METALLUM RESOURCES INC

FINANCIAL REVIEW

First Quarter Ended March 31, 2021

METALLUM RESOURCES INC

(formerly CROPS Inc.)

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2021

Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 of the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2021. These financial statements have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company.

METALLUM RESOURCES INC. (formerly CROPS INC.)
(An Exploration Stage Company)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION (UNAUDITED)
(Expressed in Canadian Dollars)

As at:	March 31, 2021	December 31, 2020
ASSETS		
Current assets		
Cash	$ 2,545,910	$ 20,801
Taxes receivable	21,180	20,858
Prepaid expenses and deposits (Note 12)	42,850	10,895
	2,609,940	52,554
Non-current assets		
Long-term deposits (Note 12)	61,000	61,000
Property and equipment (Note 6)	401	535
Deferred acquisition costs (Note 7)	439,571	329,410
	500,972	390,945
TOTAL ASSETS	**$ 3,110,912**	**$ 443,499**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 12)	$ 1,495,820	$ 1,272,453
Convertible debenture interest payable (Note 9)	732,100	651,846
Convertible debentures – liability component (Note 9)	4,455,417	4,388,595
Convertible debentures – derivative liability (Note 9)	78,281	169,949
	6,761,618	6,482,843
Non-current liability		
Long-term payable (Note 12)	280,162	272,002
Total liabilities	7,041,780	6,754,845
Shareholders' equity (deficiency)		
Share capital (Note 10)	38,704,356	38,704,356
Share subscriptions received (Note 7)	2,528,000	-
Obligation to issue shares (Note 9)	274,219	261,891
Other equity reserve	3,265,301	3,265,301
Accumulated other comprehensive income	148,101	148,101
Deficit	(48,850,845)	(48,690,995)
Total shareholders' deficiency	(3,930,868)	(6,311,346)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY	**$ 3,110,912**	**$ 443,499**

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS ON MAY 25, 2021:

"Kerem Usenmez", Director — Kerem Usenmez

"Simon Ridgway", Director — Simon Ridgway

See accompanying notes to the condensed consolidated interim financial statements

METALLUM RESOURCES INC. (formerly CROPS INC.)
(An Exploration Stage Company)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS (UNAUDITED)
(Expressed in Canadian Dollars)

	Three months ended March 31, 2021	2020
Exploration Expenditures (Note 8)	$ 18,970	$ 19,834
Gypsum Production Costs (Note 5)	-	35,100
	(18,970)	(54,934)
General and Administrative Expenses		
Amortization	134	1,474
Consulting fees (Note 12)	8,500	-
Finance expense (Note 9)	159,404	152,063
Interest and bank charges (Note 12)	9,591	505
Management fees (Note 12)	10,500	10,500
Office and miscellaneous (Note 12)	6,865	8,342
Regulatory and stock exchange fees (Note 12)	7,721	5,975
Rent and utilities (Note 12)	6,816	3,296
Salaries and benefits (Note 12)	30,232	9,042
Shareholder communication (Note 12)	11,748	708
Travel and accommodation (Note 12)	478	449
	(251,989)	(192,354)
Loss from operations	(270,959)	(247,288)
Interest income	40	-
Foreign exchange gain (loss)	3,341	(31,724)
Fair value adjustment on derivative liability (Note 9)	91,668	(30,087)
Recovery of accounts payables and accrued liabilities	16,060	-
Loss	**$ (159,850)**	**$ (309,099)**
Loss attributable to:		
Equity shareholders of the Company	$ (159,850)	$ (298,322)
Non-controlling interest (Note 4)	-	(10,777)
	$ (159,850)	$ (309,099)
Loss per share attributable to equity shareholders of the Company		
- basic and diluted	$(0.02)	$(0.04)
Weighted average number of shares outstanding		
- basic and diluted	6,989,073	6,989,073

See accompanying notes to the condensed consolidated interim financial statements

