GENERATIONMINING

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021 AND 2020

This Management's Discussion and Analysis ("MD&A") reviews the condensed consolidated interim financial statements of operations of Generation Mining Limited and its wholly owned subsidiary company (together "Generation" or the "Company") for the three and six months ended June 30, 2021. The MD&A was prepared as of August 10, 2021 and should be read in conjunction with the consolidated financial statements for the three and six months ended June 30, 2021 and 2020, and the December 31, 2020 year end audited consolidated financial statements including the notes thereto, prepared in accordance with the International Financial Reporting Standards or ("IFRS"). Certain non-IFRS measures are included in this MD&A and are outlined on page 25. 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. Forward-looking statements should be read in conjunction with the risk factors described in the "Risk Factors" and "Cautionary Note Regarding Forward Looking Information" sections at the end of this MD&A and as described in the Company's Annual Information Form ("AIF") for the year ended December 31, 2020.

OVERVIEW

The Company is an exploration and development stage company focused on the Marathon Palladium and Copper project located in Marathon, Ontario Canada (the "Marathon Property" or "Marathon Project" or the "Project"). The Company has a 82.6% joint venture interest in the Marathon Property (the "Marathon Joint Venture") with Stillwater Canada Inc. ("Stillwater"), 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 operations in the United States and Southern Africa.

Generation's focus is the development of the Marathon Project, a large undeveloped platinum group metal Mineral Resource in North America. The Company released the results of a Feasibility Study on March 3, 2021 and published the NI43-101 Technical Report dated March 25, 2021 which is available on the Company's profile on SEDAR.com. The Feasibility Study estimated that at US$1725/oz palladium, and US$3.20/lb copper, Marathon Project's Net Present Value (at a 6% discount rate) is approximately C$1.07 billion with a payback of 2.3 years and an Internal Rate of Return of 30%. Up front capital costs were estimated at C$665 million. The mine would produce an estimated 245,000 palladium equivalent ounces per year over a 13-year mine life at an all in sustaining costs of US$809 per palladium-equivalent ounce.

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 Drew Anwyll, P.Eng., M.Eng., Chief Operating Officer of the Company, and Rod Thomas, P.Geo., Director and Vice President, Exploration of the Company, each a "Qualified Person" under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101").

Readers are referred to the NI 43-101 technical report for the Marathon Project entitled, "Feasibility Study Marathon Palladium & Copper Project Ontario, Canada" (the "Feasibility Study") dated March 23, 2021, prepared by Antoine Champagne, ing., Paul Murphy, ing., Louis-Pierre Gignac, ing., each of G-Mining Services Inc., Robert Raponi, P.Eng., of Ausenco Engineering Canada Inc. and Haggarty Technical Services, Eugene Puritch, P.Eng., FEC, CET, of P&E Mining Consultants Inc., and Craig Hall, P.Eng., of Knight Piésold Ltd. and WESC Inc., which is incorporated by reference herein. Readers are encouraged to review the full text of the Feasibility Study, available for review under the Company's profile on SEDAR at www.sedar.com. The Feasibility Study supports the scientific and technical information set out in this MD&A.

HIGHLIGHTS

- On July 21, 2021 Sibanye elected to not exercise its ownership increase right to expand its ownership in the Marathon Property to 51%. As a result, Generation retains a current 82.6% interest in the joint venture and continues to be the operator. Stillwater previously had the right to increase its participating interest in the joint venture from its current participating interest to 51% by: (i) exercising the back-in right by paying to Generation three times the amount not previously funded by Stillwater and which resulted in dilution below 20%; and (ii) agreeing to fund the capital costs estimated in the Company's Feasibility Study dated March 25, 2021, multiplied by 31%. With the forfeiture of this back-in right the Company is actively reviewing its financing alternatives.
- Completed a National Instrument 43-101 Feasibility Study titled Feasibility Study Marathon Palladium & Copper Project Ontario, Canada dated March 23, 2021 ("Feasibility Study"). The Feasibility Study established a compelling base case assessment for the development of the Marathon Palladium and Copper Mineral Reserve by open pit mining. The Project generates an after-tax internal rate or return ("IRR") of 29.7% and an after-tax net present value ("NPV") of $1.07 billion at a 6% discount rate.
- During the first quarter of 2021 the Company and Biigtigong Nishnaabeg ("BN") signed an Agreement in Principle which outlines the framework for a Community Benefit Agreement (CBA). BN has been an integral part of the environmental assessment process and Marathon Project planning. Formalizing the long-term relationship with an Agreement in Principle signals the community leadership's support, in principle, for the Marathon Project and the Company's commitment to provide community benefits including training, jobs, business opportunities and financial participation.
- In July 2020, the Company officially commenced the process to restart the EA approval process and to complete an Environmental Impact Statement ("EIS") report addendum. In November 2020, the Government of Canada and the Province of Ontario appointed the Joint Review Panel ("JRP") members to continue the EA of the Company's Marathon Project. Updated baseline studies were submitted in November 2020 and the initial volume of the EIS was completed in January 2021 and the second volume in April 2021.
- Generation commenced an 8,000m exploration program in May 2021 on the Marathon Project. The program focused initially on the W-Horizon extension in the Central Feeder Zone area where seven holes for 4,000m are planned. Drilling will then commence at the Chonolith Zone where eight to ten steeply inclined holes for a total of 4,000m will be completed. On July 27, 2021 drilling was temporarily suspended due to an Emergency Area Order from the Ontario Ministry of Northern Development, Mines, Natural Resources and Forestry due to the high risk of forest fires in the area.

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 Property and entered into a joint venture agreement with Sibanye. 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 total consideration of $6,000,000. Pursuant to the joint venture agreement Generation had the right to increase its interest in the Marathon Property to 80% by sole funding $10,000,000 in exploration, evaluation and development expenditures and preparing a preliminary economic assessment ("PEA") within four years ("Ownership Increase Right"). On February 19, 2020, the Company filed a PEA and in November 2020 incurred $10,000,000 in exploration and evaluation expenditures fulfilling the Ownership Increase Right. On November 27, 2020, the Company increased its ownership interest to hold a 80% interest in the Marathon Property. On December 14, 2020 Stillwater elected to forgo its proportionate share of joint venture funding and dilute pursuant to the provisions of the joint venture agreement ("Dilution Provisions"). Pursuant to the Dilution Provisions Generation holds an 82.6% and Stillwater a 17.4% interest in the joint venture as at June 30, 2021. Subsequent to quarter end, on July 21, 2021 Stillwater elected to not exercise its ownership increase right to expand its ownership in the Marathon Property to 51%. As a result, Generation retains a 82.6% interest in the joint venture and continues to be the operator. Stillwater had the right to increase its participating interest in the joint venture from its current participating interest to 51% by: (i) exercising the back-in right by paying to Generation three times the amount not previously funded by Sibanye-Stillwater and which resulted in dilution below 20%; and (ii) agreeing to fund the capital costs estimated in the Company's Feasibility Study dated March 25, 2021, multiplied by 31%.

FEASIBILITY STUDY

On March 3, 2021, the Company announced the results of a Feasibility Study for the Marathon Palladium and Copper Project. On March 25, 2021, the Company filed the NI 43-101 titled Feasibility Study Marathon Palladium & Copper Project Ontario, Canada on SEDAR. All dollar amounts are in Canadian dollars, stated on a 100% project ownership basis, and based on the base case analysis unless otherwise noted.

Feasibility Study Highlights [(3)]

- Robust economics: Internal Rate of Return ("IRR") (after-tax) of 29.7% and a Net Present Value ("NPV") (6%) of $1.07 billion based on a long-term price of US$1,725/oz for palladium and US$3.20/lb for copper,
- Using spot metal prices[1]: IRR of 47%, NPV6% of $2.02 billion and payback of 1.5 years using spot prices of US$2,395/oz for palladium and US$3.99/lb for copper,
- Quick payback on low Initial Capital: $665 million (US$520 million) net of equipment financing and a 2.3-year payback period,
- Low operating costs and attractive AISC: LOM average cash costs of US$687/PdEq oz[2] and all-in sustaining costs (AISC) of US$809/PdEq oz[(2)],
- Payable metals: 1.9 M oz palladium, 467 M lbs copper, 537,000 oz platinum, 151,000 oz gold and 2.8 M oz silver,
- First three years of production following commercial production: $979 million of free cash flow, Payable metal: 588,000 oz of palladium and 122 M lbs of copper from approximately 270,000 tonnes of Cu-Pd concentrate shipped,

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[1] *Spot Price on 22 February 2021: Pd = US$2,395/oz; Cu = US$3.99/lb; Pt = US$1,268/oz; Au = US$ 1,807/oz; Ag = US$27.45/oz; Pd, Pt, Au and Ag prices sourced LBMA; Cu price sourced on LME Copper; C$/US$ exchange rate = 1.266, sourced Bank of Canada prior week average ending 22 Feb. 2021*

[2] *PdEq grade is calculated based on:* $((Pd\ US\$1{,}725/31.10348\ x\ Pd\ grade\ g/t\ + Cu\ US\$3.20/2204.6\ x\ Cu\ grade\ \%/100 + Au\ US\$1{,}400/31.10348\ x\ Au\ grade\ g/t + \ Pt\ US\$1{,}000/31.10348\ x\ Pt\ grade\ g/t + Ag\ US\$20/31.10348\ x\ Ag\ grade\ g/t))/ (Pd\ US\$1{,}725/31.10348)$

[3] *Certain non-IFRS measures are included in this MD&A and are outlined on page 24.*

- The Project is expected to generate direct corporate taxes and duties to the provincial and federal governments of $944 million.

