

GENERATION MINING

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

This Management's Discussion and Analysis ("MD&A") reviews the consolidated financial condition and results of operations of Generation Mining Limited and its wholly owned subsidiary company (together "Generation" or the "Company") for the three and nine months ended September 30, 2020 and 2019. The MD&A was prepared as of November 11, 2020 and should be read in conjunction with the consolidated financial statements for the three and nine months ended September 30, 2020 and 2019, and the December 31, 2019 year end audited consolidated financial statements including the notes thereto prepared in accordance with the International Financial Reporting Standards or ("IFRS"). 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 the Marathon platinum group metal ("PGM") deposit located in Marathon, Ontario Canada (the "Marathon Property" or "Marathon Project"). The Company acquired its interest in the Marathon Property in July 2019 through a joint venture with Stillwater Canada Inc., a subsidiary of Sibanye Gold Limited, trading as Sibanye-Stillwater ("Sibanye"). Sibanye is a leading international precious metals mining company, with a diverse portfolio of PGM operations in the United States and Southern Africa.

Generation has earned a 51% interest in the Marathon joint venture and has the option to increase its interest to 80% by completing a Preliminary Economic Assessment ("PEA") and spending \$10 million on the Marathon Property over a four-year period. The Company filed a PEA in February 2020 and as at September 30, 2020 has incurred \$8,762,982 million in expenditures on the Marathon Property. The Company has recently commenced a Feasibility Study and Environmental Assessment on the Marathon Property.

The Company was incorporated under the Business Corporations Act (Ontario) on January 11, 2018. Its registered office is located at 100 King Street West, Suite 7010, Toronto, Ontario M5X 1B1. The Company's common shares trade on the Toronto Stock Exchange ("TSX") under the symbol GENM and OTCQB Venture Marketplace under the symbol GENMF. The Company also has a number of other exploration properties located in Canada.

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 and Vice President, Exploration of the Company, a "Qualified Person" under National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

CORPORATE HIGHLIGHTS - 2020

- In February 2020, Mr. Cashel Meagher joined the board of directors and Mr. Brian Jennings was appointed Chief Financial Officer. Mr. Meagher is Senior Vice President and Chief Operating Officer of Hudbay Minerals Inc. and prior to joining Hudbay in 2008, held various positions with Vale Inco. Mr. Jennings is a Chartered Professional Accountant and geologist with over 30 years of experience working as a senior financial executive and corporate restructuring professional.
- Completed a financing in February 2020 with aggregate total gross proceeds of \$10.7 million.
- In March 2020, Mr. Drew Anwyll joined the Company as Chief Operating Officer. Most recently, Mr. Anwyll was Senior Vice-President – Technical Services, Interim Chief Operating Officer and Vice-President Operations | Mine General Manager at Detour Gold’s large open pit gold mine in Northern Ontario.
- In April of 2020 all outstanding warrants issued as part of the April 20, 2018 private placement were exercised, for gross proceeds of \$2.4 million.
- On June 8, 2020 Generation commenced trading on the US trading platform OTCQB Venture Marketplace under the symbol GENMF.
- On July 15, 2020 Generation commenced trading on the Toronto Stock Exchange under the symbol GENM. We believe that the TSX listing will facilitate access to a broader range of investors as well as provide exposure to larger pools of capital, including long-term institutional investors and large investors abroad such as in the USA and Europe.

TECHNICAL HIGHLIGHTS - 2020

- Completed a NI 43-101 PEA in February 2020 for the Marathon Property, providing a compelling base case assessment for the development of the Marathon Palladium Mineral Resource by open pit mining. The project generates an after-tax internal rate of return (“IRR”) of 30.0% and an after-tax net present value (“NPV”) of \$871 million at a 5% discount rate at November 30, 2019 two-year trailing average metal prices.
- In May 2020, the Company commenced trade-off studies in preparation for a feasibility study of the Marathon Property. The focus of the trade-off studies is to complete an analysis of the options and concepts previously outlined in prior feasibility studies and the recent PEA completed by Generation.
- In June 2020, the Company restarted the Environment Assessment (“EA”) review and approval process for the Marathon Project with Federal and Provincial Government Agencies.
- In July 2020, Generation formally commenced a Feasibility Study on the Marathon Project. The Feasibility Study is expected to be completed in the first quarter of 2021.
- In August 2020, the Company completed Phase 1 bench-scale metallurgical test work, resulting in a favourable and significant increase to projected PGM and copper recovery. Expected increases in metal recovery will be included in the feasibility study work.
- Completed a drill program designed to test the potential for near surface, ramp accessible mineralization. The drill program commenced August 24, 2020 and was completed on October 24, 2020. Twelve holes were drilled for a total of 5,068 meters. Initial results were announced on October 29, 2020 and are summarized below.
- In September 2020, the Company progressed to a Phase 2 metallurgical testing program. The Phase 2 test program includes a pilot plant testing that will be completed during the fourth quarter of 2020 and is expected to fully validate the flowsheet, process design criteria, and confirm expectations for final concentrate grade and quality.

MARATHON PROPERTY ACQUISITION AND JOINT VENTURE

On July 10, 2019, the Company, through Generation PGM, completed the acquisition of a 51% initial interest in the Marathon PGM deposit near Marathon, Ontario and entered into a joint venture agreement with Stillwater Canada Inc. (“Stillwater”) with respect to the property (“Marathon Property”). The

Company paid \$3,000,000 in cash and issued 11,053,795 common shares of the Company at a deemed price of \$0.2714 per common share (totaling \$3,000,000), for a total consideration of \$6,000,000. The Company has the right to increase its interest in the Marathon Property to 80% by spending \$10,000,000 in exploration, evaluation and development expenditures and preparing a preliminary economic assessment (“PEA”) within four years of closing. On February 19, 2020, the Company filed a PEA and as at September 30, 2020 has incurred \$8,762,982 of the \$10 million in exploration and evaluation expenditures required to increase its interest to 80%. During this four-year second earn-in period, the Company must sole-fund all expenditures in respect of the Marathon Property and related activities. Once the Company has increased its total interest in the Marathon Property to 80%, the parties will jointly fund future exploration expenditures on an 80/20 pro rata basis to maintain their respective interests in the joint venture, subject to normal dilution provisions. Upon completion of a definitive feasibility study and making a positive commercial production decision, Stillwater Canada Inc. will have 90 days to exercise an option to increase its interest in the joint venture to 51% by agreeing to fund 31% (if it has maintained a minimum 20% interest) of the total capital cost estimated by the feasibility study. The Company is currently the operator of the joint venture (unless its interest in the joint venture reduces to a minority interest) and has assumed all liabilities of the Marathon Property.

