GENERATIONMINING

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2019

This Management's Discussion and Analysis ("MD&A") reviews the financial condition and results of operations of Generation Mining Limited ("Generation" or the "Company") for the three months ended March 31, 2019. The MD&A was prepared as of May 28, 2019 and should be read in conjunction with the unaudited interim condensed financial statements for the period ended March 31, 2019, and the December 31, 2018 year end audited financial statements including the notes thereto. The Company was incorporated on January 11, 2018. In the MD&A where comparisons are made to the same period of prior year, it refers to the prior period from January 11 to March 31, 2018. These financial statements and notes have been prepared in accordance with the International Financial Reporting Standards or ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), including International Accounting Standards 34 - Interim Financial Reporting ("IAS 34").The disclosure contained in this MD&A has been approved by the Board of Directors of the Company. All figures are in Canadian dollars unless stated otherwise. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

This MD&A includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical fact, that address future exploration activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements.

OVERVIEW

The Company is an exploration and development stage company focused on base and precious metal deposits in Canada. The Company holds an option on the Davidson molybdenum deposit near Smithers, British Columbia and four promising exploration projects in Nova Scotia, Alberta, British Columbia and the Northwest Territories.

The Company was incorporated under the Business Corporations Act (Ontario) on January 11, 2018, for the sole purpose of participating in an arrangement agreement and to hold certain property and liabilities (see General Development of the Business section) upon the completion of the arrangement agreement. Its registered office is located at 365 Bay Street, Suite 400, Toronto, Ontario M5H 2V1. The Company's common shares trade on the Canadian Securities Exchange under the symbol GENM.

Management's strategy is to increase shareholder value by acquiring and exploring properties in safe geographic areas with the potential to host economic deposits with the objective of enhancing the value of its properties either by direct exploration or through joint ventures with third parties.

HIGHLIGHTS

On February 20, 2019, the Company co-signed a lease for office space commencing on May 1, 2019 for a term of six years and six months. The Company has a commitment for its share of the basic and additional rent of $10,687 per month.

On April 17, 2019, Generation announced that it signed a Letter of Intent (the “LOI”) with Sibanye Gold Limited, trading as Sibanye-Stillwater (“Sibanye-Stillwater”) which allows the Company to earn an initial 51% interest (and potentially up to an 80% interest) in Sibanye-Stillwater’s Marathon PGM deposit, located near Marathon, Ontario (the “Marathon Property”). The Property consists of 44 mining leases totaling 3,013 hectares, and an additional 82 contiguous mining claims covering 13,312 hectares. The LOI gives Generation until June 15, 2019 to complete its confirmatory due diligence review, negotiate a definitive agreement, raise the required funds of a minimum $8 million, to earn an initial 51% interest in the Marathon Property (see Subsequent Event section for further information regarding the Marathon Property).

On May 6, 2019, the Company announced an $8 million bought deal private placement (“Private Placement”) which is expected to close on or about June 5, 2019. The net proceeds will be used to satisfy the remaining $2,900,000 cash portion of the purchase price of the Marathon Property, for exploration and development of the Marathon Property and for working capital and general corporate purposes.

OUTLOOK

The Company’s focus for 2019 is to continue the exploration program on its current properties. For the Marathon Property, Generation intends to complete its confirmatory due diligence review, negotiate a definitive agreement, close the Private Placement financing to raise required funds and complete the earn-in of an initial 51% interest. The Company will develop an exploration program for the Marathon Property after completion of the transaction.

GOING CONCERN UNCERTAINTY

The Company is at an early stage of development and, as in common with many exploration companies, it relies on financings to fund its exploration and acquisition activities. The Company had working capital excluding marketable securities of $1,065,766 as at March 31, 2019 (December 31, 2018- $1,402,076); had not yet achieved profitable operations; had accumulated losses of $1,756,679 as at March 31, 2019 (December 31, 2018 $1,492,819); and expects to incur further losses in the development of its business.

Management is continuously evaluating the market and financing opportunities. The ability of the Company to continue as a going concern is dependent on the Company having access to financing to meet its operational cash needs. It is not possible to determine with any certainty the success or adequacy of these initiatives.