The Feasibility Study was prepared by G Mining Services Inc. (“GMS”), along with contributions from Ausenco Engineering Canada Inc. (“Ausenco”), Haggarty Technical Services (“HTS”), Knight Piésold Ltd. (“KP”), WESC Inc. and P&E Mining Consultants Inc. (“P&E”).

Key results and assumptions used in the Feasibility Study are summarized in the table below.

Price Assumptions [(a)]	**Units**	**Base Case**
Palladium	US$/oz	**$1,725**
Copper	US$/lb	**$3.20**
Platinum	US$/oz	**$1,000**
Gold	US$/oz	**$1,400**
Silver	US$/oz	**$20.00**
Exchange Rate	C$/US$	**1.28**
Diesel Fuel	$/L	**0.77**
Electricity	$/kWhr	**0.08**

Note:[(a)]*Commodities listed in order of revenue.*

Operating Data	**Units**	**Pre-Production**	**Operations**	**Total**
Mine life	years	2	12.6	14.6
Total Milled Tonnes	Mt	1.9	115.8	117.7
Total Mined Tonnes	Mt	25.4	421.8	447
Strip Ratio	waste:ore	3.33	2.77	2.80
Metal Production[1]	**Units**	**Recovered Metals**	**Payable Metal**	**% of Revenue**
Palladium	k oz	2,028	1,905	58.7%
Copper	M lbs	493	467	26.8%
Platinum	k oz	634	537	9.6%
Gold	k oz	183	151	3.8%
Silver	k oz	3,796	2,823	1.0%

Note: [1] *LOM metal production including pre-production period.*

Capital Costs	**Units**	
Initial Capital[2]	$M	**665**
LOM Sustaining Capital	$M	**423**
LOM Total Capital	$M	**1,087**
Closure Costs	$M	**66**

Note:[2] *Initial Capital shown after equipment financing.*

Operating Costs	Units	
Mining[3]	$/t mined	**2.53**
Processing	$/t milled	**9.08**
General & Administration	$/t milled	**2.48**
Transport & Refining Charges	$/t milled	**2.80**
Royalties	$/t milled	**0.03**
Total Operating Costs	$/t milled	**23.63**
LOM Average Operating Cost	US$/oz PdEq	**687**
LOM Average AISC	US$/oz PdEq	**809**

Note: Refer to Non-IFRS Financial Measures at the end of the MD&A.
[3] Mining cost also noted as $9.23/tonne milled.

Economic Analysis Base Case	Units	Base Case	Spot Price[4]
Pre-tax Undiscounted Cash Flow	$M	**3,004**	**5,305**
Pre-tax NPV6%	$M	**1,636**	**3,042**
Pre-tax IRR	%	**38.6**	**59.9**
Pre-tax Payback	years	**1.9**	**1.2**
After-tax Undiscounted Cash Flow	$M	**2,060**	**3,626**
After-tax NPV6%	$M	**1,068**	**2,025**
After-tax IRR	%	**29.7**	**46.5**
After-tax Payback	years	**2.3**	**1.5**

Note:[4] Spot Price on 22 February 2021: Pd = US$2,395/oz; Cu = US$3.99/lb; Pt = US$1,268/oz; Au = US$1,807/oz; Ag = US$27.45/oz; Pd, Pt, Au and Ag prices sourced LBMA; Cu price sourced on LME Copper.

Mining

Mining methods will employ conventional open pit, truck and shovel operating practice. Three pits will be mined over the 13-year mine life, with an additional two years of pre-production mining to be undertaken where waste material is being mined for construction and ore stockpiled ahead of processing plant commissioning. The mining equipment fleet is to be owner-operated and will include outsourcing of certain support activities such as explosives manufacturing and blasting. Production drilling and mining operations will take place on a 10 m bench height. The primary loading equipment will consist of two hydraulic face shovels (29 m^3 bucket size) and one large front-end wheel loader (30 m^3 bucket size). The loading fleet is matched with a fleet of 13 x 216 tonnes haulage trucks. A fleet of two 90 tonnes excavators will be used to excavate the limited volume of overburden material and will also be allocated to mining of the narrow-thickness ore zones associated with the W-Horizon in the South Pit to mitigate additional dilution.

Mining production at peak capacity is 40 Mt per year (110,000 tonnes per day ("t/d")). Total material moved over the life of the operation is 447 Mt with 118 Mt of ore mined.

The Marathon Deposit is well defined and characterized by ore outcropping on surface, wide, and moderately dipping mineralized zones. The open pit operation includes a waste rock dump immediately to the east of the open pits and an ore stockpile (peak capacity of approximately 12 Mt) to the west of the pits, proximal to the crusher location.

Processing

The Project process design is based on the optimized flowsheet as determined by operational considerations and the 2020 metallurgical test programs. The process plant is designed to operate at 9.2 Mt per year (25,200 t/d) and will produce a copper-palladium concentrate for marketing.

The process plant flowsheet includes a conventional comminution circuit consisting of a SAG mill, pebble crusher followed by a ball mill ("SABC"). The flotation portion of the process plant includes rougher flotation, concentrate regrind and three stages of cleaning. After the initial construction phase, the palladium-scavenger ("PGM-Scavenger") circuit will be installed and including cyclone classification of rougher tailings to reject the fine fraction and submit coarser fractions to additional regrinding and PGM scavenger flotation. The PGM-Scavenger circuit will add incremental recovery improvement to achieve the recoveries established in the 2020 metallurgical testing programs.

Metal	% Recovery at Average Reserve Grade	Recovery Equations
Palladium	86.9%	% Rec Pd = 88.27 x (Pd head grade Exp(0.0338)) , to a maximum of 92%
Copper	93.0%	% Rec Cu = 93.0 (constant)
Platinum	84.2%	% Rec Pt = 1.22 x (% Rec Pd) - 21.79
Gold	72.4%	% Rec Au = 1.39 x (% Rec Pd) - 48.37
Silver[1]	71.5%	% Rec Ag = 71.5 (constant)

Note: [1] Silver recovery assumes prior metallurgical test recoveries.

The flotation circuit design incorporates Woodgrove Direct Flotation Reactors ("DFRs") which provide decreased power consumption and improved operational performance. Concentrate thickening, concentrate filtering, tailings thickening, water management, and a Tailings Storage Facility ("TSF") complete the flowsheet.

The below table identifies the key elements in the Cu-PGM concentrate as produced from the mini-pilot plant from the 2020 metallurgical test program.

Element	Unit	South Pit (W-Horz.)	North Pit (Main Zone)
Pd	g/t	171	39
Cu	%	18.7	19.7
Pt	g/t	43.5	7.6
Au	g/t	17.6	3.3
Ag	g/t	> 50	68
Rh	g/t	2.4	0.58

Note: Only key elements are listed in this table. The concentrate is low in deleterious elements; no smelter penalties are anticipated in concentrate marketing.

Site Infrastructure

The existing regional infrastructure in the area of the Project is well established and will allow for the efficient logistics associated with project execution and operations including the movement of the Cu-Pd concentrate to a third-party, off-site smelter. All site infrastructure facilities, including the roads and access, process plant buildings, workshops, warehouse, administrative buildings, water treatment plants, explosive plant, communication systems, power and power transmission line required for the Project during construction and operation have been considered in the Project design. Off-site infrastructure (including transload concentrate facility, assay lab and accommodation units) required to support the operation have also been included.

The TSF design methodology includes downstream constructed embankments using run-of-mine rockfill with embankments founded directly on bedrock. Majority of the TSF area consists of exposed bedrock with a thin intermittent layer of sand and gravels. The upstream face of embankments includes an HDPE Geomembrane to minimize seepage. The construction methodology includes for bulk material placement with the mining fleet. Directly associated with the TSF is robust water management facilities that are deemed to support the operation and the robust environmental stewardship.