PRELIMINARY ECONOMIC ASSESSMENT – MARATHON PROPERTY

Pursuant to the Marathon JV agreement with Sibanye, and to satisfy one of the conditions to earn an additional 29% interest in the Marathon JV, the Company completed a NI 43-101 PEA in February 2020 for the Marathon Project. The PEA provides a compelling base case assessment for the development of the Marathon Palladium Mineral Resource by open pit mining. Highlights (all amounts in Canadian dollars on a 100% project ownership basis) of the PEA are as follows:

- The project would produce an average of 194,000 Palladium Equivalent (“PdEq”) ounces per year over a 14-year mine life (including credits for copper, platinum, gold and silver). The project generates an after-tax internal IRR of 30.0% and an after-tax NPV of \$871 million at a 5% discount rate at December 31, 2019 two-year trailing average metal prices (base case). Average annual production in PdEq ounces is calculated by determining the potential gross Revenue generated over the 14 mine life of the project by multiplying total net smelter returns (“NSR”) by total processed tonnes. The resultant Revenue divided by the Pd Price equals the total PdEq ounces produced over the 14 year life of the mine (“PdEq LOM”). Consequently, the average PdEq ounces produced per year equals PdEq LOM divided by 14 years.
- Metal prices and the CDN:US dollar exchange rate are based on December 31, 2019 approximate two-year trailing average metal prices of US\$1,275/oz Pd, US\$3/lb Cu, US\$900/oz Pt, US\$1,300/oz Au, US\$16/oz Ag, and \$CDN:US\$ = 0.76.
- The project generates an after-tax net present value of \$1,541 million and an internal rate of return of 45.8% at a 5% discount rate at December 31, 2019 spot metal prices (final LBMA London price fix for precious metals; final LME bid price for copper, December 31, 2019).
- The project would generate base case after-tax cash flows of \$520 million in years 1-3, resulting in a 2.5-year payback period.
- Actual palladium production will average 107,000 ounces annually over the mine life, at a Cash Cost Per Ounce of \$US504 and an All-In Sustaining Cost of \$US586 per ounce, net of by-product credits.
- The PEA used only Measured and Indicated Mineral Resources in the Marathon deposit in the calculations and did not include the Geordie and Sally deposits which are located on the same property. The Marathon deposit has no outstanding royalties or financing streams registered against it.

- The Mineral Resources for the Marathon Deposit are reported against an NSR cut-off value of CDN\$13/t as set out below:

MARATHON DEPOSIT PIT CONSTRAINED MINERAL RESOURCE ESTIMATE													
Classification	Tonnes (k)	Pd (g/t)	Pt (g/t)	Cu (%)	Au (g/t)	Ag (g/t)	PdEq (g/t)	Pd (koz)	Pt (koz)	Cu (Mlb)	Au (koz)	Ag (koz)	PdEq (koz)
Measured	103,337	0.64	0.21	0.20	0.07	1.50	1.34	2,123	688	463	239	4,964	4,445
Indicated	75,911	0.46	0.15	0.20	0.06	1.80	1.10	1,115	376	333	151	4,371	268
Meas + Ind	179,248	0.56	0.18	0.20	0.07	1.60	1.24	3,238	1,064	796	390	9,335	7,130
Inferred	668	0.37	0.12	0.19	0.05	1.40	0.95	8	3	3	1	31	21

Note: Meas = Measured, Ind = Indicated, PdEq = palladium equivalent, k = thousands, M = millions.

- 1) Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, marketing, or other relevant issues.
- 2) Mineral Resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.
- 3) The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.
- 4) Contained metal totals may differ due to rounding.
- 5) Mineral Resources are reported within an optimized pit shell at an NSR cut-off value of CDN\$13/t.
- 6) Palladium Equivalent ("PdEq") in this table is calculated by determining the Net Smelter Return ("NSR") value expressed in \$/tonne for each of the constituent metals using the following formula $NSR = (Metal\ grade \times Price \times Processing\ Recovery \times Smelter\ Payable\ Recovery) - (Refining\ Charges + Concentrate\ Freight\ Charges + Smelter\ Treatment\ Charges)$. The sum of the resulting NSR values for each of Pd, Pt, Cu, Au and Ag is then divided by the NSR value of 1g/t Pd to yield the grade expressed as PdEq in g/t. Metal prices used approximate 2 year trailing values as at August 31, 2019 and are USD 1,100/oz Pd, USD 3/lb Cu, USD 900/oz Pt, USD 1,300/oz Au, USD 16/oz Ag based on a CAD:USD F/X rate of 0.76.

On July 6, 2020, the Company announced the filing of a PEA (as amended), titled "Amended Technical Report, Updated Mineral Resource Estimate and Preliminary Economic Assessment of the Marathon Deposit, Thunder Bay Mining District Northwestern Ontario Canada" dated July 6, 2020 (effective date of January 6, 2020). The purpose for this (Amended) Technical Report is to provide data on the 2019-39 hole exploration drilling program that was concurrent with the Technical Report compilation and were not included with the January 6, 2020 Updated Mineral Resource Estimate and Preliminary Economic Assessment Technical Report. The Mineral Resource Estimates, Economic Analysis, Interpretations and Conclusions and Recommendations provided in the originally issued Technical Report remain unchanged. The 2019-39 hole drill results are included in the Amended Technical Report and available on Sedar.

FEASIBILITY STUDY

In July 2020 Generation formally commenced a Feasibility Study on the Marathon Project. The Feasibility Study is expected to be completed in the first Quarter of 2021 and the budget to complete the study is approximately \$2.7 million. The Feasibility Study Team consists of:

- G-Mining Services - mine plan and Mineral Reserves, infrastructure scope of work and integration of the costs and economic analysis,
- Ausenco Engineering Canada Inc. - process facility layout and design including capital and operating costs
- SGS-Lakefield - metallurgical testing,
- Knight-Piesold - design of the processed solids management facility and open pit geotechnical engineering and environment impact interactions with Stantec and Ecometrix, and
- P&E Mining Consultants Inc. - responsible for the mineral resource estimate.

Mine Plan / Economics

G-Mining is progressing with pit designs and sequencing that will prioritize the high grade Pd values for initial production to bring increased palladium production into the first half of the mine life and increase copper production in the mine's later years.

Plant Design

Ausenco's plant design is expected to update the quality work that was done in prior studies with newer technology, which in turn will improve concentrator operability and lower capital costs, while increasing palladium recovery without sacrificing copper recovery. This flowsheet is expected to be validated with the current metallurgical test work that is progressing at SGS-Lakefield.

Metallurgy

SGS-Lakefield commenced metallurgical test work which is being overseen by Steve Haggarty, P.Eng., a metallurgical engineer who has with operating and design experience from a 40 year career with Teck, Homestake Mining and Barrick Gold. As outlined in the PEA, extensive metallurgical testing was completed in the past. The objective of the current studies is to evaluate modifications to the process plant design which could simplify the circuit with an incremental decrease in capital expenditures, a decrease in operating costs and the potential for improved recoveries of the key minerals containing: palladium, platinum, and copper.

In August, the Company completed the Phase 1 metallurgical testing that was focused on three main aspects:

- Pursue improved metal recovery with optimization of rougher flotation feed grind size, flotation reagents, and the implementation of a PGM Scavenger circuit;
- Reduction in the initial capital cost of the concentrator by evaluating *state-of-the-art* flotation technology such as the Woodgrove Direct Flotation Reactor (DFR) technology;
- Improved flotation circuit operability with improved control and management of rejected pyrite and pyrrhotite.

