Equity Metals Corporation

MANAGEMENT DISCUSSION & ANALYSIS

For the Years Ended

August 31, 2019 and 2018

Introduction

The following Management's Discussion and Analysis ("MD&A") is dated December 18, 2019, and should be read in conjunction with the accompanying annual consolidated financial statements (the "financial statements") of Equity Metals Corporation (the "Company" or "Equity Metals") for the years ended August 31, 2019 and 2018 which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Unless expressly stated otherwise, all financial information is presented in Canadian dollars.

Business Description and Change in Management

Equity Metals has continued its efforts to date with a sole business objective to identify, evaluate and explore mineral properties having high potential for the discovery of economic mineral deposits The Company is a publicly traded company without any substantive operations, and thus, have realized no significant mining revenues to date. Equity Metals has a year end of August 31st and was incorporated on April 7, 1964 under the Company Act of British Columbia. On September 12, 2019 the Company changed its names to from New Nadina Explorations Limited to Equity Metals Corporation and changed its stock symbol to "EQTY" from "NNA".

The Company is principally engaged in the acquisition, exploration and development of metal and diamond properties in British Columbia, Saskatchewan and Northwest Territories, and accordingly has no revenue from any of its properties to date. The Company trades on the TSX Venture Exchange under the trading symbol "EQTY" and is extra-provincially registered in the Province of Saskatchewan and extra-territorially registered in the Northwest Territories. The Company is in the process of applying for inclusion on the US's OTCQB exchange.

Effective August 23, 2019, the Directors approved a reorganization of its Board of Directors and management and agreed to join the Manex Resource Group ("Manex"). As part of the terms of the Manex relationship Mr. Lawrence Page, Q.C. became a Director and Chairman of the Board of Directors, Mr. Joseph A. Kizis Jr., P. Geo., became a Director and President and Mr. Fred Sveinson, P. Eng. Became a Director and Senior Mining Consultant. John Jewitt and Peter Cooper resigned from the Board of Directors with Mr. Courtney Shearer, Chairman of the Guidance Committee, and Mr. Killian Ruby, CFO, remaining as Directors. Messrs. Shearer and Ruby were appointed during the year ended August 31, 2019 (refer to news release ("NR") December 20, 2018 and July 25, 2019, respectively). In addition, the Company also appointed Mr. Robert Macdonald, MSc. P.Geo., as VP Exploration and Ms. Arie Page, as Corporate Secretary (refer to NR August 29, 2019) and, further, appointed Mr. John Kerr to the Board of Directors (refer to NR December 5, 2019).

Forward-Looking Information

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company as of reporting period under this disclosure. When used in this document, the words "anticipate", "believe", "estimate", "expect", "significant" and similar expressions, as they relate to the Company or its management are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated costs and availability of funding for the continued exploration and development of the Company's exploration properties. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievement of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

Mineral Project Activity

Silver Queen Property – Central British Columbia (100%)

The Company owns 100% interest in two surface-title-owned crown grants (40.47 ha), 17 crown-grants, and 45 tenure claims covering 18,852 hectares in the Omineca Mining Division, near Owen Lake, British Columbia. The Silver Queen property is located at kilometre 43 on the all-weather Morice/Owen forest service road that originates in Houston B.C. and continues 125 kilometres south to Huckleberry Mine. There is a 10-person camp and core shed facilities established on the property. The Company maintains and monitors an on-site Tailings Storage Facility ("TSF") constructed in 1970 by Bradina. The TSF collects water from historical workings and channels the water through a natural wetland filtration area prior to entry into Owen Lake.

Numerous high-grade veins, many previously mined, occur on the Property, possibly genetically related to a porphyry copper/molybdenum/gold intrusive system that was discovered in 2011. Management considers the vein system to be under-explored and an excellent opportunity to increase shareholder value with further exploration, which should significantly expand the independent-calculated mineral resource that was first reported in July of this year (NR 07-19).