GENERAL DEVELOPMENT OF THE BUSINESS

Arrangement Agreement

On December 15, 2017, Pine Point Mining Limited (“Pine Point”) entered into an arrangement agreement with Osisko Metals Incorporated (“Osisko Metals”), pursuant to which Osisko Metals acquired, by way of court approved plan of arrangement (the “Arrangement”), all the issued and outstanding common shares of Pine Point.

Under the Arrangement, Pine Point shareholders received, in exchange for each of their existing common shares of Pine Point: (i) 0.271 of a common share of Osisko Metals, (ii) 0.0677 of a common share purchase warrant of Osisko Metals, and (iii) 0.1 of a common share of Generation.

Pursuant to the Arrangement, all exploration assets previously owned by Pine Point other than the Pine Point Project located in the Northwest Territories, as well as certain other assets and liabilities of Pine Point, were transferred to Generation. Details of the transaction are contained in the management information circular of Pine Point Mining Limited dated January 17, 2018 which is available at www.sedar.com.

MINERAL PROPERTIES

Scientific and technical information contained in this MD&A relating to mineral reserves, mineral resources and exploration results was reviewed and approved by Rod Thomas, P.Geo., Director of the Company and Vice President, Exploration, a "Qualified Person" under National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

Darnley Bay Anomaly, Northwest Territories: The Company holds 100% of the rights to a mineral concession covering the Inuvialuit Settlement Region's 7(1)(a) lands where the Inuvialuit hold the mineral and surface rights. The area hosts potential base metal and diamond exploration targets. The Company has an agreement regarding exploration and development with the Inuvialuit Regional Corporation which requires cash payments of $50,000 per year commencing in 2020, or when the TSX-Venture Exchange composite index reaches 1500, and minimum exploration expenditures of $1,000,000 per year commencing in 2020 and cumulative exploration expenditures of $6.3 million by 2025.

Darnley Bay Diamond, Northwest Territories: The property consists of 13 jointly held mineral leases on the Parry Peninsula, northeast of Paulatuk in the Inuvialuit Settlement Region's 7(1)(b) lands where the Inuvialuit hold the surface rights and the Crown holds the mineral rights. The focus of the project is on diamond exploration. The Company and Diadem Resources Ltd. continue to cooperate to advance exploration on the property with Diadem currently responsible for all expenses relating to the project.

Davidson, British Columbia: The Company has an option to acquire a 100% interest in a property hosting a molybdenum-tungsten deposit which consists of six mineral leases and two mining claims covering an area of 2,087 hectares. The option agreement was signed on April 1, 2016 and payments totalling $250,000 were made prior to December 31, 2018. On April 1, 2019, the third anniversary payment of $100,000 on the Davidson property was paid. There is an ongoing commitment of $100,000 on each anniversary of the option agreement until commercial production is achieved or the option agreement is terminated. Upon commercial production, the vendor will be entitled to a net smelter return royalty of 3%.

Nak, British Columbia: The Company has an option to earn a 100% interest in a copper-gold project consisting of 14 mineral claims over 1,603 hectares. The option agreement was signed on August 30, 2016 and is subject to a 2% royalty, of which 62.5% can be purchased from the vendor for $1.5 million. There have been $45,000 in cash payments and $33,942 work commitment made as at March 31, 2019. Continuing commitments include $15,000 on the next anniversary of the option agreement, $30,000 on the fourth anniversary and $60,000 on the fifth anniversary. Bonus payments to the vendor will consist of $25,000 on 1,500 metres of drilling, a further $25,000 upon a total of 3,000 metres of drilling and $125,000 and 250,000 common shares will be payable upon the completion of an additional 7000 meters of drilling for a total of 10,000 meters on or before December 31, 2022. The Company has a work commitment balance of $466,058 to be made prior to August 31, 2019.