The Phase I metallurgy study achieved improved recoveries over historical studies which are summarized below:

	2020 Phase 1 Metallurgical Recovery ¹ (as determined by 2020 Met Testing)	PEA² Metallurgical Recovery	Variance + positive - negative
Palladium	86.9%	82.9%	+4.0%
Copper ³	93.0%	90.0% ³	+3.0%
Platinum	84.2%	74.5%	+9.7%
Gold	72.4%	73.2%	-0.8%
Silver	Not evaluated in this program	71.5%	n/a

¹ Recovery calculations are based on the established head grade of composite samples ranging in Cu, Pd, Pt and Au head grade and involving multiple benchscale flotation tests.

² Preliminary Economic Assessment ("PEA") of the Company titled "Amended Technical Report, Updated Mineral Resource Estimate and Preliminary Economic Assessment of the Marathon Deposit, Thunder Bay Mining District Northwestern Ontario Canada" dated July 6, 2020 (effective date of January 6, 2020).

³ The estimated recovery of Cu is noted per the PEA for years 6-14.

In September 2020, the Company progressed to a Phase 2 metallurgical testing program. The goal of this program is to further define (i) the performance of the cleaning and scavenger flotation circuits, (ii) the optimal grind size in the regrind circuit and (iii) the overall validation of the circuit performance with a mini-pilot plant. The first two tasks have been completed. The initial locked cycle testing and a pilot plant program commenced mid-October and will be completed during November 2020.

Tailings

Knight-Piesold is updating the past tailings dam designs to reflect current best available practices and technologies. At this stage, the work on the Feasibility Study will consider a processing and mine production rate that is more higher than that outlined in the PEA that contemplated an initial plant production rate starting at 5,000,000 tonnes per year and expanding to 8,000,000 tonnes per year after five years.

ENVIRONMENTAL ASSESSMENT

The initial Environmental Assessment process was initiated by the prior proponent (Stillwater Canada) of the Marathon Project in 2012 and was put on hold in January 2014. At that point in time the Canadian Environmental Assessment Agency and the Joint Review Panel (JRP) had reviewed the Environmental Impact Statement (EIS) report and supporting technical reports and, determined that the material was sufficient to proceed to the public hearing stage. At that time, the JRP timeline to complete the EA process was approximately 6 months. In September 2019, the Company received confirmation from the government that the Marathon Project will remain subject to the requirements of the Canadian Environmental Assessment Act (2012) and the Ontario Environmental Assessment Act (1990) and the process could be restarted.

In June 2020, the Company commenced the process to restart the Environmental Assessment approval process and to complete an EIS Report Addendum. The process is expected to be completed in the Second Quarter of 2022. The budgeted costs over the next 12 months are approximately \$2.2 million. At a high-level, the steps that are required to complete the process are as follows:

- update and confirm existing baseline studies,
- capture and model the optimizations being progressed in the feasibility study work,
- document these conclusions in the Environmental Impact Statement report addendum, and
- undertake the Joint Review Panel (“JRP”) hearings.

To assist with the permitting program, the sustainability team is being supported by:

- Stantec, a global engineering consulting firm will lead the EA process and EIS report addendum update,
- Knight-Piesold - lead the tailing facility designs,
- EcoMetrix - geochemistry, aquatics, water quality modelling,
- Northern BioScience - monitoring of species at risk and terrestrial studies on the property, and
- Stantec and Ecometrix are involved in the Feasibility Study Team to help facilitate the update of the Environment Impact Study Report addendum and to help inform the critical path regulatory approvals process.

EXPLORATION AND EVALUATION ACTIVITIES – MARATHON PROPERTY

In August 2020, the Company contracted Vital Drilling Services to complete a 5,000-metre drilling program along the western margin of a portion of the Marathon Property. The exploration drill program was designed to test two areas of interest:

- The MT anomaly to the west and down dip from the Main Zone. The anomaly is situated in the area just north of the 4900N fault considered to be the location of the feeder channel for the Main Zone of the Marathon deposit.

- The northwest extension of the W Horizon in the area between the 4900N Fault and the 4500N Fault. The 4500N Fault considered to be the location of the feeder channel for the W Horizon mineralization.

The drill program budget was approximately \$1 million, commenced on August 24, 2020 and was completed on October 24, 2020. Twelve holes were drilled for a total of 5,068 meters.

The first hole tested the MT anomaly situated immediately west of and down dip from the Marathon deposit. Target depth was estimated at 650 metres; however, the drill unexpectedly intersected the footwall (Archean basement) at 333.4 metres which is quite shallow in this area. A subsequent down hole Crone pulse EM survey yielded an off-hole anomaly to the east situated immediately beneath a hole previously drilled into the footwall and was terminated in Archean aged, barren, massive pyrrhotite unrelated to the mineralizing event which formed the Marathon Deposit. No further follow up work of the MT target in this specific area is contemplated at this time. There are no significant assays to report for hole M-20-539.

The remaining 11 drill holes focused on the down-dip western extension of the W Horizon. Assay results for holes M-20-540, M-20-541 and M-20-543 are tabulated below. Assays are pending for the remaining 8 holes.

Significant Assay Results Holes M-20-540, M-20-541 and M-20-543

Hole M-20-540							
Interval (m)	Down-hole length (m)*	Au(g/t)	Pt(g/t)	Pd(g/t)	Cu(%)	Ni(%)	PdEq(g/t)**
23-31	8.00	0.11	0.26	0.87	0.16	0.03	1.42

Hole M-20-541							
Interval (m)	Down-hole length (m)*	Au(g/t)	Pt(g/t)	Pd(g/t)	Cu(%)	Ni(%)	PdEq(g/t)**
48-52	4.00	0.17	0.49	1.47	0.25	0.04	2.40
300-314	14.00	0.10	0.28	1.38	0.09	0.01	1.84
(Incl. 302-309)	7.00	0.13	0.38	1.80	0.11	0.02	2.38
354-385	31.00	0.07	0.20	0.64	0.42	0.03	1.53

Hole M-20-543							
Interval (m)	Down-hole length (m)*	Au(g/t)	Pt(g/t)	Pd(g/t)	Cu(%)	Ni(%)	PdEq(g/t)**
297-305	8.00	0.08	0.20	0.78	0.47	0.03	1.75
433-449	16.00	0.05	0.14	0.55	0.47	0.05	1.47

* True width approximates Down-hole length (m)

** The Palladium Equivalent ("PdEq") calculation expressed in g/t in this table is the sum of the theoretical in situ value of the constituent metals (Au + Pt + Pd + Cu) divided by the value of one gram of palladium. The calculation makes no provision for expected metal recoveries or smelter payables. USD per ounce commodity prices of \$1,300, \$900, \$1275 were used, respectively, for Au, Pt and Pd and a \$3/lb value was assigned for Cu. Ni values were not used to calculate PdEq.

OUTLOOK

The Company will continue to focus on advancing the Marathon Property. Over the next several months Generation will focus on completing a Feasibility Study and progressing the Environmental Assessment. During the Second Earn-In Period, the Company will continue to engage in such operational programs that will contribute to meeting the \$10 million in exploration, evaluation and development expenditures required in order to earn the Second Interest of 29% thereby increasing its initial 51% interest to 80%.

