

FULL METAL MINERALS LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

For the years ended May 31, 2019 and 2018

Containing information up to and including September 19, 2019

Form 51-102F1
Management's Discussion and Analysis
For
Full Metal Minerals Ltd. ("Full Metal" or "the Company")

CONTAINING INFORMATION UP TO AND INCLUDING SEPTEMBER 19, 2019

NOTICE

Management Discussion and Analysis ("MD&A") is intended to help the reader understand Full Metal Minerals Ltd. (the "Company" or "FMM") financial statements. The information provided herein should be read in conjunction with the audited financial statements for the years ended May 31, 2019 and 2018. The following comments may contain management estimates of anticipated future trends, activities or results. These are not a guarantee of future performance, since actual results could change based on other factors and variables beyond management control.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the 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 financial statements including the MD&A and to discuss other financial, operating and internal control matters.

The reader is encouraged to review Company statutory filings on www.sedar.com and to review general information.

All currency amounts are expressed in Canadian dollars unless otherwise noted.

CAUTION REGARDING FORWARD LOOKING INFORMATION

This MD&A contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian and US securities legislation. These statements relate to future events or the future activities or performance of the Company. All statements, other than statements of historical fact are forward-looking statements. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. These forward-looking statements include, but are not limited to, statements concerning:

- the Company's strategies and objectives, both generally and in respect of its specific mineral properties;
- the timing of decisions regarding the strategy and costs of exploration programs with respect to, and the issuance of the necessary permits and authorizations required for, the Company's exploration programs;
- the timing and cost of planned exploration programs of the Company, and the timing of the receipt of results there from;
- the Company's future cash requirements;
- general business and economic conditions;
- the Company's ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations;
- the timing and pricing of proposed financings if applicable;
- the anticipated completion of financings;
- the anticipated receipt of regulatory approval/acceptance of financings;

- the anticipated use of the proceeds from the financings;
- the potential to verify and potentially expand upon the historical resources;
- the potential for the expansion of the known mineralized zones;
- the potential for the amenability of mineralization to respond to proven technologies and methods for recovery of ore;

Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Inherent in forward looking statements are risks and uncertainties beyond the Company's ability to predict or control, including, but not limited to, risks related to the Company's inability to negotiate successfully for the acquisition of interests in mineral properties, the determination of applicable governmental agencies not to issue the exploration concessions applied for by the Company or excessive delay by the applicable governmental agencies in connection with any such issuances, the Company's inability to identify one or more economic deposits on its properties, variations in the nature, quality and quantity of any mineral deposits that may be located, the Company's inability to obtain any necessary permits, consents or authorizations required for its activities, to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies, and other risks identified herein under "Risk Factors".

The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results are likely to differ, and may differ materially, from those expressed or implied by forward looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove incorrect, including, but not limited to, assumptions about:

- the level and volatility of the prices for precious metals;
- general business and economic conditions;
- the timing of the receipt of regulatory and governmental approvals, permits and authorizations necessary to implement and carry on the Company's planned exploration programs;
- conditions in the financial markets generally, and with respect to the prospects for junior exploration gold and precious metal companies specifically;
- the Company's ability to secure the necessary consulting, drilling and related services and supplies on favorable terms;
- the Company's ability to attract and retain key staff, and to retain consultants to provide the specialized information and skills involved in understanding the precious metal exploration, mining, processing and marketing businesses;
- the nature and location of the Company's mineral exploration projects, and the timing of the ability to commence and complete the planned exploration programs;
- the anticipated terms of the consents, permits and authorizations necessary to carry out the planned exploration programs and the Company's ability to comply with such terms on a cost-effective basis;
- the ongoing relations of the Company with government agencies and regulators and its underlying property vendors/options; and
- that the metallurgy and recovery characteristics of samples from certain of the Company's mineral properties are reflective of the deposit as a whole.

These forward-looking statements are made as of the date hereof and the Company does not intend and does not assume any obligation, to update these forward-looking statements, except as required by applicable law. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations. See "Risk Factors – Insufficient Financial Resources/Share Price Volatility".