METALLUM RESOURCES INC. (formerly CROPS INC.)
(An Exploration Stage Company)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS (UNAUDITED)
(Expressed in Canadian Dollars)

	Three months ended March 31, 2021	2020
Loss	$ (159,850)	$ (309,099)
Other comprehensive income:		
Exchange gain arising on translation of foreign operation	-	9,210
Total comprehensive loss	$ (159,850)	$ (299,889)
Comprehensive loss attributable to:		
Equity shareholders of the Company	$ (159,850)	$ (291,875)
Non-controlling interest	-	(8,014)
	$ (159,850)	$ (299,889)

See accompanying notes to the condensed consolidated interim financial statements

METALLUM RESOURCES INC. (formerly CROPS INC.)

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY) (UNAUDITED)

For the three months ended March 31, 2021 and 2020

(Expressed in Canadian Dollars)

		Equity attributed to shareholders of the Company								
	Number of common shares	Share capital	Obligation to issue shares	Share subscriptions received (receivable)	Other equity reserve	Accumulated other comprehensive income (loss)	Deficit	Total	Non-controlling interest	Total
Balance, December 31, 2019	6,989,073	$ 38,704,356	$ 211,754	$ -	$ 3, 265,301	$ 154,917	$(47,543,207)	$ (5,206,879)	$ 61,039	$ (5,145,840)
Loss for the period	-	-	-	-	-	-	(298,322)	(298,322)	(10,777)	(309,099)
Obligation to issue shares	-	-	12,465	-	-	-	-	12,465	-	12,465
Currency translation adjustment	-	-	-	-	-	6,447	-	6,447	2,763	9,210
Balance, March 31, 2020	6,989,073	38,704,356	224,219	-	3,265,301	161,364	(47,841,529)	(5,486,289)	53,025	(5,433,264)
Loss for the period	-	-	-	-	-	-	(849,466)	(849,466)	(31,852)	(881,318)
Obligation to issue shares	-	-	37,672	-	-	-	-	37,672	-	37,672
Currency translation adjustment	-	-	-	-	-	(13,263)	-	(13,263)	(21,173)	(34,436)
Balance, December 31, 2020	6,989,073	38,704,356	261,891	-	3,265,301	148,101	(48,690,995)	(6,311,346)	-	(6,311,346)
Loss for the period	-	-	-	-	-	-	(159,850)	(159,850)	-	(159,850)
Shares subscribed	-	-	-	2,528,000	-	-	-	2,528,000	-	2,528,000
Obligation to issue shares	-	-	12,328	-	-	-	-	12,328	-	12,328
Balance, March 31, 2021	**6,989,073**	**$ 38,704,356**	**$ 274,219**	**$ 2,528,000**	**$ 3,265,301**	**$ 148,101**	**$(48,850,845)**	**$ (3,930,868)**	**$ -**	**$ (3,930,868)**

See accompanying notes to the condensed consolidated interim financial statements

METALLUM RESOURCES INC. (formerly CROPS INC.)
(An Exploration Stage Company)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (UNAUDITED)
(Expressed in Canadian Dollars)

	Three months ended March 31, 2021	2020
OPERATING ACTIVITIES		
Net loss for the period	$ (159,850)	$ (309,099)
Items not involving cash:		
Amortization	134	1,474
Finance expense	159,404	152,064
Interest expense	8,160	-
Unrealized foreign exchange loss	-	12,477
Fair value adjustment on derivative liability	(91,668)	30,087
Recovery of accounts payable and accrued liabilities	(16,060)	-
	(99,880)	(112,997)
Changes in non-cash working capital items:		
Taxes receivable	(322)	80,918
Prepaid expenses and deposits	(31,955)	20,505
Other receivables	-	91,407
Accounts payable and accrued liabilities	239,427	(12,610)
Net cash provided by operating activities	107,270	67,223
FINANCING ACTIVITIES		
Share subscriptions received	2,528,000	-
Net cash provided by financing activities	2,528,000	-
INVESTING ACTIVITIES		
Deferred mineral property acquisition costs	(110,161)	-
Net cash used in investing activities	(110,161)	-
Increase in cash	2,525,109	67,223
Cash, beginning of period	20,801	32,423
Cash, end of period	**$ 2,545,910**	**$ 99,646**

