GENERATIONMINING

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2019 AND THE PERIOD FROM JANUARY 11 (INCORPORATION) TO DECEMBER 31, 2018

This Management's Discussion and Analysis ("MD&A") reviews the consolidated financial condition and results of operations of Generation Mining Limited and its wholly owned subsidiary company (together "Generation" or the "Company") for the year ended December 31, 2019. The MD&A was prepared as of April 9, 2020 and should be read in conjunction with the audited consolidated financial statements for year ended December 31, 2019 and 2018 and notes thereto, prepared in accordance with the International Financial Reporting Standards or ("IFRS"). The Company was incorporated on January 11, 2018. In the MD&A where comparisons are made to the prior year, it refers to the prior year from January 11 to December 31, 2018. The disclosure contained in this MD&A has been approved by the Board of Directors of the Company. All figures are in Canadian dollars unless stated otherwise. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

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

OVERVIEW

The Company is an exploration and development stage company focused on the Marathon platinum group metal ("PGM") deposit located in Marathon, Ontario Canada (the "Marathon Property" or "Marathon Project"). The Company acquired its interest in the Marathon Property in July 2019 through a joint venture with Stillwater Canada Inc., a subsidiary of Sibanye Gold Limited, trading as Sibanye-Stillwater ("Sibanye"). Sibanye is a leading international precious metals mining company, with a diverse portfolio of PGM operations in the United States and Southern Africa.

Generation has earned a 51% interest in the Marathon joint venture and has the option to increase its interest to 80% by completing a Preliminary Economic Assessment ("PEA") and spending $10 million on the Marathon Property over a four-year period. The Company filed a PEA in February 2020 and has spent over $4 million on the Marathon Property to date.

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 Canadian Securities Exchange ("CSE") under the symbol GENM. The Company also has a number of other exploration properties located in Canada.

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

HIGHLIGHTS

- Signed a Binding Letter of Intent in April 2019 with Sibanye to earn up to an 80% interest in the Marathon Property.
- Completed a $8 million bought deal financing in June 2019.
- Finalized an acquisition agreement and joint venture agreement with Sibanye in July 2019 where Generation earned an initial 51% interest in the Marathon Property and has the right to increase its ownership to 80% by completing a PEA and spending $10 million on the Marathon Property over a period of four years.
- In July 2019, Mr. Paul Murphy and Mr. Phil Walford joined the board of directors. Mr. Murphy is the Chairman of Alamos Gold, a former director of Continental Gold, and former partner at PWC where he was the National Mining Leader. Mr. Walford is the former CEO of Marathon Gold and former President of Marathon PGM which formerly owned Generation's Marathon Property.
- In August 2019, Generation added Mr. John McBride and Ms. Tabatha LeBlanc to its operations team. Mr. McBride and Ms. LeBlanc were former employees of Sibanye and possess a significant historical knowledge base regarding the Marathon Property.
- Increased the Marathon Property land position by 215 claim blocks or 4,558 hectares for a property total of 21,965 hectares.
- Completed a $1.9 million flow-through financing in two tranches in August and September 2019.
- During the summer and fall of 2019, the Company drilled approximately 12,000 meters testing multiple targets along 20 km of prospective strike length. The drilling identified a number of targets for follow up drilling.
- Completed a NI 43-101 Technical Report in October 2019 which outlined a mineral resource estimate on the Marathon Property of a Measured and Indicated Mineral Resource of 7.1 million ounces palladium equivalent ("PdEq"). The mineral resources represent a 20% increase in contained PdEq ounces compared to the mineral resource estimate completed on the Marathon Property in 2010.
- Updated the October 2019 mineral resource estimate after a comprehensive review of drilling completed by the previous operators on the Geordie and Sally deposits. The review resulted in an additional 1.6 million PdEq ounces of mineral resources in the Measured and Indicated category, bringing the Marathon Property's total Measured and Indicated Mineral Resources to 8.7 million PdEq ounces.
- Completed the NI 43-101 PEA in February 2020 for the Marathon Property, providing a compelling base case assessment for the development of the Marathon Palladium Mineral Resource by open pit mining. The project generates an after-tax internal rate or return ("IRR") of 30.0% and an after-tax net present value ("NPV") of $871 million at a 5% discount rate at Nov 30/19 two-year trailing average metal prices.
- In February 2020, Mr. Cashel Meagher joined the board of directors and Mr. Brian Jennings was appointed Chief Financial Officer. Mr. Meagher is Senior Vice President and Chief Operating Officer of Hudbay Minerals Inc. and prior to joining Hudbay in 2008, held various positions with Vale Inco. Mr. Jennings is a Chartered Accountant and geologist with over 30 years of experience working as a senior financial executive and corporate restructuring professional.

- Bought deal private placement, together with a concurrent non-brokered private placement was completed in February 2020 with aggregate total gross proceeds of $10.7 million.
- In February 2020, a large, high velocity seismic anomaly that extends at depth from the Sally deposit at the Marathon Property was discovered.
- In March 2020, Mr. Drew Anwyll joined the Company as Chief Operating Officer. Most recently, Mr. Anwyll was Senior Vice-President – Technical Services, Interim Chief Operating Officer and Vice-President Operations | Mine General Manager at Detour Gold's large open pit gold mine in Northern Ontario.

MARATHON PROPERTY ACQUISITION AND JOINT VENTURE

On April 17, 2019, Generation signed a Letter of Intent (the "LOI") with Sibanye which allows the Company to earn an initial 51% interest (and potentially up to an 80% interest) in the Marathon Property. Upon signing the LOI, the Company paid to Sibanye a deposit of $100,000.

On May 6, 2019, the Company, announced an $8 million bought deal private placement (the "Private Placement"), the net proceeds of which were to be used to complete the acquisition of the Marathon Property, for exploration and development of the Marathon Property and for working capital and general corporate purposes.

On May 28, 2019, the Company incorporated a wholly owned subsidiary, Generation PGM Inc., to operate the Marathon Property joint venture.

On June 25, 2019, The Company signed an acquisition agreement with Sibanye ("Acquisition Agreement"), pursuant to which, the Company earned an initial 51% interest in the Marathon Property for total consideration of $6 million paid in cash and common shares of the Company. According to the Acquisition Agreement, the Company formed an unincorporated joint venture (the "Marathon JV") with Sibanye.

Pursuant to the Acquisition Agreement, the Company has the right to earn an additional 29% interest in the Marathon Property (the "Second Interest") by spending $10 million in exploration, evaluation and development expenditures and preparing a PEA within four years following the closing of the acquisition (the "Second Earn-In Period"). During the Second Earn-In Period, the Company must sole-fund all expenditures of the Marathon JV. Once the Company has earned the Second Interest, the parties will fund expenditures on an 80/20 pro rata basis, subject to normal dilution provisions. If the Company does not earn into the Second Interest, then for a period of 90 days after the termination of the Second Earn-In Period, Sibanye has a one-time option to reacquire a 31% participating interest in the joint venture (for a total 80% participating interest) for CDN$1.00 and become operator of the Marathon JV. Upon a feasibility study being prepared and the management committee of the Marathon JV making a positive commercial production decision, so long as Sibanye has a minimum 20% interest in the Marathon Property, Sibanye has 90 days to exercise an option to increase its participating interest in the joint venture to 51% by agreeing to fund 31% of the total capital cost estimated in the feasibility study, after which Sibanye and Generation will contribute the remaining funds on a 51/49 pro rata basis.

