

INTRODUCTION

This management's discussion and analysis ("MD&A") reports on the financial position and results of operations of Bolt Metal Corp. (the "Company" or "Bolt") and was prepared and approved by the Board of Directors as at June 1, 2020 and should be read in conjunction with the condensed interim consolidated financial statements and notes thereto for the three months ended March 31, 2020 and the audited consolidated financial statements and notes thereto for the year ended December 31, 2019. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A is intended to assist the reader's understanding of the Company and its operations, business, strategies, performance and future outlook from the perspective of management. All dollar figures included therein and in the following MD&A are quoted in Canadian dollars unless otherwise indicated. Additional information related to the Company, including its press releases and quarterly and annual reports, is available for view on SEDAR at www.sedar.com.

This MD&A may contain management estimates of anticipated future trends, activities, or results; these are not a guarantee of future performance, since actual results may vary based on factors and variables outside of management's control. Management is responsible for the preparation and integrity of the consolidation financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible to ensure that information disclosed externally, including the consolidated financial statements and MD&A, is complete and reliable.

The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board's Audit Committee meets with management quarterly to review the consolidated financial statement results, including the MD&A, and to discuss other financial, operating and internal control matters. The Audit Committee receives a report from the independent auditors annually and is free to meet with them throughout the year.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking statements". Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below and as detailed under RISKS AND UNCERTAINTIES in this MD&A.

Risk factors that could affect the Company's future results include, but are not limited to, risks inherent in hydrocarbon exploration and development and production activities in general, volatility and sensitivity to market prices for oil and gas, changes in government regulation and policies including environmental regulations and reclamation requirements, receipt of required permits and approvals from governmental authorities, competition from other companies, ability to attract and retain skilled employees and contractors, changes in foreign currency exchange rates, and the outbreak of an epidemic or a pandemic, including the recent outbreak of the novel coronavirus (COVID-19), or other health crisis and the related global health emergency affecting workforce health and wellbeing. Further information regarding these and other factors which may cause results to differ materially from those projected in forward-looking statements are included in the Company's filings with securities regulatory authorities. The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

DESCRIPTION OF BUSINESS

The Company was incorporated under the laws of the Province of British Columbia and is a Canadian-based exploration company focused on the acquisition and development of production grade nickel-cobalt deposits, a key raw material input for the growing lithium-ion battery industry.

The Company's head office is located at Suite 300 - Bellevue Centre, 235 - 15th Street, West Vancouver, BC, V7T 2X1 and its registered records office is located at Pacific Centre, 400 - 725 Granville Street, Vancouver, BC, V7Y 1G5. The Company is listed on the Canadian Securities Exchange ("CSE") under the symbol BOLT, the OTCQB under the symbol PCRCF and the Frankfurt Exchange under the symbol NXFE.

CYCLOPS PROJECT

Cyclops Nickel-Cobalt Project Acquisition

On June 17, 2019 the Company entered into a revised Conditional Purchase Agreement to indirectly acquire the remaining 35% (Company currently owns 65%) ownership of a mining permit for the Cyclops Nickel-Cobalt Project, located in Depapre District, Jayapura Regency, Papua Province, Republic of Indonesia. The agreement was revised such that:

- a) The Company will indirectly purchase the balance of the Project it does not already own (35%) in exchange for staged consideration in the aggregate amount of USD\$1,220,000; and
- b) A creditor has agreed to reduce the amount of the debt due and owing in relation to the project to \$140,706 (Rp1,500,000,000).

Payment terms under the revised Conditional Purchase are:

- a) USD\$120,000 on or before June 15, 2020;
- b) USD\$120,000 on or before June 15, 2021; and
- c) USD\$980,000 on or before June 15, 2022 ("Final Payment").

Notwithstanding the foregoing, the Company shall have the right to defer the Final Payment date for a period of one year by: (i) delivering written notice of its intention to defer the Final Payment on or before the due date of the Final Payment and (ii) payment of an additional USD\$120,000 on or before June 15, 2022.

Background

The Cyclops Project is located directly on the Pacific coast in Depapre District, Jayapura Regency, Papua Province, Republic of Indonesia. The town of Sentani is located about 15 km to the east and with Jayapura, the capital city of Papua Province, located about 40 km to the east.