OVERALL PERFORMANCE

Full Metal Minerals is an exploration stage company involved in the acquisition and exploration of mineral properties in Alaska. The Company does not have any properties at this time. The Company is a reporting issuer in British Columbia, Alberta, Ontario, the Yukon Territory and the Northwest Territories and trades on the TSX Venture Exchange under the symbol FMM.

Highlights of the Company's activities for the year ended May 31, 2019 and subsequent period to September XX, 2019 are:

- a) On April 29, 2018, the Company entered into a share purchase agreement with Evolution Mining Ltd. ("Evolution") to purchase a 100% interest in the Puhipuhi gold project through the acquisition of Evolution's wholly-owned subsidiary, Evolution Mining NZ Pty. Ltd ("Evolution NZ"). In consideration, the Company agreed to pay a total of \$5,575,000 in staged payments, of which \$5,525,000 may, at the option of the Company, instead be satisfied by issuing common shares of the Company based on the greater of the volume weighted average trading price of the Company's common shares for 20 consecutive business days prior to the date of issuance and the minimum price permitted by the TSX Venture Exchange.
- b) On April 20, 2018, the Company announced a concurrent equity financing of up to 15,625,000 common shares at a price of \$0.08 per share for gross proceeds of up to \$1,250,000. The Company also anticipates settling certain outstanding debts, which may include trade payables, management services fees and entitlements to change of control payments under management services agreements in connection with the acquisition and the financing; the settlement of such debts may include the issuance of securities subject to acceptance by the TSX Venture Exchange. As at the date of this MD&A, the Company has received \$410,000 related to the financing.
- c) On October 19, 2018, Mr. Cale Moodie resigned as Chief Financial Officer of the Company. Ms. Jasmine Lau was appointed as Chief Financial Officer on October 22, 2018. Mr. Moodie remains on the Board of directors of the Company.
- d) On October 22, 2018, the Company announced that the due diligence on the previously-announced share purchase agreement with Evolution had been completed and a National Instrument 43-101 report on the Puhipuhi gold project had been filed.
- e) On April 30, 2019, the Company received a letter from Evolution terminating the share purchase agreement due to the Company's failure to complete the required payments.

The Company will continue to evaluate new prospects and opportunities. The Company expects to obtain financing in the future primarily through further equity, debt financing and/or sale of assets, as well as through joint venturing of the Company's properties to qualified mineral exploration companies, however there can be no assurances the Company will obtain such financing.

Selected Annual Information

	Year ended May 31, 2019	Year ended May 31, 2018	Year ended May 31, 2017
General and administrative expenses	\$ 569,941	\$ 386,223	\$ 327,847
Geological exploration expenses	41,889	996	Nil
Write-off of resource property costs	Nil	Nil	Nil
Comprehensive Income (Loss) for the Year	(569,941)	(386,223)	(313,643)
Earnings (Loss) per Share – Basic and Diluted	(0.10)	(0.07)	(0.05)
Total assets	259,054	19,239	19,330
Total long-term financial liabilities	Nil	Nil	Nil

RESULTS OF OPERATIONS

Year ended May 31, 2019 compared with year ended May 31, 2018

The Company's comprehensive loss for the year ended May 31, 2019 totaled \$569,941 (2018 - \$386,223), a loss of \$0.10 per share (2018 - \$0.07). This loss is due primarily to consulting costs of \$368,693 (2018 - \$199,697), which includes \$185,535 for a change of control payment to the former Chief Financial Officer, office and sundry costs of \$63,125 (2018 - \$48,917), and accounting and legal of \$84,770 (2018 - \$113,603).