Rawdon Zinc (formerly Kennetcook), Nova Scotia: On March 16, 2018, the Company entered into a Claims Acquisition Agreement to acquire a 100% interest an exploration property with potential to host lead-zinc-silver-copper mineralization in central Nova Scotia consisting of nine mineral licenses covering an area of approximately 11,171 hectares. Pursuant to the agreement, the Company issued 3,000,000 common shares to the vendors. In May of 2018, the Company acquired nine additional mineral licenses covering an area of approximately 9,504 hectares for a total area of 20,675 hectares at March 31, 2019.

Alberta Zinc, Alberta: On May 10, 2018, the Company entered into an option agreement to acquire a 100% interest in the Alberta Zinc project near High Level, Alberta covering 60,000 hectares and consisting of eight mineral rights permits. The Company paid $10,000 and issued 500,000 common shares to the vendor upon signing the agreement and committed to a minimum of $100,000 in expenditures, which was fulfilled in the period ended March 31, 2019. A further payment of $50,000 (in cash or shares) is required on the first anniversary date and an additional $200,000 before the second anniversary of the agreement. The property is subject to a 2% gross metals royalty, of which half can be purchased by the Company at any time for $1 million.

Clear Lake, Yukon Territory: On October 1, 2018, the Company entered into an Assignment, Assumption and Amending Agreement with Eastern Zinc Corp. ("Eastern Zinc") and the optionor of the Clear Lake property to assign the exclusive right and option to acquire 100% interest in the property to Eastern Zinc. Pursuant to the Agreement, Eastern Zinc paid $50,000 in cash and issued 4,200,000 (12,600,000 post split) common shares of Eastern Zinc to the Company. An additional $50,000 in cash will be paid and 1,670,000 (5,010,000 post split) common shares of Eastern Zinc will be issued to the Company on October 1, 2019.

EXPLORATION ACTIVITIES

During the first quarter of 2019, the Company received assay results from till samples obtained by the geochemical sampling survey at the Alberta Zinc Project, which was completed in the last quarter of 2018.

On February 7, 2019, the Company released additional results from the 2018 airborne VTEM™ survey on the western portion of the Rawdon property in Nova Scotia, where 976 line kilometers of VTEM™ survey were flown in late 2018. The VTEM™ survey discovered four conductive responses of primary interest, all of them proximal to the Rawdon Fault Zone, which is believed to have placed the prospective (for Zn, Pb and Cu mineralization) lower units of the variably conductive Windsor Group rocks in faulted contact with the basement rocks of the older, and magnetic Meguma Super Group. These discoveries are supported by an extensive database of historic airborne/ground geophysical and drill hole data, including gravity, magnetic, EM and 2D seismic, and are now drill-ready.

Acquisition, Evaluation and Exploration Expenditures

The following table displays the acquisition, evaluation and exploration expenses by project for the three-month period ended March 31, 2019 compared with the period January 11, 2018 to March 31, 2018.

Acquisition, Evaluation and Exploration Expenditures	Three months ended March 31, 2019	January 11, 2018 to March 31, 2018
Darnley Bay Anomaly	24,806	1,500
Davidson	133,191	139,380
Nak	8,429	-
Clear Lake	-	10,000
Rawdon Zinc (formerly Kennetcook)	16,434	-
Alberta Zinc	26,018	-
Total expenditures in the period	$ 208,878	$150,880
Transfer of mineral properties	-	1,216,848
Total mineral property expenditures	$208,878	$ 1,367,728

The cumulative acquisition, evaluation and exploration expenditures incurred by Generation by property are summarised as follows:

	Acquisition and Evaluation		Exploration	Cumulative from January 11, 2018 to March 31, 2019
	Cash	Shares		
Darnley Bay Anomaly	48,156	-	528,785	576,941
Davidson	314,480	-	-	314,480
Nak	34,400	-	2,042	36,442
Clear Lake	23,320	-	-	23,320
Rawdon Zinc (formerly Kennetcook)	58,384	191,400	291,549	541,333
Alberta Zinc	60,593	31,900	87,282	179,775
Total expenditures in the period	$ 539,333	$223,300	$ 909,658	$ 1,672,291
Transfer of mineral properties from Arrangement				1,216,848
Total cumulative mineral property expenditures	$539,333	$223,300	$909,658	$ 2,889,139

