12	0.10	0.08
BUR-18-001	71.50	82.50	11.00	0.11	0.02	0.05
<i>Incl.</i>	79.00	82.50	3.50	0.21	0.01	0.08
BUR-18-002	15.00	20.00	5.00	0.20	0.03	0.09
BUR-18-002	39.00	62.00	23.00	0.14	0.01	0.05
BUR-18-003	73.00	84.00	11.00	0.14	0.01	0.07
BUR-18-003	184.00	216.00	32.00	0.56	0.26	0.50
<i>Incl.</i>	184.85	188.31	3.46	4.31	2.22	3.69
<i>also incl.</i>	184.00	191.00	7.00	2.30	1.13	2.05
BUR-18-004	58.60	59.33	0.73	2.46	0.15	0.17
BUR-18-004	66.00	67.60	1.60	0.19	0.01	0.09
BUR-18-004	88.00	89.00	1.00	0.51	0.04	0.59
BUR-18-005	25.00	102.00	77.00	0.11	0.01	0.11
<i>Incl.</i>	52.00	62.00	10.00	0.24	0.04	0.20
<i>Incl.</i>	93.00	98.00	5.00	0.23	0.02	0.19
BUR-18-007	96.00	99.00	3.00	0.16	0.28	0.11
BUR-18-007	138.00	140.00	2.00	0.12	0.07	0.12

**Lengths reported as seen in drill core. True widths are estimated at 85-100% of reported lengths.*

On June 18, 2019 Boreal contacted the Director of Mining in Norway to request a three year renewal for the Burfjord Project licenses Burfjord 14, Burfjord 15, Burfjord 18, Burfjord 19, Burfjord 20 and Burfjord 21 located in Troms County, Kvaenangen Commune, Norway despite the fact that Boreal has yet to identify a mineral inventory. Boreal is requested that the Direktoratet for Mineralforvaltning give this request special consideration because of the exceptional challenges Boreal has faced in conducting mineralization in this challenging area with respect to delays caused by weather and the delays related to forging a working relationship with the Spalca stakeholders in the area. On October 3, 2019 Boreal received a letter from The Direktoratet for mineralforvaltning granting an extension of the Burfjord claims to September 30, 2023.

Exploration Outlook

Boreal continues to focus its exploration efforts on the Gumsberg project in Sweden, where exploration drill holes intersected significant base-metal and silver rich styles of mineralization. Likewise, an initial

drill program was conducted at the Burfjord project in northern Norway and results confirm the presence of broad zones of copper mineralization enveloping high-grade copper veins.

Boreal, together with partner Boliden Minerals AB intends to conduct significant exploration at the copper endowed Burfjord Project in 2020 which will include surface geophysics, geological mapping, prospecting and sampling with the ultimate goal of following up diamond drilling in 2020 or 2021.

The Gumsberg project continues to be Boreal's flagship project. Boreal discovered new high-grade zones of mineralization in the Loberget-Vallberget and Östrasilvberg areas on the Gumsberg project in the 2017-2018 drill programs and continued to have success in 2019. The drill defined zones of high-grade mineralization remain open in multiple directions. Boreal intends to conduct further work in these target areas, including drilling to deeper levels and additional geophysical surveys.

To date, an emphasis has been placed on low-cost, high value surface exploration work that led to the definition of high priority drill targets, as well as highly efficient drill programs targeting near-surface, high grade zones of mineralization (Gumsberg and Burfjord as examples). These cost-efficient programs are designed to deliver maximum value to Boreal shareholders while continuing to advance multiple projects in the portfolio in a timely fashion.

Selected Annual Financial Information

The Company's Consolidated Financial Statements for the years ended December 31, 2019, 2018, and 2017 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The following selected financial information is taken from the annual consolidated financial statements and should be read in conjunction with those statements.