Three months ended May 31, 2019 compared with three months ended May 31, 2018

The following analysis discusses the variations in the Company's quarterly results but, as with most junior mineral exploration companies, the results of operations (including net losses) are not the main factor in establishing the financial health of the Company. Of additional significance are the exploration and evaluation assets in which the Company has, or may earn an interest, its working capital and how many shares it has outstanding. The variations seen over the quarters are primarily a result of the level of activity of the Company's ongoing property evaluation program and the timing and results of the Company's exploration activities on its then current properties. There are no general trends regarding the Company's quarterly results. Quarterly results can vary significantly depending on whether the Company has abandoned any properties or granted any stock options and these are the factors that account for material variations in the Company's quarterly net losses, none of which are predictable. The write-off of exploration and evaluation assets can also have a material effect on quarterly results as and when they occur. General operating costs other than the specific items noted above tend to be quite similar from period to period.

The Company's comprehensive loss for the three months ended May 31, 2019 totaled \$80,717 (2018 - \$112,692), a loss of \$0.01 per share (2018 - \$0.02). This loss is due primarily to consulting costs of \$45,497 (2018 - \$47,748) and office and sundry costs of \$31,843 (2018 - \$9,934).

Summary of Quarterly Results

Expressed in \$	May 31, 2019	Feb 28, 2019	Nov 30, 2018	Aug 31, 2018
Comprehensive Income (Loss) for the period	(80,717)	(88,115)	(297,536)	(103,573)
Earnings (Loss) per Share (Basic and Diluted)	(0.01)	(0.01)	(0.05)	(0.02)
Total Assets	259,054	272,676	267,347	17,058
Expressed in \$	May 31, 2018	Feb 28, 2018	Nov 30, 2017	Aug 31, 2017
Comprehensive Income (Loss) for the period	(112,692)	(93,947)	(98,987)	(80,597)
Earnings (Loss) per Share (Basic and Diluted)	(0.02)	(0.02)	(0.02)	(0.01)
Total Assets	19,239	16,311	12,599	13,978

Liquidity

The Company's working capital deficiency as at May 31, 2019 was \$1,158,600 (2018 - \$1,000,108). Cash as at May 31, 2019 was \$53,780 (2018 - \$7,419).

Cash used by operating activities during the year ended May 31, 2019 was \$181,639 (2018 - \$837 cash provided), which includes \$386,853 cash provided in the net change in non-cash working capital (2018 – \$385,246).

Cash used by investing activities during the year ended May 31, 2019 was \$182,000 (2018 - \$nil) as a result of a loan to a company with an officer and director in common.

Cash provided by financing activities during the year ended May 31, 2019 was \$410,000 (2018 - \$nil) in subscriptions received in advance for an ongoing equity financing.

At present, the Company's operations do not generate cash flow and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

In order to finance the Company's exploration programs and to cover administrative and overhead expenses, the Company raises money from equity sales, the exercise of convertible securities and from optioning out its resource properties. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond their control.

The financial statements for the year ended May 31, 2019 do not reflect adjustments, which could be material, to the carrying value of assets and liabilities, which may be required should the Company be unable to continue as a going concern. Also refer to risk factors.

Use of Proceeds

The Company has not completed any financings during the current period and up to the date of this MD&A.

Capital Resources

As at May 31, 2019, the Company's share capital was \$61,365,074 representing 5,930,927 issued and outstanding common shares without par value (2018 - \$61,365,074 representing 5,930,927 issued and outstanding common shares without par value). During the year ended May 31, 2019, the Company has received \$410,000 share subscriptions in

advance (2018 – \$nil). Share-based payments reserve, which resulted from share-based payments and agent warrant issuances totaled \$6,068,158 (2018 - \$6,068,158). The deficit was \$68,996,039 at May 31, 2019 (2018 - \$68,426,098). Accordingly, shareholder's deficit was \$1,152,807 at May 31, 2019 (2018 - \$992,866), an increase of approximately 16%.

The Company had nil outstanding stock options and warrants as at May 31, 2019 (2018 - nil).

The Company's minimum capital requirement for its resource properties for the upcoming fiscal year will be \$nil as the Company has disposed of all properties with the exception of Moore Creek. In addition, the Company's general and administrative expenses, excluding any share-based payments, will be approximately \$400,000. The Company will need to raise funds during this year to meet these capital requirements.