SUBSEQUENT EVENT

Binding Letter to Option the Marathon PGM Deposit

On April 17, 2019, the Company announced that it had signed a binding LOI with Sibanye-Stillwater, which allows the Company to earn an initial 51% interest (and potentially up to an 80% interest) in Sibanye-Stillwater's Marathon Property. The Marathon Property consists of 44 mining leases totalling 3,013 hectares, and an additional 82 contiguous mining claims covering 13,312 hectares. The LOI gives Generation until June 15, 2019 to complete its confirmatory due diligence review, negotiate a definitive agreement, raise the required funds and complete the earn in of an initial 51% interest in the Marathon Property.

About the Marathon Property

The Marathon Property was developed from 1985 to 2010 by various companies and was eventually owned by Marathon PGM Corporation. Stillwater Mining Company ("Stillwater") acquired Marathon PGM Corporation in 2010 for US$118 million. In 2017, the Marathon Property was acquired by Sibanye-Stillwater when it purchased Stillwater.

The Marathon Property is located in north-western Ontario approximately 215 kilometres east of Thunder Bay and 10 kilometres north of Marathon, Ontario, on the eastern margin of the Coldwell Complex, a Proterozoic layered intrusion. The palladium, platinum and copper mineralisation in the Marathon Property occurs principally in the Two Duck Lake gabbro. The known zones of significant mineralisation have a total north-south strike length of approximately 3 kilometres and dip 30° to 40° toward the west. The mineralisation has a true thickness ranging from 4 metres to 100 metres.

More than 146,000 metres of drilling in 790 holes have been completed to date on the Marathon Property, which has been the subject of feasibility studies and numerous mineral resource estimates. The portion of the Marathon Property that hosts the PGM deposit has no outstanding royalties.

The Marathon Property is located in close proximity to excellent infrastructure. The Trans-Canada highway runs through the Marathon Property, as does the main line of the Canadian Pacific railroad. There are also several power lines crossing the Marathon Property. The Town of Marathon, where many of the employees of the nearby Hemlo gold mine reside, offers a staging point for any future mine construction.

<u>Transaction Terms</u>

(a) Generation paid to Sibanye-Stillwater $100,000 upon signing of the letter of intent;

(b) In order to earn an initial 51% interest in the Marathon Property (at which time Generation shall assume all commitments on the Marathon Property and shall become the sole operator of the Marathon Property unless and until the interest of Generation in the Marathon Property shall reduce to a minority interest), Generation shall, on or before June 15, 2019:

 (i) raise a minimum of $8 million through a financing via the sale of shares or other securities;

 (ii) pay to Sibanye-Stillwater (or as directed by Sibanye-Stillwater) an additional $2,900,000 in cash; and

 (iii) issue to Sibanye-Stillwater $3,000,000 worth of common shares of Generation, at a deemed price per common share equal to the price per common share issued pursuant to the above-mentioned financing;

(c) for an additional 29% interest in the Marathon Property, within four years of the closing date(the "Second Earn-In Period"):

 i) Generation shall make total cash exploration and development expenditures on the Marathon Property for a minimum of $10,000,000;

 (ii) during the Second Earn-In Period, Generation must make all required expenditures in respect of the Marathon Property and related permits and associated rights.

 (iii) If Generation does not earn into the additional 29% interest in the Marathon Property, then for a period of 90 days after the termination of the Second Earn-In Period, Sibanye-Stillwater shall have a onetime option to re-acquire an additional 31% interest in the Marathon Property for a total 80% interest, for $1.00.

(d) Once Generation has earned an 80% interest in the Property, Sibanye-Stillwater shall fund any future exploration and development costs on a pro rata basis with Generation (80% funded by Generation and 20% funded by Sibanye-Stillwater) in order to maintain its 20% interest in the Marathon Property, subject to normal dilution provisions.