On August 29, 2019, the company filed a National Instruments 43-101 ("NI 43-101") compliant Technical Report entitled "Initial Mineral Resource Estimate and Technical Report on the Number 3 Vein, Silver Queen Property, Omineca Mining District, British Columbia, Canada". The report was prepared by P+E Mining Consultants, following the guidelines of NI 43-101 and NI 43-101F1 and reported **a Mineral Resource Estimate at a C$100/tonne NSR cut-off value of:**

Indicated: 815,000 tonnes averaging 3.2 g/t Au, 201 g/t Ag, 0.3 % Cu, 1.0 % Pb, 6.4 % Zn
Inferred: 801,000 tonnes averaging 2.5 g/t Au, 184 g/t Ag, 0.3 % Cu, 0.9 % Pb, 5.2 % Zn

The resource estimate provides initial grade and tonnage estimates for the Number 3 Vein and three smaller associated veins on the Company's Silver Queen Property. The modelled veins strike northwest and dip to the northeast at approximately 60 degrees. The average width of the veins is 0.9 to 1.2 metres with local zones up to about 4.6 metres. The veins occupy northwest striking fractures that cut volcanics, microdiorite and felsite porphyry. Alteration is widespread and limonite and jarosite gossans are numerous. The Number 3 Vein is one of 20 different epithermal veins identified on the property, many only partially tested by drilling.

Exploration has been carried out on the veins since their initial discovery in 1912. The Bradina JV took the property into production during 1972–1973. Historical production was from the Cole, Chisholm and Wrinch ("No.3") vein systems with the most recent production occurred during the early 1970s when the Bradina Joint Venture mined material at the north end of No.3 Vein. Since then significant surface and underground exploration has proven extended length and depth to the Wrinch (No.3) vein system. During the 1980s a decline was installed and intersected the No.3 Vein at the 2,425 level. A 2.1 metre channel sample across the south wall returned 0.302 opt gold, 19.22 opt silver and 12.63% zinc. The No. 3 Vein and NG-3 (assumed extension of No.3) vein systems remain open on strike and to depth.

A second target type was confirmed by drilling on newly identified geophysical targets between 2011 and 2018 and intersected thick intervals of stockwork veining at the Itsit Porphyry target, which is located about 500 metres to the southeast of the No. 3 Vein system.

To date, seven drill holes define a coherent NE-SW trending mineralized zone of copper-molybdenum-silver-bearing quartz stockwork veins roughly 400 metres in strike and 150 metres in wide, which forms along the northwest margin of a broad 60mV/V chargeability anomaly identified in a 2011 Titan DCIP survey. The mineralized zone remains open in all directions including depth and the chargeability anomaly covers an area approximately 1200 metres x 600 metres and remains largely untested. A thick intercept of mineralization from drill hole 12S-01 tested within the main body of the chargeability anomaly returning 177 metres of 0.40% CuEq and highlights the prospectively of this large chargeability anomaly.

Highlight intercepts from the 2011-13 and 2017-18 drill programs include:

Hole #	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Cu (%)	Mo (ppm)	CuEq (%)
11S-01	503.0	536.5	33.5	0.04	3.9	0.20	23	0.27
11S-03	208.4	288.0	79.6	0.12	4.0	0.23	10	0.36
11S-06	**114.0**	**361.7**	**247.7**	**0.12**	**1.6**	**0.20**	**405**	**0.49**
11S-13	**501.0**	**777.0**	**276.0**	**0.03**	**0.7**	**0.19**	**409**	**0.42**
12S-01	446.5	623.5	177.0	0.06	1.2	0.18	345	0.40
12S-02	**515.0**	**911.4**	**396.4**	**0.05**	**2.0**	**0.22**	**327**	**0.43**
12S-05	**285.0**	**492.0**	**207.0**	**0.28**	**54.3**	**0.25**	**354**	**1.05**
17S-02	**518.0**	**667.5**	**149.5**	**0.07**	**5.6**	**0.26**	**527**	**0.60**

The Mineral Resource Estimate of the vein portion of the property was prepared by Eugene Puritch, P.Eng., FEC, CET and Yungang Wu, P.Geo., of P&E Mining Consultants Inc. ("P&E") of Brampton, Ontario, Independent Qualified Persons ("QP"), as defined by National Instrument 43-101. P&E Mining suggests that an underground mining scenario is appropriate for the project at this stage and has recommended a CDN$100/tonne NSR cut-off value for the base-case resource estimate. The following tables summarize the sensitivity to the Mineral Resource Estimate in the Indicated and Inferred Mineral Resource classifications at various NSR cut-off values.