During fiscal 2018, the Company changed its accounting policy with respect to exploration and evaluation expenditures to better represent total costs incurred on its exploration and evaluation assets. In prior years the Company's policy was to charge to operations exploration expenditures as incurred. The Company has elected to change this accounting policy to now capitalize by property all costs directly related to the exploration and evaluation of mineral properties classified as exploration and evaluation assets, effective with the presentation of these financial statements, on a retrospective basis.

	December 31, 2019	December 31, 2018 (restated)	December 31, 2017 (restated)
Cash	115,905	225,230	3,397,728
Total assets	4,327,853	5,103,397	6,119,693
Total liabilities	1,291,770	333,455	686,862
Shareholders' equity	3,036,083	4,769,942	5,432,831
Loss from continuing operations attributable to shareholders	(2,855,821)	(1,903,619)	(1,403,621)
Net loss and comprehensive loss	(3,541,264)	(1,925,458)	(1,403,621)
Basic and diluted loss per common share	(0.05)	(0.03)	(0.05)

Results of Operations

For the three month periods ended March 31, 2020 and 2019

During the period ended March 31, 2020, the Company incurred a net loss of \$143,326, a decrease of \$304,266 compared to \$447,592 net loss incurred in the same period of 2019. This decrease in the Company expenses was a result of expenses recovery.

During the three month period ended March 31, 2020, the Company's major operating expenses were as follows:

Consulting fees recovery of \$8,222 (2019 – expense of \$10,488) decreased as a result of the Company reversing certain accrued liabilities in the current quarter.

General and office costs recovery of \$533 (2019 – expense of \$29,111) decreased due to decreased activity in the Company and the Company reversing certain accruals in the current quarter.

Management fees of \$93,716 (2019 - \$103,000) decreased due to the resignation of one of the Company's officer in quarter 4 of 2019.

Marketing fees of \$3,022 (2019 - \$81,907) decreased due to decreased activity in the Company and the Company reversing certain accruals in the current quarter.

Legal fees of \$445 (2019 - \$15,000) decreased due to the Company reversing certain accrued liabilities in the current quarter.

Travel expenses recovery of \$8,523 (2019 – expense of \$69,524) decreased due to the Company reversing certain accruals in the current quarter.

Share-based payments of \$19,234 (2019 - \$70,606) decreased due to the cancellation in 2019 of 900,000 options issued to the Company's Former President.

Impairment on exploration and evaluation assets of \$Nil (2019 - \$Nil).

The basic and diluted loss per common share in the three month period ended March 31, 2020 was \$0.00 (2019 - \$0.01).

Cash flows for the period ended March 31, 2020 and 2019

At March 31, 2020, the Company had \$58,073 cash, compared to \$1,086,145 cash at March 31, 2019.

In the period ended March 31, 2020, the Company issued shares by way of private placement for net proceeds of \$Nil (2019 - \$1,602,689).

In the period ended March 31, 2020, net cash used for operating activities totaled \$85,155 compared to \$342,926 of net cash used in operating activities in 2019. The cash used in operating activities consisted of the operating expenses of the Company.

In the period ended March 31, 2020 and 2019, the net cash flows from (used in) the discontinued operations are as follows:

	For the periods ended March 31,	
	2020	2019
Cash flows from operating activities	\$ -	\$ 45,291
Cash flows used in investing activities		(21,502)
Total cash flows from (used in) discontinued operations	\$ -	\$ 23,789

Summary of Quarterly Results

	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
	\$	\$	\$	\$	\$	\$	\$	\$
Cash	58,073	115,905	26,145	56,955	1,086,145	225,230	1,229,771	1,750,659
Total assets	4,272,953	4,327,853	5,515,269	5,956,321	6,530,797	5,103,397	5,392,249	5,704,826
Total liabilities	1,360,961	1,291,770	681,563	402,192	535,152	333,455	289,411	160,370
Working capital (deficiency)	(1,260,981)	(1,136,006)	(600,258)	(248,155)	731,405	107,342	1,176,754	1,884,835
Loss and comprehensive loss attributable to:								
Company's shareholders	(143,322)	(1,787,960)	(782,890)	(512,175)	(446,568)	(406,173)	(639,811)	(273,088)
Non-controlling interests on BEMC	(4)	(10,929)	229	53	(1,024)	324	(668)	(550)
Net comprehensive loss	(143,326)	(1,798,889)	(782,661)	(512,122)	(447,592)	(405,849)	(640,479)	(273,638)
Basic and diluted loss per share	(0.00)	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)