(e) Upon Generation completing a definitive feasibility study (the "DFS") and making a positive commercial production decision, so long as Sibanye-Stillwater has a minimum 20% interest in the Marathon Property, then Sibanye-Stillwater will have 90 days to increase its ownership from 20% to a total 51% interest by, within 90 days of the commercial decision date, agreeing to fund 31% of the total capital costs as estimated in the DFS, after which Sibanye-Stillwater and Generation will contribute the remaining funds on a 51%/49% basis.

On May 6, 2019, the Company announced an $8 million Private Placement which is expected to close on or about June 5, 2019 and is described in the Outstanding Share Data section.

OVERALL PERFORMANCE

	Three months ended March 31, 2019	January 11, 2018 (Incorporation) to March 31, 2018	January 11 (Incorporation) to December 31, 2018
Acquisition, evaluation and exploration expenditures	$208,878	$1,367,728	$2,680,261
General and administrative expenses	191,083	57,151	645,703
Share-based payments	-	-	320,626
Operating loss	(399,961)	(1,424,879)	(3,646,590)
Net loss and comprehensive loss	(263,860)	(1,424,879)	(1,492,819)
Basic and diluted loss per share	$(0.006)	$(0.089)	$(0.040)
Weighted average number of commons shares outstanding	45,469,934	15,969,934	35,225,773

Operating loss for the three months ended March 31, 2019 was $399,961, compared to $1,424,879 for the period from incorporation of January 11, 2018 to March 31, 2018. The Company's accounting policy is to expense acquisition, evaluation and exploration expenditures incurred prior to the establishment of technical feasibility and commercial viability on its mineral properties. Included in the acquisition, evaluation and exploration expenses in the first quarter of prior year was the value of the properties transferred through the Arrangement on February 23, 2018 of $1,216,848.

Net loss and comprehensive loss for the first quarter of 2019 includes a revaluation gain of $72,450 (2018 – $nil) on marketable securities the Company held from the assignment of the Clear Lake agreement on October 1, 2018 and a revaluation gain of $63,651 (2018-$nil) on the marketable securities that are receivable.

Summary of Quarterly Results

Statement of net income (loss) and comprehensive income (loss)	Three months ended March 31, 2019	Three months ended December 31, 2018	Three months ended September 30, 2018	Three months ended June 30, 2018	January 11, 2018 (Incorporation) to March 31, 2018
Acquisition, evaluation and exploration	$208,878	$126,056	$500,900	$685,577	$1,367,728
General and administrative expenses	191,083	191,093	140,316	257,144	57,151
Share-based payments	-	33,162	-	287,464	-
Operating loss	(399,961)	(350,311)	(641,216)	(1,230,185)	(1,424,879)
Net income (loss) and comprehensive income (loss)	(263,860)	1,803,461	(641,216)	(1,230,185)	(1,424,879)
Basic and diluted earnings (loss) per share	$(0.006)	$0.040	$(0.010)	$(0.030)	$(0.089)
Weighted average number of common shares outstanding	45,469,934	45,469,934	45,469,934	39,162,242	15,969,934

In the period from January 11, 2018 to March 31, 2018, the acquisition, evaluation and exploration expenditures of $1,367,728 represented largely the value of the properties for a total of $1,216,848 that were transferred from Pine Point on February 23, 2018 as a result of the Arrangement, and the annual payment on the Davidson project of $100,000. In the three months ended June 30, 2018, exploration activities concentrated on the Darnley Bay Anomaly and acquisition costs relating to the Rawdon (formerly Kennetcook) and Alberta Zinc properties, which were largely paid by issuing company shares. Exploration activities increased in the third quarter of 2018 with exploration expenditures amounting to $430,733, of which $310,605 was for the Darnley Bay Gravity Anomaly (a magnetotelluric survey) and $120,128 for the Rawdon Zinc Project (a helicopter-borne electromagnetic and magnetic geophysical survey). In the three months ended December 31, 2018, the exploration program was largely focused on the Alberta Zinc project. In the first quarter of 2019, The Company expensed the anniversary payment on the Davidson project of $100,000.

