

BeMetals Corp.

Management's Discussion and Analysis
of Financial Condition and Results of Operations
September 30, 2020 and 2019

Management's Discussion and Analysis

The following discussion is management's assessment and analysis of the results and financial condition of BeMetals Corp. ("BeMetals" or the "Company"), and should be read in conjunction with the accompanying unaudited condensed interim consolidated financial statements and related notes. The preparation of financial data is in accordance with International Accounting Standard 34 - Interim Financial Reporting (IAS 34) using accounting policies consistent with International Financial Reporting Standards ("IFRS") and all figures are reported in Canadian dollars unless otherwise indicated. The effective date of this report is November 26, 2020.

Business Overview

BeMetals is a base and precious metals exploration and development company, currently with option agreements to acquire interest in mineral projects in Idaho and Zambia. Pursuant to the option agreements, the Company has rights to acquire up to a 100% interest in the polymetallic (zinc-silver-gold-copper) South Mountain development project (the "South Mountain Project" or "South Mountain") in southwest Idaho, USA (see 'South Mountain Project' below) and rights to acquire up to a 72% interest in the Pangeni copper exploration project (the "Pangeni Copper Project" or "Pangeni") on the western extension of the Zambian Copperbelt (see 'Pangeni Copper Project' below).

The Company continues to identify and evaluate additional potential precious and base metal acquisition opportunities. Earlier in 2020, the Board decided to enhance its overall strategy by particularly increasing the Company's exposure to precious metals. While we continue to advance our current base and polymetallic metal projects, we are also focusing our search for possible precious metal project acquisitions. Utilizing the Company's extensive world-wide network, experience and track record in the mining business, BeMetals intends to become a significant base and precious metal producer through the acquisition of quality exploration, development and potentially production stage projects.

Founding directors of the Company include John Wilton (President and CEO), Clive Johnson, Roger Richer and Tom Garagan. In July 2020, Mark Connelly joined the Board as Non-Executive Chairman and director. Mr. Connelly was the Managing Director of Papillon when it merged with B2Gold Corp. in 2014. The Board is joined by Derek Iwanaka (VP of Investor Relations and Corporate Development) and Kristen Reinertson (CFO, Corporate Secretary and a director). Dr. Richard Sillitoe, one of the world's foremost economic geological experts on base and precious metal deposits, provides technical input for the Company's current projects and new project assessments as an advisor.

The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol 'BMET' and also trades on the OTCQB in the USA under the symbol 'BMTLF' and on the Frankfurt Stock Exchange in Germany under the symbol '1OIF'.

Since the Company's launch on the TSX-V in July 2018, at the Pangeni Copper Project it has completed two phases of aircore drilling and a successful phase of core drilling, which returned several meaningful intersections of copper mineralization with important associated alteration minerals. Those results enhanced the prospectivity of both certain individual prospects and the overall exploration potential for a large-scale copper deposit discovery within the licence area. The Company is currently conducting another phase of shallow aircore drilling with the objective to extend the discovered copper mineralization and test other priority targets on the property.

At the South Mountain Project, a phase 1 underground drilling program was completed in 2019. The results of phase 1 exceeded the Company's initial expectations, and confirmed the high-grade nature of the mineralization, with higher gold grades returned than anticipated in the DMEA Zone. Additionally, the phase 1 program successfully scoped the potential to increase tonnage of the mineral resource in-line with the Company's near-term objectives. The Company has recently commenced a Phase 2 underground drilling program with the objective to deliver an updated resource estimate and ultimately a preliminary economic assessment, expected to be completed by mid-2021.

The Company has also been successful in raising funds, securing investments totalling \$16 million through private placements of \$2.24 million in July 2018, \$6.25 million in May 2019, and \$7.5 million in August 2020 to advance the Company's current projects, secure potential new project acquisitions, and for ongoing working capital.

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South Mountain Project

Highlights

In August 2019, BeMetals commenced an underground phase 1 drilling program at the South Mountain Project with the objective to test potential extensions to the mineralized zones and confirm the grade distribution of the current polymetallic mineral resource estimate. BeMetals has formed and built a project team based in Boise, Idaho that is focused on advancing South Mountain. This team includes key management of Thunder Mountain Gold, Inc. ("Thunder Mountain"), the Optionees of the property. BeMetals has also appointed a highly experienced project manager to oversee and implement the exploration work plans. Since August, 2020, the project team has rehabilitated the Sonneman Level drift underground electrical and other utilities, established a new Texas Zone drill station by opening and extending the old workings in this area, and commenced core drilling.