On July 10, 2019, the Company, through its wholly owned subsidiary Generation PGM Inc., closed the acquisition of the 51% initial interest in Marathon Property and entered into the Marathon JV. On closing, the Company paid to Sibanye $2.9 million in cash (in addition to the $100,000 deposit) and issued 11,053,795 common shares of the Company at a deemed price of $0.2714 per common share (totaling $3 million), for a total consideration of $6 million. The Company is now the operator of the Marathon JV and assumes all liabilities in respect of the Marathon Property in such operatorship capacity.

PRELIMINARY ECONOMIC ASSESSMENT – MARATHON PROPERTY

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

- The project would produce an average of 194,000 PdEq ounces per year over a 14-year mine life (including credits for copper, platinum, gold and silver).
- The project generates an after-tax internal IRR of 30.0% and an after-tax NPV of $871 million at a 5% discount rate at November 30, 2019 two-year trailing average metal prices (base case).
- The project generates an after-tax net present value of $1,541 million and an internal rate of return of 45.8% at a 5% discount rate at recent spot metal prices (final LBMA London price fix for precious metals; final LME bid price for copper, December 31, 2019).
- The project would generate base case after-tax cash flows of $520 million in years 1-3, resulting in a 2.5-year payback period.
- Actual palladium production will average 107,000 ounces annually over the mine life, at a Cash Cost Per Ounce of $US504 and an All-In Sustaining Cost of $US586 per ounce, net of by-product credits.
- The PEA used only Measured and Indicated Mineral Resources in the Marathon deposit in the calculations and did not include the Geordie and Sally deposits which are located on the same property. The Marathon deposit has no outstanding royalties or financing streams registered against it.

EXPLORATION AND EVALUATION ACTIVITIES – MARATHON PROPERTY

In August 2019, the Company commenced a planned 12,000-metre drilling program using two diamond drills to test multiple targets along more than 20 km of prospective strike length at the Marathon Property. The exploration program was completed in early November 2019 with 39 holes drilled amounting to a total of 12,422 metres. Drilling focused on the W Horizon and the Main Zone of the Marathon deposit, as well as on the Geordie East and Geordie North targets, the West Feeder Zone, and the Boyer Zone. Apart from the W Horizon, Main deposit and Geordie East, none of these targets have been previously drilled. Of the 39 holes, the Company drilled 5 confirmatory drill holes in the W Horizon and Main deposit which constitute the bulk of mineral resources of the Marathon Property, the remaining 34 drill holes focused exclusively on exploration targets.

Generation reported on drill results in two news releases dated October 8, 2019 and December 17, 2019, respectively. The best result on the Marathon W Horizon returned 3.08 g/t platinum (“Pt”) and 8.97 g/t palladium (“Pd”) over an 8-metre contiguous core length. The best result from the Sally Keel Zone intersected 1.19 g/t Pd, 0.68 g/t Pt, 0.48 g/t gold (“Au”) and 0.143 % copper (“Cu”), which equates to a PdEq grade of 2.41 g/t PdEq over an estimated true width of 10 metres (corresponding to a 40 metre apparent width drill intercept).

On September 9, 2019, Generation released an Updated Mineral Resource Estimate on the Marathon Property deposit prepared by P&E Mining Consultants(“P&E”). The study estimated that the Marathon deposit contains a Measured and Indicated Mineral Resource of 7.13 million ounces PdEq, within a 179-million-tonne pit constrained deposit grading 1.24 grams per tonne PdEq, calculated at a $13-net-smelter-royalty-per-tonne (“NSR”) cut-off (includes an estimated 3.24 million ounces Pd, 1.06 million oz platinum and 796 million pounds of Cu). If the cut-off is increased to $25 NSR per tonne then the deposit contains a Measured and Indicated Mineral Resource of 5.83 million ounces PdEq within a 116-million-tonne pit constrained deposit grading 1.56 grams per tonne PdEq (includes an estimated 2.73 million oz Pd, 0.85 million oz Pt and 639 million pounds of Cu). Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability.

On October 24, 2019, Generation announced the filing of an independent Technical Report in accordance with NI 43-101 on the Marathon Property. The Technical Report, titled "*Technical Report and Updated Mineral Resource Estimate of The Marathon Deposit, Thunder Bay Mining District, Northwestern Ontario, Canada dated October 24,2019 (effective date of Sept 9, 2019)*" was prepared by P&E and is available on SEDAR (www.sedar.com). The Technical Report estimated that the Marathon Property contains a Measured and Indicated Mineral Resource of 7.13 million ounces PdEq, within a 179-million-tonne pit constrained deposit grading 1.24 grams per tonne PdEq, calculated at a $13-NSR cut-off (includes an estimated 3.24 million ounces Pd, 1.06 million oz Pt and 796 million pounds of Cu).

On December 2, 2019, Generation announced an increase in the Mineral Resource Estimate for the Marathon Property. The new estimate reflected a comprehensive review of the past drilling completed by the previous operators on the Geordie and Sally deposits located on the Marathon Property and within 16 km of the Marathon deposit, which is the main deposit of the Marathon Property, which contains an estimated 7.1 million PdEq ounces Mineral Resources in the Measured and Indicated classification.

On February 25, 2020, Generation announced the discovery of a large, high velocity seismic anomaly that extends at depth from the Sally deposit, following a 200-sensor passive seismic survey on the Sally area conducted in the third quarter of 2019. The anomaly continues into the Archean footwall which constitutes a previously unexplored area for platinum group elements and copper mineralization. The velocity anomaly when projected to surface coincides with a reversely polarized magnetic trend which is used as an exploration tool to identify prospective lithologies.

OUTLOOK

The Company will continue to focus on advancing the Marathon Project, including completing a Definitive Feasibility Study and commence environmental permitting on the Marathon Project. During the Second Earn-In Period, the Company will continue to engage in such operational programs that will contribute to meeting the $10 million in exploration, evaluation and development expenditures required in order to earn the Second Interest of 29% thereby increasing its initial 51% interest to 80%.

OTHER MINERAL PROPERTIES AND AGREEMENTS

In addition to the Marathon Property, the Company holds options, rights and/or ownership interest in the following mineral properties as of December 31, 2019:

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

Darnley Bay Diamond, Northwest Territories: The property consists of jointly held mineral leases on the Parry Peninsula northeast of Paulatuk in the Inuvialuit Settlement Region's lands where the Inuvialuit hold the surface rights and the Crown holds the mineral rights. The focus is on diamond exploration. The Company and Diadem Resources Ltd. continue to advance exploration through a joint venture agreement where Diadem is currently responsible for all expenditures relating to the project.

Davidson, British Columbia: The Company has an option to acquire a 100% interest in a property hosting a molybdenum-tungsten deposit which consists of six mineral leases covering an area of 1,948 hectares. The option agreement was signed on April 1, 2016 and payments totaling $350,000 were made as at December 31, 2019. 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%.