The Cyclops Project is comprised of a Mining Business Permit – Production Operation license covering exactly five thousand hectares (50km²).

Sealed roads enable year-round access to the project area and connect it with the large towns of Jayapura and Sentani. Detailed bathymetric studies have identified three locations along the coast which appear to be favourable for the construction of a deep-water port site within the license area.

The Cyclops Project covers the western segment of a thick ultramafic unit that is exposed along the southern and western slopes of the Cyclops Mountain Range in an area measuring roughly 40 km east-west and 5 km north-south, from Tanahmerah Bay in the west to Jayapura's adjacent Yos Sudarso Bay (Humboldt Bay) in the east.

These ultramafic rocks have been extensively lateritized, resulting in the formation of elevated values of nickel and cobalt residing in shallow, near surface zones of the profile. A total of nine (9) prospective laterite zones underlain by ultramafic rocks have been identified and mapped on the property. Of these, only five have been historically, and to a limited extent, drill tested.

A total of eight hundred and fifty-six (856) holes drilled with manual augers, tripod-supported gas-powered augers and truck mounted drills, as well as twenty six (26) test pits, have been completed on the five of the nine cobalt prospects; the Tanahmerah, Tablasufa, Amaybu, Kirpon and Doyo zones. These prospects are in the northern part of the license.

The Cyclops Project hosts a historical estimate of 37.973 million tonnes grading 1.25% nickel and 0.11% cobalt at a 0.8% nickel cut-off grade, contained in five coastal deposits fringing Tanahmerah Bay; Tanahmerah, Tablasufa, Amaybu, Kirpon and Doyo. The Historical Estimate¹ was reported by PT. Pacific Nikkel in 1982 ("Pacific Nikkel report"), based on work carried out by PT. Pacific Nikkel in the period 1969 to 1979, as referenced by Thirnbeck in 2001.

The Pacific Nikkel report notes that drilling was the principal method of testing the extent, depth and grade of the laterite profile in the target areas and that such drilling averaged 7 meters in depth. The Pacific Nikkel report also notes that drilling was reported not to have intersected the full laterite profile, or to have reached bedrock and frequently bottomed in horizons with elevated cobalt and nickel concentrations.

CYCLOPS PROJECT (cont'd...)

Background (cont'd...)

The following outstanding cobalt intercepts are from within the mineralized zones: (operator, PT. Pacific Nikkel, 1970; true width of intervals are unknown)

- 8m @ 1.53% nickel and 0.18% cobalt; from surface to 8m depth (Hand Auger hole #35);
- 13m @ 1.26% nickel and 0.15% cobalt; from 2m to 15m depth (Hand Auger hole #6); and
- 10m @ 1.02% nickel and 0.19% cobalt; from 4m to 14m depth (Hand Auger hole #21).

Title and Registration

During February 2020 the Company received approval from the OMBUDSMAN of the Republic of Indonesia for the registration of the Cyclops Nickel-Cobalt Project license in the Directorate General of Minerals and Coal and the Ministry of Energy and Mineral Resources of the Republic of Indonesia. The project license will be transferred into a Foreign Investment License where it will be administered by the central government. The license will then be fully compliant with the regulation of the Minister of Energy and Mineral Resources No. 11 of 2018 regarding the procedure for the granting of licenses and reporting on mineral and coal mining business activities.

During April 2020 the Cyclops Project License was registered in the database of the Directorate General of Minerals and Coal, Ministry of Energy and Mineral Resources of the Republic of Indonesia with related physical documentation anticipated shortly.

2019 Project Development Milestones

The Company achieved several important milestones in 2019 as the result of ongoing drilling and bench-scale scoping tests for processing of materials from its Cyclops Nickel-Cobalt Project as detailed in the Company's press release of July 17, 2019. The following details the Company's progress during the second half of the year:

- The Company continued bulk sampling, which included excavation and sampling of test pits from the Cyclops project with a total of 530kg sent to Canada for the bench-scale test program and later pilot plant studies.
- In September, the Company completed its shallow drilling program, which confirmed elevated nickel and cobalt values from surface of the laterite profile. The drilling program was extensive, including 75 drill holes at depths of between 10 to 29 metres, with a total of 1,020 metres drilled. In conjunction with 11 test-pits of 2 to 6 metres in depth and 51 auger holes to depths of 1 to 3 metres.
 - These results are part of a multi-faceted exploration program supporting the suite of historic results, which included 856 drill holes, and 26 test-pits.
 - Within the overall results, the Company reported consistently elevated nickel levels in the saprolite zone as well as highly anomalous cobalt values in the surface limonite zone. Overall, the zone forms a continuous blanket across the entire 600 metres x 300 metres area drilled. Varying in thickness from 2 to 11 metres, these findings enhance the potential size of the mineralized body of material.