EXPLORATION OVERVIEW

During fiscal 2018 and fiscal 2019, the Company has focused on cash preservation and new opportunities. The Company is a generative exploration company with a joint venture agreement with Highbury Projects. The Company is currently restructuring operations.

RISK FACTORS

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties. Due to the nature of the Company's proposed business and the present stage of exploration of its mineral properties (which are primarily early stage exploration properties with no known resources or reserves), the following risk factors, among others, will apply:

Resource Exploration and Development is Generally a Speculative Business: Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. The marketability of natural resources that may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. **There is no known resource, and there are no known reserves, on any of the Company's properties. The vast majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.** Substantial expenditures are required to establish ore reserves through drilling and metallurgical and other testing techniques, determine metal content and metallurgical recovery processes to extract metal from the ore, and construct, renovate or expand mining and processing facilities. No assurance can be given that any level of recovery of ore reserves will be realized or that any identified mineral deposit, even it is established to contain an estimated resource, will ever qualify as a commercial mineable ore body which can be legally and economically exploited. The great majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.

Fluctuation of Metal Prices: Even if commercial quantities of mineral deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Company may affect the marketability of any substances discovered. The prices of various metals have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production

due to improved mining and production methods. The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any commodities will be such that any of the properties in which the Company has, or has the right to acquire, an interest may be mined at a profit.

Financing Risks: The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under any applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

Insufficient Financial Resources: The Company does not presently have sufficient financial resources to undertake by itself the acquisition, exploration and development of all of its planned acquisition, exploration and development programs. Future property acquisitions and the development of the Company's properties will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public financing, short- or long-term borrowings or other means. There is no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its interest in its properties.

Dilution to the Company's existing shareholders: The Company will require additional equity financing to be raised in the future. The Company may issue securities at less than favorable terms to raise sufficient capital to fund its business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

Increased costs: Management anticipates that costs at the Company's projects will frequently be subject to variation from one year to the next due to a number of factors, such as the results of ongoing exploration activities (positive or negative), changes in the nature of mineralization encountered, and revisions to exploration programs, if any, in response to the foregoing. In addition, exploration program costs are affected by the price of commodities such as fuel, rubber and electricity and the availability (or otherwise) of consultants and drilling contractors. Increases in the prices of such commodities or a scarcity of consultants or drilling contractors could render the costs of exploration programs to increase significantly over those budgeted. A material increase in costs for any significant exploration programs could have a significant effect on the Company's operating funds and ability to continue its planned exploration programs.

Mining Industry is Intensely Competitive: The Company's business of the acquisition, exploration and development of mineral properties is intensely competitive. The Company may be at a competitive disadvantage in acquiring additional mining properties because it must compete with other individuals and companies, many of which have greater financial resources, operational experience and technical capabilities than the Company. Increased competition could adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future.

Permits and Licenses: The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects, on reasonable terms or at all. Delays or a failure to obtain such licenses and permits or a failure to comply with the terms of any such licenses and permits that the Company does obtain, could have a material adverse effect on the Company.

Government Regulation: Any exploration, development or mining operations carried on by the Company, will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In addition, the profitability of any mining prospect is affected by the market for precious and/or base metals which is influenced by many factors including changing production costs, the supply and demand for metals, the rate of inflation, the inventory of metal producing corporations, the political environment and changes in international investment patterns.

Environmental Restrictions: The activities of the Company are subject to environmental regulations promulgated by government agencies in different countries from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. Certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

Foreign Countries and Political Risk: Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business, or if significant enough, may make it impossible to continue to operate in the country. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, foreign exchange restrictions, export controls, income taxes, expropriation of property, environmental legislation and mine safety.

Dependence Upon Others and Key Personnel: The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability to design and carry out appropriate exploration programs on its mineral properties; (ii) the ability to produce minerals from any mineral deposits that may be located; (iii) the ability to attract and retain additional key personnel in exploration, marketing, mine development and finance; and (iv) the ability and the operating resources to develop and maintain the properties held by the Company. These and other factors will require the use of outside suppliers as well as the talents and efforts of the Company and its consultants and employees. There can be no assurance of success with any or all of these factors on which the Company's operations will depend, or that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities.