COVID-19

At the end of 2019, a novel strain of coronavirus (“COVID-19”) was reported in China. The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections around the world. On March 11, 2020, it was labelled a pandemic by the World Health Organization. During the nine months ended September 30, 2020, attempts at containment of COVID-19 have resulted in decreased economic activity, which has adversely affected the broader global economy. The rapid development and fluidity of the situation precludes any prediction as to the ultimate impact of COVID-19; however, the Company seeks to obtain the best possible information to enable the assessment of the risks involved and implement appropriate measures to respond. During the nine months ended September 30, 2020, the Company has implemented a COVID-19 policy drawing on industry specific guidelines set out by federal and provincial governments, and works in conjunction with its local health authority to safeguard the health of its employees and the local communities where it operates. The Company has not been materially impacted by the presence of COVID-19.

OTHER MINERAL PROPERTIES

In addition to the Marathon Property, the Company holds options, rights and/or ownership interest in the following mineral properties as of September 30, 2020:

Darnley Bay Anomaly, Northwest Territories: The Company holds 100% of the rights to a mineral concession covering the Inuvialuit Settlement Region’s 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. It is the Company’s intention to renegotiate the agreement prior to making any cash payments or incurring any exploration expenditures during 2020.

Darnley Bay Diamond, Northwest Territories: The property consists of jointly held mineral leases on the Parry Peninsula northeast of Paulatuk in the Inuvialuit Settlement Region’s lands where the Inuvialuit hold the surface rights and the Crown holds the mineral rights. The focus is on diamond exploration. The Company and Diadem Resources Ltd. continue to advance exploration through a joint venture agreement where Diadem is currently responsible for all expenditures 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. The option agreement was signed on April 1, 2016 and payments totalling \$450,000 were made as at September 30, 2020. There is an ongoing commitment of \$100,000 payable on each anniversary of the agreement until commercial production is achieved or the 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 four mineral claims over 1,640 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 optionor for \$1.5 million. There has been \$60,000 in cash paid to the optionor as at September 30, 2020. A payment of \$30,000 due on August 30, 2020 is unpaid. Future cash payments consist of: \$60,000 on August 30, 2021, \$25,000 on completion of 1,500 metres of drilling, \$25,000 on completion of an additional 3,000 metres of drilling on or before December 31, 2022, and \$125,000 and a minimum 250,000 common shares (or cash equivalent) in the capital of the Company upon completion of an additional 7,000 metres of drilling on or before December 31, 2022. Pursuant to the option agreement the Company is required to spend \$500,000 on the property prior to August 31, 2019. As at September 30, 2020, the Company incurred \$37,600 in

work commitments, \$12,500 in work commitments were waived by the optionor, leaving a work commitment balance of \$449,900. The vendor and the Company are currently in discussions regarding possible amendments to the option agreement for outstanding payments and work commitment terms.

Rawdon Zinc, Nova Scotia: On March 16, 2018, the Company entered into a Claims Acquisition Agreement to acquire a 100% interest in an exploration property with the potential to host lead-zinc-silver-copper mineralization in central Nova Scotia. Pursuant to the agreement, the Company issued 3,000,000 common shares valued at \$191,400 to the optionor. At September 30, 2020, the Company held seven mineral licenses covering an area of 6,444 hectares.

Alberta Zinc, Alberta: On May 10, 2018, the Company entered into an option agreement to acquire a 100% interest in the Alberta Zinc project in Alberta currently covering 32,057 hectares and consisting of four mineral rights permits. The Company paid \$10,000 and issued 500,000 common shares valued at \$31,900 to the vendor upon signing the agreement and committed to a minimum of \$100,000 in expenditures on the property which was fulfilled as at December 31, 2019. A further payment of \$250,000 (in cash or shares) was required on May 10, 2020. The Company has no intention of making this payment. The property is subject to a 2% gross metals royalty, of which the Company can purchase half at any time for \$1 million.

ACQUISITION, EVALUATION AND EXPLORATION EXPENDITURES

The following table displays the acquisition, evaluation and exploration expenses by project for the three and nine months ended September 30, 2020 compared with the three and nine months ended September 30, 2019.

Projects	Three months ended		Nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Marathon	-	7,458,814	4,491,463	7,458,814
Darnley Bay Anomaly	-	-	-	24,806
Davidson	-	-	132,635	133,191
Nak	-	15,000	-	23,429
Rawdon Zinc	-	2,010	-	25,869
Alberta Zinc	2,684,229	-	-	26,018
Total expenditures in the period	\$ 2,684,229	\$ 7,475,824	\$ 4,624,098	\$ 7,692,127

The following table displays the cumulative mineral property expenditures by project at September 30, 2020.

	Cumulative as at December 31, 2019	Nine months ended September 30 Exploration and Evaluation	Cumulative as at September 30, 2020
Marathon	9,422,874	4,491,463	13,914,337
Darnley Bay Anomaly	576,941	-	576,941
Davidson	314,480	132,635	447,115
Nak	67,599	-	67,599
Clear Lake	23,320	-	23,320
Rawdon Zinc	550,917	-	550,917
Alberta Zinc	179,626	-	179,626
Total expenditures in the period	\$ 11,135,757	\$ 4,624,098	\$ 15,759,855
Mineral properties acquired ⁽¹⁾	1,216,848	-	1,216,848
Total cumulative mineral property expenditures	\$ 12,352,605	\$ 4,624,098	\$ 16,976,703

⁽¹⁾ Properties acquired on December 15, 2017 pursuant to a court approved plan of arrangement between Generation, Pine Point Mining Limited and Osisko Metals Incorporated (“Transferred Properties” or the “Arrangement Agreement”). The transferred properties included the Darnley Bay Anomaly and Darnley Bay Diamond in the Northwest Territories, Davidson and Nak in British Columbia, Lac Lessard in Quebec and Clear Lake in Alberta.

MARKETABLE SECURITIES

On May 24, 2016, the Company entered into an option agreement to earn a 100% interest in a zinc-lead-silver property (“Clear Lake”). On October 1, 2018, the Company entered into an Assignment, Assumption and Amending Agreement (“Clear Lake Assignment Agreement”) with Eastern Zinc Corp. (“Eastern Zinc”) and the optionor of the Clear Lake property to assign the exclusive right and option to acquire a 100% interest in the property to Eastern Zinc. On June 19, 2020 Eastern Zinc changed its name to Major Precious Metals Corp. (“Major Precious Metals”). Pursuant to the agreement, Major Precious Metals paid \$50,000 in cash and issued 12,600,000 common shares of Major Precious Metals to the Company (“Major Precious Metals Shares”).

On May 13, 2020 the Company entered into a share purchase agreement agreeing to sell 4,000,000 common shares of the Major Precious Metals Shares to a third party for cash consideration of \$200,000, or \$0.05 per share. On July 16, 2020, the share purchase agreement closed resulting in the Company holding a balance of 8,600,000 Major Precious Metal Shares. During the third quarter the Company also sold 245,000 shares of Major Precious Metals for total proceeds of \$152,000.