The Phase 1 program completed in 2019 consisted of 2,250 metres of drilling, highlights of which included:

- **Drill hole SM19-002 Interval 1:** intersected 10.51 metres grading 17.81% Zinc ("Zn"), 226 grams per tonne ("g/t") Silver ("Ag"), 2.41 g/t Gold ("Au"), 1.59% Lead ("Pb"), and 0.16% Copper ("Cu")
- **Drill hole SM19-006:** intersected 15.70 metres grading 21.27% Zn, 147 g/tAg, 8.04 g/t Au, 0.77% Pb, and 0.30% Cu
- **Drill hole SM19-007:** intersected 12.20 metres grading 18.16% Zn, 122.6 g/t Ag, 4.41 g/t Au, 1.55% Pb, and 0.16% Cu
- **Drill hole SM19-003:** intersected 24.17 metres grading 11.12% Zn, 267 g/t Ag, 3.44 g/t Au, 3.75% Pb, and 0.29% Cu
- **Drill hole SM19-014 Interval 1:** intersected 15.09 metres grading 9.59% Zn, 127.1 g/t Ag, 1.50 g/t Au, 0.69% Pb, and 0.28% Cu
- **Drill hole SM19-014 Interval 5:** intersected 8.29 metres grading 8.11% Zn, 178.7 g/t Ag, 0.48 g/t Au, 0.57% Pb, and 1.73% Cu
- **Drill hole SM19-010 Interval 1:** intersected 7.21 metres grading 4.37% Zn, 155.2 g/t Ag, 0.13 g/t Au, 0.03% Pb, and 2.07% Cu

The 2019 drilling results support the significant high-grade nature of the deposit, and show the robust grades in both silver and gold associated with the base metal mineralization. These results relate to drill holes completed both above (SM19-006) and below (SM19-003/005/014/016) the Sonneman level adit in an extensive area of mineralization known as the DMEA zone. Notably, drill holes SM19-014 and SM19-016 are the Company's deepest holes to intersect multiple zones of significant mineralization. This illustrates the up and down plunge potential to extend the mineralized bodies that form the deposit with further drilling to expand the high-grade resource base during future work plans. Also drill hole SM19-010 returned significant intersections of predominantly high grade copper and silver mineralization.

The phase 1 drilling program delivered positive results with respect to the Company's goals of testing its drilling strategy and targeting from the existing underground infrastructure. During the program, we also successfully identified areas of extensions to mineralization on the South Mountain property. More details of these results are disclosed in the Company's news releases dated October 8, 2019, November 26, 2019, and January 20, 2020, available on the Company's website at www.bemetalscorp.com.

In light of the ongoing COVID-19 pandemic, the Company delayed its planned 2020 phase 2 drilling program but was able to resume exploration and development activities since September 2020. During the final months of 2020, the Company intends to drill and further extend the mineralized bodies of the DMEA and Texas zones. It is anticipated that analytical results will be received from the laboratory from November, 2020 and into early 2021. Drilling results will be released

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when batches of the new analytical data are compiled. During this phase of work, the Company also plans to conduct resource modelling in preparation of a Preliminary Economic Assessment to be completed in 2021.

About the Project

The South Mountain Project is a high-grade zinc/silver/gold/copper, polymetallic development project that is located approximately 70 miles southwest of Boise, Idaho. The project was intermittently mined from the late 1800s to the late 1960's and its existing underground workings remain intact and well maintained. Historic production has largely come from skarn-hosted and high-grade massive sulfide bodies that remain open for resource expansion at depth and along strike. These high-grade bodies comprise South Mountain's current mineral resource. According to historical smelter records approximately 53,642 tons of mineralized material has been mined to date. These records also indicate average grades of 14.5% Zn, 363.42 g/t Ag, 1.98 g/t Au, 2.4% Pb, and 1.4% Cu were realized.