Surface Rights and Access: Although the Company acquires the rights to some or all of the minerals in the ground subject to the tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, however, the enforcement of such rights through the applicable courts can be costly and time consuming. In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access. However, in areas where there are local populations or land owners (as with many of the Company's properties), it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the right at law to access the surface and carry on exploration and mining activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction. The Company has not, to date, experienced any problems in gaining access to any of its properties.

Title Matters: Although the Company has taken steps to verify the title to the mineral properties in which it has or has a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties for which titles have been issued are in good standing.

Acquisition of Mineral Concessions under Agreements: The agreements pursuant to which the Company has the right to acquire a number of its properties provide that the Company must make a series of cash payments and/or share issuances over certain time periods, expend certain minimum amounts on the exploration of the properties or contribute its share of ongoing expenditures. The Company does not presently have the financial resources required to make all payments and complete all expenditure obligations under its all of its various property acquisition agreements over their full term. Failure by the Company to make such payments, issue such shares or make such expenditures in a timely fashion may result in the Company losing its interest in such properties. There can be no assurance that the Company will have, or be able to obtain, the necessary financial resources to be able to maintain all of its property agreements in good standing, or to be able to comply with all of its obligations thereunder, with the result that the Company could forfeit its interest in one or more of its mineral properties.

Exploration and Mining Risks: Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of gold or other minerals produced, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Short term factors, such as the need for orderly development of ore bodies or the processing of new or different grades, may have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in geological resources, grades, stripping ratios or recovery rates may affect the economic viability of projects.

Regulatory Requirements: The activities of the Company are subject to extensive regulations governing various matters, including environmental protection, management and use of toxic substances and explosives, management of natural resources, exploration, development of mines, production and post-closure reclamation, exports, price controls, taxation, regulations concerning business dealings with indigenous peoples, labour standards on occupational health and safety, including mine safety, and historic and cultural preservation. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties, enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions, any of which could result in the Company incurring significant expenditures. The Company may also be required to compensate those suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future

laws and regulations, or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspension of the Company's operations and delays in the exploration and development of the Company's properties.

Limited Experience with Development-Stage Mining Operations: The Company has very limited experience in placing mineral resource properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that the Company will have available to it the necessary expertise when and if it places its resource properties into production.

Uncertainty of Resource Estimates/Reserves: Unless otherwise indicated, mineralization figures presented in the Company's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time are based upon estimates made by Company personnel and independent geologists. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. There can be no assurance that:

- these estimates will be accurate;
- reserves, resource or other mineralization figures will be accurate; or
- this mineralization could be mined or processed profitably.

Because the Company has not commenced production at any of its properties, and has not defined or delineated any proven or probable reserves on any of its properties, mineralization estimates for the Company's properties may require adjustments or downward revisions based upon further exploration or development work or actual production experience. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale. The resource estimates contained in the Company's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time have been determined and valued based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate. Extended declines in market prices for gold, silver, copper, iron or other metals may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Any material reductions in estimates of mineralization, or of the Company's ability to extract this mineralization, could have a material adverse effect on the Company's results of operations or financial condition. **The Company has not established the presence of any resources or any proven or probable reserves at any of its mineral properties. There can be no assurance that subsequent testing or future studies will establish any resources or proven or probable reserves at the Company's properties. The failure to establish proven or probable reserves could restrict the Company's ability to successfully implement its strategies for long-term growth.**

No Assurance of Profitability: The Company has no history of earnings and, due to the nature of its business there can be no assurance that the Company will ever be profitable. The Company has not paid dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is from the sale of its common shares or, possibly, from the sale or optioning of a portion of its interest in its mineral properties. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there can be no assurance that any such funds will be available on favorable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