Clear Lake, Yukon Territory: On May 24, 2016, the Company entered into an option agreement to earn a 100% interest in a zinc-lead-silver property. Total payments and work commitments of $23,320 were made during the period from January 11, 2018 to October 1, 2018. 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. Pursuant to the Clear Lake Assignment Agreement, Eastern Zinc paid $50,000 in cash and issued 4,200,000 common shares of Eastern Zinc to the Company. An additional $50,000 in cash and 1,670,000 common shares of Eastern Zinc ("Eastern Zinc Receivable") were due to the Company on October 1, 2019 which was subsequently extended to April 1, 2020 and further extended to October 1, 2020 subsequent to year end. Additionally, subsequent to year end, Eastern Zinc provided a notice of termination ("Termination Notice") pursuant to the underlying option agreement subject to the Clear Lake Assignment Agreement. The Termination Notice does not affect the validity of the Eastern Zinc Receivable. Eastern Zinc split its common shares on three shares for one existing share basis on October 15, 2018. All common share amounts noted herein reflect the stock split. At December 31, 2019, the Company held 12,600,000 common shares of Eastern Zinc valued at $256,638 and an additional 5,010,000 common shares receivable valued at $85,421.

Nak, British Columbia: The Company has an option to earn a 100% interest in a copper-gold project consisting of 4 mineral claims over 1,640 hectares. The option agreement was signed on August 30, 2016 and is subject to a 2% royalty of which 62.5% can be purchased from the optionor for $1.5 million. There has been $60,000 in cash paid to the optionor as at December 31, 2019. Future cash payments consist of: $30,000 on August 30, 2020, $60,000 on August 30, 2021, $25,000 on completion of 1,500 metres of drilling, $25,000 on completion of an additional 3,000 metres of drilling on or before December 31, 2022, and $125,000 and a minimum 250,000 common shares (or cash equivalent) in the capital of the Company upon completion of an additional 7,000 metres of drilling on or before December 31, 2022. Pursuant to the option agreement the Company is required to spend $500,000 on the property prior to August 31, 2019. As at December 31, 2019 the Company incurred $37,600 in work commitments, $12,500 in work commitments were waived by the optionor, leaving a work commitment balance of $449,900. The vendor and the Company are currently in discussions regarding possible amendments to the option agreement for payment and work commitment terms.

Rawdon Zinc (formerly Kennetcook), Nova Scotia: On March 16, 2018, the Company entered into a Claims Acquisition Agreement to acquire a 100% interest in an exploration property with the potential to host lead-zinc-silver-copper mineralization in central Nova Scotia. Pursuant to the agreement, the Company issued 3,000,000 common shares valued at $191,400 to the optionor. At December 31, 2019, the Company held seven mineral licenses covering an area of 6,444 hectares.

Alberta Zinc, Alberta: On May 10, 2018, the Company entered into an option agreement to acquire a 100% interest in the Alberta Zinc project in Alberta currently covering 32,057 hectares and consisting of four mineral rights permits. The Company paid $10,000 and issued 500,000 common shares valued at $31,900 to the vendor upon signing the agreement and committed to a minimum of $100,000 in expenditures on the property which was fulfilled as at December 31, 2019. A further payment of $50,000 (in cash or shares) was required on May 10, 2019 which was subsequently extended to May 10, 2020.

There is an additional $200,000 due to the optionor prior to May 10, 2020. The property is subject to a 2% gross metals royalty, of which the Company can purchase half at any time for $1 million.

EXPLORATION AND EVALUATION ACTIVITIES – OTHER PROPERTIES

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

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

ACQUISITION, EVALUATION AND EXPLORATION EXPENDITURES

The following table displays the acquisition, evaluation and exploration expenses by project for the year ended December 31, 2019 compared with the period from incorporation to December 31, 2018.

Projects	Year ended Dec 31, 2019	Period ended Dec 31, 2018
Marathon	9,422,874	-
Darnley Bay Anomaly	24,806	552,135
Davidson	133,191	181,289
Nak	39,586	28,013
Clear Lake	-	23,320
Rawdon Zinc (formerly Kennetcook)	26,018	524,899
Alberta Zinc	25,869	153,757
Total expenditures in the period	$ 9,672,344	$ 1,463,413
Transfer of mineral properties	-	1,216,848
Total mineral property expenditures	$ 9,672,344	$ 2,680,261

The following table displays the cumulative mineral property expenditures by project at December 31, 2019.

	Period ended Dec 31, 2018	Acquisition	Exploration and Evaluation	Year ended December 31, 2019
Darnley Bay Anomaly	552,135	-	24,806	576,941
Davidson	181,289	100,000	33,191	314,480
Nak	28,013	15,000	24,586	67,599
Clear Lake	23,320	-	-	23,320
Rawdon Zinc	524,899	-	26,018	550,917
Alberta Zinc	153,757	-	25,869	179,626
Marathon	-	5,519,640	3,903,234	9,422,874
Total expenditures in the period	$1,463,413	$5,634,640	$4,037,704	$11,135,757
Mineral properties acquired	1,216,848			1,216,848
Total cumulative mineral property expenditures	$2,680,261	$5,634,640	$4,037,704	$12,352,605

RESULTS FROM OPERATIONS

The following table sets forth financial information for the Company which has been summarized from the Company's audited consolidated financial statements for the years ended December 31, 2019 and the period from incorporation to December 31, 2018. This summary information should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2019 and 2018, including the notes thereto.

Statements of Income (Loss)	Three months ended Dec 31, 2019	Three months ended Dec 31, 2018	Year ended Dec 31, 2019	Year ended Dec 31, 2018
Expenses				
Acquisition, evaluation and exploration expenditures	$1,980,217	$126,056	$ 9,672,344	$ 2,680,261
Share-based compensation	-	33,162	1,101,000	320,626
Professional fees	88,165	69,994	450,826	251,517
Management and corporate administration services	111,341	68,114	421,956	237,700
Shareholder and investor communications costs	161,016	39,758	597,177	94,212
Occupancy cost	39,446	13,226	111,423	62,274
Interest	13,969	-	39,227	-
Operating loss	(2,394,154)	(350,310)	(12,393,953)	(3,646,590)
Gain (loss) on marketable securities	(504,119)	625,191	(1,608,017)	625,191
Gain on property option assignment	-	1,424,885	-	1,424,885
Income (loss) before income tax	(2,898,273)	1,699,766	(14,001,970)	(1,596,514)
Deferred income tax recovery	129,611	103,695	129,611	103,695
Net Income (Loss) and Comprehensive Income (Loss)	**$(2,768,662)**	**$ 1,803,461**	**$(13,872,359)**	**$ (1,492,819)**
Net Income (Loss) per Share – Basic and diluted	**$ (0.03)**	**$ 0.04**	**$ (0.21)**	**$ (0.04)**

Three Months Ended December 31, 2019 vs. 2018

Generation incurred a net loss of $2,768,662 or $0.03 per share for the three-month period ended December 31, 2019 compared to a net income of $1,803,461 or $0.04 per share for the same period in 2018. The significant differences are outlined below.