Classification	NSR Cut-off (C$/t)	Tonnes (kt)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	AuEq (g/t)	AgEq (g/t)	AuEq (kozs)	AgEq (kozs)
Indicated	500	183	6.88	342.5	0.41	1.50	10.29	18.10	1,624.8	106	9,560
	450	229	6.31	317.8	0.39	1.44	9.89	16.88	1,515.2	124	11,156
	400	281	5.78	297.6	0.37	1.38	9.48	15.74	1,412.9	142	12,765
	350	344	5.24	279.8	0.35	1.31	9.03	14.59	1,309.9	161	14,487
	300	422	4.73	264.1	0.33	1.23	8.49	13.41	1,204.2	182	16,338
	250	510	4.29	248.2	0.31	1.16	7.95	12.32	1,105.5	202	18,127
	200	596	3.94	233.4	0.29	1.09	7.46	11.36	1,019.4	218	19,534
	150	698	3.59	218.3	0.28	1.03	6.91	10.34	928.5	232	20,837
	100	**815**	**3.24**	**201.4**	**0.26**	**0.96**	**6.35**	**9.31**	**835.4**	**244**	**21,890**
	50	950	2.90	182.6	0.24	0.89	5.78	8.26	741.1	252	22,636
	0.01	1,103	2.57	164.1	0.22	0.81	5.21	7.20	646.7	255	22,933

Classification	NSR Cut-off (C$/t)	Tonnes (kt)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	AuEq (g/t)	AgEq (g/t)	AuEq (kozs)	AgEq (kozs)
Inferred	500	89	7.64	369.8	0.56	1.53	8.49	17.98	1,614.4	51	4,619
	450	127	6.17	319.2	0.50	1.59	8.84	16.17	1,451.2	66	5,925
	400	179	5.18	291.9	0.45	1.56	8.65	14.63	1,313.2	84	7,557
	350	231	4.63	270.2	0.40	1.47	8.31	13.46	1,208.7	100	8,977
	300	294	4.16	254.4	0.38	1.37	7.81	12.34	1,108.1	117	10,474
	250	393	3.61	238.4	0.38	1.23	7.08	10.98	986.0	139	12,458
	200	492	3.25	224.2	0.36	1.11	6.49	9.91	889.7	157	14,073
	150	629	2.84	206.2	0.34	0.99	5.86	8.71	782.0	176	15,814
	100	**801**	**2.49**	**184.3**	**0.31**	**0.88**	**5.21**	**7.51**	**674.1**	**193**	**17,360**
	50	1,004	2.15	161.8	0.27	0.78	4.65	6.38	572.9	206	18,493
	0.01	1,205	1.86	143.8	0.25	0.70	4.16	5.43	487.3	210	18,879

To view an enhanced version of this table, please visit:
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(1) *Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues, although the Company is not aware of any such issues.*
(2) *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.*
(3) *The Mineral Resources in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.*
(4) *Grade capping on Ag and Zn was performed on 0.75m to 1.24m length composites. Au, Cu and Pb required no capping. Inverse distance cubed (1/d3) was utilized for grade interpolation for Au and Ag while inverse distance squared (1/d2) was utilized for Cu, Pb and Zn. Grade blocks were interpreted within constraining mineralized domains and a 3m long x 1m wide x 3m high block model.*
(5) *A bulk density of 3.56 t/m³ was used for all tonnage calculations.*
(6) *Approximate US$ two year trailing average metal prices as follows were used: Au $1,300/oz, Ag $17/oz, Cu $3/lb, Pb $1.05/lb and Zn $1.35/lb with an exchange rate of US$0.77=C$1.00. The C$100/tonne NSR cut-off grade value for the underground Mineral Resource was derived from mining costs of C$70/t, with process costs of C$20/t and G&A of C$10/t. Process recoveries used were Au 79%, Ag 80%, Cu 81%, Pb 75% and Zn 94%.*

The company has recently submitted a multi-year Notice of Work ("NOW") for the property. The five-year plan includes drilling from up to 50 surface sites. The focus of the upcoming work program remains the resource expansion in the vein deposits. The NOW was submitted for approval by the Ministry of Mines in October 2019 and is expected to be circulated for referral in late December.

The Silver Queen property is within the Wet'suwet'en land claim, and they are included in the Notice of Work and permitting consultation process. The Company uses First Nations' employees and contractors in all activities where appropriate and First Nation involvement is encouraged.

Silver Queen expenditures for the year ended August 31, 2019 totaled $338,251 (2018 - $1,059,673). On a project to-date basis total Silver Queen expenditures by the Company to August 31, 2019 amounted to $9,739,280 (August 31, 2018 amounted to $9,401,029).