General and administrative expenses, comprised of management and corporate administration expenses, occupancy costs for corporate offices, professional fees and shareholder and investor communications expenses, ranged from a low of $57,151 upon the start-up of the Company to a high of $257,144 in the second quarter of 2018. The expenses in the second quarter of 2018 increased as the Company ramped up its operations and incurred professional fees relating to the listing of its common shares on the Canadian Securities Exchange as well as increased shareholder and investor communications and legal costs relating to the acquisition of two mineral properties. The monthly run rate for general and administrative expenses for the last 3 quarters was approximately $60,000 per month.

There were no stock options granted or exercised during the current quarter. The Company issued 3,000,000 and 300,000 stock options respectively during the second and fourth quarter of 2018. The calculation of the fair value of options is based on the Company's share price and its estimated volatility pursuant to the Black-Scholes valuation model. Share-based payments are a non- cash expense.

During the fourth quarter of 2018, the Company had a net income as a result of the gain on the assignment of the Clear Lake option of $1,424,885, the recognition of a deferred income tax recovery of $103,695, and the gain on marketable securities and marketable securities receivable of $625,191. In the first quarter of 2019, the gain on marketable securities and receivable marketable securities was $136,101.

FINANCIAL POSITION

As at March 31, 2019, the Company had total assets of $3,027,309 (December 31, 2018 - $3,251,419) and net assets of $2,640,766 (December 31, 2018 - $2,904,626). Total assets as at March 31, 2019 consisted primarily of cash of $689,426 (December 31, 2018 - $1,167,899), receivables of $586,321 (December 31, 2018 - $531,744), prepaid expenses and deposits of $176,562 (December 31, 2018 - $49,226) and marketable securities valued at $1,575,000 (December 31, 2018 - $1,502,550).

In consideration of the assignment of the Clear Lake option agreement dated October 1, 2018, the Company received 12,600,000 common shares of Eastern Zinc Corp. The Company may, depending on market and other conditions, or as future circumstances may dictate, from time to time, on an individual or joint basis, increase or dispose of some or all of the existing or additional securities it holds or will hold through market transactions, private agreements, or otherwise. As of December 31, 2018, the Eastern Zinc common shares were valued at $1,502,550 based on a 30-day volume weighted average price less a 10% discount for the remaining hold period placed on the common shares. The discount was based on discount for securities with similar hold periods from restricted stock studies. As at March 31, 2019, the Eastern Zinc common shares were valued at $1,575,000 based on a 30-day volume weighted average price traded on the CSE. The hold period ended on February 1, 2019.

As at March 31, 2019, receivables were $586,321, of which $561,177 is related to the Clear Lake option assignment agreement. As part of the sale of the Clear Lake property, Eastern Zinc Inc. has agreed to pay additional consideration of $50,000 and 5,010,000 shares of Eastern Zinc on October 1, 2019. The additional consideration has been set up as a receivable and the shares to be received recorded at fair value. As at March 31, 2019, the shares were valued based on the 30-day volume weighted average price less a 18.38% (December 31, 2018 - 32.58%) discount or $511,177 (December 31, 2018 - $447,526).

Included in prepaid expenses and deposits of $176,562 as at March 31, 2019 is a $100,000 deposit paid in connection with the signing of the LOI for the acquisition of the Marathon Property as well as a security deposit relating to the new office premises.

The debt of $167,524 represents an unsecured amount, including accrued interest, owing to a former officer of Pine Point (formerly Darnley Bay Resources Limited) incurred from October 3, 2003 to April 28, 2006. The obligation payments on the debt were suspended on March 30, 2012. This liability was part of the liabilities assumed by the Company through the Arrangement on February 23, 2018.

LIQUIDITY

The Company relies on equity financings to fund its exploration and acquisition activities, cover administrative expenses and to meet obligations as they become due.

Cash used in operating activities during the first quarter of 2019 was $478,473 compared with $86,480 for the period January 11, 2018 to March 31, 2018. The increase in prepaid expenses and deposits was due to the $100,000 deposit upon signing the LOI for the Marathon Property as well as a security deposit of $56,500 for the lease of the new office premises.