The South Mountain Project is largely on and surrounded by private surface land, and as such, the permitting and environmental aspects of the project are expected to be straightforward. Permits are in place for exploration and BeMetals does not anticipate any significant barriers to any future development through following normal procedures at the South Mountain Project. Prior to the phase 1 drilling campaign, an independent technical report for the South Mountain Project's current mineral resource was completed by Hard Rock Consulting, LLC, effective April 1, 2019, and is available on the Company's website at www.bemetalscorp.com and under the Company's profile on SEDAR at www.sedar.com.

Terms of the Agreement

In February 2019, the Company entered into an option agreement (the "South Mountain Agreement") with Thunder Mountain and certain of its wholly-owned subsidiaries, to acquire up to a 100% interest in the South Mountain Project. In June 2019, the Company received final approval from the TSX-V of the option agreement and related transactions (the "South Mountain Transaction").

Under the terms of the South Mountain Agreement, the Company through its wholly owned subsidiary has the right to acquire from Thunder Mountain, all of its interest in the South Mountain Project by way of acquiring 100% of the outstanding shares of South Mountain Mines Inc. ("SMMI"), a wholly owned subsidiary of Thunder Mountain (the "SMMI Acquisition"). SMMI currently holds a 75% interest in the South Mountain Project and has the right to acquire the remaining 25% upon satisfying a 5% Net Returns Royalty capped at US\$5,000,000 which is due on or before November 3, 2026.

In order to complete the SMMI Acquisition, the Company must:

1. Make an initial cash payment of US\$100,000 upon Thunder Mountain delivering voting support agreements from shareholders controlling over 50% of outstanding Thunder Mountain shares (completed); and
2. Upon satisfaction of certain conditions precedent, including receipt of TSX-V acceptance and all requisite Thunder Mountain shareholder approvals:
 - a. purchase 2.5 million shares of common stock of Thunder Mountain at US\$0.10 per share by way of private placement (completed); and
 - b. issue 10 million common shares of the Company to Thunder Mountain (completed);
3. Make four semi-annual cash payments of US\$250,000 each (US\$500,000 completed); and
4. Complete a Preliminary Economic Assessment for the South Mountain Project; and
5. Make a final payment to Thunder Mountain consisting of cash, common shares of the Company, or a combination of both at the discretion of the Company. The final payment would be the greater of either US\$10 million or 20% of the after-tax net present value of the property as calculated in a Preliminary Economic Assessment study completed by an agreed independent author. The final payment would be decreased by US\$850,000 to account for certain cash payments previously made under items 1 and 2 above, the value of the 10 million BeMetals shares issued under item 2 above, as well as certain liabilities of SMMI to be assumed upon the SMMI Acquisition. The final payment is also capped at a maximum of 50% of the market capitalization of the Company as of the completion date of the SMMI Acquisition if applicable.

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In June 2020, certain milestones under the South Mountain Agreement were agreed to be extended by three months, including the semi-annual cash payments (one of which was made in September 2020 and the remaining payments now due in March 2021 and September 2021), as well as the final payment. Following these amendments, the Company has until September 2021 to complete the SMMI Acquisition (subject to extension in certain limited circumstances).

Summary of Exploration Expenses

The following table summarizes the exploration costs associated with the Company's South Mountain Project as at September 30, 2020:

	South Mountain Project
Balance December 31, 2019	\$ 1,920,583
Advances	(61,513)
Consulting & wages	570,247
Drilling	141,039
Land fees/Lease payments	4,753
Site logistics	176,750
Underground infrastructure	247,078
Balance September 30, 2020	2,998,937
Advances unspent at September 30, 2020	(89,707)
Share-based compensation	72,301
Balance September 30, 2020	\$ 2,981,531

Pangeni Copper Project

Highlights

In January 2019, BeMetals announced further encouraging copper geochemical results from its Phase 2 aircore drilling program at the Pangeni Copper Project. The Company has now completed two phases of aircore drilling and is currently conducting a third phase. Based on the 2019 combined aircore programs, BeMetals generated the following three high-priority drill targets:

- **D2 Target:** the highest tenor copper sample from the aircore programs to date on the property, of 1,459 parts per million ("ppm") Cu in borehole D2-09. This sample is at a depth of 27 metres, some 3 metres below Kalahari sand.
- **H1 Target:** as identified by aircore boreholes H1-05 and H1-07 that returned 703 ppm and 269 ppm Cu respectively where thickness of Kalahari cover on this line averages some 26 metres.
- **SW (E2) Target:** defined as a broad anomalous zone including 632 ppm, 565 ppm, and 530 ppm Cu from boreholes SW (E2)-05, SW (E2)-04 and SW (E2)-03 respectively. The Kalahari cover thickness across this line averages 24 metres.