Monument Diamond Property - Lac de Gras, Northwest Territories (57.49%)
The Company owns 57.49% of certain leases and claims in the Mackenzie District Mining Division, NWT. The property is subject to 2% gross overriding royalty. Equity Metals is the operator of the joint venture where two parties hold the remaining 42.51%.

A new five-year Type "A" Land Use Permit ("LUP") application was submitted in July 2019, as the prior LUP expired on September 4, 2019, and includes consultation and engagement with Tljcho Government, Kwe Beh Working Group, Tljcho Lands Protection Department, Kitikmeot Inuit Association, North Slave Metis Alliance and Wek'èezhìi Renewable Resource Board. The July 2019 LUP submission was approved by the Wek'èezhìi Land and Water Board and expires September 1, 2024.

On June 26, 2018, a site visit by the Resource Management Inspector revealed four drums of diesel fuel spilled. Removal of contaminated soil and remediation has been completed and removal of the fuel remaining at the property is currently planned for January 2020.

The Monument property has twelve known kimberlites. Drill sampling of the RIP kimberlite in 2007 extracted larger samples where 2,201.7 kg of kimberlite produced 955 diamonds including the largest diamond found to date on the Monument property weighing 0.445 carats. On the DD17 kimberlite, 2,137.6 kg of kimberlite produced 964 diamonds. Further testing of the extracted diamonds is planned during 2020.

Approximately $7 million has been expended on the property by the Monument Joint-Venture Partners between 2003 and 2018.

For the year ended August 31, 2019, the Company has expended $62,252 (2018 - $17,758) on direct costs applicable to this property less recoveries of $36,852 (2018 - $28,142).

Saskatchewan Silica Sand Lease (100%)
On acquisition of Kettle River Resources Ltd. (NR Nov. 6, 2015), the Company now owns 100% (previously 50%) of this property. The silica Quarrying Mineral Lease covers an area of 54 acres and is valid until December 2024. To date, no income has been received from the lease. For year ended August 31, 2019, expenses totaled $357 (2018 - $405).

Shares in DHK DIAMONDS INC. WO Joint Venture – operated by DeBeers Canada Inc.
Equity Metals owns a 43.37% interest in DHK Diamonds Inc. ("DHK") a private company incorporated and registered in the Northwest Territories. Shareholder interest in the DHK Joint Venture is:

Equity Metals Corporation 43.37%
Dentonia Resources Ltd. 43.37%
Cosigo Resources Ltd. (formerly Horseshoe Gold Mining Inc.) 13.26%

DHK is a contributing partner in the WO Joint Venture diamond property in the Northwest Territories. The operator of the WO Joint Venture is DeBeers Canada Inc. ("DeBeers") since its acquisition of Peregrine Diamonds Ltd. in September 2018. DHK has not recently contributed and has accepted dilution. DHK as of August 31, 2019 has a 10.3013% (2018 - 10.3013%) contributing interest in the WO Joint Venture. Should DHK reduce to less than a 4% participating interest, the Joint Venture interest will revert to a 0.25% Gross Overriding Royalty.

Selected Annual Information

The table below provides selected financial information derived from the audited consolidated financial statements of the Company for each of the past three years ended August 31.

August 31	**2019** **$**	**2018** **$**	**2017** **$**
Total revenues	nil	nil	nil
Income (loss) from continued operations and net income (loss)	(683,009)	(1,345,581)	1,212,530
Net income (loss) per share (basic & diluted)	(0.05)	(0.09)	0.10
Total assets	318,779	869,734	997,056
Total liabilities	114,942	70,445	28,067
Dividends declared	nil	nil	nil

The change in income (loss) from continued operations and net income (loss) for the years presented arises as in the year-ended 2017 the Company realized a gain on sale of subsidiary of $1,604,948, while operating losses were $396,770 for that year. The losses in the years-ended 2019 and 2018 arise from exploration and evaluation expenses and also administration expenses. The decrease in losses for the year-ended August 31, 2019 compared with the year-ended August 31, 2018 arise from the decreased level of exploration and evaluation activity of the Company as a result of a reduction in cash resources and no financings having been completed in fiscal 2019.

The reduction in total assets arises from the disposition and changes in fair value of marketable securities from a balance of $366,675 at August 31, 2017 to $23,499 in at August 31, 2018 and $nil at August 31, 2019. Total assets at August 31, 2018 also includes cash of $584,390 compared to $35,583 at August 31, 2019. Total liabilities increased over the period due to constraints in cash balances at August 31, 2019.