As of September 30, 2020, the Company held 8,355,000 Major Precious Metals Shares (7.2% of the issued and outstanding shares) valued at \$2,088,750 (December 31, 2019 – 12,600,000 Major Precious Metals Shares (18.3% of the issued and outstanding shares) valued at \$256,638.

MARKETABLE SECURITIES RECEIVABLE

Pursuant to the Clear Lake Assignment Agreement, an additional \$50,000 in cash and 5,010,000 common shares of Major Precious Metals were due to the Company on October 1, 2019 which was extended to October 1, 2020 which were accounted for as receivables (“Major Precious Metals Receivables”). On January 31, 2020, Eastern Zinc provided notice of termination pursuant to the underlying option agreement which had no effect on the Company’s Major Precious Metals Receivables. On May 13, 2020,

the Company entered into an assignment agreement assigning the Company's right to the Major Precious Metals Receivables to a third party for cash consideration of \$300,500 (\$0.05 per share for 5,010,000 shares and \$50,000 for the cash receivable). On July 16, 2020, the transaction closed whereby the Company has no interest under the Clear Lake Assignment Agreement.

RESULTS FROM OPERATIONS

The following table sets forth financial information for the Company which has been summarized from and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2020 and 2019, including the notes thereto.

Statements of Loss	Three months ended September 30, 2020	Three months ended September 30, 2019	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Expenses				
Acquisition, evaluation and exploration	\$ 2,684,228	\$ 7,475,824	\$ 4,624,098	\$ 7,692,127
Share-based compensation	139,986	1,101,000	1,392,444	1,101,000
Audit, legal and advisory fees	21,349	123,497	226,517	362,661
Management and corporate administration services	121,056	114,559	554,448	310,615
Shareholder and investor communications costs	261,399	130,923	661,408	436,131
Occupancy cost	30,799	19,966	95,128	71,977
Interest	13,590	13,617	41,161	25,258
Operating loss	(3,272,407)	(8,979,386)	(7,595,204)	(9,999,799)
Unrealized gain (loss) on marketable securities and receivable marketable securities	(2,616,435)	(525,798)	2,672,190	(1,103,898)
Realized loss on marketable securities and receivable marketable securities	(323,000)	-	(323,000)	-
Interest income	7,099	-	23,514	-
Net Loss and Comprehensive Loss	\$ (6,204,743)	\$ (9,505,184)	\$ (5,222,500)	\$ (11,103,697)
Net Loss per Share – Basic and diluted	\$ (0.05)	\$ (0.11)	\$ (0.04)	\$ (0.19)

Three Months Ended September 30, 2020 vs. 2019

Generation incurred a net loss of \$6,204,743 or \$0.05 per share for the three months ended September 30, 2020 compared to a net loss of \$9,505,184 or \$0.11 per share for the three months ended September 30, 2019. The significant differences are outlined below.

- Acquisition, evaluation and exploration expenses were \$2,684,228 for the three months ended September 30, 2020 compared to \$7,475,824 for the three months ended September 30, 2019. The decrease of \$4,791,596 is primarily related to the Marathon Property acquisition costs of \$6,000,000 incurred in 2019. Net of the Marathon Property acquisition costs expenses increased in 2020 compared to 2019 by approximately \$1.2 million. The increase in 2020 relates to the increased costs associated with the commencement of the feasibility study and environmental assessment.
- Share-based compensation was \$139,986 for the three months ended September 30, 2020 compared to \$1,101,000 for the three months ended September 30, 2019. Share-based compensation is a non-cash item calculated using the Black Scholes valuation model and fluctuates period to period depending on the number of options vested. The decrease of approximately \$961,000 in 2020 compared to 2019 is directly related to the number of options vesting during the periods. There were 675,000 stock options vesting during the third quarter ended 2020 compared to 4,100,000 stock options vesting during the third quarter of 2019.
- Audit, legal and advisory fees were \$21,349 for the three months ended September 30, 2020 compared to \$123,497 for the three months ended September 30, 2019. The decrease of \$102,130

in 2020 is related to approximately \$100,000 of expenditures incurred in 2019 related to the acquisition of the Marathon Property.

- Management and corporate administration services expenses were \$121,056 in the three months ended September 30, 2020 compared to \$114,559 for the three months ended September 30, 2019. The expenditures are consistent for the comparable quarters.
- Shareholder and investor communications costs were \$261,399 in the three months ended September 30, 2020 compared to \$130,923 in the three months ended September 30, 2019. The increase of approximately \$130,000 in 2020 is primarily the result of fees associated with the listing of the Company's shares on the Toronto Stock Exchange.
- Occupancy costs were \$30,799 in the three months ended September 30, 2020 compared to \$19,966 in the three months ended September 30, 2019. The increase of approximately \$10,000 is the result of the increase in office space due to the increased number of employees.
- Interest expense was \$13,590 in the three months ended September 30, 2020 compared to \$13,617 in the three months ended September 30, 2019. Interest expense results from the recognition and depreciation of the corporate office lease as a right-of-use asset and interest accrued on debt.
- Realized and unrealized gains and losses on marketable securities and receivable marketable securities relate to the sale and/or period end fair value adjustments of marketable securities or marketable securities receivable during the period. Transactions during the period are outlined above under the section headings Marketable Securities and Marketable Securities Receivable.

Nine Months Ended September 30, 2020 vs. 2019

Generation incurred a net loss of \$5,222,500 or \$0.04 per share for the nine months ended September 30, 2020 compared to a net loss of \$11,103,697 or \$0.19 per share for the nine months ended September 30, 2019. The significant differences are outlined below.

- Acquisition, evaluation and exploration expenses were \$4,624,098 for the nine months ended September 30, 2020 and \$7,692,127 for the nine months ended September 30, 2019. The decrease of \$3,068,029 is primarily related to the Marathon Property acquisition costs of \$6,000,000 incurred in 2019. Net of the Marathon Property acquisition costs expenses increased in 2020 compared to 2019 by approximately \$1.7 million. The increase in 2020 relates to the increased costs associated with the commencement of the feasibility study and environmental assessment.
- Share-based compensation was \$1,392,444 for the nine months ended September 30, 2020 compared to \$1,101,000 for the nine months ended September 30, 2019. Share-based compensation is a non-cash item calculated using the Black Scholes valuation model and fluctuates period to period depending on the number of options vested. The increase of approximately \$291,000 in 2020 compared to 2019 is directly related to the number of options vesting during the periods. There were 4,775,000 stock options vesting during the nine months ending September 30, 2020 compared to 4,100,000 stock options vesting during the same period in 2019.
- Audit, legal and advisory fees were \$226,517 for the nine months ended September 30, 2020 compared to \$362,661 for the nine months ended September 30, 2019. The decrease of \$136,144 in 2020 is related to approximately \$100,000 of expenditures incurred in 2019 related to the acquisition of the Marathon Property.
- Management and corporate administration services expenses were \$554,448 in the nine months ended September 30, 2020 compared to \$310,615 for the nine months ended September 30, 2019. The increase of approximately \$244,000 was the result of an increase in administration activities and executive compensation at the corporate level as the Company expanded in order to complete a feasibility and environmental assessment on the Marathon Property.
- Shareholder and investor communications costs were \$661,408 in the nine months ended September 30, 2020 compared to \$436,161 in the nine months ended September 30, 2019. The increase of approximately \$225,000 in 2020 is primarily the result of fees associated the listing of the Company's shares on the Toronto Stock Exchange and the OTC Market in addition to an increase marketing and investor relations programs related to the Marathon Property.