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In July 2019, the Company launched a core drilling program at the Pangeni Copper Project, comprising approximately six shallow boreholes to test the three targets generated by the aircore drilling programs. Between July 2 and August 23, 2019, 1,275 metres of core drilling was completed on the Project during the 2019 field season. The results indicate a number of anomalous zones of predominantly copper sulphide mineralization are present at both the D2 and SW (E2) targets. Highlights of the drilling results included:

- **D2 Target:** Drill Hole D2-C1 intersected 5.50 metres grading 0.53% Cu
Drill Hole D2-C2 intersected 5.56 metres grading 0.47% Cu
- **SW (E2) Target:** Drill Hole SW (E2)-C2 intersected 4.50 metres grading 0.39% Cu
 - **Including:** 0.5 metres of 1.59% Cu & 0.5 metres grading 1.22% Cu

Importantly these intersections are related to broader zones of anomalous copper and associated with alteration minerals known to occur in copper deposits and mines within the region. Twelve core holes have now been drilled on this 575km² property to date, including five drill holes completed in 2016, targeting four prospects, each separated by at least 7 kilometres. Eight of the total twelve diamond drill holes have, to date, returned significant copper sulphide mineralization. The SW (E2) target results represent a 600 metre northeast extension, of the previously drilled SW Target, under the Kalahari sand cover units. This consolidated SW (E2) prospect has now returned significant bedrock copper mineralization over some two kilometres of strike. More details of these results are disclosed in the Company's news release dated October 16, 2019 titled "BeMetals Reports Encouraging Core Drilling Results from Pangeni Copper Exploration Project in Zambia" available on the Company's website at www.bemetalscorp.com.

Exploration plans for the 2020 field season were designed to focus on conducting further aircore drilling at the D2, SW (E2), CT targets to test for mineralized extensions and vector towards higher-grade mineralization, as well as test other priority targets within the licensed area. A phase 3 aircore drilling program commenced in October 2020 and further core drilling is expected to commence before year end 2020. Results of the core drilling are expected by the end of Q1 2021.

About the Project

The Pangeni Copper Project is located on the western extension of the Zambian Copperbelt, within the Lufilian Arc, underlain by Katangan Supergroup metasediments situated unconformably on basement schists and gneisses, which are covered by a thin veneer of Kalahari sands. The open-pit Sentinel Copper Mine is operated by First Quantum Minerals Ltd. some 130 kilometres to the northeast of the Pangeni Project. A number of major international mining companies have identified this region of the Zambian Copperbelt to be prospective for the discovery of tier one copper mines and are also conducting extensive exploration work in this area.

The Pangeni Licence is geologically prospective for the following deposit types; Basement-hosted Cu (analogues: the Lumwana Deposit, Nyungu Prospect), Sediment-hosted stratiform Cu-Co (analogues: Nchanga, Konkola, Nkana, and Mufulira Deposits), other Domes Region Deposits e.g. Sentinel, and Kansanshi and DRC Copperbelt Deposits e.g. Lonshi, Frontier, Kamoa-Kakula).

An independent technical report for the Pangeni Copper Project, prior to the 2019 drilling campaign, has been completed by African Mining Consultants Limited, effective April 10, 2018, and is available on the Company's website at www.bemetalscorp.com and under the Company's profile on SEDAR at www.sedar.com.

Terms of the Agreement

In February 2018, further to a November 2017 letter agreement, the Company confirmed the agreement (the "Pangeni Agreement") with Copper Cross Zambia Limited (the "Pangeni Vendor") for the right to acquire up to a 72% interest in the Pangeni Copper Project. In July 2018, the Company received final approval from the TSX-V of the option agreement and related transactions. In January 2020, certain amendments were made to the Pangeni Agreement (the "January 2020 amendments").