Supplemental disclosure with respect to cash flows (Note 16)

See accompanying notes to the condensed consolidated interim financial statements

1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

Metallum Resources Inc. (the "Company") was incorporated in British Columbia on April 30, 1993 and continued to the Yukon Territory on April 23, 2018. Its common shares are publicly traded on the TSX Venture Exchange ("TSX-V").

During the period ended March 31, 2021, in conjunction with a mineral property acquisition (Note 7), the Company completed the following:

i) continued from the Yukon Territory to British Columbia;
ii) changed its name from CROPS Inc. to Metallum Resources Inc.;
iii) changed its trading symbol on the TSX-V to "MZN"; and
iv) completed a consolidation of the issued shares, warrants, debentures and stock options outstanding at March 30, 2021 on a one new for ten old basis. As a result, the Company's issued shares as at March 30, 2021 were reduced to 6,989,073. All references to common shares, warrants, debentures, stock options, and per share amounts in these condensed consolidated interim financial statements have been updated to reflect the share consolidation.

The Company is engaged in the acquisition and exploration of mineral properties. The Company's corporate office and principal place of business is #650 – 200 Burrard Street, Vancouver, BC, Canada V6C 3L6.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from the carrying values shown and these condensed consolidated interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At March 31, 2021, the Company had not yet achieved profitable operations, has accumulated losses of $48,850,845 since inception, and is expected to incur further losses in the development of its business, all of which raises substantial doubt about its ability to continue as a going concern. The Company will periodically have to raise additional financing in order to acquire and conduct work programs on mineral properties and meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. In April 2021, in conjunction with the mineral property acquisition (Note 7), the Company raised gross proceeds of $3,300,000 from the completion of two private placement financings.

At the time these condensed consolidated interim financial statements were prepared, the COVID-19 pandemic has caused significant disruptions to the global economy and increased volatility in the global financial markets. The extent to which COVID-19 may adversely impact the Company's business and financing opportunities will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing at the properties, business closures or business disruptions, and the effectiveness of actions taken in Canada, and other countries to contain and treat the disease.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB") on a basis consistent with the significant accounting policies disclosed in Note 3 of the audited consolidated financial statements for the year ended December 31, 2020. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements.

2. BASIS OF PREPARATION – cont'd

Basis of Measurement

These condensed consolidated interim financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are stated at their fair values. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The condensed consolidated interim financial statements are presented in Canadian dollars ("CDN").

The preparation of consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the condensed consolidated interim financial statements are disclosed in Note 3.

Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries. A subsidiary is an entity in which the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. All material intercompany transactions and balances have been eliminated on consolidation. The Company had no active subsidiaries as at March 31, 2021.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in loss and comprehensive loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

The key areas of judgment applied in the preparation of the condensed consolidated interim financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

a) Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

b) Judgment is required in the determination that the Company will continue as a going concern for the next year (Note 1).

c) Judgment is required in the determination of preliminary expenditures that are considered deferred acquisition costs towards an eventual exploration and evaluation asset acquisition (Note 7).

d) The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company.

   Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS – cont'd

Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit, including geologic and metallurgic information, economics assessment/ studies, accessible facilities and existing permits.

e) The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of the functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

f) Judgment is applied in determining whether disposal groups represent a component of the entity, the results of which should be recorded as discontinued operations in the condensed consolidated interim statements of operations and comprehensive loss.