- Occupancy costs were \$95,128 in the nine months ended September 30, 2020 compared to \$71,977 in the nine months ended September 30, 2019. The increase of approximately \$23,000 is the result of the increase in office space due to the increased number of employees.
- Interest expense was \$41,161 in the nine months ended September 30, 2020 compared to \$25,258 in the nine months ended September 30, 2019. Interest expense results from the recognition and depreciation of the corporate office lease as a right-of-use asset and interest accrued debt.
- Realized and unrealized gains and losses on marketable securities and receivable marketable securities relate to the sale and/or period end fair value adjustments of marketable securities or marketable securities receivable during the period. Transactions during the period are outlined above under the section headings Marketable Securities and Marketable Securities Receivable.

Summary of Quarterly Results

Three Months Ended	Sep 30, 2020	Jun 30, 2020	Mar 31 2020	Dec 31 2019	Sep 30 2019	Jun 30 2019	Mar 31 2019	Dec 31 2018
Acquisition, evaluation and exploration	\$2,648,228	\$1,328,867	\$611,003	\$1,980,217	\$7,475,824	\$7,425	\$208,878	\$126,056
General and administration	484,193	627,641	502,828	413,937	402,562	613,029	191,083	191,093
Share-based payments	139,986	956,963	295,495	-	1,101,000	-	-	33,162
Operating loss	(3,272,407)	(2,913,471)	(1,409,326)	(2,394,154)	(8,979,386)	(620,454)	(399,961)	(350,311)
Realized and unrealized gain (loss) on marketable securities and receivable marketable securities	(2,939,435)	5,164,366	124,259	(504,119)	(525,798)	(714,200)	136,100	625,191
Net income (loss) and comprehensive income (loss)	(6,204,743)	2,267,310	(1,285,067)	(2,768,662)	(9,505,184)	(1,334,654)	(263,860)	1,803,461
Basic and diluted earnings (loss) per share	\$(0.05)	\$0.02	\$(0.01)	\$(0.03)	\$(0.11)	\$(0.03)	\$(0.01)	\$0.04
Weighted average number of common shares outstanding	130,527,507	130,134,113	111,061,988	91,522,675	83,909,901	45,573,475	45,469,934	45,469,934

The Company's operating losses are driven mainly by the extent and cost of the company's acquisition, evaluation and exploration activities. The significant changes over the most recent eight completed quarters are outlined below.

- Included in the acquisition, evaluation and exploration expenses from the fourth quarter of 2018 to the second quarter of 2019 are costs related to the Company's Transferred Properties, the acquisition of the Rawdon project, and the cost of the Alberta Zinc option.
- During the first three quarters of 2020 and the third and fourth quarters of 2019 acquisition, evaluation and exploration expenditures increased significantly as a result of the acquisition of the initial 51% of the Marathon Property, the completion a 12,000-metre drill program in Q4, a preliminary economic assessment during the third and fourth quarters of 2019 and initiation of a feasibility study and environmental assessment during the first three quarters of 2020.
- General and administrative expenses increased during the last three quarters of 2019 and the first three quarters of 2020 as a result of the expanded corporate administrative function following the Marathon Property acquisition.
- Share-based payments is a non-cash item calculated using the Black Scholes valuation model and fluctuates period to period depending on the number of options vesting.
- Realized and unrealized gains and losses on marketable securities and receivable marketable securities relate to the sale and/or period end fair value adjustments of marketable securities or marketable securities receivable during the period. Transactions during the period are outlined above under the section headings marketable Securities and Marketable Securities Receivable.

FINANCIAL POSITION

Assets

As at September 30, 2020, the Company had total assets of \$14,900,203 (December 31, 2019 - \$2,929,674) which consisted of current assets of \$14,071,467 (December 31, 2019 - \$2,049,751) and non-current assets of \$828,736 (December 31, 2019 - \$879,923).

Current assets as at September 30, 2020 consists primarily of cash and cash equivalents of \$11,254,350 (December 31, 2019 - \$1,218,516), marketable securities in Major Precious Metals of \$2,088,750 (December 31, 2019 - \$256,638) and accounts receivable \$353,545 (December 31, 2019 - \$540,910). Accounts receivable is mainly comprised of HST receivable of \$349,473 (December 31, 2019 - \$405,489). The marketable securities are described above under the headers Marketable Securities and Marketable Securities Receivable. There is no assurance that Generation will be able to monetize its investment in marketable securities as at September 30, 2020.

Non-current assets as at September 30, 2020 consist of restricted cash and cash equivalents pursuant to the GICs held as security for the corporate office lease, land and building acquired pursuant to the acquisition of the initial 51% of the Marathon Property and the corporate office lease right of use asset.

Liabilities

As at September 30, 2020, the Company had total liabilities of \$1,602,575 (December 31, 2019 - \$719,541) which consisted of current liabilities of \$1,402,354 (December 31, 2019 - \$496,368) and long term liabilities of \$200,221 (December 31, 2019 - \$223,173).

Current liabilities as at September 30, 2020 primarily consists of accounts payable and accrued liabilities of \$1,177,790 (December 31, 2019 - \$288,982) short term debt of \$194,515 (December 31, 2019 - \$180,516), and short term lease liability of \$30,049 (December 31, 2019 - \$26,870). The increase in accounts payable is due mainly to the increased expenditures relating to the operation of the Marathon Property. Short term debt 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 debt payments were suspended on March 30, 2012, however the Company continues to accrue interest. This liability was part of the liabilities assumed by the Company through the Arrangement Agreement.

As a result of adopting IFRS 16 in 2019, the Company recognized a right-of-use asset for its corporate office lease. As at September 30, 2020, the balance of the current lease liability is \$30,049 and the long term lease liability is \$200,221.

LIQUIDITY

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

The Company's main source of liquidity is its cash. These funds are primarily used to finance working capital, exploration and evaluation 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. Cash is held on deposit and in Guaranteed Investment Certificates with a major Canadian chartered bank.

Cash used in operating activities during the nine months ended September 30, 2020 was \$5,492,399 compared with \$4,975,257 for the same period in the prior year. The cash used in operations in both periods relate mainly to the exploration and evaluation of the Marathon Property, and corresponding

increases in audit, legal and advisory fees, investor communications expenses and general and administrative expenses.

Cash provided by investing activities was \$630,456 during the nine months ended September 30, 2020 compared to cash used in investing activities of \$630,035 in the same period of 2019. Cash provided by investing activities in 2020 consisted primarily of cash generated from the sale of marketable securities and assignment of marketable securities receivable. Cash used in investing activities in the prior period relate to assets acquired on the acquisition of the Marathon Property and recorded in proportion to the Company's interest in the joint operation.