- Acquisition, evaluation and exploration expenditures increased in the fourth quarter of 2019 from $126,000 to approximately $2 million due to the 12,442-metre drill program completed at the Marathon Project. The drill program commenced in August and ended in early November 2019. The amount in the current quarter also included direct project administration costs incurred to operate the Marathon JV. The expenses in the fourth quarter of 2018 related mainly to the exploration program at the Alberta Zinc project.
- During the fourth quarter of 2019, nil stock options were granted to directors, officers, employees and consultants compared to 300,000 stock options in the prior quarter. 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 granted.
- Professional fees, and management and corporate administration services expenses increased in the fourth quarter of 2019 compared to the prior quarter due to increased corporate administration activities and additional professional advisory services related to the acquisition and operation of the Marathon Project.
- Shareholder and investor communications costs increased in the fourth quarter of 2019 compared to the prior quarter as Generation enhanced its marketing and investor relations programs in an effort to market the Marathon Project to current and prospective shareholders.
- Occupancy costs consisted of office lease and moving expense. The amount increased in the fourth quarter of 2019 compared to the prior quarter as Generation's corporate office relocated to a larger office and increased the number of personnel.

- Interest expense represents the interest portion of the monthly office lease resulting from the recognition and depreciation of the corporate office lease as a right-of-use asset upon adopting IFRS 16 Leases, at the beginning of the current year.
- During the current quarter, Generation recorded a loss on marketable securities and marketable securities receivable of $504,000, arising from the assignment of the Clear Lake project option to Eastern Zinc, in comparison to a gain of $625,000 in the same period of the prior year. The change is due to the fluctuation in the Eastern Zinc share price quarter to quarter. The Company held 12,600,000 common shares of Eastern Zinc and had an additional 5,010,000 common shares receivable as at December 31, 2019 and 2018.
- Gain on property option assignment in the prior year was the result of the Clear Lake assignment agreement with Eastern Zinc. The gain represented the fair value of the total consideration for the assignment as the carrying amount of the project was recorded as nil. There were no such transactions in the current year.
- Deferred income tax recovery results from the flow-through share premium received upon the issuance of flow-through shares. The tax recovery was recorded during the fourth quarter of 2019 and 2018 when Generation incurred and renounced the eligible exploration expenditures.

Year Ended December 31, 2019 vs 2018

Generation incurred a net loss of $13,872,359 or $0.21 per share for the year ended December 31, 2019 compared to a net loss of $1,492,819 or $0.04 per share in 2018. The significant differences are outlined below.

- Acquisition, evaluation and exploration expenses were $9.7 million in 2019 compared to $2.7 million in 2018. The increase in 2019 is related to $5.5 million for the acquisition cost (net of land and buildings) of the initial 51% of the Marathon Property and $3.9 million in exploration and evaluation expenditures incurred on the Marathon Property. The exploration and evaluation expenditures of $3.9 million primarily related to the 12,442-meter drill program completed at the Marathon Project during the third and fourth quarters of 2019. The expenditures in 2018 related to the various other projects and properties that Generation has rights, options or ownership interest in.
- During 2019, 4,100,000 stock options were granted to directors, officers, employees and consultants compared to 3,300,000 stock options in the prior year. 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 granted.
- Professional fees increased in 2019 compared to the prior year due to additional professional advisory services related to the acquisition and operation of the Marathon Project.
- Management and corporate administration services expenses increased in 2019 compared to the prior year due to increased administration activities and executive compensation at the corporate level as the Company expanded due to the acquisition and operation of the Marathon Project.
- Shareholder and investor communications costs increased in 2019 compared to the prior year as Generation enhanced its marketing and investor relations programs in an effort to market the Marathon Project to current and prospective shareholders. In addition, the lower costs in the prior year reflected a partial year of costs as Generation’s shares were listed on the CSE in May 2018.
- Occupancy costs consisted of office lease and moving expense. The amount increased in comparison to the prior year as Generation’s corporate office relocated to a larger office and increased the number of personnel.
- Interest expense represents the interest portion of the monthly office lease resulting from the recognition and depreciation of the corporate office lease as a right-of-use asset upon adopting IFRS 16 Leases, at the beginning of the current year.

- During 2019, Generation recorded a loss on marketable securities and marketable securities receivable of $1.6 million, arising from the assignment of the Clear Lake project option to Eastern Zinc, in comparison to a gain of $625,000 in the same period of the prior year. The change is due to the fluctuation in the Eastern Zinc share price year to year. The Company held 12,600,000 common shares of Eastern Zinc and had an additional 5,010,000 common shares receivable as at December 31, 2019 and 2018.
- Gain on property option assignment in the prior year was a result from the Clear Lake Assignment Agreement with Eastern Zinc. The gain represented the fair value of the total consideration for the assignment as the carrying amount of the project was recorded as nil. There were no such transactions in the current year.
- Deferred income tax recovery related to the premium received upon the issuance of flow-through shares. The tax recovery was recorded during the fourth quarter of 2019 and 2018 when Generation incurred and renounced the eligible exploration expenditures.

Summary of Quarterly Results

Three Months Ended	Dec 31 2019	Sep 30 2019	Jun 30 2019	Mar 31 2019	Dec 31 2018	Sep 30 2018	Jun 30 2018	Incorporation to Mar 31 2018
Acquisition, evaluation and exploration	$1,980,217	$7,475,824	$7,425	$208,878	$126,056	$500,900	$685,577	$1,367,728
General and administration	413,937	402,562	613,029	191,083	191,093	140,316	257,144	57,151
Share-based payments	-	1,101,000	-	-	33,162	-	287,464	-
Operating loss	(2,394,154)	(8,979,386)	(620,454)	(399,961)	(350,311)	(641,216)	(1,230,185)	(1,424,879)
Net income (loss) and comprehensive income (loss)	(2,768,662)	(9,505,184)	(1,334,654)	(263,860)	1,803,461	(641,216)	(1,230,185)	(1,424,879)
Basic and diluted earnings (loss) per share	$(0.030)	$(0.110)	$(0.030)	$(0.006)	$0.040	$(0.010)	$(0.030)	$(0.089)
Weighted average number of common shares outstanding	91,522,675	83,909,901	45,573,475	45,469,934	45,469,934	45,469,934	39,162,242	15,969,934

Generation's operating loss is 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.

- The Company was incorporated on January 11, 2018, for the sole purpose of participating in an Arrangement Agreement and to hold certain property and liabilities (see Arrangement Agreement section below) upon the completion of the Arrangement Agreement. The acquisition, evaluation and exploration expenses incurred during the first quarter of 2018 related to the transfer of several mineral properties to Generation (Darnley Bay, Davidson, Clear Lake and Nak) in accordance with the Arrangement Agreement ("Transferred Properties").
- Included in the acquisition, evaluation and exploration expenses from the second quarter of 2018 to the second quarter of 2019 are costs related to the Company's Transferred Properties, the acquisition of the Rawdon project, and the cost of the Alberta Zinc option.
- During the third and fourth quarters of 2019 acquisition, evaluation and exploration expenditures increased significantly compared to the prior six quarters. This is the result of the acquisition of the initial 51% of the Marathon Property and the completion a 12,000-metre drill program at the Marathon Property.
- General and administrative expenses increased during the last three quarters of 2019 as a result of the expanded corporate administrative function following the Marathon Property acquisition and operation.

FINANCIAL POSITION

Assets
As at December 31, 2019, the Company had total assets of $2,929,674 (December 31, 2018 - $3,251,419) which consisted of current assets of $2,049,751 (December 31, 2018 - $3,251,419) and non-current assets of $879,923 (December 31, 2018 - $nil).