The key estimates applied in the preparation of the consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

a) The Company may be subject to income tax in several jurisdictions and significant judgment is required in determining the provision for income taxes. During the ordinary course of business and on dispositions of mineral property or interests therein, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Company recognizes tax liabilities based on estimates of whether additional taxes and interest will be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events, and interpretation of tax law. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

b) The fair value of the derivative liability is measured using the Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the conversion feature, expected volatility, expected life of the derivative, expected dividends and the risk-free rate. Changes in the input assumptions could affect the liability and derivative liability components recognized in the condensed consolidated interim statements of financial position and the accretion expense and fair value change recognized in profit or loss.

(Expressed in Canadian Dollars)

4. FORMER NON-CONTROLLING INTEREST

Juan Paulo Quay S.A.C. (“JPQ”), a former 70% owned subsidiary of the Company which was disposed of during the 2020 fiscal year, had material non-controlling interests (“NCI”) in the Company. JPQ was the titleholder of the Bayovar 12 phosphate mining concession (the “Bayovar 12 Project”) located in Northern Peru. During the 2020 fiscal year, JPQ relinquished its interest in the Bayovar 12 Project.

Summarized financial information in relation to JPQ, before intra-group eliminations, is presented below together with amounts attributed to NCI:

	Three months ended March 31,	
	2021	**2020**
Gypsum production expenses	$ -	$ (35,100)
Amortization	-	(823)
Loss	$ -	$ (35,923)
Loss allocated to NCI	$ -	$ (10,777)
Other comprehensive income allocated to NCI:		
Currency translation adjustment	-	2,763
Total comprehensive loss allocated to NCI	$ -	$ (8,014)
Dividends paid to NCI	$ -	$ -

	Three months ended March 31,	
	2021	**2020**
Cash flows from operating activities	$ -	$ (35,100)
Cash flows from investing activities	-	-
Cash flows from financing activities	-	-
Net cash outflows	$ -	$ (35,100)

As at March 31, 2021 and December 31, 2020, there were no NCI assets or liabilities.

5. FORMER GYPSUM PRODUCTION

Gypsum was produced on the formerly held Bayovar 12 Project in Peru. During the 2020 fiscal year, the Company relinquished the property.

During the three-month period ended March 31, 2020, there was no gypsum sold or produced but other gypsum operation costs incurred during this period totaled $35,100.

(Expressed in Canadian Dollars)

6. PROPERTY AND EQUIPMENT

	Vehicles	Computer equipment	Furniture and equipment	Total
Cost				
Balance, December 31, 2019	$ 45,185	$ 35,913	$ 30,536	$ 111,634
Additions	-	(744)	(949)	(1,693)
Balance, December 31, 2020	45,185	35,169	29,587	109,941
Balance, March 31, 2021	**$ 45,185**	**$ 35,169**	**$ 29,587**	**$ 109,941**
Accumulated amortization				
Balance, December 31, 2019	$ 38,500	$ 33,926	$ 25,181	$ 97,607
Charge for year	2,351	708	4,406	7,465
Recaptured	4,334	-	-	4,334
Balance, December 31, 2020	45,185	34,634	29,587	109,406
Charge for year	-	134	-	134
Balance, March 31, 2021	**$ 45,185**	**$ 34,768**	**$ 29,587**	**$ 109,540**
Carrying amounts				
At December 31, 2020	$ -	$ 535	$ -	$ 535
At March 31, 2021	**$ -**	**$ 401**	**$ -**	**$ 401**

7. EXPLORATION AND EVALUATION ASSETS

Superior Lake Zinc Project - Canada

On September 9, 2020, the Company entered into an agreement to purchase (the “Acquisition”) 100% of the Superior Lake Zinc Project (the “Project”) from Superior Lake Resources Limited (“Superior Lake”) through the purchase of 100% of the common shares of its wholly-owned subsidiary, Pick Lake Mining Limited (“Pick Lake”), a company incorporated under the laws of Nova Scotia, which at closing held all of Superior Lake’s interest in the Project.