Uninsured or Uninsurable Risks: Exploration, development and mining operations involve various hazards, including environmental hazards, industrial accidents, metallurgical and other processing problems, unusual or unexpected rock formations, structural cave-ins or slides, flooding, fires, metal losses and periodic interruptions due to inclement or hazardous weather conditions. These risks could result in damage to or destruction of mineral properties, facilities or other property, personal injury, environmental damage, delays in operations, increased cost of operations, monetary losses and possible legal liability. The Company may not be able to obtain insurance to cover these risks at economically feasible premiums or at all. The Company may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

Enforcement of Civil Liabilities: As substantially all of the assets of the Company are located in Canada or the United States, and certain of the directors and officers of the Company are resident in Canada and/or the United States, it may be difficult or impossible to enforce judgments granted by a court in Canada or the United States against the assets of the Company or the directors and officers of the Company residing in differing jurisdictions.

The Company may be a "passive foreign investment company" under the U.S. Internal Revenue Code, which may result in material adverse U.S. federal income tax consequences to investors in the Company's common shares that are U.S. taxpayers: Investors in the Company's common shares that are U.S. taxpayers should be aware that the Company believes that it has been in prior years, and expects it will be in the current year be, a "passive foreign investment company" under Section 1297(a) of the U.S. Internal Revenue Code (a "PFIC"). If the Company is or becomes a PFIC, generally any gain recognized on the sale of the Company's common shares and any "excess distributions" (as specifically defined) paid on such common shares must be ratably allocated to each day in a U.S. taxpayer's holding period for the common shares. The amount of any such gain or excess distribution allocated to prior years of such U.S. taxpayer's holding period for the common shares generally will be subject to U.S. federal income tax at the highest tax applicable to ordinary income in each such prior year, and the U.S. taxpayer will be required to pay interest on the resulting tax liability for each such prior year, calculated as if such tax liability had been due in each such prior year.

Alternatively, a U.S. taxpayer that makes a "qualified electing fund" (a "QEF") election with respect to the Company generally will be subject to U.S. federal income tax on such U.S. taxpayer's pro rata share of the Company's "net capital gain" and "ordinary earnings" (as specifically defined and calculated under U.S. federal income tax rules), regardless of whether such amounts are actually distributed by the Company. U.S. taxpayers should be aware, however, that there can be no assurance that the Company will satisfy record keeping requirements under the QEF rules or that the Company will supply U.S. taxpayers with required information under the QEF rules, in event that the Company is a PFIC and a U.S. taxpayer wishes to make a QEF election. As a second alternative, a U.S. taxpayer may make a "mark-to-market election" if the Company is a PFIC and the Company's common shares are "marketable stock" (as specifically defined). A U.S. taxpayer that makes a mark-to-market election generally will include in gross income, for each taxable year in which the Company is a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the common shares as of the close of such taxable year over (b) such U.S. taxpayer's adjusted tax basis in the common shares.

Due to the extreme complexity of the PFIC rules and the potentially materially adverse consequence to a shareholder that is a U.S. taxpayer of the Company being a PFIC, it is critical that each shareholder that is a U.S. taxpayer consult with that shareholder's U.S. tax adviser before undertaking any transactions in the Company's common shares.

PROPOSED TRANSACTIONS

Other than the aforementioned financing in progress, there are no proposed transactions as at May 31, 2019 and to the date of this MD&A.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's general and administrative expenses is provided in the Company's Statement of Comprehensive Loss contained in its financial statements for the year ended May 31, 2019 that is available on the Company's website at www.fullmetalminerals.com or on its SEDAR Page Site accessed through www.sedar.com.

OUTSTANDING SHARE DATA

The Company's authorized capital is unlimited common shares without par value and unlimited preferred shares without par value. As at the date of this MD&A, the following common shares, options and share purchase warrants were outstanding:

	# of Shares
Issued and Outstanding Common Shares at September 19, 2019	5,930,927
Stock Options	Nil
Warrants	Nil
Fully Diluted at September 19, 2019	5,930,927

TRANSACTIONS WITH RELATED PARTIES

The Company has entered into certain transactions with related parties during the year ended May 31, 2019 and to the date of this MD&A. All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed upon by the related parties.