Liquidity and Capital Resources

To date, the Company has not yet realized profitable operations. The Company will require additional financing to explore and develop its mineral properties and there can be no assurances that such financing will be available, or if available, will be on reasonable terms.

These consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing.

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate programs and may be unable to continue in operation. The Company may seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

The Company's revenues, if any, are expected to be in large part derived from the mining and sale of minerals and metals or interests related thereto. The economics of developing and producing properties are affected by many factors including the cost of operations and the market price of the mineral resource. Depending on the market price of mineral resources, the Company may determine that it is impractical to continue commercial production.

Related Party Transactions

Key management personnel include Patricio Varas as Executive Chairman, Chief Executive Officer, Director and President; Karl Antonius as Former President (terminated for cause on November 29, 2019); Alexandra Woodyer Sherron as Chief Financial Officer; and Eric Jensen, David Reid, Jon Sherron, Michael Nordfors, Thomas Soderqvist, and Johannes Holzäpfel as Directors of the Company and its subsidiaries.

The Company entered into the following transactions with related parties during the period ended March 31, 2020:

	For the periods ended March 31,	
	2020	2019
Short-term benefits paid or accrued:		
Accounting fees	\$ 1,910	\$ 13,952
Management fees	78,716	103,000
Legal fees / share issuance costs	445	-
Share-based payments	13,858	54,478
Rent	-	4,000
	<u>\$ 94,929</u>	<u>\$ 175,430</u>

As of March 31, 2020, included in accounts payable and due to related parties is \$262,819 (March 31, 2019 - \$93,068) due to directors and officers of the Company. These amounts are non-interest bearing with no specific terms of repayment. Included as part of the related party balances in accounts payable, is \$118,479 (March 31, 2019 - \$Nil) owing to the Company's former president.

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

Financial Instruments and Other Instruments

Financial instruments

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of receivables, reclamation bond and accounts payable and accrued liabilities approximate their carrying amounts due to the short-term nature of the financial instruments. Cash is classified as financial assets measured at fair value through profit or loss and is measured at fair value using level 1 inputs of the fair value hierarchy. Reclamation bond and receivables are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities are measured at amortized cost.

Risk management

The Company is exposed to a variety of financial instrument related risks to varying degrees:

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge its obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits its exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company is currently investigating financing opportunities so that it has sufficient liquidity to meet liabilities when due.

There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company anticipates it will need additional capital in the future to finance on-going exploration of its properties, such capital to be derived from the completion of other equity financings. The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for future exploration and development of its project. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration success. In recent years, the securities markets

have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

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.

Currency risk

The Company is exposed to financial risk related to fluctuations in foreign exchange rates. Foreign currency risk is limited to the portion of the Company's business transactions denominated in currencies other than the Canadian Dollar.

Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on cash. The Company's policy is to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the interest rate.

Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Segmented Information

The Company is engaged in one business activity, being the acquisition and exploration of mineral properties. Geographic information is disclosed in Exploration and Evaluation Assets section. All equipment is held solely in the Scandinavia segment, except for computer equipment which is held in Canada.

Discontinued Operations

On November 5, 2019, pursuant to Sections 29 and 2(e) of the royalty agreements specific to the Battery Metals Projects, EMX exercised its rights to acquire the Battery Metals Projects held in BBMSAB through the purchase of all of BBMSAB's shares from BEMC for proceeds of \$1. As a result, the royalty agreements specific to the Battery Metals Projects were terminated and a loss of \$688,471 related to the disposal of the Battery Metals Projects is recorded.