The Company's main source of liquidity is its cash. These funds are primarily used to finance working capital, exploration expenditures, capital expenditures, and acquisitions. The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash. As at March 31, 2019, the Company had cash of $689,426 compared with $1,167,899 as at December 31, 2018. Cash is held on deposit with a major Canadian chartered bank. As at March 31, 2019, the Company had current assets of $3,027,309 (December 31, 2018 - $3,251,419) to cover current liabilities of $386,543 (December 31, 2018 - $346,793). The current assets include marketable securities and receivables that are restricted and may not be readily sold for cash to use in operations.

On May 6, 2019, the Company announced an $8 million Private Placement which is expected to close on or about June 5, 2019. The net proceeds will be used to satisfy the remaining $2,900,000 cash portion of the purchase price of the Marathon Property, for exploration and development of the Marathon Property and for working capital and general corporate purposes.

CAPITAL RESOURCES & GOING CONCERN UNCERTAINTY

The Company does not have any debt or credit facilities with financial institutions.

At present, the Company's operations do not generate cash in-flows 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. To finance the Company's exploration programs and to cover administrative and overhead expenses, the Company raises money through equity financings. 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 capital as required in the long term but recognizes there will be risks involved that may be beyond their control. If the Company is unable to raise sufficient financing, it may need to scale back its intended exploration program and its other expenses. The Company will be relying on equity financings to fund its exploration and acquisition activities, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due.. Other than as discussed herein, the Company is not aware of any trends, demands, commitments, events or uncertainties that may result in its liquidity either materially increasing or decreasing at present or in the foreseeable future, other than general market conditions, which are uncertain for junior exploration companies. Material increases or decreases in the Company's liquidity will be substantially determined by the success or failure of its exploration programs, as well as its continued ability to raise capital.

The financial statements of the Company do not include any adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classification that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the financial statements. These adjustments could be material.

Subsequent to March 31, 2019, the Company announced a private placement financing of $8 million which is expected to close on or about June 5, 2019.

DIVIDENDS

The Company has neither declared nor paid any dividends on its common shares. The Company intends to retain its earnings, if any, to finance growth and expand its operation and therefore does not anticipate paying any dividends on its common shares in the foreseeable future.

RELATED PARTY TRANSACTIONS

Key management of the Company includes its directors, Chief Executive Officer and Chief Financial Officer. Compensation to key management is paid in the form of cash and share-based payments.

During the three-month period ended March 31, 2019, key management of the Company charged consulting fees of $94,350 (2018 - $35,175).

On March 16, 2018, two directors of the Company acted as vendors in the Claims Acquisition Agreement for the Rawdon Zinc (formerly Kennetcook) property, through companies under their control. Under the terms of the Claims Acquisition Agreement, each director received 750,000 common shares of the Company.

As at March 31, 2019, accounts payable included $48,170 (December 31, 2018 - $30,955) due to the related parties mentioned above.

Management believes these transactions are in the normal course of business and are measured at their fair value.

OUTSTANDING SHARE DATA

The Company relies primarily on equity financing to fund its working capital needs. The following table sets forth information concerning the outstanding securities of the Company.

	May 28 2019	March 31 2019	December 31 2018	September 30 2018	June 30 2018	March 31 2018
Number of:						
Common shares	45,654,684	45,469,934	45,469,934	45,469,934	45,469,934	15,969,934
Warrants	12,669,250	12,854,000	12,854,000	12,854,000	12,854,000	-
Stock options	3,300,000	3,300,000	3,300,000	3,000,000	3,000,000	-

Common Shares

There were no shares issued in the three- month period ended March 31, 2019.

On May 6, 2019, the Company announced a bought deal Private Placement financing for gross proceeds of $8 million which is expected to close on or about June 5, 2019.The Company will issue 28,572,000 subscription receipts or up to 32,857,800 subscription receipts, based on a 15% underwriters' option, at a price of $0.28 per subscription receipt (the "Issue Price"). Each subscription receipt represents the right to one unit (a "Unit") subject to certain escrow release conditions. Each Unit entitles the holder to purchase one common share and one-half of one share purchase warrant. Each full warrant entitles the holder to purchase one common share of the Company for a period of two years after the escrow release date at a price of $0.45. The underwriters are entitled to a cash commission of 7% of the gross proceeds of the subscription receipts sold plus an additional 7% in compensation subscription receipts each representing a compensation option to exercise one Unit at the Issue Price for a period of two years after the escrow release date. The gross proceeds of the Private Placement less 50% of the cash commission and certain subscription receipt issue costs, will be held in escrow for up to 90 days or upon satisfaction of the release conditions to earn the initial 51% interest in the Marathon Property.