CYCLOPS PROJECT (cont'd...)

2019 Project Development Milestones (cont'd...)

- Selected elevated nickel results are given below from the Company's shallow drilling program *(for further information, please refer to the Company's press releases of March 5, April 1, April 23, June 13, June 20, and September 10, 2019)*:

Intersection Length (metres from surface)	Nickel Percentage	Cobalt Percentage
7.0	2.15%	0.03%
4.0	1.96%	0.04%
2.0	2.00%	0.01%
2.0	1.91%	0.05%
5.0	1.91%	0.03%
2.0	1.61%	0.26%
6.0	1.78%	0.06%
4.0	1.80%	0.06%
6.0	1.79%	0.05%
6.0	1.76%	0.03%
3.0	1.90%	0.05%
4.0	1.78%	0.06%
5.0	2.24%	0.05%
4.0	1.72%	0.03%

- Selected elevated Cobalt results of the Company's shallow drilling program are set out in greater detail below *(for further information, please refer to the Company's press release of September 24, 2019)*:

Intersection Length (metres from surface)	Nickel Percentage	Cobalt Percentage
11.0	0.89%	0.15%
8.0	1.03%	0.29%
7.0	1.19%	0.20%
8.0	1.42%	0.16%
10.0	1.31%	0.15%
10.0	0.80%	0.14%
10.0	1.65%	0.12%
8.0	0.96%	0.14%

- In October, the Company completed its recovery process bench-scale test program in conjunction with its extractive technology and process development partner, Process Research ORTECH Inc. ("Ortech") This followed the Company's scoping test program which had already confirmed the suitability of mixed chloride leach technology on multiple samples of Indonesian laterite.
 - The Company confirms that, using Ortech's patented solvent extraction process, the bench-scale test program successfully:
 - Defined optimal leach conditions;
 - Determined pregnant solutions for each relevant mineral; and
 - Established viable processes for separating the samples of nickel, cobalt and iron from the Company's Cyclops project.

CYCLOPS PROJECT (cont'd...)

2019 Project Development Milestones (cont'd...)

- The solution quality of the nickel-bearing pregnant strip solution indicates an estimate of the NiCO₃ product quality above 99.9% requiring only a single stage purification process.
- The solution quality of the cobalt pregnant strip solution indicates that an estimate of the CoCO₃ product quality is 98.2%.
- The recovery percentages from the bench-scale test program are set out below (*for further information, please refer to the Company's press release of October 28, 2019*):

Sample	Ni(%)	Co(%)	Fe(%)
Limonite	99.26	98.82	97.77
Low Iron Transition	99.75	97.03	99.22
Saprolite	99.77	>99.9	99.74

- The Company is confident in its ability to further improve recovery rates as it conducts further testing.
- The Company continued to engage with downstream users and commodity suppliers to the EV battery space as the Company continues its strategy of actively engaging with market players in China, Indonesia and Korea.

These developments support characteristics of the Company's Cyclops Project which include: environmental and mining permits, comprehensive infrastructure including year-round sealed road access, proximity to air and sea transport links, gentle topography and an experienced local workforce.

These 2019 milestones, complement extensive development conducted during 2018, which included finalizing access rights to the site for topographic and photographic surveys, mapping, sampling, drilling and initial bulk sampling for small-scale process testing programs.

Looking Ahead

The Company's plans for 2020 include preparations to commission and operate a pilot plant in Canada which will contain an integrated circuit to produce high purity nickel and cobalt strip solutions in order to develop battery-grade nickel and cobalt.

CYCLOPS PROJECT (cont'd...)