A description of these related party transactions is as follows:

Name	Relationship	Purpose of Transaction	Amount*
Michael Williams	President, interim CEO and Director	Consulting Fees ⁽¹⁾	\$180,000
Cale J. Moodie	Director, Former Chief Financial Officer	Consulting Fees ⁽²⁾	\$30,923
		Change of Control ⁽²⁾	\$185,535
Octavian Capital Corp.	Company controlled by the President	Administrative and personnel services, consultants, geologists, rent and other expenses	\$22,800
Red Fern Consulting Ltd.	Company in which Jasmine Lau, Chief Financial Officer, is an associate	Consulting Fees ⁽³⁾	\$34,500

* Does not include share-based payments.

- 1) The Company has a consulting arrangement with Octavian Capital Corp. ("Octavian"), a company owned by Mr. Michael Williams, the President and Director of the Company, pursuant to which Octavian agrees to provide management consulting services to the Company for a monthly fee of \$15,000.
- 2) The Company had a consulting arrangement with Spartan Pacific Financial Ltd. ("Spartan"), a company owned by Mr. Cale Moodie, the Chief Financial Officer, pursuant to which Spartan agreed to provide management consulting services to the Company for a monthly fee of \$6,185. Mr. Moodie resigned as Chief Financial Officer of the Company on October 19, 2018;

accordingly, the Company has accrued \$185,535 to Spartan, representing severance of 30 months pursuant to change of control provisions contained in the Spartan consulting agreement.

- 3) The Company has a consulting arrangement with Red Fern Consulting Ltd. ("Red Fern"), a company in which Ms. Jasmine Lau, the Chief Financial Officer, is an associate, pursuant to which Red Fern agrees to provide management consulting services to the Company for a monthly fee of \$5,000.

On October 22, 2018, the Company amended certain change of control agreement provisions for Octavian, wherein the previous 48-month trigger deadline on severance for change of control payments was extended to 54 months in order for the Company to maintain the current executives to run the corporate affairs of the business while it searches for a new asset or transaction. On April 18, 2019, the Company further amended the same change of control agreement provisions for Octavian, extending the 54-month trigger deadline on severance for change of control payments to 60 months.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

COMMITMENTS

The Company does not have any commitments.

ACCOUNTING POLICIES AND ESTIMATES

Significant judgments are used in the Company's assessment of its ability to continue as a going concern which is described in note 1 of the financial statements. Significant accounting estimates are used in the determination of fair value and value in use for purposes of the recoverability of the carrying value of mineral properties, determination of reclamation obligations, valuation of share-based payments, and the valuation of deferred income taxes. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. Actual results may differ from these estimates.

Impairment

At the end of each reporting period the carrying amounts of the Company's long-lived assets, including mineral property interests, are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Share-based Payments

The factors affecting share-based payments include estimates of when stock options might be exercised and the stock price volatility. The timing for exercise of options is out of the Company's control and will depend, among other things, upon a variety of factors including the market value of Company shares and financial objectives of the holders of the options. The Company has used historical data to determine volatility in accordance with Black-Scholes modeling, however future volatility is inherently uncertain and the model has its limitations. While these estimates can have a material impact on the share-based payments and hence, results of operations, there is no impact on the Company's financial condition or liquidity.

New Standards Not Yet Adopted

Standards and interpretations issued but not yet effective applicable to the Company as at the date of this MD&A:

- IFRS 16, Leases

The Company is evaluating the impact that this standard will have on the financial statements.

DISCLOSURE OF MANAGEMENT COMPENSATION

In accordance with the requirements of Section 19.5 of TSXV Policy 3.1, the Company provides the following disclosure with respect to the compensation of its directors and officers during the period:

1. During the year ended May 31, 2019, the Company did not enter into standard compensation arrangements made directly or indirectly with any directors or officers of the Company, for their services as directors or officers, or in any other capacity, with the Company or any of its subsidiaries, replacing existing agreements.
2. During the year ended May 31, 2019, directors and officers of the Company were paid (or accrued) certain amounts, directly or indirectly, for their services as directors and officers or in any other capacity by the Company and its subsidiaries. Refer to "Transactions with Related Parties".
3. During the year ended May 31, 2019, the Company did not enter into any arrangement relating to severance payments to be paid to directors and officers of the Company and its subsidiaries. Amendments to severance agreements were made during the year ended May 31, 2019 as disclosed in Transactions with Related Parties.