Current assets as at December 31, 2019 primary consists of cash $1,218,516 (December 31, 2018 - $1,167,899), accounts receivable $540,910 (December 31, 2018 - $531,744), and marketable securities $256,638 (December 31, 2018 - $1,502,550). Accounts receivable is mainly comprised of HST receivable of $405,489 and Eastern Zinc marketable securities receivable of $85,421 (December 31, 2018 - $447,526) (see Other Mineral Properties, Clear Lake). Marketable securities of $256,638 relates to the value of the common shares of Eastern Zinc held (see Other Mineral Properties, Clear Lake). Eastern Zinc shares are traded on the CSE under the symbol EZNC and are not highly liquid.

Non-current assets as at December 31, 2019 consist of restricted cash and cash equivalents pursuant to the GICs held as security for the corporate office lease, land and building acquired pursuant to the acquisition of the initial 51% of the Marathon Property and the corporate office lease right of use asset.

Liabilities
As at December 31, 2019, the Company had total liabilities of $719,541 (December 31, 2018 - $346,793) which consisted of current liabilities of $496,368 (December 31, 2018 - $346,793) and long term liabilities of $223,173 (December 31, 2018 - $nil).

Current liabilities as at December 31, 2019 primarily consists of accounts payable and accrued liabilities of $288,982 (December 31, 2018 - $183,388) short term debt of $180,516 (December 31, 2018 - $163,405), and short term lease liability of $26,870 (December 31, 2018 - $nil). The increase in accounts payable is due mainly to the increased expenditures relating to the operation of the Marathon Project. Short term debt of $180,516 represents an unsecured amount, including accrued interest, owing to a former officer of Pine Point (formerly Darnley Bay Resources Limited) incurred from October 3, 2003 to April 28, 2006. The debt payments were suspended on March 30, 2012, however the Company continues to accrue interest. This liability was part of the liabilities assumed by the Company through the Arrangement Agreement. (See the Arrangement Agreement section below.)

As a result of adopting IFRS 16, the Company recognized a right-of-use asset for its corporate office lease. As at December 31, 2019, the balance of the current lease liability is $26,870 and the long term lease liability is $223,173.

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 with a major Canadian chartered bank.

Cash used in operating activities during 2019 was $8,455,809 compared with $1,762,627 in the prior year. The increase in cash used in operations in 2019 is due mainly to the acquisition, exploration and evaluation of the Marathon Project, and corresponding increases in professional fees, investor communications expenses and general and administrative expenses, as the Company expanded over the year.

Cash generated from financing activities during 2019 amounted to $9,174,361, compared to $2,930,525 in the prior year. The increase is in connection with the financing completed for the acquisition of the Marathon Property in July 2019. Subsequent to the year-end on February 13, 2020, the Company closed a bought deal private placement, together with a concurrent non-brokered private placement, with aggregate total gross proceeds of $10.7 million. (See Subsequent Events section below for details of the transaction.)

Cash used in investing activities during 2019 was $667,890 (2018 – $nil). The amount relates to the purchase price allocated to the land and buildings as part of the Marathon Property acquisition.

CAPITAL RESOURCES

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

At present, the Company's operations do not generate cash in-flows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. To finance the Company's exploration programs, feasibility study, environmental assessment and to cover administrative and overhead expenses, the Company raises money through equity financings. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration 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 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 of the Company includes its directors, Chief Executive Officer and Chief Financial Officer. Compensation to key management is paid in the form of cash and share-based payments.

During the year ended December 31, 2019, key management of the Company charged consulting fees in the amount of $460,000 (December 31, 2018 - $201,925) included in management and corporate administration services on the statements of loss and comprehensive loss.

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

On July 16, 2019, the Company granted 2,800,000 stock options to key management (May 11, 2018 - 2,400,000). The options are exercisable at $0.30 for a five-year period up to July 16, 2024. The fair value of the options is $902,322 (2018 - $236,148) which have been expensed as stock-based compensation in the year.

As at December 31, 2019, accounts payable include $29,484 (December 31, 2018 - $30,955) due to a director of the Company.

ARRANGEMENT AGREEMENT

On December 15, 2017, Pine Point Mining Limited ("Pine Point") entered into an arrangement agreement (the "Agreement") with Osisko Metals Incorporated ("Osisko Metals") pursuant to which Osisko Metals acquired, by way of court approved plan of arrangement (the "Arrangement"), all of the issued and outstanding common shares of Pine Point, including common shares that became outstanding after the date of the execution of the Arrangement but before the effective time of the Arrangement upon the exercise of outstanding share options and warrants of Pine Point.

Under the Arrangement, Pine Point shareholders received, in exchange for each of their existing common shares of Pine Point: (i) 0.271 of a common share of Osisko Metals, (ii) 0.0677 of a common share purchase warrant of Osisko Metals, and (iii) one common share of Generation; consolidated on a 10:1 basis under the Arrangement. The Company was formed for the sole purpose of participating in the Arrangement and had not carried on any active business other than in connection with the Arrangement and related matters. On February 16, 2018, Pine Point shareholders approved the Arrangement which was subsequently finalized on February 23, 2018. Pine Point shareholders received in aggregate 15,969,934 common shares of Generation valued at $0.096 per share for a total consideration of $1,533,114.

Pursuant to the Arrangement all exploration assets owned by Pine Point other than the Pine Point Project located in the Northwest Territories, as well as certain other assets and liabilities of Pine Point, were transferred to Generation. The properties included the Darnley Bay Anomaly and Darnley Bay Diamond in the Northwest Territories, Davidson and Nak in British Columbia, Lac Lessard in Quebec and Clear Lake in Alberta.

Total value of mineral properties acquired	$ 1,216,848
Cash acquired	456,425
Other assets	10,425
Less: liabilities assumed	(150,584)
Consideration: shares issued	$ 1,533,114

The shares of Generation were distributed to Pine Point shareholders under the terms of the Arrangement, the Company became a reporting issuer in British Columbia, Alberta, Nova Scotia, Northwest Territories, Yukon and Nunavut, and its shares became eligible for trading on the CSE on May 9, 2018. The primary business objective of the Company is to explore and further develop its mineral properties, and to continue to increase its property portfolio.

OUTSTANDING SECURITY DATA

The following table sets forth information concerning the outstanding common shares of the Company as at April 9, 2020:

Common Shares	**Number of Shares**
Balance at December 31, 2018	**45,469,934**
Shares issued for private placement(1)(2)	28,572,000
Shares issued for acquisition of Marathon Property(3)	11,053,795
Shares issued for flow-through shares financing(4)	6,167,460
Shares issued for exercise of warrants(5)	315,000
Shares issued for exercise of stock options(6)	53,500
Balance at December 31, 2019	**91,631,689**
Shares issued for private placement (7)	20,577,403
Shares issued for exercise of warrants(8)	17,025,345
Shares issued for exercise of options(9)	246,500
Balance April 9, 2020	**129,480,937**

(1) On June 5, 2019, the Company completed a bought deal private placement of 28,572,000 subscription receipts at a price of C$0.28 per subscription receipt for aggregate gross proceeds of $8 million. Each subscription receipt automatically converts into one unit of the Company in connection with the acquisition of the 51% initial interest in the Marathon Property, with each unit comprised of one common share of the Company and one-half of one common share purchase warrant of the Company. The gross proceeds of the private placement, less 50% of the underwriters' fees and issuance expenses, were held in escrow as of June 30, 2019, pending satisfaction of certain escrow release conditions, including the completion of the Marathon Property acquisition.