Capital and Operating Cost Summary

The initial capital cost considers a site-based construction timeframe of approximately 18 months followed by a commissioning and ramp-up to commercial production over a period of approximately 9 months. During the pre-commercial production, the costs and revenue associated with operations will be capitalized and included in the capital costs. Construction Indirects and General and Owner's costs are related to the expenses other than the direct equipment purchase and direct construction costs.

Sustaining Capital items include future equipment purchases and replacements and major planned component replacements for the mining fleet, the progressive build of the TSF over the life of the operation, installation of the PGM-Scavenger circuit following commercial production and infrastructure developments to support the growth and contribute to operational improvements following initial construction.

Capital Costs	**Initial ($ M)**	**Sustaining ($ M)**	**Total ($ M)**
Mining	127.8	184.1	311.9
Process Plant	269.2	38.5	307.7
Infrastructure	107.7	29.3	136.9
Tailings Storage and Water Management	61.2	170.8	232.0
Construction Indirects	113.5		
General and Owner's Cost	14.9		
Preproduction, Startup, Commissioning	(52.9)		
Subtotal (before equipment financing)	**641.4**	**422.6**	**988.5**
Contingency[1]	74.8		
Subtotal (including contingency)	**716.1**		
Less: Equipment Financing Drawdowns	(72.4)		
Add: Equipment Lease Payment & Fees	21.0		
Total Initial Capital (after equipment financing)	**664.7**	**422.6**	**1087.3**
Closure & Reclamation[2]		65.9	65.9
Total Capital Costs	**664.7**	**488.5**	**1153.2**

Note: [1] Contingency included at project sub-category basis and totals approximately 11.7%.
[2] Closure cost estimate is $55.1M, additional cost included for carrying cost of closure bond.
Sums may not total due to rounding.

Operating Costs	$ M	$/tonne milled	US$/oz PdEq
Mining [1]	1,069	9.23	268
Processing	1,051	9.08	264
General & Administration and Others	287	2.48	72
Concentrate Transport Costs	146	1.26	37
Treatment & Refining Charges	178	1.54	45
Royalties	4	0.03	1
LOM Operating Costs	**2,736**	**23.61**	**687**
Closure & Reclamation	66	0.57	17
Sustaining Capital	423	3.65	106
LOM AISC	**3,224**	**27.78**	**809**

Note: 1) Unit mining cost per tonne mined $2.53/t.
2) See Non-IFRS measures as set out on page 24 of this MD&A

Economic Analysis (presented on a 100% ownership basis, base case assumptions)
The economic cash flow model of the Project, using long-term price of US$1,725/oz for platinum, US$3.20/lb for copper, and a C$/US$ exchange rate of 1.28, generates an after-tax NPV of $1.07 billion, at a 6% discount rate, and an after-tax IRR of 29.7%. Payback is 2.3 years on initial capital. Before taxes, the NPV at 6% is $1.64 billion and IRR is 38.8% with a payback of 1.5 years. The economic analysis is carried out in real terms (i.e., without inflation factors) in Q1 2021 Canadian dollars without any project financing but inclusive of equipment financing and costs for closure bonding.

The Project has significant leverage to the palladium and copper prices. The after-tax valuation sensitivities for the key metrics are shown below.

Palladium Price US$/oz	**1,000**	**1,250**	**1,500**	**1,725**	**1,850**	**2,000**	**2,500**
NPV6% ($M)	356	601	847	**1,068**	1,190	1,337	1,831
Payback (yrs)	4.3	3.2	2.6	**2.3**	2.1	2.0	1.6
IRR (%)	14.8%	20.2%	25.3%	**29.7%**	32.1%	34.8%	43.7%

Copper Price US$/lb	**2.00**	**2.50**	**3.00**	**3.20**	**3.50**	**4.00**	**4.50**
NPV6% ($M)	792	907	1,022	**1,068**	1,137	1,251	1,365
Payback (yrs)	2.7	2.5	2.3	**2.3**	2.2	2.1	2.0
IRR (%)	24.7%	26.8%	28.9%	**29.7%**	30.9%	32.9%	34.8%

After-Tax Results	**OPEX Sensitivity**				
	-20%	**-15%**	**0%**	**15%**	**20%**
NPV 6% ($M)	1,270	1,220	**1,068**	916	866
Payback (yrs)	2.1	2.1	**2.3**	2.4	2.5
IRR (%)	33.0%	32.2%	**29.7%**	27.1%	26.2%

After-Tax Results	**CAPEX Sensitivity**				
	-20%	**-15%**	**0%**	**15%**	**20%**
NPV 6% ($M)	1,195	1,163	**1,068**	972	940
Payback (yrs)	1.9	2.0	**2.3**	2.6	2.7
IRR (%)	37.7%	35.4%	**29.7%**	25.3%	24.1%

Discount Rate Sensitivity	**NPV (After-Tax) ($M)**
0%	2,060
5%	1,191
6%	**1,068**
8%	859
10%	689

Mineral Resources

The Mineral Resource Estimate below is for the combined Marathon, Geordie and Sally deposits. The Mineral Resource Estimates were prepared by P&E Mining Consultants Inc.

Pit Constrained Combined Mineral Resource Estimate[1-8] for the Marathon, Geordie and Sally Deposits (Effective date June 30, 2020)											
Mineral Resource Category	**Tonnage**	**Pd**		**Cu**		**Au**		**Pt**		**Ag**	
	kt	**g/t**	**koz**	**%**	**M lbs**	**g/t**	**koz**	**g/t**	**koz**	**g/t**	**koz**
Marathon Deposit											
Measured	113,793	0.63	2,304	0.20	502	0.07	262	0.21	762	1.49	5,466
Indicated	89,012	0.45	1,296	0.19	373	0.06	182	0.16	449	1.77	5,078
M+I	**202,806**	**0.55**	**3,599**	**0.20**	**875**	**0.07**	**444**	**0.19**	**1,211**	**1.62**	**10,544**
Inferred	6,931	0.43	95	0.17	26	0.08	17	0.14	32	1.55	345
Geordie Deposit											
Indicated	17,268	0.56	312	0.35	133	0.05	25	0.04	20	2.4	1,351
Inferred	12,899	0.51	212	0.28	80	0.03	14	0.03	12	2.4	982
Sally Deposit											
Indicated	24,801	0.35	278	0.17	93	0.07	56	0.2	160	0.7	567
Inferred	14,019	0.28	124	0.19	57	0.05	24	0.15	70	0.6	280
Total Project											
Measured	113,793	0.63	2,304	0.20	502	0.07	262	0.21	762	1.49	5,466
Indicated	131,081	0.45	1,886	0.21	599	0.06	263	0.15	629	1.66	6,996
M+I	**244,874**	**0.53**	**4,190**	**0.20**	**1,101**	**0.07**	**525**	**0.18**	**1,391**	**1.58**	**12,462**
Inferred	33,849	0.40	431	0.22	163	0.05	55	0.10	114	1.48	1,607

Notes:

1. *Mineral Resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, (2014) and Best Practices Guidelines (2019) prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.*
2. *Mineral Resources that 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.*
3. *The Inferred Mineral Resource in this estimate has a lower level of confidence that 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. *Mineral Resources are reported within a constraining pit shell at a NSR cut-off value of $13/t.*
5. *NSR (C$/t) = (Ag x 0.48) + (Au x 42.14) + (Cu x 73.27) + (Pd x 50.50) + (Pt x 25.07) – 2.62.*
6. *The Mineral Resource Estimate was based on metal prices of US$3.00/lb copper, US$1,500/oz gold, US$18/oz silver, US$1,600/oz palladium, and US$900/oz platinum.*
7. *Mineral Resources are inclusive of Mineral Reserves.*
8. *Contained metal totals may differ due to rounding.*

Mineral Reserves

The Mineral Reserve Estimate for the Marathon Project includes only the Marathon deposit. The Mineral Reserve Estimate was prepared by GMS.