¹*Historical Estimate*

A historical estimate, which dates from before the requirement for uniform regulatory compliance and therefore fails to meet the current standards of National Instrument 43-101, is being referenced as a guide for the Company's 2018 work program. This early data employed measurements still in use today and indicate mineralization from surface with an estimated potential of 37 million tonnes of 0.11 per cent cobalt and 1.31 per cent nickel at a 0.8-per-cent-nickelcut-off grade. The company intends to validate the resource and, where possible, expand upon the historical estimate, as only five of the nine known cobalt/nickel occurrences were the subject of the historical studies. The company affirms this data in no way implies an estimated resource valuation but are offered as a basis for its current exploratory efforts and approach. The Company considers the cobalt and nickel tonnage and grade estimates contained herein to be historical estimates. The historical estimates are contained in the summary geologic investigations, PT Pacific Nikkel Indonesia 1969 (Reynolds, 1979). These historical estimates do not use categories that conform to current CIM (Canadian Institute of Mining, Metallurgy and Petroleum) definition standards on mineral resources and mineral reserves as outlined in National Instrument 43-101 (Standards of Disclosure for Mineral Projects) and have not been redefined to conform to current CIM definition standards. These estimates were prepared in the 1980s prior to the adoption and implementation of NI 43-101. A qualified person has not done sufficient work to classify the historical estimates as current mineral resources, and the Company is not treating the historical estimates as current mineral resources. More work, including, but not limited to drilling will be required to conform the estimates to current CIM definition standards. Investors are cautioned that the historical estimates do not mean or imply that economic deposits exist on the company's project. Efforts to obtain any additional information regarding relevant historical work are continuing, although there are no assurances that these original data will be found. The Company believes that the historical estimates are relevant to continuing exploration on the project. For more information, please refer to the technical report, filed on SEDAR on December 8, 2017, and available under the company's profile at SEDAR.

LIQUIDITY, FINANCIAL POSITION AND CAPITAL RESOURCES

As at March 31, 2020, the Company's liquidity and capital resources are as follows:

	March 31, 2020	December 31, 2019
Cash	\$ 1,228,008	\$ 202,730
Receivables	17,750	12,257
Prepaid expenses	54,610	66,887
Advances	4,336	4,336
Total current assets	1,304,704	286,210
Accounts payable and accrued liabilities	381,575	737,387
Lease liability	-	12,688
Taxes payable	71,200	71,200
Total current liabilities	452,775	821,275
Working capital (deficiency)	\$ 851,929	\$ (535,065)

During the current period, cash funded operating activities for \$765,336 and investing activities for \$40,140. The investing activities consisted of advance non-controlling interest payments of \$40,140.

The Company closed one private placement and raised net proceeds of \$722,588 from the issuance of 6,184,704 units. Each unit was comprised of one common share and one share purchase warrant, which will entitle the holder of each whole warrant to acquire an additional common share of the Company at a price of \$0.16 per common share, for a period of 12 months from the date of issue. The Company also received proceeds of \$1,121,066 from the exercise of warrants. These proceeds from financing activities were offset by lease payments of \$12,900.

At March 31, 2020, the Company had no source of operating cash flow, limited financial resources, and no assurance that additional funding would be available to it in order to remain a going concern.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

SUMMARY OF QUARTERLY RESULTS

	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
Revenue	\$ nil	\$ nil	\$ nil	\$ nil
Income (loss) from continuing operations	\$ (1,600,336)	\$ (725,879)	\$ (667,117)	\$ (582,586)
- per share ⁽¹⁾	\$ (0.02)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Income (loss) and comprehensive loss	\$ (1,600,336)	\$ (725,879)	\$ (667,117)	\$ (582,586)
- per share ⁽¹⁾	\$ (0.02)	\$ (0.01)	\$ (0.01)	\$ (0.01)

	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Revenue	\$ nil	\$ nil	\$ nil	\$ nil
Income (loss) from continuing operations	\$ (1,002,461)	\$ (781,946)	\$ (1,293,338)	\$ (1,866,379)
- per share ⁽¹⁾	\$ (0.02)	\$ (0.02)	\$ (0.02)	\$ (0.04)
Income (loss) and comprehensive loss	\$ (1,002,461)	\$ (781,946)	\$ (1,293,338)	\$ (1,866,379)
- per share ⁽¹⁾	\$ (0.02)	\$ (0.02)	\$ (0.02)	\$ (0.04)

^{1.} Fully diluted loss per share was not calculated as the effect was anti-dilutive.