(2) The Company satisfied the escrow release terms for the private placement and on July 9, 2019, and received the gross proceeds of the private placement, less the cash commission and issuance expenses. The outstanding subscription receipts for common shares and common share purchase warrants were converted into an aggregate of 28,572,000 common shares and 14,286,000 common share purchase warrants, each such warrant exercisable for one common share at a price of $0.45 per share until July 9, 2021. Cost of the private placement included a cash commission of 7% of the gross proceeds and finders options issued to the underwriters to purchase equal to 7% of the total units issued in the private placement.

(3) On July 10, 2019, the Company issued 11,053,795 common shares at a deemed price of $0.2714 per share (totalling $3,000,000) for the acquisition of 51% of the Marathon Property.

(4) A non-brokered private placement financing of 6,167,460 flow-through shares was closed, in two tranches in August and September 2019 respectively, at a price of $0.315 per share for aggregate gross proceeds of $1,942,750. The Company paid a cash finder's fee of $1,575.

(5) A total of 315,000 common shares were issued upon the exercise of warrants at an exercise price of $0.10 for total proceeds of $31,500.

(6) The Company issued 53,500 common shares upon the exercise of 53,500 options at $0.15 for total proceeds of $8,025.

(7) Subsequent to the year-end on February 13, 2020, the Company completed a bought deal private placement of 19,231,250 units and a concurrent non-brokered private placement of 1,346,153 units, for an aggregate of 20,577,403 units at a price of $0.52 per unit for aggregate total gross proceeds of $10,700,250. Each unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant. Each whole warrant is exercisable to acquire one common share at $0.75 for a period of 24 months.

(8) During the period from January 1 to April 9, 2020, there were 1,014,000 finders warrants exercised at $0.10, 10,500,000 warrants exercised at $0.20, 634,488 finders options exercised at $0.28, and 4,876,857 warrants exercised at $0.45 for total proceeds of $4,573,642 for total proceeds of $4,573,643.

(9) During the period from January 1, to April 9, 2020, there were 46,500 options exercised at $0.15, 100,000 options exercised at $0.10 and 100,000 exercised at $0.30 for total proceeds of $46,975.

The following table sets forth information concerning the outstanding warrants of the Company as at April 9, 2020:

Warrants	**Number of Warrants**
Balance – December 31, 2018	**12,854,000**
Warrants issued pursuant to private placement (1)	14,286,000
Finders options(1)	2,000,040
Warrants exercised(2)	(315,000)
Balance at December 31, 2019	**28,825,040**
Warrants issued for private placement (3)	10,288,701
Compensation options issued for private placement(3)	961,567
Warrants exercised (4)	(17,025,345)
Balance April 9, 2020	**23,049,963**

(1) Pursuant to the private placement completed on July 9, 2019:
- 14,286,000 common share purchase warrants were issued. Each whole warrant entitles the holder to purchase one additional common share at a price of $0.45 until July 9, 2021.
- 2,000,040 finders options were issued. Each finders option entitles the holder to purchase a unit consisting of a common share and a half warrant at $0.28 per unit until July 9, 2021.

(2) A total of 315,000 warrants were exercised at an exercise price of $0.10 for total proceeds of $31,500 during 2019.

(3) Pursuant to the private placement completed subsequent to the year-end on February 13, 2020:
- 10,288,701 common share purchase warrants were issued. Each whole warrant entitles the holder to purchase one additional common share at a price of $0.75 for a period of 24 months from closing.
- 961,567 compensation options were issued. Each compensation option entitles the holder to purchase a common share for a period of 24 months from closing.

(4) During the period from January 1 to April 9, 2020, there were 1,014,000 finders warrants exercised at $0.10, 10,500,000 warrants exercised at $0.20, 634,488 finders options exercised at $0.28, and 4,876,857 warrants exercised at $0.45 for total proceeds of $4,573,642.

As at December 31, 2019, warrants carry exercise prices and terms to maturity as follows:

Exercise Price	**Number of Outstanding Warrants**	**Expiry Date**
$ 0.20	11,275,000	April 20, 2020
$ 0.10	984,000	April 20, 2020
$ 0.20	250,000	April 25, 2020
$ 0.10	30,000	April 25, 2020
$ 0.45	14,286,000	July 9, 2021
$ 0.28	2,000,040	July 9, 2021
$ 0.33*	28,825,040	

*Weighted average exercise price

Stock Options

On May 9, 2018, the Company adopted an incentive Stock Option Plan (the "Plan"). Under the Plan, options are non-assignable and may be granted for a term not exceeding five 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 discounted market price of the common shares on the Canadian Securities 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 information concerning the outstanding stock options of the Company as at April 9, 2020:

	Number of Options
Balance – December 31, 2018	**3,300,000**
Options granted [(1)]	4,100,000
Options exercised[(2)]	(53,500)
Balance at December 31, 2019	**7,346,500**
Options granted [(3)]	1,250,000
Options exercised [(4)]	(246,500)
Balance April 9, 2020	**8,350,000**

(1) During 2019, the Company granted 3,900,000 options for a price of $0.30 over a period of five years to officers, directors, employees and consultants of the Company. In addition, 200,000 options were granted exercisable at $0.35 for a period of two years.

(2) A total of 53,500 options were exercised at $0.15 during 2019.

(3) Subsequent to the year-end, 500,000 options were granted to a director of the Company exercisable at $0.65 for five years and 750,000 options were granted to an executive officer of the Company exercisable at $0.45 for five years.

(4) During the period from January 1, to April 9, 2020, there were 46,500 options exercised at $0.15, 100,000 options exercised at $0.10 and 100,000 exercised at $0.30 for total proceeds of $46,975.

As at December 31, 2019, stock options carry exercise prices and terms to maturity as follows:

Exercise Price	Number of Outstanding Options	Expiry Date
$ 0.15	246,000	November 21, 2020
$ 0.10	3,000,000	May 11, 2023
$ 0.30	3,700,000	July 16, 2024
$ 0.30	200,000	August 7, 2024
$ 0.35	200,000	September 6, 2024
$ 0.30*	7,346,500	

*Weighted average exercise price

SUBSEQUENT EVENTS

Private Placement Financing

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.

Clear Lake Assignment Agreement

On January 31, 2020, Eastern Zinc provided notice of termination pursuant to the underlying option agreement subject to the Clear Lake Assignment Agreement.

On April 1, 2020, the Company granted an extension to October 1, 2020 to Eastern Zinc for the $50,000 receivable and the 1,670,000 common shares receivable due to the Generation in relation to the Clear Lake Assignment Agreement. The Termination Notice does not affect the validity of the Eastern Zinc Receivable.

COVID-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods.

RISKS AND UNCERTAINTIES

An investment in the Corporation should be considered highly speculative due to the nature of its activities and the present stage of its development. Investors should be aware that there are various risks, including those discussed below, that could have a material adverse effect on, among other things, the exploration and development of the Marathon Property, and the operating results, earnings, business and condition (financial or otherwise) of the Company. Investors should carefully consider the following risk factors.

Generation Depends on Financing to Fund its Exploration Activities

Generation has no history of earnings, has earned no revenue since commencing operations and has no source of operating cash flow, and there is no assurance that additional funding will be available to it for exploration and development. Although Generation has been successful to date in financing its activities through the sale of equity securities, there can be no assurance that it will be able to obtain sufficient financing in the future to progress its exploration properties, particularly the Marathon Property. Furthermore, additional financing will be required to continue the development of the properties even if the Company's exploration programs are successful. There can be no assurance that Generation will be able to obtain adequate financing in the future or that the commercial terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of Generation’s mineral properties with the possible loss of such properties.