On November 5, 2019, the disposal group comprised net assets as follows:

Proceeds		\$	1
Net assets of BBMSAB			
Cash	\$	7,439	
Accounts receivable		43	
Reclamation bonds		6,112	
Exploration and evaluation assets		676,577	
Accounts payable		(1,699)	
Less net assets			(688,472)
Loss on disposal of BBMSAB		\$	(688,471)

Subsequent Events

- In March 2020, the World Health Organization characterized the COVID-19 virus as a global pandemic. There is significant uncertainty as to the likely effects of this outbreak which may, among other things, impact the Company's supply chain of I supplies and may negatively impact the capital markets, where the Company has raised equity in the past. At the current time, the Company is unable to quantify the potential impact this pandemic may have on the Company's future financial statements
- On June 10, 2020, the Company entered into an Option Agreement with Boliden Mineral AB ("Boliden") with respect to the Company's 100% owned Burfjord copper-gold project in Northern Norway ("Burfjord" or the "Project").

Boliden may earn a 51% interest in the Project by incurring USD\$6,000,000 on exploration and development of the Project within four years of the effective date of the Option Agreement (the "First Option"). Boliden may also exercise the First Option by paying the Company in cash within such four-year period the difference between USD\$6,000,000 and the expenditures incurred. The four-year period to exercise the First Option may be extended if exploration and development on the Project is delayed by an event of force majeure, which includes the current Corona Virus pandemic. If the First Option is exercised, Boliden may earn an additional 29% interest in the Project, for an aggregate 80% interest (the "Second Option"), by solely funding further advancement work through the delivery of a NI 43-101 and PERC (Pan European Reserves & Resources Reporting Committee) compliant feasibility study and solely funding all annual costs to keep the Project in good standing.

EMX Royalty Corporation ("EMX"), the underlying royalty holder and technical advisor to the Company on the Project, will retain a 3% NSR royalty on the Project, which includes advance royalty payments credited toward actual royalties payable upon production. One percent of the 3% NSR may be re-purchased from EMX by February 14, 2025, provided that this right of purchase may be extended if Boliden, due to an event of force majeure, still has the right to exercise, but has not yet exercised, the First Option by February 14, 2025.

Boliden will solely fund the advance royalty payments due to EMX until the First Option is exercised, after which advance royalty payments will be paid by both the Company and Boliden in proportion to their respective proportionate interests in the Project.

The Company will be the initial operator of the Project until the First Option is exercised. Upon exercise of the First Option, the Company and Boliden will form an incorporated Joint Venture to further advance the Project, and Boliden will have the right to become the operator.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements as at March 31, 2020 and December 31, 2019.

Significant Accounting Policies

The consolidated financial statements, including comparatives, were prepared in accordance with the accounting policies described in the Company's annual financial statements for the year ended December 31, 2019.

Critical Accounting Estimates

The preparation of the consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates.

Valuation of share-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Deferred Tax Assets & Liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

Site decommissioning obligations

The Company recognizes a provision for future abandonment activities in the financial statements equal to the net present value of the estimated future expenditures required to settle the estimated future obligation at the statement of financial position date. The measurement of the decommissioning obligation involves the use of estimates and assumptions including the discount rate, the expected timing of future expenditures and the amount of future abandonment costs. The estimates were made by management and external consultants considering current costs, technology and enacted legislation. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

Economic recoverability and probability of future economic benefits of exploration and evaluation assets

Management has determined that mineral property costs incurred which were capitalized have future economic benefits and are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geological and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Functional and reporting currency

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency for the Company and its subsidiaries is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, the Effects of Changes in Foreign Exchange Rates.