RESULTS OF OPERATIONS

For the years ended December 31, 2019 and 2018, the loss includes expenditures related to exploration of the property as per the acquisition of the Cyclops project of the Company.

For the three months ended March 31, 2020, significant expenditures are as follows:

Expenses	Explanation for Change
Consulting fees	Consultants continued to be used for the promotion of the Company and work performed to search for additional viable projects.
Exploration expenditures	The Company acquired a 65% in the Cyclops property on July 16, 2018. Costs incurred on the project since acquisition were recorded as exploration expenditures; previously they had been recorded as property investigation costs. The Company continues to explore the property.
Management fees	The Company incurs fees for management for their role in running the operations, searching for additional projects, and promoting its activities.
Marketing	The Company has incurred fees for attending conferences and road shows around the world in addition to other various advertising costs.
Share-based payments	The Company granted incentive stock options during the current period.

PROPOSED TRANSACTIONS

The Company has not entered into any proposed transactions.

RELATED PARTY TRANSACTIONS

The Company defines its directors and officers as its key management personnel. The Company entered into the following transactions with related parties during the for the three months ended March 31, 2020:

- a) Paid or accrued corporate development fees of \$7,500 to a company controlled by Sean Bromley, a director of the Company;
- b) Paid or accrued management fees of \$62,019 to Ranjeet Sundher, the President, CEO, and a director of the Company;
- c) Paid or accrued professional fees of \$31,750 to a company controlled by Steve Vanry, the CFO and a director of the Company;
- d) Paid or accrued property investigation costs of \$4,500 to a company controlled by Garry Clark, a director of the Company;
- e) Paid or accrued consulting fees of \$4,500 to Geoffrey Fielding, a director of the Company; and
- f) Recorded share-based payments of \$36,908 to Sean Bromley, \$73,816 to Ranjeet Sundher, \$73,816 to Steve Vanry, \$22,145 to Garry Clark, and \$22,145 to Geoffrey Fielding.

At March 31, 2020, included in advances are amounts owing from related parties of \$4,336.

At March 31, 2020, included in accounts payable and accrued liabilities are amounts owing to related parties of \$14,738.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments consist of cash, receivables, and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying values because of the short-term nature of these instruments. Cash is measured at fair value using level 1 inputs.

Financial risk factors

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and price risk.

Credit risk

The Company is exposed to industry credit risks arising from its cash holdings and receivables. The Company manages credit risk by placing cash with major Canadian financial institutions. The Company's primary receivable consists of goods and service tax receivable due from the Federal Government of Canada. Management believes that credit risk related to these amounts is nominal.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

Financial risk factors (cont'd...)

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company reviews additional sources of capital and financing to continue its operations and discharge its commitments as they become due. The Company is subject to liquidity risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of market price changes:

- (a) *Interest rate risk* - this risk relates to the change in the borrowing rates of the Company. The Company is not exposed to interest rate risk as it does not have any significant financial instruments with interest rates, with the exception of cash. Interest earned on cash is based on prevailing bank account interest rates, which may fluctuate. A 1% change in interest rates would result in a nominal difference in interest income for the three months ended March 31, 2020.
- (b) *Foreign currency risk* - this risk relates to any changes in foreign currencies in which the Company transacts. The effect of a 10% change in foreign exchange rates would be approximately \$25,000 for the three months ended March 31, 2020.
- (c) *Price risk* - this risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices in relation to its exploration and evaluation assets.

NEW ACCOUNTING STANDARDS, INTERPRETATIONS, AND AMENDMENTS

There were no changes in accounting policies, including initial adoption, during the period.

RISKS AND UNCERTAINTIES

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, fluctuating metal prices, social, political, financial and economics. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable.

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not listed in order of importance nor are they inclusive of all the risks and uncertainties the Company may be subject to as other risks may apply: the risks associated with our dependence on the Cyclops project; geological exploration and development; changes in law, unrest and political instability in Indonesia; permits for development of the Company's projects cannot be renewed on terms satisfactory to the Company and other land title permitting and licensing risks; infrastructure; inflation; governmental regulation; environmental hazards and insurance; uninsured risks; competition; currency fluctuations; labour and employment; joint ventures; and contract repudiation.