Calculation of Mineral Resources is Only an Estimate

There is a degree of uncertainty attributable to the calculation of resources and corresponding grades dedicated to future production. The existence of mineral resources in respect of a project should not be interpreted as an assurance of mine life or of the profitability of current or future operations. Furthermore, no assurances can be given that any mineral resource estimate will ultimately be reclassified as proven of provable mineral reserves. Until ore is actually mined and processed, the quantity of resources and grades must be considered as estimates only. Any material change in the quantity of resources or grade may affect the economic viability of Generation’s properties. In addition, there can be no assurance that mineral recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by Generation may be affected by numerous factors which are beyond Generation’s control and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in Generation not receiving an adequate return of investment capital. The Marathon Property is in the exploration and development stage. Development of the Project and/or any other of the Company’s properties is contingent upon obtaining satisfactory exploration results. Mineral exploration and development involves substantial expenses and a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate. There is no assurance that commercial quantities of ore will be discovered on the Company’s exploration properties. There is also no assurance that, even if commercial quantities of ore are discovered, a mineral property will be brought into commercial production. The discovery of mineral deposits is dependent upon a number of factors not the least of which is the technical skill of the exploration personnel involved. The commercial viability of a deposit, once discovered, is also dependent upon a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, mineral prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, assuming discovery of a commercial ore body, depending on the type of mining operation involved, several years can elapse from the initial phase of drilling until commercial operations are commenced. Most of the above factors are beyond the control of the Company. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that Generation's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of Generation's operations will, in part, be directly related to the cost and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations, or that funds required for development can be obtained on a timely basis.

Preliminary Economic Assessments and Feasibility Studies

Feasibility studies are used to assess the economic viability of a deposit, and preliminary economic assessments are used to assess the potential economic viability of a deposit. There is no certainty that the Company's future feasibility study or current preliminary economic assessment will be realized. While the studies are based on the best information available to the Company, actual costs may significantly exceed estimated costs and economic returns may differ significantly from those estimated in the studies. There are many factors involved in the determination of the economic viability of a mineral deposit, including the achievement of satisfactory mineral reserve estimates, the level of estimated metallurgical recoveries, capital and operating cost estimates and estimates of future metal prices. The Marathon Property has no operating history upon which to base estimates of future production and cash operating costs. Any of the following events, among others, could affect the profitability or economic feasibility of the Marathon Property: unanticipated changes in grade and tonnes of ore to be mined and processed, unanticipated adverse geological conditions, unanticipated metallurgical recovery problems, incorrect data on which engineering assumptions are made, availability of labour, costs of processing and refining facilities, availability of economic sources of power, adequacy of water supply, adequate access to the site, unanticipated transportation costs, government regulations (including regulations with respect to the environment, prices, royalties, duties, taxes, permitting, restrictions on production, quotas on exportation of minerals, environmental), fluctuations in metal prices, accidents, labour actions and force majeure events.

Mineral Prices are Volatile

The mining industry is intensely competitive and there is no assurance that, even if commercial quantities of a mineral resource are discovered, a profitable market will exist or develop for the sale of same. There can be no assurance that mineral prices will be such that the Company’s properties can be mined at a profit. Factors beyond the control of the Company will affect the profitability of existing royalty assets and may affect the marketability of any minerals discovered at the Marathon Property. Mineral prices are subject to volatile price changes due to a variety of factors including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods.

Management and Key Personnel

Recruiting and retaining qualified personnel is critical to Generation’s success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. The Company believes that it will be successful in recruiting excellent personnel to meet its corporate objectives but, as the Company’s business activity grows, it may require additional key financial, administrative and technical personnel. Although the Corporation believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success. In the event that the Corporation is unable to attract additional qualified personnel, its ability to grow its business or develop its existing properties could be materially impaired.

Title

No assurances can be given that title defects to Generation’s properties do not exist. The properties may be subject to prior unregistered agreements, interests or native land claims and title may be affected by undetected defects. If title defects do exist, it is possible that Generation may lose all or a portion of its right, title, estate and interest in and to the properties to which the title defect relates. There is no guarantee that title to the properties will not be challenged or impugned. While, to the best of Generation's knowledge, title to its properties is in good standing, this should not be construed as a guarantee of title. In Canada, claims have been made and new claims are being made by aboriginal peoples that call into question the rights granted by the government.

Government

Government approvals and permits are currently, and may in the future be, required in connection with Generation's properties. To the extent such approvals are required and not obtained, Generation may be restricted or prohibited from proceeding with planned exploration or development activities. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, could have a material adverse impact on Generation and cause increases in capital expenditures or production costs or reductions in levels of production or require abandonment or delays in development.

Environment

Generation's operations will be subject to environmental regulations. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation will not adversely affect Generation's operations. Government approvals and permits may be required in connection with Generation's operations. To the extent such approvals are required and not obtained, Generation may be delayed or prohibited from proceeding with planned exploration or development of mineral properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities, causing operations to cease or be curtailed, and may require corrective measures be implemented, additional equipment be installed, or other remedial actions be undertaken, any of which could result in material capital expenditures. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Generation and require increased capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Pre-Existing Environmental Liabilities

Pre-existing environmental liabilities may exist on the properties in which Generation will hold an interest or on properties that may be subsequently acquired by Generation which are unknown, and which have been caused by previous or existing owners or operators of the properties. In such event, Generation may be required to remediate these properties and the costs of remediation could be substantial. Further, in such circumstances, Generation may not be able to claim indemnification or contribution from other parties. In the event Generation was required to undertake and fund significant remediation work, such event could have a material adverse effect upon Generation and the value of its securities.

Operating Hazards and Risks

Mineral exploration, development and production are subject to many conditions that are beyond the control of Generation. These conditions include, but are not limited to, natural disasters, unexpected equipment repairs or replacements, unusual geological formations, unexpected geotechnical conditions, environmental hazards and industrial accidents. The occurrence of any of these events could result in delays, work-stoppages, damage to or destruction of property, loss of life, monetary losses and legal liability, any of which could have a material adverse effect upon Generation or the value of its securities. While Generation maintains insurance against risks which are typical in the mining industry, insurance against certain risks to which Generation may be exposed may not be available on commercially reasonable terms, or at all. Further, in certain circumstances, Generation might elect not to insure itself against such liabilities due to high premium costs or for other reasons. Should Generation suffer a material loss or become subject to a material liability for which it was not insured, such loss or liability could have a material adverse effect upon Generation and the value of its securities.

Competition

The mining industry is intensely competitive in all of its phases, and Generation competes with other companies that have greater financial resources and technical facilities. Competition could adversely affect Generation's ability to attract appropriately skilled labour and to acquire suitable properties or prospects in the future.

Uninsurable Risks

Events in the financial markets have demonstrated that businesses and industries throughout the world are very tightly connected to each other. General global economic conditions seemingly unrelated to Generation or to the mining industry, including, without limitation, interest rates, general levels of economic activity, fluctuations in the market prices of securities, participation by other investors in the financial markets, economic uncertainty, national and international political circumstances, natural disasters, or other events outside of the Corporation's control may affect the activities of Generation directly or indirectly. In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. Generation's business, operations and financial condition could also be materially adversely affected by the outbreak of epidemics or pandemics or other health crises.