Results of Operations:

Year ended August 31, 2019

During the year ended August 31, 2019, the Company reported a total comprehensive loss (being net loss and comprehensive loss) of $683,009 or $0.05 loss per share (2018 - $1,345,581 or $0.09 loss per share).

For the year ended	**31-Aug-19**	**31-Aug-18**
	$	**$**
Exploration and evaluation expenses	**(364,008)**	(1,049,694)
Administration expenses	**(319,001)**	(330,251)
Loss on sale of marketable securities - FVTPL	**-**	(22,636)
Other income on flow through settlement	**-**	57,000
Net loss	**(683,009)**	(1,345,581)
Loss on sale of marketable securities - FVTOCI	**(11,949)**	(128,526)
Total comprehensive loss	**(694,958)**	(1,474,107)

The total comprehensive loss for the year ended August 31, 2019 decreased compared to the comparable period in the prior year mainly due to the decrease in the Company's exploration activity. The most significant expense with respect to the exploration and evaluation expenses relates to general exploration expense of $357,871 (2018 - $1,032,725), of which $295,468 (2018 - $1,022,383) was incurred on the Silver Queen property.

Administration expenses decreased during the year ended August 31, 2019 compared to the prior year mainly due to a decrease in share-based compensation expense to $99,506 from $161,404, arising from 1,100,000 stock options granted to directors and officers of the Company.

Loss on sale of marketable securities recorded in other comprehensive income decreased from $128,526 for the year-ended August 31, 2018 to $11,949 for the year-ended August 31, 2019 primarily as a result of the Company's smaller holding of marketable securities during fiscal 2019.

Quarterly Information

The following table sets forth selected financial information from the Company's unaudited quarterly financial statements for the last eight quarters ending with the most recently completed quarter, being the three months ended August 31, 2019. No cash dividends were declared in any of the reported periods.

Three months ended	**31-Aug-19**	**31-May-19**	**28-Feb-19**	**30-Nov-18**
	$	**$**	**$**	**$**
Total revenues	nil	nil	nil	nil
Net income (loss)	(148,817)	(221,764)	(168,902)	(143,526)
Net income (loss) per share	(0.01)	(0.01)	(0.01)	(0.01)

Three months ended	**31-Aug-18**	**31-May-18**	**28-Feb-18**	**30-Nov-17**
	$	**$**	**$**	**$**
Total revenues	nil	nil	nil	nil
Net income (loss)	(500,028)	(308,852)	(118,602)	(418,099)
Net income (loss) per share	(0.02)	(0.02)	(0.01)	(0.02)

The changes in quarterly net income (loss) from fiscal 2018 to fiscal 2019 is primarily driven by the decrease in the Company's exploration activities during fiscal 2019.

Fourth Quarter
During the three months ended August 31, 2019, the Company reported a total comprehensive loss (being net loss and comprehensive loss) of $148,817 or $0.01 loss per share (2018 - $500,028 or $0.02 loss per share).

For the three months ended	**31-Aug-19**	**31-Aug-18**
	$	**$**
Exploration and evaluation expenses	**(94,566)**	(359,590)
Administration expenses	**(54,251)**	(197,438)
Loss on sale of marketable securities - FVTPL	-	-
Other income on flow through settlement	-	57,000
Net loss	**(148,817)**	(500,028)
Loss on sale of marketable securities - FVTOCI	**-**	(71,923)
Total comprehensive loss	**(148,817)**	(571,951)

The total comprehensive loss for the three months ended August 31, 2019 decreased compared to the comparable period in the prior year mainly due to the decrease in the Company's exploration activity. The most significant expense with respect to the exploration and evaluation expenses relates to general exploration expense of $88,866 (2018 - $323,895).

Administration expenses decreased during the three months ended August 31, 2019 compared to the comparable period in the prior year mainly due to share-based compensation expense of $7,324 (2018 - $161,404) arising from 100,000 (2018 – 900,000) stock options granted to directors and officers of the Company.

Financing

<u>Year Ended August 31, 2019</u>

During the year ended August 31, 2019, the Company did not complete any equity or debt financings.