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Under the terms of the Pangeni Agreement, and including the January 2020 amendments, to complete the acquisition of the initial 67.5% interest in the Pangeni Copper Project, the Company must:

before the second anniversary in February 2020:

1. make cash payments of US\$250,000 (\$327,235) (completed); and
2. issue a total of 780,500 common shares (completed);

and before December 31, 2020:

3. expend US\$2.5 million in exploration work which is a firm obligation under the Pangeni Agreement and is required to be satisfied by either expenditures on exploration activities or by cash payments to the Pangeni Vendor (US\$2,255,220 advanced) (\$3,008,235). Any shortfall as at December 31, 2020, will be satisfied through the issuance of common shares of BeMetals;

and then, before the fifth anniversary in February 2023:

4. complete a preliminary economic assessment; and
5. make a further cash payment of US\$450,000 (a portion of which may be paid in common shares at the option of the Company); and
6. make a payment of US\$700,000 as an advanced royalty reduction payment.

Following acquisition of the initial 67.5% interest the Company can acquire an additional 4.5% interest by completing a feasibility study and making a further cash payment of US \$750,000 (a portion of which may be paid in common shares of BeMetals at the option of the Company).

At the commencement of the mine development phase, and following a feasibility study, a one-off milestone payment would be payable, based upon total proven and probable mineral reserves, as follows: US\$2 million if less than 500 kilotonnes ("kt") contained copper, US\$3 million if the contained copper is between 500 kt and 1,000kt, and US\$6 million if greater than 1,000kt contained copper. Upon commencement of production, Pangeni Mineral Resources Limited is entitled to a 3% Net Smelter Royalty (which may be reduced to 2.5% following the US\$700,000 royalty reduction payment above and further reduced to 1% following an additional royalty reduction payment by the Company, determined by an internationally recognised valuator, which is not to exceed US\$3.3 million).

Summary of Exploration Expenses

The following table summarizes the advances & expenditures associated with the Company's Pangeni Copper Project expenditure commitment as at September 30, 2020:

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	Pangeni Copper Project
Balance December 31, 2019	\$ 1,943,235
Advances	(58,447)
Consulting & wages	96,737
Drilling	1,073
Licenses/Permitting	15,635
Site logistics	(23,196)
Balance September 30, 2020	1,975,037
Advances unspent at September 30, 2020	8,226
Balance September 30, 2020	\$ 1,983,263

Overall Performance and Results of Operations

Total assets increased to \$18,044,026 at September 30, 2020, from \$10,894,168 at December 31, 2019. The most significant assets at September 30, 2020, were cash of \$6,275,955 (December 31, 2019: \$1,212,885), investments of \$666,950 (December 31, 2019: \$253,266), exploration and evaluation assets of \$7,621,172 (December 31, 2019: \$6,293,258), and Option – South Mountain of \$3,389,265 (December 31, 2019: \$3,056,240).

Three months ended September 30, 2020 and 2019

Comprehensive gain for the three months ended September 30, 2020, was \$74,953, up from comprehensive loss of \$113,788 for the three months ended September 30, 2019. The comprehensive gain is largely due to:

- o Unrealized gain on fair value through other comprehensive income ("FVOCI") investments of \$386,724 recorded during the three months ended September 30, 2020 (September 30, 2019: \$118,216).

Partially offset by an increase in:

- o Share-based compensation expense of \$136,064. Share-based compensation was \$176,940 for the three months ended September 30, 2020, as compared to share-based compensation of \$40,876 for the three months ended September 30, 2019.

Nine months ended September 30, 2020 and 2019

Comprehensive loss for the nine months ended September 30, 2020, was \$597,818, down from comprehensive loss of \$638,689 for the nine months ended September 30, 2019. The decrease in comprehensive loss is largely due to:

- o Unrealized gain on FVOCI investments of \$413,684 recorded during the nine months ended September 30, 2020 (September 30, 2019: Unrealized loss of \$20,204).

Partially offset by an increase in:

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- Share-based compensation expense of \$347,653. Share-based compensation was \$524,593 for the nine months ended September 30, 2020, as compared to share-based compensation of \$133,480 for the nine months ended September 30, 2019.