Public Health Crises such as the COVID-19 Pandemic

In late December 2019, a novel coronavirus (COVID-19) originated, subsequently spread worldwide and on March 11, 2020, the World Health Organization declared it was a pandemic. The risks of public health crises such as the COVID-19 pandemic to our business include without limitation, the ability to raise funds, employee health, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, potential breaches of material contracts, disruption of the Corporation's supply chains and other factors that will depend on future developments beyond the Corporation's control. In particular, the continued spread of the coronavirus globally, prolonged restrictive measures put in place in order to control an outbreak of COVID-19 or other adverse public health developments could materially and adversely impact the Corporation's business and the exploration and development of the Marathon Property could materially slow down or the Corporation could be required to suspend its operations for an indeterminate period. There can be no assurance that the Corporation's personnel will not ultimately see its workforce productivity reduced or that the Corporation will not incur increased medical costs or insurance premiums as a result of these health risks. In addition, the coronavirus pandemic or the fear thereof could adversely affect global economies and financial markets resulting in volatility or an economic downturn that could have an adverse effect on the demand for metals and our future prospects.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they come due. The Corporation has not generated revenue or cash flow from the Marathon Property. As a result of the Corporation's negative cash flow, the Corporation continues to rely on the issuance of securities or other sources of financing to generate the funds required to develop the Project and for corporate expenditures. During the fiscal year ended December 31, 2019, the Corporation had negative cash flow from operating activities and may continue to have negative cash flow from operating activities into the future as the Corporation continues its exploration and development of the Project.

Share Price Volatility
The world securities markets, including those in Canada, experience a high level of price and volume volatility, and the market price of securities of many companies, including the Corporation, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur.

Dilution and Future Sales of Common Shares
The exercise of stock options and warrants already issued by the Corporation or any securities issued by the Corporation in the future that are convertible into or exchangeable for or carry the right or obligation to acquire equity securities of the Corporation and the issuance by the Corporation of additional equity securities in the future could result in dilution in the equity interests of holders of common shares.

Aboriginal Claims and Consultation
Aboriginal interests and rights as well as related consultation issues may impact the Corporation's ability to pursue exploration, development and mining at its properties. The Corporation intends to enter into agreements with First Nations and other Aboriginal communities in order to manage its relationship with those groups but there is no assurance that claims or other assertions of rights by Aboriginal communities or consultation issues will not arise on or with respect to the Corporation's properties or activities. These could result in significant costs and delays or materially restrict the Corporation’s activities.

Cybersecurity
Threats Generation relies on secure and adequate operations of information technology systems in the conduct of its operations. Access to and security of the information technology systems are critical to Generation’s operations. To Generation’s knowledge, it has not experienced any material losses relating to disruptions to its information technology systems. Generation has implemented ongoing policies, controls and practices to manage and safeguard Generation and its stakeholders from internal and external cybersecurity threats and to comply with changing legal requirements and industry practice. Given that cyber risks cannot be fully mitigated and the evolving nature of these threats, Generation may not have the resources or technical sophistication to anticipate, prevent, or recover from cyber-attacks and cannot assure that its information technology systems are fully protected from cybercrime or that the systems will not be inadvertently compromised, or without failures or defects. Disruptions to Generation’s information technology systems, including, without limitation, security breaches, power loss, theft, computer viruses, cyber-attacks, natural disasters, and non-compliance by third-party service providers and inadequate levels of cybersecurity expertise and safeguards of third-party information technology service providers, may adversely affect the operations of Generation as well as present significant costs and risks including, without limitation, loss or disclosure of confidential, proprietary, personal or sensitive information and third-party data, material adverse effect on its financial performance, compliance with its contractual obligations, compliance with applicable laws, damaged reputation, remediation costs, potential litigation, regulatory enforcement proceedings and heightened regulatory scrutiny.

Climate Change
Global climate change could exacerbate certain of the threats facing Generation’s business, including the frequency and severity of weather-related events, resource shortages, changes in rainfall and storm patterns and intensities, water shortages, rising water levels and changing temperatures which can disrupt the Corporation’s operations, damage its infrastructure or properties, create financial risk to the business

of the Corporation or otherwise have a material adverse effect on our results of operations, financial position or liquidity. These may result in substantial costs to respond during the event, to recover from the event and possibly to modify existing or future infrastructure requirements to prevent recurrence. Climate changes could also disrupt the operations of Generation by impacting the availability and cost of materials needed for exploration and development activities and could increase insurance and other operating costs. Global climate change also results in regulatory risks. There continues to be a lack of consistent climate legislation, which creates economic and regulatory uncertainty. Increased public awareness and concern regarding global climate change may result in more legislative and/or regulatory requirements to reduce or mitigate the effects of greenhouse gas emissions.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Generation follows the accounting policies described in Note 3 of the Company's audited consolidated financial statements for the year ended December 31, 2019 and 2018.

NEW ACCOUNTING PRONOUNCEMENT

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

The Company has applied IFRS 16 using the modified retrospective approach, with the cumulative effect of initially applying the standard as an adjustment to retained earnings and no restatement of comparative information. The Company has elected to apply the practical expedient whereby leases whose term ends within twelve months of the date of the initial application would be accounted for in the same way as short-term leases. As all leases were short term leases there were no impact on the financial statements from the initial adoption of IFRS 16.

FINANCIAL RISK MANAGEMENT

The Company examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include credit risk, liquidity risk, foreign currency risk, interest rate risk, other price risk and fair valuation risk, and are detailed in Note 4 of the Company's audited consolidated financial statements for the years ended December 31, 2019 and 2018.

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 December 31, 2019 is the carrying value of cash and receivables.

Liquidity Risk

Liquidity risk encompasses the risk that the Company cannot meet its financial obligations in full. The Company's main source of liquidity is its cash and marketable securities. These funds are primarily used to finance working capital, exploration and evaluation expenditures, capital expenditures, and acquisitions. The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash. As at December 31, 2019, the Company has current assets of $2,049,751 (December 31, 2018 - $3,251,419) to cover current liabilities of $496,368 (December 31, 2018 - $346,793). The current assets include restricted cash, marketable securities, receivables and prepaid expenses and other which are not available to pay current liabilities. The Company also manages liquidity risk on the basis of expected maturity dates. The following table analyze financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows).

	Debt	Lease liability	Accounts payable and accrued liabilities	Total
Less than 1 year	$180,186	110,496	$288,982	$597,664
1-5 years	-	441,984	-	441,984
More than 5 years	-	92,080	-	92,080
Balance at December 31, 2019	$180,186	$644,560	$288,982	$1,113,728

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

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

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

If the quoted price of these instruments had changed by 10% as at December 31, 2019, comprehensive loss would have changed by approximately $80,000.

Fair Value
The carrying value of cash, accounts payable, accrued liabilities and debt are considered to be representative of their fair value due to their short-term nature. Marketable securities and a portion of receivables are recorded at fair value as of December 31, 2019 and classified as Level 2 in the fair value hierarchy as they are recorded at fair value by reference to market quoted prices less adjustments for any restrictions.

DISCLOSURE CONTROLS AND PROCEDURES

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

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

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