Subsequent to August 31, 2019, the Company completed an equity private placement in two tranches as follows:

a) On October 17, 2019, the Company closed the first tranche of a private placement issuing 8,922,500 units at $0.08 per unit for gross proceeds of $713,800. Each unit consists of one common share and one share purchase warrant. Each share warrant entitles the holder to purchase one common share at an exercise price of $0.12 per share for a period of 3 years. In addition, the Company incurred finders' fees of $15,680 and issued 140,000 finders' warrants.

b) On November 25, 2019, the Company closed the second and final tranche of a private placement issuing 4,212,500 units at $0.08 per unit for gross proceeds of $337,000. Each unit consists of one common share and one share purchase warrant. Each share warrant entitles the holder to purchase one common share at an exercise price of $0.12 per share for a period of 3 years. In addition, the Company incurred finders' fees of $28,520 and issued 43,750 finders' warrants, exercisable at a price of $0.12 per share for a period of 3 years.

Year Ended August 31, 2018

During the year ended August 31, 2018 shares were issued for the following:

a) Completed a private placement whereby gross proceeds of $103,000 were raised through the issuance of 1,287,500 units at a price of $0.08 per unit. Each unit consists of one non-flow-through common share and one share purchase warrant. Each warrant is exercisable into an additional non-flow-through common share at a price of $0.12 for a period of 5 years from grant.

b) Issued 600,000 common shares pursuant to the exercise of stock options for gross proceeds of $76,750.

c) Issued 225,000 common shares pursuant to the exercise of share purchase warrants for gross proceeds of $27,000.

d) Announced and completed a private placement whereby the Company raised gross proceeds of $1,111,875 through the issuance of 150,000 flow-through common shares (the "FT shares") at a price of $3.80 per FT share and 144,500 non-flow-through units (the "NFT units") at a price of $3.75 per NFT unit. Each NFT unit is comprised of one non-flow-through common share and one-half share purchase warrant. Each whole warrant is exercisable into an additional non-flow-through common share at a price of $4.25 for a period of 2 years from grant.

   In connection with the issuance of the FT shares, the Company issued 9,001 broker warrants with each broker warrant being exercisable into a NFT share at a price of $3.80 for a period of 2 years from issuance and paid a cash commission of $34,200. Further, the Company recognized a flow-through premium liability of $57,000 which was recognized in other income on flow-through settlement as the Company had incurred all the of the required eligible exploration expenditures during the year ended August 31, 2018.

   Finders' fees of $15,413 were paid in connection with the NFT unit portion of the financing.

Liquidity and Capital Resources

The consolidated financial statements for the period ended August 31, 2019 have been prepared on the basis of accounting principles applicable to a going concern. This assumes that Equity Metals will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Equity Metals has incurred operating losses over the last several fiscal years, has limited financial resources, no source of operating cash flow and no assurances that sufficient funding, including adequate financing, will be available to further explore its mineral property projects and to cover the overhead costs necessary to maintain a public company in good standing. At August 31, 2019, Equity Metals had cash on hand of $35,583 and a current working capital of $269 compared to cash on hand of $584,390 and a working capital of $606,522 at August 31, 2018. The net decrease in cash for the year is due to the Company's cash used in operating activities of $505,457 and investing activities of $43,350.

Working Capital:

As at	**31-Aug-19**	**31-Aug-18**
	$	**$**
Current Assets	**115,211**	676,967
Current Liabilities	**(114,942)**	(70,445)
Current Working Capital	**269**	606,522

Critical accounting estimates

Carrying value and recoverability of exploration and evaluation assets

The carrying amount of the Company's exploration and evaluation assets does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production, or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's mineral properties.

To the extent that any of management's assumptions change, there could be a significant impact on the Company's future financial position, operating results and cash flows.

Fair value of stock options and warrants

Charges for share-based compensation are based on the fair value at the date of the award. Stock options are valued using the Black-Scholes Option Pricing Model, and inputs to the model include assumptions on expected volatility, discount rates and expected term, dividend yield, and expected forfeitures. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Company's future operating results or on other components of equity. Expected volatility is a measure for variation of a price of a financial instrument over time. Expected volatility is derived from a time series of past market prices therefore may not be an accurate representation of future volatility.

Income taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

Off-balance sheet arrangements
The Company has no off-balance sheet arrangements.

Additional Disclosure for Venture Issuers without Significant Revenue
Additional disclosure concerning Equity Metal's general and administrative expenses and resource property costs is provided in the Company's audited consolidated financial statements for years ended August 31, 2019 and 2018 available on SEDAR at www.sedar.com.

Transactions with Related Parties
Related party transactions are negotiated in the best interest of the Company's operations and cost management goals. The terms of related party transactions are detailed in Note 11 to the Financial Statements.