Marathon Project Open Pit Mineral Reserve Estimates[1-8] (Effective date September 15, 2020)												
Mineral Reserves Category	**Tonnage**		**Pd**		**Cu**		**Au**		**Pt**		**Ag**	
	kt	**%**	**g/t**	**koz**	**%**	**M lbs**	**g/t**	**koz**	**g/t**	**koz**	**g/t**	**koz**
Proven	85,091	72	0.660	1,805	0.202	379	0.070	191	0.212	581	1.359	3,719
Probable	32,610	28	0.512	537	0.213	153	0.061	64	0.168	176	1.541	1,616
P+P	**117,701**	**100%**	**0.619**	**2,342**	**0.205**	**532**	**0.067**	**255**	**0.200**	**756**	**1.410**	**5,334**

Notes:

1. *CIM definitions were followed for Mineral Reserves (see above Note 1).*
2. *Mineral Reserves are estimated at a cut-off grade varying from $18.00 to $21.33 NSR/t of ore.*
3. *Mineral Reserves are estimated using the following long-term metal prices (Pd = US$1,500/oz, Pt = US$900/oz, Cu = US$2.75/lb, Au = US$1,300/oz and Ag = US$16/oz) and an exchange rate of C$/US$ of 1.33).*
4. *A minimum mining width of 5 m was used.*
5. *Bulk density of ore is variable and averages 3.07 t/m^3.*
6. *The average strip ratio is 2.8:1.*
7. *The average mining dilution factor is 9%.*
8. *Numbers may not add due to rounding.*

The Feasibility Study was prepared through the collaboration of the following consulting firms and Qualified Persons:

Consulting Firms	**Area of Responsibility**	**Qualified Person**
G-Mining Services	Mineral Reserves Estimate Mine design Infrastructure design Capital costs and operating costs (Mining and G&A) Financial analysis	Antoine Champagne, P.Eng. Paul Murphy, P.Eng. Antoine Champagne, P.Eng. Louis-Pierre Gignac, P.Eng
Ausenco Engineering Canada Inc. and Haggarty Technical Services	Metallurgical Testing Plant design Capital and Operating costs (Plant)	Robert Raponi, P.Eng
P&E Mining Consultants Inc.	Mineral Resource Estimate Geological technical information QA/QC review of drilling and sampling data	Eugene Purich, P.Eng., FEC, CET
Knight Piésold Ltd. and WESC Inc.	Tailings design and water management Environmental studies and permitting	Craig Hall, P.Eng

COMMUNITY, ENVIRONMENT AND PERMITTING

The development of a mining project in Ontario requires various approvals from both the Federal and Provincial governments. Project permitting is generally split into two phases, the Environmental Assessment ("EA") phase followed by the permitting phase.

The Project is being assessed in accordance with the Canadian Environmental Assessment Act ("CEAA", 2012) and Ontario's Environmental Assessment Act ("EA Act") through a Joint Review Panel ("JRP") pursuant to the Canada-Ontario Agreement on Environmental Assessment Cooperation (2004).

Following approval of the Federal and Provincial Environmental assessments, various permits, approvals and licenses will be required to construct and operate the Project.

The initial EA process was commenced by the prior proponent (Stillwater Canada Inc) of the Marathon Project in 2010 and was put on hold in January 2014. 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 July 2020, the Company officially commenced the process to restart the EA approval process and to complete an Environmental Impact Statement ("EIS") report addendum. In November 2020, the Government of Canada and the Province of Ontario appointed the Joint Review Panel ("JRP") members to continue the EA of the Company's Marathon Project. Updated baseline studies were submitted in November 2020 and the initial volume of the EIS was completed in January 2021 and the second volume in April 2021. The EIS provides an outline and analysis of key elements of the Project design, the environmental, economic and social components along with the mitigation, controls and benefits that will be present over the life-cycle of the Project from construction to post closure. The Project is being assessed in accordance with the Canadian Environmental Assessment Act (CEAA, 2012) and Ontario's Environmental Assessment Act through a Joint Review Panel ("JRP" or "Panel"). The JRP is an independent single Environmental Assessment ("EA") process that is harmonized with the Federal and Ontario provincial governments and will conclude with a recommendation report from the JRP to the federal and provincial Ministers.

The JRP report is expected to be completed in the Second Quarter of 2022. The budgeted costs over the next 12 months are approximately $5.3 million. At a high-level, the steps that are required to complete the process are as follows:

- undertake the JRP hearings which are budgeted to cost approximately $2.3 million,
- the JRP will assess the potential environmental effects of the Project, and prepare a report making recommendations to the federal and provincial Ministers of the environment, and
- in conjunction with detailed engineering, begin preparing the operating permit applications and collaborate with Indigenous communities to establish environmental monitoring field programs in anticipation of EA approval and construction.

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

- Stantec: lead the EA process and EIS report addendum update,
- Knight Piésold: tailing facility designs,
- EcoMetrix: geochemistry, aquatics, water quality modelling, and
- Northern BioScience: monitoring of species at risk and terrestrial studies on the property.

The Company and its predecessors have been engaged in consultation and negotiations with a number of Indigenous communities and regional municipalities with respect to the Project since 2004. The Company along with the identified communities are progressing relationships through regular meetings and interactions to advance towards the development of the Project. The Company is striving to ensure these partnerships have mutually beneficial outcomes and anticipates strong and long-lasting relationships with these groups.

During the first quarter of 2021 the Company and Biigtigong Nishnaabeg ("BN") signed an Agreement in Principle which outlines the framework for a Community Benefit Agreement (CBA). BN has been an integral part of the environmental assessment process and Marathon Project planning. Formalizing the long-term relationship with an Agreement in Principle signals the community leadership's support, in principle, for the Marathon Project and the Company's commitment to provide community benefits including training, jobs, business opportunities and financial participation.

EXPLORATION AND EVALUATION ACTIVITIES – MARATHON PROPERTY

2021 Drill Program

In February 2021, the Company initiated an exploration drilling program on the Marathon Property. The program consists of 2,000m drilled during the winter and approximately 8,000m to be drilled during the summer and fall. The complete program is estimated to cost approximately $4.4 million and will be partially funded by the Company's $3.4 million flow through financing completed in December 2020.

Winter Program – 2,000m

The winter program consisted of three completed holes over approximately 2,000 metres. Drilling was focused on evaluation the potential for high grade, ramp accessible resources which potentially extend the life of the proposed operation. Results from the three holes completed over the western extension of the W-Horizon are provided below. Highlights include three high grade intercepts consisting of 3.19 g/t Pd over 4 m in Hole 553 from 470 m to 474 m, 4.3 g/t Pd over 4 m in Hole 554 from 410 m to 414 m and, also in Hole 554, 3.06 g/t Pd over 4 m from 450 m to 454 m. These intercepts sit within a broad zone of mineralization at least 100 m wide and approximately 50 to 100 metres thick and some 300 m down dip from the western margins of the Marathon Deposit. Full assay results are as follows:

Hole ID	From (m)	To (m)	Length* (m)	Pd (g/t)	Pt (g/t)	Au (g/t)	Cu (%)	PdEq** (g/t)
M-21-552	434	444	10	1.14	0.36	0.21	0.20	1.78
	498	542	44	0.38	0.10	0.04	0.25	0.78
M-21-553	416	482	66	0.55	0.24	0.05	0.05	0.79
including	470	474	4	3.19	1.06	0.25	0.20	4.26
	515	524	9	0.26	0.08	0.03	0.20	0.58
M-21-554	410	422	12	1.79	0.33	0.20	0.38	2.64
including	410	414	4	4.30	0.81	0.48	0.63	5.96
	450	470	20	0.95	0.30	0.07	0.11	1.33
including	450	454	4	3.06	0.87	0.20	0.24	4.03
	506	542	36	0.29	0.07	0.04	0.28	0.72

* drill intercepts lengths approximate true widths
** The Palladium Equivalent ("PdEq") calculation expressed in g/t 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 $1,725, $1,000, $1,400 were used, respectively, for Pd, Pt and Au and a $3.20/lb value was assigned for Cu.

Summer Program – 8,000m
The summer program is designed to test the following areas which are all located external to the Marathon Resource:

W-Horizon
Drilling commenced in May and is focused initially on the W-Horizon extension in the Central Feeder Zone area where the Company reported on multiple high-grade intercepts, including up to 4.3 g/t Pd, 0.81 g/t Pt, 0.48 g/t Au and 0.63% Cu over 4-metres, in its May 10, 2021 news release. A total of seven holes for 4,000 m are planned for the Central-Feeder Zone. Two holes will test two off-hole electromagnetic conductors which may be in response to massive sulphide accumulations on the floor of the Central-Feeder Zone. Five additional holes will test the width and down plunge extent of the previously reported (May 10th, 2021) high-grade drill intercepts.