Cash generated from financing activities during the nine months ended September 30, 2020 amounted to \$14,897,777, compared to \$9,180,431 for the same period in the prior year. Financing activities during both periods consist of private placements of common shares, the exercise of common share purchase warrants, and the exercise of stock options. (See Outstanding Security Data section below for further details).

CAPITAL RESOURCES

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, feasibility study, environmental assessment 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 and development 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 operational programs and its other expenses. 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 and development programs, as well as its continued ability to raise capital.

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 includes the Company's directors, officers and any employees with authority and responsibility for planning, directing, and controlling the activities of an entity, directly or indirectly. Compensation awarded to key management includes the following:

	Three months ended		Nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Salaries and bonuses	\$ 291,250	\$ 105,200	\$ 1,044,916	\$ 311,500
Share-based payments - options	67,912	756,000	1,180,870	756,000
Total compensation to key management	\$ 359,162	\$ 861,200	\$ 2,225,786	\$ 1,067,500

As at September 30, 2020, accounts payable included \$2,770 (September 30, 2019 - \$81,940) due to key management of the Company.

OUTSTANDING SECURITY DATA

Common Shares

The following table summarizes the continuity of common shares for the period ending September 30, 2020 and November 11, 2020:

Common Shares	Number of shares
Balance at December 31, 2019	91,631,689
Shares issued for private placement ⁽¹⁾	20,577,403
Shares issued for exercise of warrants ⁽²⁾	18,131,093
Shares issued for exercise of options ⁽³⁾	246,500
Balance at September 30, 2020	130,586,685
Shares issued for exercise of finders options ⁽⁴⁾	3,500
Shares issued for exercise of options ⁽⁴⁾	900,000
Balance at November 11, 2020	131,490,185

- ⁽¹⁾ On February 13, 2020, the Company completed a bought deal private placement of 19,231,250 units and a concurrent non-brokered private placement of 1,346,153 units, for an aggregate of 20,577,403 units at a price of \$0.52 per unit for aggregate total gross proceeds of \$10,700,250. Each unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant. Each whole warrant is exercisable to acquire one common share at \$0.75 for a period of 24 months.
- ⁽²⁾ During the nine month period ended September 30, 2020, there were 1,014,000 finders warrants exercised at \$0.10, 11,525,000 warrants exercised at \$0.20, 715,236 finders options exercised at \$0.28, and 4,876,857 warrants exercised at \$0.45 for total proceeds of \$4,801,252.
- ⁽³⁾ During the nine month period ended September 30, 2020, there were 46,500 options exercised at \$0.15, 100,000 options exercised at \$0.10 and 100,000 exercised at \$0.30 for total proceeds of \$46,975.
- ⁽⁴⁾ On October 15, 2020, there were 3,500 finders options exercised at \$0.28 for gross proceeds of \$980. The finders options entitled the holder to a common share and one half of a share purchase warrant. There were 1,750 share purchase warrants issued exercisable for \$0.45 up to July 9, 2021.
- ⁽⁵⁾ On November 2, 2020, there were 400,000 options exercised at \$0.10, 300,000 options exercised at \$0.30 and 200,000 options exercised at \$0.15 for gross proceeds of \$160,000.

Warrants

The following table summarizes the continuity of warrants for the period ended September 30, 2020 and November 11, 2020.

	Number of warrants
Outstanding, December 31, 2019	28,825,040
Warrants issued ⁽¹⁾	10,288,701
Finders options ⁽¹⁾	961,567
Warrants issued ⁽²⁾	357,617
Warrants exercised	(16,401,857)
Finders warrants and options exercised	(1,729,236)
Outstanding, September 30, 2020	22,301,832
Finders options exercised	(80,746)
Warrants issued	40,373
Outstanding, November 11, 2020	22,261,459

⁽¹⁾ Pursuant to the private placement completed on February 13, 2020 described above the fair value of the common share purchase warrants and finders options have an estimated grant date fair value of \$4,115,480 and \$413,474 respectively which was estimated using the Black Scholes option pricing model using the following assumptions:

Risk-free interest rate	1.51%	Expected volatility (historical)	151%
Dividend yield	nil	Expected life-units	2 years

⁽²⁾ Pursuant to the private placement completed on July 9, 2019, 357,617 common share purchase warrants were issued upon exercise of finders options. The fair value of the common share purchase warrants have an estimated grant date fair value which was estimated using the Black Scholes option pricing model and the following assumptions:

Issue date	January 31, 2020	February 28, 2020	August 6, 2020	August 10, 2020	September 22, 2020
Number	183,670	133,574	6,705	8,234	25,434
Grant date fair value	\$84,488	\$36,065	\$1,609	\$1,976	\$6,867
Risk-free interest rate	1.47%	1.19%	0.23%	0.23%	0.23%
Expected volatility (historical)	152%	151%	144%	143%	140%
Dividend yield	nil	nil	nil	nil	nil
Expected life-units	1.44 years	1.36 years	0.92 years	0.91 years	0.79 years

Warrants outstanding as at September 30, 2020 are as follows:

Number of warrants	Exercise price \$	Type	Expiry date	Remaining contractual life (years)
9,766,760	0.45	Share purchase warrants	July 9, 2021	0.8
1,284,804	0.28	Finders options	July 9 2021	0.8
10,288,701	0.75	Share purchase warrants	February 13, 2022	2.3
961,567	0.52	Finders options	February 13, 2022	2.3
22,301,832	0.58 ⁽¹⁾			1.5 ⁽¹⁾

⁽¹⁾ Weighted average

Stock Options

On May 9, 2018, the Company adopted an incentive Stock Option Plan (the "Plan"). The Plan was amended in July 2020. Under the Plan, options are non-assignable and may be granted for a term not exceeding ten years. The total number of common shares that may be reserved for issuance may not exceed ten percent of outstanding common shares at the grant date and may not exceed five percent for any one person in any 12-month period. The exercise price of an option may not be lower than the market

price of the common shares on the Toronto Stock Exchange. The options are non-transferable. Outstanding options may be adjusted by the Board in certain events, as to exercise price and number of common shares, to prevent dilution or enlargement.

The following table sets forth the continuity of outstanding stock options for the period ended September 30 and November 11, 2020:

	Number of options	Exercise price \$
Outstanding, December 31, 2019	7,346,500	
Options granted ⁽¹⁾	500,000	0.65
Options granted ⁽²⁾	750,000	0.45
Options granted ⁽³⁾	2,850,000	0.52
Options granted ⁽⁴⁾	600,000	0.52
Options granted ⁽⁵⁾	75,000	0.52
Options exercised	(46,500)	0.15
Options exercised	(100,000)	0.10
Options exercised	(100,000)	0.30
Outstanding, September 30, 2020	11,875,000	
Options exercised	(400,000)	0.10
Options exercised	(300,000)	0.30
Options exercised	(200,000)	0.15
Options granted	550,000	0.52
Outstanding, November 11, 2020	11,525,000	

The fair value of options granted under the Plan is measured on the date of grant using the Black-Scholes pricing model and expensed to net income (loss) using the following inputs and assumptions at the measurement date:

	February 5, 2020 ⁽¹⁾	March 18, 2020 ⁽¹⁾	April 20, 2020 ⁽³⁾	July 31, 2020 ⁽⁴⁾	September 11, 2020 ⁽⁵⁾
Number of options	500,000	750,000	2,850,000	600,000	75,000
Exercise price (\$)	0.65	0.45	0.52	0.52	0.52
Market Price (\$)	0.63	0.34	0.35	0.43	0.45
Expected volatility (%)*	152	152	151	144	141
Risk-free interest rate (%)	1.41	0.73	0.44	0.22	0.24
Expected life (years)	5	2.87	5	2	2
Dividend yield (%)	-	-	-	-	-
Fair value of options	\$ 285,000	\$ 198,750	\$ 883,500	\$ 138,000	\$ 18,000

* Based on the Company's historical volatility.