Liquidity, Capital Resources, and Going Concern

As at September 30, 2020, the Company had working capital of \$4,925,743 (December 31, 2019: \$100,778). The Company has incurred negative cash flows from operations of \$407,232 and recorded a loss of \$1,011,502 for the nine months ended September 30, 2020 (September 30, 2019: negative cash flows from operations of \$605,431 and loss of \$618,485, respectively), and has an accumulated deficit of \$5,625,371 as at September 30, 2020 (December 31, 2019: \$4,613,869). The Company does not currently have a source of revenue. While the Company anticipates it has sufficient capital to meet its current obligations and planned activities, the Company expects it will need to raise additional capital to carry out its long-term objectives. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms that are acceptable to the Company.

This material uncertainty gives rise to significant doubt regarding the going concern assumption and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern.

Summary of Quarterly Results

	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Revenue	\$ -	\$ -	\$ -	\$ -
Comprehensive gain (loss)	74,953	(174,506)	(498,265)	(258,737)
Basic and diluted income (loss) per share	0.00	(0.00)	(0.00)	(0.00)

	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Revenue	\$ -	\$ -	\$ -	\$ -
Comprehensive loss	(113,788)	(358,701)	(166,200)	(417,034)
Basic and diluted income (loss) per share	(0.00)	(0.00)	(0.00)	(0.01)

The increase in comprehensive loss for Q4 2018 was primarily the result of foreign exchange loss and share-based compensation. The increase in comprehensive loss for Q2 2019 was primarily the result of unrealized loss on FVOCI investments. The increase in comprehensive loss for Q1 2020 was primarily the result of share-based compensation. Comprehensive gain for Q3 2020 was primarily the result of unrealized gain on FVOCI investments.

Outstanding Share Data

Issued and fully paid common shares

In February 2020, the Company issued 480,500 common shares to the Pangeni Vendor.

In July 2020, the Company issued 138,950 common shares pursuant to the exercise of warrants.

In August 2020, the Company issued 18,750,000 common shares pursuant to a brokered private placement offering (the "Offering")

As at the date of this report, there were 124,296,890 common shares issued and outstanding.

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Escrowed shares

Certain shares are held in escrow pursuant to a December 2009 escrow agreement, as supplemented in July 2018. These escrowed shares are being released in semi-annual tranches until July 2021.

As at the date of this report, 4,661,564 shares remain in escrow.

Warrants

In July 2020, 138,950 warrants with an exercise price of \$0.35 were exercised for total proceeds of \$48,633.

In August 2020, the Company issued 1,083,750 non-transferrable warrants pursuant to the Offering, exercisable at a price of \$0.40 per share until August 13, 2022.

As at the date of this report, there were 7,194,793 warrants outstanding.

Share options

In January 2020, the Company granted an aggregate of 3,600,000 share options to officers and consultants of the Company, exercisable at a price of \$0.235 per share until January 7, 2030, vesting over a period of two years.

In February 2020, the Company granted an aggregate of 150,000 share options to a consultant of the Company, exercisable at a price of \$0.235 per share until January 7, 2030, vesting over a period of two years.

In July 2020, the Company granted an aggregate of 750,000 share options to a director of the Company, exercisable at a price of \$0.365 per share until July 15, 2030, vesting over a period of two years.

As at the date of this report, there were 10,020,000 share options outstanding.

Related Party Transactions

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

During the nine months ended September 30, 2020, key management personnel compensation, including directors and officers, was comprised of \$557,299 (September 30, 2019: \$363,753), of which \$362,504 related to share-based compensation and \$194,795 related to salaries and benefits (September 30, 2019: \$133,480 and \$230,273, respectively).

Outlook

The Company is currently focusing its new business activities on identifying and acquiring an entry-level precious metals project to complement the existing project portfolio. With Mark Connelly having joined the Board as non-executive chairman in June 2020 and given the experience, extensive global network, and the exceptional success of the Company's directors and key advisors in the gold sector, we expect to identify and secure a high-value precious metals project in the near-term. Increasing our exposure to gold will diversify the Company's portfolio and such an acquisition is expected to accelerate the Company's growth. We also intend to continue delivering on our goals for the advanced exploration and development of the high-grade South Mountain Polymetallic Project in Idaho as well as progressing exploration at the Pangeni Copper Project in the prolific Zambian Copperbelt.

Due to global border and business closures caused by the COVID-19 pandemic since early 2020, the Company delayed the commencement of its planned 2020 drilling programs at the South Mountain and Pangeni projects, however both drilling programs are now well underway and are expected to deliver drilling results from year end onwards. In both the

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USA and in Zambia, certain precautions are being undertaken by each country to reduce the spread of the COVID-19 virus.