Chonolith Zone
Following the completion of the seven holes in the Central-Feeder Zone area, the drill will be moved to the Chonolith Zone, situated at the northern extremity of the Marathon Palladium-Copper deposit. Eight to ten steeply inclined holes are planned for this area, which is situated just outside of, but adjacent to, the Marathon Deposit. The Chonolith Zone is an irregular-to-pipe-like shaped intrusive body which may have been a conduit through which magma responsible for the Marathon Deposit flowed. Much of the previous drilling (early 2000s) in this area was quite shallow; however, some deeper holes, notably BO-06-20 which assayed 0.93 g/t Pd, 0.25 g/t Pt, 0.10 g/t Au and 0.58% Cu over a 100.5 metre interval (from 215.8 m to 316.3 m downhole), returned elevated Pd and Cu assays. Given the nature and geometry of the intrusion, which may have constrained and focused magma flow, there is the potential for massive sulphide accumulation along the floor of the Chonolith as well as disseminated Cu and Pd mineralization throughout the intrusive itself.

Surface Exploration
In addition to the drill program, a surface exploration crew are actively exploring the area between the Sally Deposit and Boyer Prospect. This area comprises a 2.5 km long portion of the Coldwell Complex margin which has not been systematically mapped or prospected. The area has potential for ultramafic intrusions with high-grade mineralization. Previous drilling and surface sampling has returned extremely high-grade assays from apatite bearing pyroxenites which have assayed up to 2.59 g/t Au, 0.48 g/t Pt, 185 g/t Pd, 9.11% Cu and 0.60% Ni (see February 25th, 2020 news release). In addition to boot and hammer prospecting, the surface exploration crew will engage in selective soil sampling to define potential targets for follow up trenching and/or surface geophysics.

The Palladium Equivalent ("PdEq") calculation expressed in g/t 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 $1,725, $1,000, $1,400 were used, respectively, for Pd, Pt and Au and a $3.20/lb value was assigned for Cu.

OUTLOOK
On July 21, 2021, Stillwater elected to not exercise its ownership increase right to expand its ownership in the Marathon Property to 51%. As a result, Generation retains a 82.6% interest in the joint venture and continues to be the operator. The Company intends to advance the Project expeditiously on the remaining key undertakings to bring the Project into production, including the environmental assessment and permitting, final negotiations with First Nations, detailed engineering, and project financing. In the coming months, Generation will continue to advance the project financing alternatives (including potential non-dilutive funding options).

NOVEL CORONAVIRUS ("COVID - 19")

Consistent with other businesses globally, the Company's operations could be significantly adversely affected by the effects of the widespread global outbreak of COVID-19. During the three months ended March 31, 2021 the Marathon Project camp and operations were not materially impacted by COVID-19. While the Company continues to conduct an exploration program and advance its work related to the environmental assessment, the timelines for future studies, permitting and exploration could be impacted depending on both the continued duration and severity of the COVID-19 pandemic and, in particular, the Company's ability to safely access the Project site.

Beyond the potential impact to various schedules, the economic impact of COVID-19 could affect the company's ability to access capital markets and secure sufficient financing to move the Marathon Project forward on previously planned timelines. See the risk factor titled "Public Health Crises such as the COVID-19 Pandemic" in Generation's AIF.

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 June 30, 2021:

Darnley Bay Anomaly, Northwest Territories: The Company held the exclusive 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 for base metal and diamond exploration targets. The Company had an agreement regarding exploration and development with the Inuvialuit Regional Corporation (the "IRC") 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. The Company has not fulfilled its obligations under the agreement as at June 30, 2021 and continues to discuss alternative options with the IRC.

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 cumulative payments totalling $579,000 were made as at June 30, 2021 meeting all spending requirements. 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%.

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.

Alberta Zinc, Alberta: On May 10, 2018, the Company entered into an option agreement to acquire a 100% interest in the Alberta Zinc project. The property is subject to a 2% gross metals royalty, of which the Company can purchase half at any time for $1 million. 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 during 2019. A further payment of $250,000 (in cash or shares) was required on May 10, 2020. The Company has not fulfilled its obligations under the agreement as at June 30, 2021 and continues to discuss alternative options with the property owner.

ACQUISITION, EVALUATION AND EXPLORATION EXPENDITURES

Below are the acquisition, evaluation and exploration expenditures for the three and six months ended June 30, 2021 compared with the equivalent periods in 2020.

	Three months ended		Six months ended	
	June 30, 2021	June 30, 2020	**June 30, 2021**	June 30, 2020
Davidson	**$ 104,281**	$ 104,281	**$ 128,765**	$ 132,636
Marathon	**2,872,505**	1,224,586	**5,717,030**	1,807,234
Total mineral property expenditures	**$ 2,976,786**	$ 1,328,867	**$ 5,845,795**	$ 1,939,870

The following table displays the cumulative mineral property expenditures by project at June 30, 2021.

	Cumulative December 31, 2020	**Acquisition**	**Evaluation and exploration**	**Cumulative June 30, 2021**
Darnley Bay Anomaly	$ 576,941	**$ -**	**$ -**	**$ 576,941**
Davidson	450,987	**128,765**	**-**	**579,752**
Rawdon Zinc	550,917	**-**	**-**	**550,917**
Alberta Zinc	179,626	**-**	**-**	**179,626**
Marathon	17,270,389	**57,655**	**5,659,375**	**22,987,419**
Total expenditures in the year	19,028,860	**186,420**	**5,659,375**	**24,874,655**
Mineral properties acquired [1]	1,216,848	**-**	**-**	**1,216,848**
Total mineral property expenditures	$ 20,245,708	**$ 186,420**	**$ 5,659,375**	**$ 26,091,503**

[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"). The Transferred Properties include the Darnley Bay Anomaly in the Northwest Territories and Davidson in British Columbia.

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"). 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 resulting in a realized loss of $66,385.

On May 13, 2020, the Company also entered into a share purchase agreement agreeing to sell 4,000,000 Major Precious Metals Shares to a third party for cash consideration of $200,000, or $0.05 per share. On July 16, 2020, the assignment agreement and share purchase agreement closed resulting in the Company holding a balance of 8,600,000 Major Precious Metal Shares. The transaction resulted in the Company recording a realized loss of $120,000.

During the second quarter ended June 30, 2021, the Company sold 2,403,000 shares (June 30, 2020 - nil), of Major Precious Metals in the open market for total proceeds of $1,359,930 (June 30, 2020 - nil). This resulted in a realized gain of $1,167,690 (June 30, 2020 - nil). During the six months ended June 30, 2021, the Company sold 2,755,000 shares (June 30, 2020 - nil), of Major Precious Metals in the open market for total proceeds of $1,513,590 (June 30, 2020 - nil). This resulted in a realized gain of $1,293,190 (June 30, 2020 - nil).

As of June 30, 2021, the Company held 5,400,000 Major Precious Metals Shares (December 31, 2020 - 8,155,000) valued at $1,944,000 (December 31, 2020 - $2,568,825). The fair value was determined using the market value on June 30, 2021 and December 31, 2020. The fair value adjustments resulted in an unrealized loss of $1,609,200 for the quarter ended June 30, 2021 (June 30, 2020 - unrealized gain $5,164,366) and an unrealized loss of $404,425 for six months ended June 30, 2021 (June 30, 2020 – unrealized gain of $5,288,625).

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 interim consolidated financial statements for the three and six months ended June 30, 2021 and 2020, including the notes thereto.

Statements of Loss	**Three months ended June 30, 2021**	**Three months ended June 30, 2020**	**Six months ended June 30, 2021**	**Six months ended June 30, 2020**
Expenses				
Acquisition, evaluation and exploration	$ 2,976,786	$ 1,328,867	$ 5,845,795	$ 1,939,870
Share-based compensation	1,448,594	956,963	1,673,182	1,252,458
Audit, legal and advisory fees	39,388	90,653	69,863	205,168
Management and corporate administration services	561,411	313,626	702,726	433,392
Shareholder and investor communications costs	341,630	179,427	599,997	400,009
Occupancy cost	33,440	30,213	71,298	64,329
Interest expense	7,998	13,722	16,276	27,571
Operating loss	(5,409,247)	(2,913,471)	(8,979,137)	(4,322,797)
Realized and unrealized gain (loss) on Marketable securities and receivable marketable securities	(441,510)	5,164,366	888,765	5,288,625
Interest income	2,500	16,415	6,080	16,415
Net Loss and Comprehensive Loss	**$ (5,848,257)**	**$ 2,267,310**	**$ (8,084,292)**	**$ 982,243**
Net Loss per Share – Basic and diluted	**$ (0.04)**	**$ 0.02**	**$ (0.06)**	**$ 0.01**

Three Months Ended June 30, 2021 compared to 2020

Generation incurred a net loss of $5,848,257 or $0.04 per share for the three months ended June 30, 2021 compared to a net income of $2,267,310 or $0.02 per share for the three months ended June 30, 2020. The significant differences are outlined below.