Acquisition method accounting

In the acquisition of Swedish Companies, significant judgement was required to determine if that transaction represented a business combination or an asset purchase. More specifically, management concluded that Swedish Companies did not represent a business, as the assets acquired were not an integrated set of activities with inputs, processes and outputs.

Leases

IFRS 16, Leases is a new standard that sets out the principles for recognition, measurement, presentation and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model. This standard is effective for the years beginning on or after January 1, 2019.

Outstanding Share Data

As at March 31, 2020 and as of the date of this MD&A, the Company had 76,031,629 and 76,031,629 common shares outstanding, respectively.

Stock Options

The Company has adopted a stock option plan whereby, the Company may grant stock options up to a maximum 10% of the issued common shares of the Company at any time.

As at March 31, 2020 and as of the date of this MD&A, the Company had 4,025,000 and 4,025,000 stock options issued and outstanding, respectively.

A summary of stock option transactions during the period ended March 31, 2020 and December 31, 2019 are as follows:

	Weighted average exercise price	Number of options outstanding
Balance, December 31, 2018	\$ 0.20	4,925,000
Stock options cancelled	0.20	(900,000)
Balance, December 31, 2019	\$ 0.20	4,025,000
Balance, March 31, 2020	\$ 0.20	4,025,000

The following table summarizes information regarding stock options outstanding and exercisable as at March 31, 2020:

Expiry Date	Number of options outstanding	Weighted average exercise price	Weighted average life (years)	Number of options exercisable	Weighted average exercise price	Weighted average life (years)
September 14, 2028	4,025,000	\$ 0.20	8.46	2,683,340	\$ 0.20	8.46
Balance, March 31, 2020	4,025,000	\$ 0.20	8.46	2,683,340	\$ 0.20	8.46

Warrants

As at March 31, 2020 and as of the date of this MD&A, the Company had 17,181,734 and 17,181,734 warrants issued and outstanding, respectively.

A summary of share purchase warrant transactions during the period ended March 31, 2020 are as follows:

Expiry date	Exercise price	WARC life (years)	December 31, 2019	Granted	Exercised	Expired	March 31, 2020
February 20, 2021	\$0.15		17,181,734	-	-	-	17,181,734
Total Outstanding and Exercisable			17,181,734	-	-	-	17,181,734
Weighted average price			\$ 0.15	-	-	-	\$ 0.15

Escrow Units

In accordance with the escrow agreement dated November 21, 2017, 12,102,236 shares and 3,538,618 warrants were placed in escrow, of which 10% of the escrowed common shares and warrants were released on November 21, 2017. During the period ended March 31, 2020, 0% of the escrowed common shares and warrants were released (year ended December 31, 2019 – 30%). As at March 31, 2020, there were 3,630,671 common shares (December 31, 2019 – 3,630,671) and 1,061,585 warrants (December 31, 2019 – 1,061,585) of the Company held in escrow.

As of the date of this MD&A, there were 1,815,335 common shares and 530,793 warrants of the Company held in escrow.

Management's Responsibility for Financial Statements

Information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

Risk Factors

Our exploration programs may not result in a commercial mining operation.

Mineral exploration involves significant risk because few properties that are explored contain bodies of ore that would be commercially economic to develop into producing mines. Our mineral properties are without a known body of commercial ore and our proposed programs are an exploratory search for ore. We do not know whether our current exploration programs will result in any commercial mining operation. If the exploration programs do not result in the discovery of commercial ore, we will be required to acquire additional properties and write-off all of our investments in our existing properties.

We may not have sufficient funds to complete further exploration programs.

We have limited financial resources, do not generate operating revenue and must finance our exploration activity by other means. We do not know whether additional funding will be available for further exploration of our projects or to fulfill our anticipated obligations under our existing property agreements. If we fail to obtain additional financing, we will have to delay or cancel further exploration of our properties, and we could lose all of our interest in our properties.