On May 10, 2019, 184,750 common shares were issued upon exercise of finder's warrants issued on April 20, 2018. The Company received proceeds of $18,475 from the warrant exercise.

Warrants

The following table summarizes warrants outstanding as at March 31, 2019 and December31, 2018.

	Number of warrants	Exercise price	Expiry date
Outstanding, January 11, 2018	-		
Warrants issued during the period	11,275,000	$0.20	April 20, 2020
	1,299,000	$0.10	April 20, 2020
	250,000	$0.20	April 25, 2020
	30,000	$0.10	April 25, 2020
Outstanding, December 31, 2018 and March 31, 2019	12,854,000		

The fair value of the warrants issued was estimated using the Black-Scholes option pricing model at $910,944 including finders' warrants of $100,680, which were included as part for share issue cost. The assumptions used in the model were: risk-free interest rate of 1.93%, expected life of warrants of 2 years, expected annualized volatility based of volatility of comparable companies 202%, dividend rate of 0%. Changes in the subjective input assumptions can materially affect the fair value estimate.

RISKS AND UNCERTAINTIES

The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration and development of mining properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward–looking information relating to the Company.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made by the Company towards the search for and evaluation of mineral deposits will result in discoveries or development of commercial quantities of base metals.

There have been no material changes in the risks and uncertainties affecting the Company that were discussed in the Company's 2018 year end MD&A that was filed on SEDAR on April 26, 2019.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's financial statements in conformity with IFRS requires management to make estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Actual results may differ from those estimates. Significant estimates made by the Company include factors affecting fair value of equity instruments, and income taxes and determination of going concern assumption.

DISCLOSURE CONTROLS AND PROCEDURES

Management is responsible for the design and effectiveness of disclosure controls and procedures to provide reasonable assurance that material information related to the Company is made known to the Company's certifying officers. The Company's President & Chief Executive Officer and Chief Financial Officer have each evaluated the effectiveness of the Company's disclosure controls and procedures as at March 31, 2019 and have concluded that these controls and procedures are effective. Such controls are facilitated by the small size of the Company's senior management team and their access to material information.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

The Company's management, under the supervision of its President and Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting. Based on a review of its internal control procedures at the end of the period covered by this MD&A, management believes its internal controls and procedures are appropriately designed as at March 31, 2019.

RECENT ACCOUNTING PRONOUNCEMENT

The Company adopted IFRS 16 Leases which sets out the principles for the recognition, measurement and disclosure of leases. IFRS 16 provides revised guidance on identifying a lease and for separating lease and non-lease components of a contract. IFRS 16 introduces a single accounting model for all lessees and requires a lessee to recognize right-of-use assets and lease liabilities for leases with terms of more than 12-months, unless the underlying asset is of low value. Under IFRS 16, lessor accounting for operating and finance leases will remain substantially unchanged. The adoption of IFRS 16 has no impact on the Company's financial statements in the three-month period ended March 31, 2019.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Except for statements of historical fact relating to Generation, certain information contained in this MD&A constitutes “forward-looking information” under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the potential of the Company’s properties; the future price of precious and/or base metals; success of exploration activities; cost and timing of future exploration and development; requirements for additional capital and other statements relating to the financial and business prospects of the Company. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, ”would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during permitting; the possibility that future exploration results will not be consistent with the Company’s expectations; timing and availability of external financing; the uncertainty of conducting activities within a joint venture structure; currency exchange rates; government regulation of mining operations; failure of equipment or processes to operate as anticipated; risks inherent in mineral exploration and development including environmental hazards, industrial accidents, unusual or unexpected geological formations; and uncertain political and economic environments. Although management of Generation has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.