- Acquisition, evaluation, and exploration expenses were $2,976,786 for the three months ended June 30, 2021 compared to $1,328,867 for the three months ended June 30, 2020. The increase of $1,647,919 is primarily related to an increase in costs associated with the summer exploration drill program on the Marathon Property, the environmental assessment, and costs associated with detailed engineering. During the second quarter of 2021 $1,412,766 was incurred for exploration expenditures (Q2 2020 - $289,911), $406,631 for detailed engineering costs (Q2 2020 - $443,814), and $829,208 for environmental assessment expenditures (Q2 2020 - $359,558).
- Share-based compensation was $1,448,594 for the three months ended June 30, 2021 compared to $956,963 for the three months ended June 30, 2020. 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 $491,631 in 2021 compared to 2020 is directly related to the large number of immediately vested options.

- Audit, legal and advisory fees were $39,388 for the three months ended June 30, 2021 compared to $90,653 for the three months ended June 30, 2020. During the second quarter of 2020 the Company incurred legal fees resulting in the increase of $51,265 more than the current period which were primarily the result of the TSX listing.
- Management and corporate administration services expenses were $561,411 in the three months ended June 30, 2021 compared to $313,626 for the three months ended June 30, 2020. The increase is the result of an increase in administration activities and executive compensation and bonuses at the corporate level.
- Shareholder and investor communications costs were $341,630 in the three months ended June 30, 2021 compared to $179,427 in the three months ended June 30, 2020. The expenditures in the current period and the increase over 2020 are related to extensive marketing and investor relations programs related to the release of the feasibility study.
- Occupancy costs were $33,440 in the three months ended June 30, 2021 compared to $30,213 in the three months ended June 30, 2020. The expenditures are consistent for the comparable quarters.
- Interest expense was $7,998 in the three months ended June 30, 2020 compared to interest expense of $13,722 in the three months ended June 30, 2020. Interest expense in the current quarter results from the recognition and depreciation of the corporate office lease as a right-of-use asset. In 2020, there was additional interest accrued on debt which was subsequently written off at December 31, 2020.
- 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 quarter are outlined above under the section heading Marketable Securities.
- Interest income results from interest earned on short term guaranteed investment certificates.

Six Months Ended June 30, 2021 compared to 2020

Generation incurred a net loss of $8,084,292 or $0.06 per share for the six months ended June 30, 2021 compared to a net income of $982,243 or $0.01 per share for the six months ended June 30, 2020. The significant differences are outlined below.

- Acquisition, evaluation, and exploration expenses were $5,845,795 for the six months ended June 30, 2021 and $1,939,870 for the six months ended June 30, 2020. The net increase of $3,905,925 for the six months ended 2021 compared to 2020 is primarily related to the summer explorations drill program on the Marathon Property, environmental assessment, and costs associated with detailed engineering. During the six months ended June 30, 2021 $2,071,318 was incurred for exploration expenditures (June 30, 2020 - $442,658), $1,103,472 for feasibility study related costs and engineering (June 30, 2020 - $581,026), and $2,090,689 for environmental assessment expenditures (June 30, 2020 - $485,060).
- Share-based compensation was $1,673,182 for the six months ended June 30, 2021 compared to $1,252,458 for the six months ended June 30, 2020. 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 $420,724 in 2021 compared to 2020 is directly related to the large number of immediately vested options.
- Audit, legal and advisory fees were $69,863 for the six months ended June 30, 2021, compared to $205,168 for the six months ended June 30, 2020. The decrease of $ 135,305 in 2021 is related in large part to lower legal and advisory fees in the current period which were primarily the result of the TSX listing.
- Management and corporate administration services expenses were $702,726 for the six months ended June 30, 2021 compared to $433,392 for the six months ended June 30, 2020. The increase of approximately $269,334 is the result of an increase in administration activities and executive compensation and bonuses at the corporate level.

- Shareholder and investor communications costs were $599,997 for the six months ended June 30, 2021 compared to $400,009 for the six months ended June 30, 2020. The expenditures in the current period and the increase over 2020 are related to extensive marketing and investor relations programs related to the release of the feasibility study.
- Occupancy costs were $71,298 for the six months ended June 30, 2021 compared to $64,329 for the six months ended June 30, 2020. The expenditures are consistent for the comparable quarters.
- Interest expense was $16,276 for the six months ended June 30, 2021 compared to $27,571 for the six months ended June 30, 2020. 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 year are outlined above under the section heading Marketable Securities.
- Interest income results from interest earned on short term guaranteed investment certificates.

Summary of Quarterly Results

Three Months Ended	June 30 2021	Mar 31 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31 2020	Dec 31 2019	Sep 30 2019
Acquisition, evaluation and exploration	$ 2,976,786	$2,869,009	$3,359,924	$2,648,228	$1,328,867	$611,003	$1,980,217	$7,475,824
General and administration	983,867	476,293	388,326	448,193	627,641	502,828	413,937	402,562
Share-based payments	1,448,594	224,588	155,276	139,986	956,963	295,495	-	1,101,000
Operating loss	(5,409,247)	(3,569,888)	(3,903,526)	(3,272,407)	(2,913,471)	(1,409,326)	(2,394,154)	(8,979,386)
Realized and unrealized gain (loss) on marketable securities and receivable marketable securities	(441,510)	1,330,275	547,075	(2,939,435)	5,164,366	124,259	(504,119)	(525,798)
Gain on debt write-off			180,516					
Interest income	2,500	3,580	5,611	7,099	16,415			
Net (loss) income and comprehensive (loss) income	(5,848,257)	(2,236,033)	(3,170,324)	(6,204,743)	2,267,310	(1,285,067)	(2,768,662)	(9,505,184)
Basic and diluted (loss) earnings per share	$(0.04)	$(0.02)	$(0.02)	$(0.05)	$0.02	$(0.01)	$(0.03)	$(0.11)
Weighted average number of common shares outstanding	143,035,426	139,038,358	131,367,147	130,527,507	130,134,113	111,061,988	91,522,675	83,909,901

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.

- Acquisition and evaluation expenditures have been steadily increasing over the last seven quatres and the Company advances the Marathon Property on several initiatives. Expenditures incurred in the third quarter of 2019 include the acquisition of Marathon property.
- Also, included in acquisition, evaluation and exploration expenses in the eight completed quarters are costs related to the Company's Transferred Properties, the Rawdon project and Alberta Zinc.
- General and administrative expenses increased as a result of the expanded corporate administrative function following the Marathon Property acquisition in 2019 and remain consistent with comparable quarters other than the second quarter of 2021 when employee bonuses we incurred.
- 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 granted and 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.
- Gain on debt write-off is a non-recurring item.

FINANCIAL POSITION

Assets

As at June 30, 2021, the Company had total assets of $15,312,437 (December 31, 2020 - $15,660,035) which consisted of current assets of $14,561,012 (December 31, 2020 - $14,857,059) and non-current assets of $751,425 (December 31, 2020 - $802,976).

Current assets as at June 30, 2021 consists primarily of cash and cash equivalents of $12,125,329 (December 31, 2020 - $11,662,360), marketable securities of $1,944,000 (December 31, 2020 - $2,568,825) and accounts receivable of $405,902 (December 31, 2020 - $483,119). Cash is held in Canadian dollar denominated accounts and short term guaranteed investment certificates, marketable securities consist of 5,400,000 shares of Major Precious Metals at fair value and accounts receivable is mainly comprised of HST receivable. There is no assurance that Generation will be able to monetize its investment in marketable securities as at June 30, 2021.

Non-current assets as at June 30, 2021 consist of restricted cash and cash equivalents pursuant to guaranteed investment certificates held as security for the corporate office lease, land and building acquired pursuant to the acquisition of the Marathon Property and the corporate office right of use asset.

Liabilities

As at June 30, 2021, the Company had total liabilities of $2,526,885 (December 31, 2020 - $1,958,613) which consisted of current liabilities of $2,354,686 (December 31, 2020 - $1,767,198) and long-term liabilities of $172,199 (December 31, 2020 - $191,415).

Current liabilities as at June 30, 2021 primarily consists of accounts payable and accrued liabilities of $2,318,726 (December 31, 2020 - $1,735,441) and short term lease liability of $35,960 (December 31, 2020 - $31,757). The increase in accounts payable is due mainly to the increased expenditures relating to the operation of the Marathon Property.

As a result of applying IFRS 16, the Company recognized a right-of-use asset for its corporate office lease. As at June 30, 2021, the balance of the current lease liability is $35,960 and the long term lease liability is $172,199.

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 in guaranteed investment certificates with a major Canadian chartered bank.