BeMetals is complying with country guidelines and has implemented standard operating procedures designed to provide precautionary measures to ensure the safety of its employees and contractors.

Based on the success of the underground diamond drilling program at the South Mountain Project in 2019, the Company looks forward to reporting results from its ongoing phase 2 underground drill program. This year's program is designed to provide a revised resource estimate anticipated by H1 2021. The updated resource is expected to be incorporated into a preliminary economic assessment which should be completed by September 2021. Metallurgical testing and the collection of certain baseline environmental data for project permitting are also expected to be conducted for the preliminary economic assessment.

At the Pangei Copper Project, the Company launched its third phase of aircore drilling in October 2020 with the goal of vectoring into high-grade copper mineralization on the property to generate targets for the Company's second phase of core drilling. BeMetals has worked with its partners, Copper Cross Zambia Limited and Pangei Mineral Resources Limited to plan and execute the 2020 exploration program.

BeMetals' overall objective is to become a significant base and precious metals producer through the acquisition of quality exploration, development and production stage projects. This strategy is directed by the Board, key members of which have an extensive, proven track-record in delivering considerable value in the mining sector through the discovery and building of mines. The Board, its advisors, and senior management also provide outstanding deal flow of project opportunities to the Company based upon an extensive international minerals business network of contacts.

Critical Accounting Policies and Estimates

The Company has prepared the accompanying financial statements in accordance with IFRS. Significant accounting policies are described in Note 3 of the Company's financial statements as at and for the year ended December 31, 2019, except for newly adopted accounting policies as noted below.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

Financial Instruments and Financial Risk Management

Financial Risk Management

Cash, deposits, amounts receivable, and trade and other payables are held at amortized cost which approximates fair value due to the short-term nature of these instruments. Common shares of publicly traded companies included in investments are classified as FVOCI. The South Mountain Option is classified as fair value through profit or loss.

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company's exposure to credit risk is on its cash and amounts receivable. The Company reduces its credit risk by maintaining its bank accounts at a large international financial institution. The maximum exposure to credit risk is equal to the carrying value of these financial assets.

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Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company attempts to ensure there is sufficient access to funds to meet on-going business requirements, taking into account its current cash position and potential funding sources. As at September 30, 2020, the Company had current liabilities of \$1,440,896 and working capital of \$4,925,743.

The Company also has commitments or option payments arising in 2020 and 2021 as outlined in the South Mountain and Pangeni projects discussions earlier in this report.

Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency. The Company's reporting currency is the Canadian dollar and major purchases are transacted in Canadian and US dollars. A portion of the Company's exploration and evaluation expenditures are incurred in Zambia, but are predominantly transacted in US dollars. The Company maintains Canadian and US dollar bank accounts in Canada. The Company is subject to gains and losses from fluctuations in the US dollar against the Canadian dollar. The Company held a net monetary asset position of \$18,402 in US dollars as of September 30, 2020, with the effect on profit or loss before tax of a 10% fluctuation to the CAD dollar being \$1,840.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. Changes in short term interest rates will not have a significant effect on the fair value of the Company's cash account.

Price risk

The Company's ability to raise capital to fund exploration or development activities is subject to risk associated with fluctuations in the market prices of base and precious metals including copper, zinc, silver, gold, and lead, and the outlook for these metals. The Company does not have any hedging or other derivative contracts respecting its operations. In addition, the Company's investments which are comprised of publicly traded equity securities are subject to price risk.

Market prices for metals historically have fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, levels of worldwide production, short-term changes in supply and demand, industrial and retail demand, central bank lending, and forward sales by producers and speculators. The Company has elected not to actively manage its commodity price risk, as the nature of the Company's business is in exploration.

Equity price 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. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

The Company is exposed to price risk with respect to its investment in THMG.

Risks and Uncertainties

The risk factors described below summarize and supplement the risk factors contained in the Company's filing statement dated July 18, 2018, (the "Filing Statement") and available on SEDAR at www.sedar.com, and should be read in conjunction with the more detailed risk factors outlined in the Filing Statement:

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The Company is engaged in the acquisition and exploration of natural resource properties, an inherently risky business, and there is no assurance that economically recoverable resources will ever be discovered and subsequently put into production. Most exploration projects do not result in the discovery of economically recoverable resources.