On July 31, 2020, there were 600,000 options granted exercisable at \$0.52 for two years and on September 11, 2020, there were 75,000 options granted with the same terms.

The 750,000 options granted on March 18, 2020 are subject to a vesting schedule; 375,000 vesting in 6 months and 375,000 vesting in 12 months. One third of the options granted on July 31, 2020 and September 11, 2020 vested immediately, one third will vest six months after the grant date and the remainder will vest after 12 months. All other options vested immediately on the grant date.

As at September 30, 2020, stock options carry exercise prices and terms to maturity as follows:

Exercise price \$	Options Outstanding	Options Exercisable	Expiry date	Remaining contractual life (years)
0.15	200,000	200,000	November 21, 2020	0.1
0.52	600,000	200,000	July 31, 2022	1.8
0.52	75,000	25,000	September 11, 2022	1.9
0.10	2,900,000	2,900,000	May 11, 2023	2.6
0.30	3,600,000	3,600,000	July 16, 2024	3.8
0.30	200,000	200,000	August 7, 2024	3.9
0.35	200,000	200,000	September 6, 2024	3.9
0.65	500,000	500,000	February 5, 2025	4.4
0.45	750,000	-	March 18, 2025	4.5
0.52	2,850,000	2,850,000	April 20, 2025	4.6
0.34 ⁽¹⁾	11,875,000			3.9 ⁽¹⁾

⁽¹⁾Weighted average

SUBSEQUENT EVENTS

On November 2, 2020, there were 400,000 options exercised at \$0.10, 300,000 options exercised at \$0.30 and 200,000 options exercised at \$0.15 for proceeds of \$160,000.

On November 6, 2020, there were 450,000 options granted with an exercise price of \$0.52 for a period of five years and 100,000 at the same price for a period of two years. On the grant date, 33% of the options vest with 33% vesting six months from the grant date and the remainder of the options, 12 months from the grant date.

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. Accordingly, any investment in securities of the Company is speculative and investors should not invest in securities of the Company unless they can afford to lose their entire investment.

The Company assesses and attempts to minimize the effects of these risks through careful management and planning of its operations and hiring qualified personnel but is subject to a number of limitations in managing risk resulting from its early stage of development. Readers are encouraged to read and consider the risk factors and related uncertainties in the Company's Annual Information Form and Annual Management Discussion and Analysis for the year ended December 31, 2019.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Generation follows the accounting policies described in Note 3 of the Company's consolidated financial statements for the year ended December 31, 2019 and the period from January 11, 2018 (incorporation) to December 31, 2018.

RECENT ACCOUNTING PRONOUNCEMENTS

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRS Interpretation Committee that are not yet effective for the relevant reporting periods. Updates that are not applicable or are not consequential to the Company have been excluded there from. The Company is in the process of evaluating the impact on its consolidated financial statements.

The Company has applied IFRS 16 using the modified retrospective approach, with the cumulative effect of initially applying the standard as an adjustment to retained earnings and no restatement of comparative

information. The Company has elected to apply the practical expedient whereby leases whose term ends within twelve months of the date of the initial application would be accounted for in the same way as short-term leases. As all leases were short term leases there were no impact on the financial statements from the initial adoption of IFRS 16.

FINANCIAL RISK MANAGEMENT

The Company examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include credit risk, liquidity risk, foreign currency risk, interest rate risk, other price risk and fair valuation risk, and are detailed in Note 4 of the Company's audited consolidated financial statements for the three and nine months ended September 30, 2020 and 2019.

Credit Risk

Credit risk is the financial risk of non-performance of a contracted counter party. The Company's credit risk is primarily attributable to cash and receivables. The Company reduces its credit risk by maintaining its cash with a Canadian chartered bank. The Company's maximum exposure to credit risk as at September 30, 2020 is the carrying value of cash and receivables.

Liquidity Risk

Liquidity risk encompasses the risk that the Company cannot meet its financial obligations in full. The Company's main source of liquidity is its cash and marketable securities. These funds are primarily used to finance working capital, exploration and evaluation 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 September 30, 2020, the Company has current assets of \$14,071,467 (December 31, 2019 - \$2,049,751) to cover current liabilities of \$1,402,354 (December 31, 2019 - \$496,368). The current assets include restricted cash, marketable securities, receivables and prepaid expenses and other which are not available to pay current liabilities. The Company also manages liquidity risk on the basis of expected maturity dates. The following table analyzes financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows).

	Debt	Lease liability (undiscounted)	Accounts payable and accrued liabilities	Total
Less than 1 year	\$194,515	\$130,044	\$1,177,790	\$1,502,349
1-5 years	-	553,365	-	553,365
More than 5 years	-	-	-	-
Balance at September 30, 2020	\$194,515	\$683,409	\$1,177,790	\$1,861,199

Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in foreign exchange rates. The Company has no significant exposure to foreign currency exchange risk as it has no significant transaction balances denominated in a foreign currency.

Interest Rate Risk

Interest rate risk is the risk borne by an interest-bearing asset or liability as a result of fluctuations in interest rates. The Company is exposed to interest rate fair value risk to the extent that a portion of the debt is at a fixed interest rate.

Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. The Company is exposed to fluctuations in market prices of its marketable securities and shares receivable from a quoted mining exploration company. The fair value of these financial instruments represents the maximum exposure to price risk.

If the quoted price of these instruments had changed by 10% as at September 30, 2020, comprehensive income would have changed by approximately \$208,875.

Fair Value

The carrying value of cash, accounts payable, accrued liabilities and debt are considered to be representative of their fair value due to their short-term nature. Marketable securities and a portion of receivables are recorded at fair value as of September 30, 2020 and classified as Level 2 in the fair value hierarchy as they are recorded at fair value by reference to market quoted prices less adjustments for any restrictions.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The President and Chief Executive Officer and Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's internal control framework was designed based on the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

There was no change in the Company's internal controls over financial reporting that occurred during the third quarter of 2020 that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

Disclosure Controls and Procedures

Disclosure controls and procedures have been designed to provide reasonable assurance that all relevant information required to be disclosed by the Company is accumulated and communicated to senior management as appropriate to allow timely decisions regarding required disclosure. The Company's President and Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation of the design of the disclosure controls and procedures, that as of September 30, 2020, the Company's disclosure controls and procedures have been designed to provide reasonable assurance that material information is made known to them by others within the Company.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and President and Chief Financial Officer, believe that any internal controls over financial reporting and disclosure controls and procedures, no matter how well designed, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

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.