The Acquisition was completed on April 1, 2021. In conjunction with the Acquisition, in addition to the corporate restructuring activities listed in Note 1, the Company conducted the following transactions subsequent to March 31, 2021:

- Settled in full the principal amount of its existing Secured and Unsecured debentures (Note 9), plus accrued interest, by issuing 20,960,789 common shares of the Company.
- Raised $2,700,000 via a private placement financing of 27,000,000 common shares at $0.10 per share and $600,000 via a flow-through private placement financing of 5,454,546 common shares at $0.11 per share (the “Financings”).
- In consideration for the transfer to the Company of 100% of the issued shares of Pick Lake, which at closing held the rights to the Project:
  - issued 128,920,000 shares to Superior Lake;
  - made cash payments of $192,040 (AUD$200,000) and $525,000 to Superior Lake, in addition to an initial non-refundable amount of $25,000 which was paid to Superior Lake in 2020; and
  - assumed the rights and obligations of the underlying purchase and option agreements regarding the Pick Lake and Winston Lake deposits.
- Issued 3,200,000 shares as an advisory fee in connection with the Acquisition.

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS – cont'd

***Superior Lake Zinc Project – Canada** – cont'd*

Upon completion of the foregoing transactions, the Company had 192,524,408 common shares issued and outstanding, of which Superior Lake owns approximately 67% but management and board control remains with the Company.

As at March 31, 2021, the Company has recorded $439,571 in deferred acquisition costs relating to the Acquisition.

8. EXPLORATION EXPENDITURES

Exploration expenditures during the three-month period ended March 31, 2021, which were expensed as incurred, relate to the Superior Lake Zinc Project (2020: expenditures relate to the formerly held Bayovar 12 phosphate mineral property).

	Three months ended March 31, 2021	2020
Geological and other consulting	$ 3,970	$ 10,683
Office and administration	-	4,095
Salaries	15,000	4,916
Value added tax	-	140
	$ 18,970	**$ 19,834**

9. CONVERTIBLE DEBENTURES

	Debt liability component	Derivative liability component	Total
Balance, December 31, 2019	$ 4,140,175	$ 52,321	$ 4,192,496
Fair value adjustment	-	117,628	117,628
Accretion of interest	248,420	-	248,420
Balance, December 31, 2020	4,388,595	169,949	4,558,544
Fair value adjustment	-	(91,668)	(91,668)
Accretion of interest	66,822	-	66,822
Balance, March 31, 2021	**$ 4,455,417**	**$ 78,281**	**$ 4,533,698**

Secured Debentures

On August 23, 2018, the Company issued secured convertible debentures for the total principal sum of $4,068,466 and 2,542,791 share purchase warrants to Sprott Resource Lending Partnership and its affiliate ("Sprott"). The debentures had a term of three years, and were convertible, at the election of the holder, into common shares of the Company at the rate of $0.80 per share (for a maximum of 5,085,582 shares) if converted on or before August 23, 2019, or at the rate of $1.00 per share (for a maximum of 4,068,466 shares) if converted after August 23, 2019. The share purchase warrants were exercisable at a price of $0.80 per share for up to three years.

The debentures bore interest which to be paid quarterly in cash at the rate of 8% per annum or in common shares of the Company at the rate of 10% per annum.

9. CONVERTIBLE DEBENTURES – cont'd

Secured Debentures – cont'd

The debentures issued to Sprott were secured by a first charge on all assets of the Company.

For accounting purposes, the secured convertible debentures were hybrid financial instruments and were allocated into corresponding debt and derivative liability (conversion feature) components at the date of issue. Due to the varying conversion prices of the debentures, the conversion feature is accounted for as a derivative liability. The Company used the fair value of the derivative liability and warrants issued using Black Scholes option pricing model and calculated the present value of the cash-flows, which consists of interest and principal payment, to calculate the total consideration paid for the debt component. The debt component is subsequently accreted to the face value of the debt portion of the convertible debenture at the effective interest rate of 14.7%. The derivative liability component is re-measured at fair value at each reporting period. Upon issuance of the secured debenture, the Company recorded a debt component of $3,604,004, a derivative component of $495,679, and warrant balance of $352,635.