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

The compensation paid or payable to key management for services during the years ended August 31, 2019 and 2018 is as follows:

	August 31, 2019	**August 31, 2018**
	$	**$**
Management and wages to related parties	10,650	-
Management and wages to former related parties	45,500	58,226
General exploration to related parties	6,000	-
General exploration to former related parties	40,900	-
Share-based payments to related parties	15,153	161,404
Share-based payments to former related parties	76,524	-
	194,727	219,630

During the year ended August 31, 2019 $25,525 (2018 - $nil) was charged by Helen Jewitt, the spouse of John Jewitt the former Chief Executive Officer and director of the Company, with respect to accounting and administrative services provided during the period. In addition, during 2019 $10,225 (2018 - $nil) in accounting support services was charged by Malaspina Consultants Inc., a company controlled by Killian Ruby, the CFO and director of the Company, and $7,180 (2018 - $nil) was charged by Arlene Ashton, the prior CFO of the Company for support services.

Further, office rent of $14,400 for the year ended August 31, 2019 (2018 - $14,400) was charged by Foxy Creek Services Ltd., a company controlled by Ellen Clements, the prior CEO and prior director of the Company, and during 2019 $41,026 (2018 - $164,456) was charged by Ellen Clements and Foxy Creek Services Ltd. for consulting and use of equipment services. In addition, during 2019 the Company acquired equipment from Foxy Creek Services Ltd., a company controlled by Ellen Clements, the prior CEO and prior director of the Company for consideration of $54,900 (2018 - $nil). The office agreement is for a monthly fee of $1,200 with a 3-month notice period by either party to cancel the agreement. The office rent agreement was terminated subsequent to the year-end.

Included in accounts payable and accrued liabilities at August 31, 2019 is $12,337 (2018 – $nil) due to prior related parties of the Company, with the total amounts due to related parties being $23,716 (2018 - $nil). These amounts are unsecured and due under normal business terms.

At August 31, 2019, a total of $5,487 (August 31, 2018 - $5,487) was owing from DHK Diamonds Inc., a company with officers and Directors in common and has been included in receivables and prepaids.

Adoption of new accounting standards and standards issued but not yet effective
New Accounting Standards Adopted During the Period

IFRS 9, Financial Instruments
This standard replaces IAS 39 Financial Instruments: Recognition and Measurement and became effective for the Company on September 1, 2018 (the date of initial adoption). IFRS 9 includes requirements for classification and measurement of financial assets and financial liabilities; impairment methodology for financial instruments; and general hedge accounting. IFRS 9 has specific requirements for whether debt instruments are accounted for at amortized cost, fair value through other comprehensive income or fair value through profit or loss. IFRS 9 requires equity instruments to be measured at fair value through profit or loss unless an irrevocable election is made to measure them at fair value through other comprehensive income, which results in changes in fair value not being recycled to the income statement. The adoption of this standard did not have a material measurement or disclosure impact on the Company's financial statements.

IFRS 9 requires retrospective application at the date of initial adoption. However, IFRS 9 does not require an entity to restate prior periods. Restatement is permitted, if and only if, it is possible without the use of hindsight and the restated financial statements reflect all of the requirements of IFRS 9. If an entity does not restate prior periods, any difference between previous carrying amounts and those determined under IFRS 9 at the date of initial application should be included in opening retained earnings, or other equivalent component of equity, as relevant. The Company did not restate prior periods as there was no material impact at the date of initial application. The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive income on September 1, 2018.

The following is the Company's new accounting policy for financial instruments under IFRS 9:

Recognition and Classification

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument.

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at September 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

	Original classification IAS 39	**New classification IFRS 9**
Cash	FVTPL	Amortized cost
Marketable securities	Available-for-sale	FVTOCI
Reclamation deposit	Loans & receivable	Amortized cost
Receivables and prepaids	Loans & receivable	Amortized cost
Amounts due to related parties	Other liability	Amortized cost
Accounts payables and accruals	Other liability	Amortized cost

On transition to IFRS 9, the Company elected to classify its marketable securities as FVTOCI. The change in classification did not have a measurement impact on the carrying value of these financial assets at September 1, 2018.