Factors beyond our control may determine whether any mineral deposits we discover are sufficiently economic to be developed into a mine.

The determination of whether our mineral deposits are economic is affected by numerous factors beyond our control. These factors include market fluctuations for precious metals; metallurgical recoveries associated with the mineralization; the proximity and capacity of natural resource markets and processing equipment; costs of access and surface rights; and government regulations governing prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection.

Mineral exploration is highly speculative and risky; any material changes to the estimated reserves might adversely affect the profitability of the property.

In making determinations about whether to proceed to the next stage of development, we must rely upon estimated calculations as to the mineral reserves and grades of mineralization on our properties. Until ore is actually mined and processed, mineral reserves and grades of mineralization must be considered as estimates only. Any material changes in mineral reserve estimates and grades of mineralization will affect the economic viability of the placing of a property into production and a property's return on capital.

Mineral exploration is hazardous. We could incur liability or damages as we conduct our business due to the dangers inherent in mineral exploration.

Mining operations often encounter unpredictable risks and hazards that add expense or cause delay. These include unusual or unexpected geological formations, changes in metallurgical processing requirements; power outages, labor disruptions, flooding, explosions, rock bursts, cave-ins, landslides and inability to obtain suitable or adequate machinery, equipment or labor. We may become subject to liabilities in connection with pollution, cave-ins or hazards against which we cannot insure against or which we may elect not to insure. The payment of these liabilities could require the use of financial resources that would otherwise be spent on mining operations.

In the future we may be required to comply with government regulations affecting mineral exploration and exploitation, which could adversely affect our business, the results of our operations and our financial condition.

Mining operations and exploration activities are subject to national and local laws and regulations governing prospecting, development, mining and production, exports and taxes, labor standards, occupational health and mine safety, waste disposal, toxic substances, land use and environmental protection. In order to comply, we may be required to make capital and operating expenditures or to close an operation until a particular problem is remedied. In addition, if our activities violate any such laws and regulations, we may be required to compensate those suffering loss or damage, and may be fined if convicted of an offence under such legislation.

Land reclamation requirements for the exploration properties may be burdensome.

Although variable depending on location and the governing authority, land reclamation requirements are generally imposed on mineral exploration companies (as well as companies with mining operations) in order to minimize long term effects of land disturbance. Reclamation may include requirements to

control dispersion of potentially deleterious effluents and reasonably re-establish pre-disturbance land forms and vegetation. In order to carry out reclamation obligations imposed on us in connection with our mineral exploration, we must allocate financial resources that might otherwise be spent on further exploration programs.

We face industry competition in the acquisition of exploration properties and the recruitment and retention of qualified personnel.

We compete with other exploration companies, many of which have greater financial resources than us or are further along in their development, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. If we require and are unsuccessful in acquiring additional mineral properties or personnel, we will not be able to grow at the rate we desire or at all.

Coronavirus

COVID-19 (the "Coronavirus") has threatened a slowdown in the global economy as well as caused volatility in the global financial markets. While the full impact of COVID-19 on the global economy is uncertain, rapid spread of COVID-19 may have an adverse effect on the Company's financing capabilities; COVID 19 could negatively impact planned exploration programs; economic recession from COVID-19 could negatively impact the Company's ability to operate. The extent to which COVID-19 may impact the Company's business will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing, business closures or business disruptions, and the effectiveness of actions taken in Canada, the United States and other countries to contain and treat the disease. Although it is not possible to reliably estimate the length or severity of these developments and their financial impact to the date of approval of these consolidated financial statements, the Company's stock price has declined to new lows since year-end but has recently increased. Should the stock prices remain at or below currently prevailing levels for an extended period, this could have a further significant adverse impact on the Company's financial position and results of operations for future periods.

Approval

The Board of Directors of the Company has approved the disclosure contained in this MD&A on July 13, 2020. A copy of this MD&A will be provided to anyone who requests it and can be found on Sedar at www.sedar.com.