During the three months ended March 31, 2021, accretion of interest of $60,618 on the secured convertible debentures was charged to profit or loss and is included in finance expense (2020: $53,070).

During the three months ended March 31, 2021, the Company accrued a liability of $80,254 pertaining to interest owing on the secured debentures (2020: $81,146).

Subsequent to March 31, 2021, the Company settled all debt related to the secured debentures (Note 7) and the share purchase warrants held by Sprott expired unexercised.

Unsecured Debentures

On August 30, 2018, the Company issued unsecured convertible debentures for total proceeds of $500,000 and a total of 312,500 share purchase warrants to a former director of the Company and to a company controlled by the Chief Executive Officer of the Company. The debentures had a term of three years, and were convertible, at the election of the holders, into common shares of the Company at the rate of $0.80 per share (for a maximum of 625,000 shares) if converted on or before August 30, 2019, or at the rate of $1.00 per share (for a maximum of 500,000 shares) if converted after August 30, 2019. The share purchase warrants are exercisable at a price of $0.80 per share for up to three years.

The debentures bore interest which is to be paid quarterly in common shares of the Company at the rate of 10% per annum.

For accounting purposes, the convertible debentures of $500,000 are hybrid financial instruments and were allocated into corresponding debt and derivative liability (conversion feature) components at the date of issue. Due to the varying conversion prices of the debenture, the conversion feature is accounted for as a derivative liability. The Company used the residual value method, which allocated value first to the derivative component, based on the calculated fair value using the Black-Scholes option pricing model then to the debt component calculated at the present value of the cash-flows, which consists of interest and principal payment and then the residual to the warrants. The debt component is subsequently accreted to the face value of the debt portions of the convertible debentures at the effective interest rate of 15.5%. The derivative liability component is re-measured at fair value at each reporting period. Upon issuance of the unsecured debentures, the fair value was separated into a debt component of $439,119 and a derivative component of $60,881. No fair value was attributed to the warrants.

During the three months ended March 31, 2021, accretion of $6,204 on the unsecured convertible debentures was charged to profit or loss and is included in finance expense (2020: $5,382).

During the three months ended March 31, 2021, the Company recorded $12,328 in obligation to issue common shares pertaining to the interest accrued on the unsecured debentures (2020: $12,466).

Subsequent to March 31, 2021, the Company settled all debt related to the unsecured debentures and the share purchase warrants held by the unsecured debenture holders expired unexercised (Note 7).

(Expressed in Canadian Dollars)

10. SHARE CAPITAL AND RESERVES

(a) Common Shares

The Company is authorized to issue an unlimited number of common shares without par value.

During the period ended March 31, 2021, the Company completed a consolidation of the issued shares, warrants, debentures and stock options outstanding at March 30, 2021 on a one new for ten old basis. As a result, the Company's issued shares as at March 30, 2021 were reduced to 6,989,073. All references to common shares, warrants, debentures, stock options, and per share amounts in these condensed consolidated interim financial statements have been updated to reflect the share consolidation.

There was no share capital activity during the three-month period ended March 31, 2021.

(b) Share Purchase Warrants

The following is a summary of changes in warrants from January 1, 2020 to March 31, 2021:

	Number of warrants	**Weighted average exercise price**
Balance, December 31, 2019	6,995,445	$2.40
Expired	(1,584,800)	$2.71
Balance, December 31, 2020	5,410,645	$2.31
Balance, March 31, 2021	**5,410,645**	**$2.31**

As at March 31, 2021, the following warrants were outstanding:

Expiry date	**Number of warrants**	**Exercise price**
August 23, 2021[1]	2,542,791	$0.80
August 30, 2021[2]	312,500	$0.80
March 22, 2022	2,555,354	$4.00
	5,410,645	

(1) The expiry date for these warrants was to be accelerated to immediately upon the debentures issued on August 23, 2018 being repaid or converted in full. The warrants expired on April 1, 2021 upon the settlement of debentures.