Cash used in operating activities during the six months ended June 30, 2021 was $6,530,848 compared with $2,831,544 in the same period of the prior period. 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 $1,513,590 during the six months ended June 30, 2021 compared to cash used in investing activities of $27,909 in the same period in 2020. Cash provided by investing activities in the current period consisted of proceeds generated from the sale of marketable securities.

Cash generated from financing activities during the six months ended June 30, 2021 amounted to $5,480,227, compared to $14,882,007 in the same period of the prior period. Financing activities during both periods consisted of proceeds from the exercise of common share purchase warrants and the exercise of stock options. (See Outstanding Security Data section below for further details). In the first quarter of 2020, additional cash was generated from the private placement of common shares.

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, detailed engineering, 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		**Six months ended**	
	June 30, 2021	June 30, 2020	**June 30, 2021**	June 30, 2020
Salaries and bonuses	**$1,072,625**	$ 516,333	**$1,323,500**	$ 753,666
Share-based payments - options	**1,273,454**	817,463	**1,467,181**	1,112,958
Total compensation to key management	**$2,346,079**	$1,333,796	**$2,790,681**	$1,866,624

As at June 30, 2021, accounts payable includes $488,640 (June 30, 2020 - $24,425) due to key management of the Company.

OFF-BALANCE SHEET ARRANGEMENTS

As at June 30, 2021, the Company did not have any off-balance sheet items.

OUTSTANDING SECURITY DATA

Common Shares

The following table summarizes the continuity of common shares for the period ended June 30, 2021 and August 10, 2021:

	Number of shares	$
Balance as at December 31, 2019	91,631,689	11,636,743
Shares issued for private placement [1]	20,577,403	5,830,486
Shares issued for flow through private placement [2]	4,292,367	3,112,797
Shares issued for exercise of warrants	18,367,333	7,283,977
Shares issued for exercise of options	1,446,500	508,917
Balance as at December 31, 2020	136,315,292	28,372,920
Shares issued for exercise of warrants	11,049,490	8,366,696
Shares issued for exercise of options	300,000	201,000
Balance as at June 30, 2021	**147,664,782**	**36,940,616**
Shares issued for exercise of warrants	**2,473,785**	**1,685,760**
Balance as at August 10, 2021	**150,138,567**	**38,626,376**

(1) On February 13, 2020, the Company closed 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. The underwriters received cash compensation of 6% of the gross proceeds on 9,615,864 units, and 4% of the gross proceeds on 9,615,386 units. There was no commission paid on the non-brokered private placement of 1,346,153 units. In addition, the underwriters received compensation options equal to 6% on 9,615,864 units and 4% on 9,615,386 units. There were no compensation options issued on the non-brokered private placement of 1,346,153 units. Each compensation option is exercisable into one common share of the Company for a period of 24 months from closing at an exercise price of $0.52. The total share issue cost was $630,927.

(2) On December 30, 2020, the Company closed a private placement of 4,292,367 flow through common shares at a price of $0.77 per common share for gross proceeds of $3,305,123. Finders received cash compensation of 6% of the gross proceeds on 3,600,000 common shares or $166,320. The total share issue cost was $192,386. Flow through funds must be used for qualifying exploration expenditures. No qualifying expenses were incurred as of December 31, 2020.

Warrants

The following table summarizes the continuity of warrants for the the period ended June 30, 2021 and August 10, 2021:

	Number of warrants
Outstanding, December 31, 2019	28,825,040
Warrants issued in private placement (1)	10,288,701
Finders warrants issued (1)	961,567
Warrants issued (2)	360,309
Warrants exercised	(18,367,333)
Outstanding, December 31, 2020	22,068,284
Warrants issued (2)	569,874
Warrants exercised	(11,049,490)
Outstanding, June 30, 2021	**11,588,668**
Warrants exercised	**(2,473,785)**
Outstanding, August 10, 2021	**9,114,883**

(1) Pursuant to the private placement completed on February 13, 2020 (note 11 (a)) 10,288,701 common share purchase warrants and 961,567 finders options were issued. 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 using Company historical 151%, dividend yield nil, expected life 2 years.

(2) Pursuant to a private placement completed on July 9, 2019, 14,286,000 common share purchase warrants and 2,000,040 finders options were issued. The fair value of the common share purchase warrants and finders options have an estimated grant date fair value of $3,428,640 and $720,014 respectively which was estimated using the Black Scholes option pricing model and the following assumptions: Risk-free interest rate 1.64%, expected volatility using Company historical 193%, dividend yield nil, expected life 2 years.

Warrants outstanding as at June 30, 2021 are as follows:

Number of warrants	Exercise price $	Type	Expiry date	Remaining contractual life (years)
2,302,711	0.45	Share purchase warrants	July 9, 2021	0.02
139,674	0.28	Finders warrants	July 9 2021	0.02
8,470,875	0.75	Share purchase warrants	February 13, 2022	0.62
675,408	0.52	Finders warrants	February 13, 2022	0.62
11,588,668	0.67 (1)			0.49(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 June 30, 2021 and August 10, 2021:

	Number of options
Outstanding, December 31, 2019	7,346,500
Options granted	5,325,000
Options exercised	(1,446,500)
Outstanding, December 31, 2020	11,225,000
Options granted	2,625,000
Options exercised	(300,000)
Outstanding, June 30 and August 10, 2021	**13,550,000**

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:

Date	Number of Options	Exercise Price ($)	Market Price ($)	Expected Volatility (%) (1)	Risk-free Interest Rate (%)	Expected Life (years)/ Dividend Yield %	Fair Value of Options ($)	Vesting
05-Feb-20	500,000	0.65	0.63	152	1.41	5 / 0%	285,000	Immediate
18-Mar-20	750,000	0.45	0.34	152	0.73	5 / 0%	198,750	375,000 in six months/ 375,000 12 months
20-Apr-20	2,850,000	0.52	0.35	151	0.44	5 / 0%	883,500	Immediate
31-Jul-20	600,000	0.52	0.43	144	0.22	2 / 0%	138,000	1/3 immediate 1/3 6 months 1/3 12 months (“1/3rd vesting”)
11-Sep-20	75,000	0.52	0.45	141	0.24	2 / 0%	18,000	1/3rd vesting
06-Nov-20	450,000	0.52	0.49	138	0.4	5 / 0%	162,000	1/3rd vesting
06-Nov-20	100,000	0.52	0.49	138	0.26	2 / 0%	26,667	1/3rd vesting
08-Mar-21	500,000	1.00	0.95	132	0.92	5 / 0%	343,333	1/3rd vesting
12-May-21	1,550,000	1.06	1.02	129	0.53	3 / 0%	1,162,500	Immediate
12-May-21	575,000	1.06	1.02	129	0.53	3 / 0%	348,833	1/3rd vesting

(1) Based on the Company’s historical volatility.

As at June 30, 2021, stock options carry exercise prices and terms to maturity as follows:

Exercise price $	Options Outstanding	Options Exercisable	Expiry date	Remaining contractual life (years)
0.52	600,000	400,000	July 31, 2022	1.1
0.52	75,000	50,000	September 11, 2022	1.2
0.52	100,000	37,000	November 6, 2022	1.4
0.10	2,400,000	2,400,000	May 11, 2023	1.9
1.06	2,125,000	1,742,000	May 12, 2024	2.9
0.30	3,100,000	3,100,000	July 16, 2024	3.0
0.30	200,000	200,000	August 7, 2024	3.1
0.65	500,000	500,000	February 5, 2025	3.6
0.45	750,000	750,000	March 18, 2025	3.7
0.52	2,750,000	2,750,000	April 20, 2025	3.8
0.52	450,000	300,000	November 6, 2025	4.4
1.00	500,000	167,000	March 8, 2026	4.7
0.50(1)	13,550,000	12,396,000		3.0(1)

(1) Weighted average

SUBSEQUENT EVENTS

On July 21, 2021 Stillwater elected to not exercise its ownership increase right to expand its ownership in the Marathon Property to 51%. As a result, Generation Mining retains its 82.6% current interest in the joint venture and continues to be the operator.

Subsequent to the period end, 2,473,785 common share purchase warrants were exercised for total proceeds of $1,089,459.

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, 2020.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reporting amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ materially from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are generally recognized in the period in which the estimates are revised.

Our significant judgments, estimates and assumptions are disclosed in note 2 of the audited consolidated financial statements for the year ended December 31, 2020.

ACCOUNTING POLICIES AND BASIS OF PRESENTATION

The Company’s accounting policies are disclosed in note 3 of the Company’s audited consolidated financial statements for the year ended December 31, 2020.