RECENT DEVELOPMENTS AND OUTLOOK

The Company expects to obtain financing in the future primarily through further equity and/or debt financing, as well as through joint venturing and/or optioning out the Company's properties to qualified mineral exploration companies. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operation and eventually to forfeit or sell its interest in its mineral properties.

FINANCIAL INSTRUMENTS AND MANAGEMENT OF CAPITAL

Fair values in the statement of financial position

The carrying amounts reported in the statement of financial position for the current financial assets and liabilities, which includes cash, receivables, loans receivable, and accounts payable and accrued liabilities, approximate fair values due to the immediate or short-term maturities of these financial instruments.

Following is a classification of fair value measurements recognized in the statement of financial position using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

	Fair value measurement at reporting date using			
		Quoted prices in active markets identical assets (Level 1)	Significant other unobservable inputs (Level 2)	Significant unobservable inputs (Level 3)
	May 31, 2019			
Assets:				
Cash	\$ 53,780	\$ 53,780	\$ -	\$ -

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company does not have any financial instruments recognized at fair value. The carrying values of cash, receivables, loans receivable, and accounts payable and accrued liabilities approximate their fair values due to their short terms to maturity.

Credit risk

Credit risk arises from the possibility that counterparties may be unable to fulfill their commitments to the Company. The Company's credit risk is primarily attributable to its liquid financial assets of cash and cash equivalents and receivables. The carrying value of these instruments represents the Company's maximum exposure to credit risk. The Company manages and limits exposure to credit risk by maintaining its cash and cash equivalents with high-credit quality financial institutions. The credit risk in receivables is considered moderate by management as it consists primarily of amounts owing from optionees of different mineral properties. The Company mitigates this risk by requiring prepayment by certain optionees deemed as higher risk. The Company does not have financial assets that are invested in asset backed commercial paper.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. The Company manages liquidity risk through the management of its capital structure, as outlined in note 9(a) of the financial statements, available on SEDAR.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates.

The Company's interest-bearing financial assets are comprised of cash and cash equivalents, which bear interest at fixed and variable rates. The Company is not exposed to material interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign currency rates. The Company's functional and reporting currency is the Canadian dollar. The Company incurs foreign currency risk on purchases that are denominated in a currency other than the functional currency of the Company, which will have an impact on the profitability of the Company and may also affect the value of the Company's assets, liabilities and the amount of shareholders' equity. The Company's main risks are associated

with fluctuations in the US dollar ("US") and assets and liabilities are translated based on the foreign currency translated method described in note 2(j) of the financial statements. The Company does not enter into any foreign exchange hedging contracts. In order to mitigate this risk, the Company maintains a portion of its cash and cash equivalents in US dollar denominated bank accounts. As at May 31, 2019, the Company had nominal cash on hand denominated in United States dollars.

APPROVAL

The Board of Directors of Full Metal has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

ADDITIONAL INFORMATION

Additional Information relating to Full Metal is on SEDAR at www.sedar.com.

HEAD OFFICE

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Vancouver, BC V6C 1T2
Canada

OFFICERS & DIRECTORS

Michael Williams
President, interim CEO and Director

Jasmine Lau, CPA, CA
Chief Financial Officer

Cale J. Moodie, BSF, CPA, CA
Director

Anthony Cange
Director

LISTINGS

TSX Venture Exchange: **FMM**

CAPITALIZATION

(as at September 19, 2019)

Shares Authorized: Unlimited
Shares Issued: 5,930,927

REGISTRAR & TRUST AGENT

Computershare
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V6C 3B9

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