Measurement

Financial assets at FVTOCI
Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net (loss) income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Impairment of financial assets at amortized cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of net (loss) income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of net (loss) income. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

New Accounting Standard Not Yet Effective

IFRS 16, Leases
The new standard eliminates the classification of leases as either operating or finance leases for a lessee. Instead all leases are capitalized by recognizing the present value of lease payments and recognizing an asset and a financial liability representing an obligation to make future lease payments. The principles in IFRS 16 provide a more consistent approach to acquiring the use of an asset whether by leasing or purchasing an asset. The new leasing standard is applicable to all entities and will supersede current lease accounting standards under IFRS. IFRS 16 is mandatory for the Company's annual period beginning on September 1, 2019. The Company is currently assessing the expected impact of IFRS 16 on its consolidated financial statements.

Financial Instruments and Other Instruments
The Company's financial assets and liabilities are cash and cash equivalents, receivables, marketable securities, reclamation deposits, accounts payable and accrued liabilities and amounts due to related parties. The fair values of these financial instruments are estimated to be their carrying values due to their short-term nature. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity, receipt of market interest rates on interest bearing assets or capacity of prompt liquidation.

Outstanding share data
As at the date of this MD&A, the Company has 28,189,433 common shares outstanding. The Company also has 2,400,000 stock options outstanding, all of which are vested, with exercise prices ranging from $0.08 to $0.085 and 14,381,250 warrants outstanding with exercise prices ranging from $0.12 to $4.25.

Disclosure controls and procedures

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements for the year ended August 31, 2019 and this accompanying MD&A (together, the "Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

For further information, and other information relating to the Company, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with its filings on SEDAR at www.sedar.com.

Risks

The Company is engaged in the exploration, development and exploitation of mineral resources for base metals, precious metals and diamonds. The properties of the Company are without a known body of commercial ore. The exploration programs undertaken and proposed constitute an exploratory search and there is no assurance that the Company will be successful in its search. The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation. The amounts shown as property acquisition costs represent acquisition and holding cost, less amounts written off, and do not necessarily represent present or future values.

Acquisition of rights to the mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has investigated the title to all of the properties for which it holds concessions or in respect of which it has a right to earn an interest, the Company cannot give any assurance that title to such properties will not be challenged or impugned. The Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects or governmental actions. The Company can never be certain that it or its option partners will have valid title to its mineral properties. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers under foreign law are often complex. The Company does not carry title insurance on its properties. A successful claim that the Company or its option partner does not have title to a property could cause the Company to lose its rights to that property, perhaps without compensation for its prior expenditures relating to the property. The occurrence of any such event could have a material adverse effect on the Company and its prospects.

The Company requires licenses and permits from various governmental authorities to carry out exploration and development of its projects. Obtaining permits can be a complex, time consuming process. There can be no assurance that the Company will be able to obtain the necessary licences and permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities. In addition, the requirements applicable to sustain existing permits and licenses may change or become more stringent over time and there is no assurance that the Company will have the resources or expertise to meet its obligations under such licenses and permits.

The Company has experienced losses in operations in prior years and has an accumulated deficit position. The Company expects to incur losses for the foreseeable future. The continuation of the Company's operations is subject to its ability to continue to be able to raise funding to support its operations. While the Company has been successful to date in raising funding there is no guarantee that it will continue to do so in the future.

The profitability of the Company's operations, if ever established, will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, world supply of mineral commodities, consumption patterns, sales of copper, gold and silver by central banks, forward sales by producers, production, industrial and jewellery demand, speculative activities and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable. The Company's revenues and earnings also could be affected by the prices of other commodities such as fuel and other consumable items, although to a lesser extent than by the price of copper, gold, silver or molybdenum. The prices of these commodities are affected by numerous factors beyond the Company's control.

The Company is dependent upon share issuances to provide the funding necessary to meet its general operating expenses and will require additional financing to continue to explore its mineral properties. Issuances of additional securities will result in dilution of the equity interests of the Company's shareholders. The Company may issue additional common shares in the future as further capital is required and on the exercise of outstanding options or other convertible securities issued from time to time. Sales or issuances of substantial amounts of additional securities, or the availability of such securities for sale, could adversely affect the market prices for the Company's securities. A decline in the market prices of securities of the Company could impair the Company's ability to raise additional capital through the sale of new common shares should it desire to do so. In addition, if additional common shares or securities convertible into common shares are sold or issued, such sales or issuances may substantially dilute the equity interests of the Company's holders of common shares.

Companies in all industries, including the mining industry, are subject to legal claims from time to time, some of which have merit and others of which do not. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company may become subject could have a material effect on the Company's financial position, results of operations or the Company's property development.