NON-IRFS MEASURES

The Company has included certain terms or performance measures commonly used in the mining industry that are not defined under International Financial Reporting Standards (“IFRS”) in this MD&A. These include operating costs, AISC, LOM average AISC, LOM average operating cost, and Free Cash Flow. Non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore, they may not be comparable to similar measures employed by other companies. The data presented is intended to provide additional information and should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

- Operating Costs include mining, processing, general and administrative and other, concentrate transportation costs, treatment and refining charges, and royalties.

- AISC include Operating Costs, closure, and reclamation, and sustaining capital.
- LOM Average AISC includes LOM AISC divided by LOM PdEq.
- LOM Average Operating Cost includes LOM Operating Costs divided by LOM PdEq.
- Free Cash Flow includes total revenue less Operating Costs, working capital adjustments, equipment financing, initial capital, sustaining capital and closure costs.

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 year ended December 31, 2020.

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 June 30, 2021 is the carrying value of cash and receivables. The credit risk on receivables is deemed low as the majority is related to federal government refunds.

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 June 30, 2021, the Company has current assets of $14,561,012 (December 31, 2020 - $14,857,059) to cover current liabilities of $2,354,686 (December 31, 2020 - $1,767,198). The current assets include restricted cash, marketable securities, receivables and prepaid expenses. 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).

	Lease liability (undiscounted)	Accounts payable and accrued liabilities	Total
Less than 1 year	$ 130,044	$ 2,318,726	$ 2,448,770
1-5 years	455,832	-	455,832
Balance at June 30, 2021	**$ 585,876**	**$ 2,318,726**	**$ 2,904,602**

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.

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 in 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 June 30, 2021, comprehensive income would have changed by approximately $194,400.

Fair Value

The carrying value of cash, accounts payable and accrued liabilities are considered to be representative of their fair value due to their short-term nature. Marketable securities are recorded at fair value as of June 30, 2021 and classified as Level 1 in the fair value hierarchy as they are recorded at fair value by reference to market quoted prices.

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 six months ended June 30, 2021 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 June 30, 2021, 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

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). Forward-looking statements reflect current expectations or beliefs regarding future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates", "targets" or "believes", or variations of, or the negatives of, such words and phrases or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, including statements relating to the Company's Feasibility Study and results therefrom (including NPV, IRR, capital and operating costs and other financial metrics), Mineral Resource and Mineral Reserve potential, exploration plans, or the ability of the Company and Sibanye Stillwater to vary their respective participating interests in the Marathon Property. All forward-looking statements, including those herein are qualified by this cautionary statement.

Although the Company believes that the expectations expressed in such 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 statements. There are certain factors that could cause actual results to differ materially from those in the forward-looking information. These include commodity price volatility, continued availability of capital and financing, uncertainties involved in interpreting geological data, increases in costs, environmental compliance and changes in environmental legislation and regulation, the Company's relationships with First Nations communities, exploration successes, and general economic, market or business conditions, as well as those risk factors set out in the Company's AIF for the year ended December 31, 2020, the Technical Report dated March 23, 2021 and in the continuous disclosure documents filed by the Company on SEDAR at www.sedar.com. Readers are cautioned that 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, 2020 is not exhaustive of the factors that may affect forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date or dates specified in such statements.

Forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions relating to: the availability of financing for the Company's operations; operating and capital costs; results of operations; the mine development and production schedule and related costs; the supply and demand for, and the level and volatility of commodity prices; timing of the receipt of regulatory and governmental approvals for development projects and other operations; the accuracy of Mineral Reserve and Mineral Resource Estimates, production estimates and capital and operating cost estimates; and general business and economic conditions.

Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking information. For more information on the Company, investors are encouraged to review the Company's public filings on SEDAR at www.sedar.com. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.

Information Concerning Estimates of Mineral Reserves and Resources

The Mineral Reserve and Mineral Resource estimates in this MD&A have been disclosed in accordance with NI 43-101, which differs significantly from the requirements of the U.S. Securities and Exchange Commission (the "SEC"), and information with respect to mineralization and Mineral Reserves and Mineral Resources contained herein may not be comparable to similar information disclosed by U.S. companies. The requirements of NI 43-101 for identification of ''reserves'' are not the same as those of the SEC, and reserves reported by the Company in compliance with NI 43-101 may not qualify as ''reserves'' under SEC standards. Under U.S. standards, mineralization may not be classified as a ''reserve'' unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. In addition, and without limiting the generality of the foregoing, this MD&A uses the terms ''Measured Resources'', ''Indicated Resources'' and ''Inferred Resources''. U.S. investors are advised that, while such terms are recognized and required by Canadian securities laws, the SEC has not recognized them in the past. U.S. investors are cautioned not to assume that any part of a ''Measured Resource'' or ''Indicated Resource'' will ever be converted into a ''reserve''. U.S. investors should also understand that ''Inferred Resources'' have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of ''Inferred Resources'' exist, are economically or legally mineable or will ever be upgraded to a higher category. Under Canadian securities laws, ''Inferred Resources'' may not form the basis of feasibility or pre-feasibility studies except in certain cases. Disclosure of ‘‘contained ounces’’ in a Mineral Resource is a permitted disclosure under Canadian securities laws, however, the SEC normally only permits issuers to report mineralization that does not constitute ‘‘reserves’’ by SEC standards as in place tonnage and grade, without reference to unit measures. Accordingly, information concerning mineral deposits set forth in this MD&A may not be comparable with information made public by companies that report in accordance with U.S. standards.

The SEC has adopted amendments to its disclosure rules to modernize the mineral property disclosure requirements under the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”). These amendments became effective February 25, 2019 (the “SEC Modernization Rules”) with compliance required for the first fiscal year beginning on or after January 1, 2021. Under the SEC Modernization Rules, the historical property disclosure requirements for mining registrants included in Industry Guide 7 under the U.S. Securities Act of 1933, as amended, will be rescinded and replaced with disclosure requirements in subpart 1300 of SEC Regulation S-K. As a result of the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of “Measured Mineral Resources”, “Indicated Mineral Resources” and “Inferred Mineral Resources.” In addition, the SEC has amended its definitions of “Proven Mineral Reserves” and “Probable Mineral Reserves” to be “substantially similar” to the corresponding standards under NI 43-101. While the SEC will now recognize “Measured Mineral Resources”, “Indicated Mineral Resources” and “Inferred Mineral Resources”, U.S. investors should not assume that any part or all of the mineralization in these categories will ever be converted into a higher category of Mineral Resources or into Mineral Reserves. Mineralization described using these terms has a greater amount of uncertainty as to its existence and feasibility than mineralization that has been characterized as reserves. Accordingly, U.S. investors are cautioned not to assume that any Measured Mineral Resources, Indicated Mineral Resources, or Inferred Mineral Resources that the Company reports are or will be economically or legally mineable. Further, “Inferred Mineral Resources” have a greater amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, U.S. investors are also cautioned not to assume that all or any part of the “Inferred Mineral Resources” exist. There is no assurance that any Mineral Reserves or Mineral Resources that the Company may report as “Proven Mineral Reserves”, “Probable Mineral Reserves”, “Measured Mineral Resources”, “Indicated Mineral Resources” and “Inferred Mineral Resources” under NI 43-101 would be the same had the Company prepared the reserve or resource estimates under the standards adopted under the SEC Modernization Rules.

Mineral Resources are not Mineral Reserves, and do not have demonstrated economic viability, but do have reasonable prospects for economic extraction. Measured and Indicated Mineral Resources are sufficiently well defined to allow geological and grade continuity to be reasonably assumed and permit the application of technical and economic parameters in assessing the economic viability of the Mineral Resource. Inferred Mineral Resources are estimated on limited information not sufficient to verify geological and grade continuity or to allow technical and economic parameters to be applied. Inferred Mineral Resources are too speculative geologically to have economic considerations applied to them to enable them to be categorized as Mineral Reserves. There is no certainty that Mineral Resources of any classification can be upgraded to Mineral Reserves through continued exploration.

The Company’s Mineral Reserve and Mineral Resource figures are estimates and the Company can provide no assurances that the indicated levels of mineral will be produced or that the Company will receive the price assumed in determining its Mineral Reserves. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While the Company believes that these Mineral Reserve and Mineral Resource Estimates are well established and the best estimates of the Company’s management, by their nature Mineral Reserve and Mineral Resource Estimates are imprecise and depend, to a certain extent, upon analysis of drilling results and statistical inferences which may ultimately prove unreliable. If the Company’s Mineral Reserve or Mineral Reserve Estimates are inaccurate or are reduced in the future, this could have an adverse impact on the Company’s future cash flows, earnings, results or operations and financial condition.

The Company estimates the future mine life of the Marathon Project. The Company can give no assurance that its mine life estimate will be achieved. Failure to achieve this estimate could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.