Limited Operating History

The Company was restructured and recapitalized but has not yet commenced active operations. As a result, it is difficult to evaluate the Company's prospects, and its future success is more uncertain than if it had a longer or more proven history of operations.

RISKS AND UNCERTAINTIES (cont'd...)

History of Losses

The Company has incurred net losses since inception and as of March 31, 2020, had an accumulated deficit of \$13,873,002.

No History of Dividends

Since incorporation, the Company has not paid any cash or other dividends on its common stock and does not expect to pay such dividends in the foreseeable future, as all available funds will be utilized to acquire and finance a new business. The Company will need to achieve profitability prior to any dividends being declared.

Dilution

The Company does not generate any revenues and does not have sufficient financial resources to undertake by itself significant expenditures. The Company has limited financial resources and has financed its operations primarily through the sale of securities such as common shares. The Company will need to continue its reliance on the sale of such securities for future financing, resulting in dilution to the Company's existing shareholders.

The amount of additional funds required will depend largely on the success of the Company's business undertakings.

Further expenditures will depend on the Company's ability to obtain additional financing which may not be available under favourable terms, if at all.

Capital and Liquidity Risk

The amount of financial resources available to invest for the enhancement of shareholder value is dependent upon the size of the treasury, profitable operations, and willingness to utilize debt and issue equity. Due to the size of the Company, financial resources are limited and if the Company exceeds growth expectations or finds investment opportunities it may require debt or equity financing. There is no assurance that the Company will be able to obtain additional financial resources that may be required to successfully finance transactions or compete in its markets on favourable commercial terms.

Dependence on Key Personnel

Loss of certain members of the executive team or key operational leaders of the company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and the competition for a professional is intense. The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

Health Crises

The Company's business and operations could be adversely affected by the outbreak of an epidemic or a pandemic or other health crises, including the recent outbreak of COVID-19. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency, and on March 20, 2020 the government of Indonesia implemented additional travel restrictions. Global government actions, including these restrictive measures in Indonesia, along with market uncertainty could cause an economic slowdown resulting in a decrease in the demand for metals and have a negative impact on metal prices, as well as possible disruptions to global supply chains. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the condensed interim consolidated financial statements requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

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

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Valuation of share-based payments

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. 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.

Accounting for acquisitions

The fair value of assets acquired and liabilities assumed requires that management make estimates based on the information provided by the acquiree. The determination of fair value as of the acquisition date requires management to make certain estimates about future events, including, but not restricted to, mineral reserves and resources acquired, exploration potential, future operating costs and capital expenditures, future metal prices, long-term foreign exchange rates and discount rates.

Determination of income taxes

Deferred tax assets and liabilities are determined based on differences between the financial statement carrying values of assets and liabilities and their respective income tax bases ("temporary differences"), and losses carried forward.

The determination of the ability of the Company to utilize tax loss carry-forwards to offset deferred tax liabilities requires management to exercise judgment and make certain assumptions about the future performance of the Company. Management is required to assess whether it is probable that the Company will benefit from these prior losses and other deferred tax assets. Changes in economic conditions, metal prices and other factors could result in revisions to the estimates of the benefits to be realized or the timing of utilizing the losses.

SUBSEQUENT EVENTS

The following events occurred subsequent to March 31, 2020 and are not disclosed elsewhere in this MD&A:

- i. the Company made payments of USD \$20,000 towards the Cyclops property.

OUTSTANDING SHARE DATA

The following details the common shares, stock options, and warrants outstanding as of the date of this MD&A:

Common Shares	79,467,726
Stock Options	5,156,250
Warrants	6,184,704

OTHER MD&A REQUIREMENTS

Additional information relating to the Company may be found on or in:

- SEDAR at www.sedar.com; and
- the Company's condensed interim consolidated financial statements for the three months ended March 31, 2020; and
- the Company's consolidated financial statements for the year ended December 31, 2019.

This MD&A was approved by the Board of Directors of the Company effective June 1, 2020.