Exploration activities require large amounts of capital. There is a risk that during the current difficult economic situation the Company will not be able to raise sufficient funds to finance its projects to a successful development and production stage. While the Company's management and technical team carefully evaluate all potential projects prior to committing the Company's participation and funds, there is a high degree of risk that the Company's exploration efforts will not result in discovering economically recoverable resources. The Company depends on the business and technical expertise of its management team and there is little possibility that this dependence will decrease in the near term.

There is no guarantee that the Company will exercise its option pursuant to the Pangen Agreement and/or South Mountain Agreement. The completion and exercise of one or both of those options is affected by the success of the Company's exploration efforts and is contingent upon certain conditions precedent as well as the price of metals which are affected by numerous factors including inflation, investor speculative activities, relative exchange rate of the U.S. dollar to other currencies, global and regional demand and production, global and regional political and economic conditions, and production costs in major producing regions. These factors are beyond the Company's control and are impossible to predict.

New diseases and epidemics (such as COVID-19) may adversely impact the Company's business

In March 2020, the World Health Organization declared a global pandemic related to the novel coronavirus (COVID-19). The expected impact and extent of the spread of COVID-19, and the duration and intensity of resulting global business disruption and related financial and social impact, are uncertain, and such adverse effects could be material. The mineral exploration sector is expected to be impacted as many local and regional governments have issued public health orders in response to COVID-19, including restricting the movement of people, which could impact the Company's ability to access its properties and undertake exploration programs in the anticipated timeframes.

The actual and threatened spread of COVID-19 globally could adversely affect global economies and financial markets resulting in a prolonged economic downturn and a decline in commodity prices and the value of the Company's share price. The extent to which COVID-19 (or any other disease, epidemic or pandemic) impacts business activity or financial results, and the duration of any such negative impact, will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning COVID-19 and the actions required to contain or treat its impact, among others.

Management's Report on Internal Control over Financial Reporting

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited condensed interim consolidated financial statements and the audited annual consolidated financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

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

Qualified Person

The technical information included in this MD&A has been reviewed and approved by John Wilton, CGeol FGS, the Company's CEO and President and a "Qualified Person" as defined by National Instrument 43-101 standards.

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Caution Regarding Forward Looking Information

This Management Discussion and Analysis may contain certain "forward-looking statements" within the meaning of Canadian securities legislation. Forward-looking statements are statements that are not historical facts; they involve predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "aims", "potential", "goal", "objective", "prospective", and similar expressions, or that events or conditions "will", "would", "may", "can", "could" or "should" occur. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made and they include a number of known and unknown risks and uncertainties and other factors. Consequently, there can be no assurances that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statement:

Forward looking information	Assumptions	Risk Factors
The Company's anticipated plans, costs, timing and capital for future development of the Company's mineral exploration properties.	Financing will be available for future exploration and development of the Company's properties; the actual results of the Company's exploration and development activities will be favourable; exploration and development costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff, all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Company; the price of precious and base metals and applicable interest and exchange rates will be favourable to the Company; no title disputes exist with respect to the Company's properties.	Precious and base metals price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; availability of financing for and actual results of the Company's exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff.
The Company's ability to carry out anticipated exploration on its mineral exploration properties.	The operating and exploration activities of the Company for the next twelve months and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions.

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Forward looking information	Assumptions	Risk Factors
Plans, costs, timing and capital for future exploration and development of the Company's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations.	Financing will be available for the Company's exploration and development activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company' the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to the Company' the price of precious and base metals will be favourable to the Company; no title disputes exist with respect to the Company's properties.	Precious and base metals price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff.
Management's outlook regarding future trends.	Financing will be available for the Company's exploration and operating activities; the price of precious and base metals will be favourable to the Company; required regulatory approvals for the acquisition of mineral properties will be received.	Precious and base metals price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions.

Inherent in forward looking statements are risks, uncertainties and other factors beyond the control of the Company's ability to predict or control. Please make reference to those risk factors referenced in the "risk factors" section above and as discussed in greater detail in the Company's various filings on SEDAR (www.sedar.com) with Canadian Securities Regulators. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and development are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements outlined in this MD&A.

Forward-looking statements include known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by the cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise review any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.