(2) The expiry date for these warrants was to be accelerated to immediately upon the debentures issued on August 30, 2018 being repaid or converted in full. The warrants expired on April 1, 2021 upon the settlement of debentures.

11. SHARE-BASED PAYMENTS

Option Plan Details

The Company has a stock option plan (the "Plan") which allows the Board of Directors to grant incentive stock options to the Company's officers, directors, employees and consultants. The exercise price of stock options granted is determined by the Board of Directors at the time of the grant in accordance with the terms of the Plan and the policies of the TSX-V. Options vest on the date of granting unless stated otherwise. Options granted to investor relations consultants vest in accordance with TSX-V regulation. The options are for a maximum term of ten years.

(Expressed in Canadian Dollars)

11. SHARE-BASED PAYMENTS – cont'd

The following is a summary of changes in options for the three-month period ended March 31, 2021:

				During the period				
Grant date	**Expiry date**	**Exercise price**	**Opening balance**	**Granted**	**Exercised**	**Expired / forfeited**	**Closing balance**	**Vested and exercisable**
Jun 29, 2011	Jun 28, 2021	$12.00	1,875	-	-	-	1,875	1,875
Jun 20, 2012	Jun 19, 2022	$8.40	30,750	-	-	-	30,750	30,750
Jul 11, 2012	Jul 10, 2022	$8.40	2,500	-	-	-	2,500	2,500
Dec 18, 2013	Dec 17, 2023	$8.80	53,625	-	-	-	53,625	53,625
			88,750	**-**	**-**	**-**	**88,750**	**88,750**
Weighted average exercise price			**$8.72**	**-**	**-**	**-**	**$8.72**	**$8.72**

Fair Value of Options Issued During the Period

There were no options granted during the three-month periods ended March 31, 2021 and 2020.

The weighted average remaining contractual life of the options outstanding at March 31, 2021 is 2.10 years (December 31, 2020: 2.35 years).

12. RELATED PARTY TRANSACTIONS

The Company's related parties with transactions during the three-month periods ended March 31, 2021 and 2020 consist of directors, officers and the following companies with common directors:

Related party	**Nature of transactions**
Gold Group Management Inc. ("Gold Group")	Shared office, administrative, and personnel costs
Mill Street Services Ltd. ("Mill Street")	Management services

Related party transactions for the three-month periods ended March 31, 2021 and 2020, in addition to related party transactions disclosed elsewhere in the condensed consolidated interim financial statements, comprise the following:

a) The Company reimbursed Gold Group, a company controlled by Simon Ridgway, the Chairman of the Company, for shared administration costs consisting of the following:

	Three months ended March 31, 2021	2020
Office and miscellaneous	$ 5,871	$ 4,490
Regulatory and stock exchange fees	399	-
Rent and utilities	6,816	3,296
Salaries and benefits	23,732	9,042
Shareholder communication	250	250
Travel and accommodation	478	449
	$ 37,546	**$ 17,527**

Gold Group is reimbursed by the Company for these shared costs and other business-related expenses paid by Gold Group on behalf of the Company. Salary and benefits include those for the Chief Financial Officer and Corporate Secretary.

(Expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS – cont'd

Prepaid expenses and deposits as of March 31, 2021 include $Nil (December 31, 2020: $1,045) paid to Gold Group.

Long term deposits as of March 31, 2021 consists of $61,000 (December 31, 2020: $61,000) paid to Gold Group and are related to the shared administrative services agreement with Gold Group. Upon termination of the agreement, the deposits, less any outstanding amounts owing to Gold Group, are to be refunded to the Company.

Accounts payable and accrued liabilities as of March 31, 2021 includes $38,064 (December 31, 2020: $1,899) owing to Gold Group, $96,000 (December 31, 2020: $85,500) owing to Mill Street, a company controlled by Simon Ridgway, the Chairman of the Company, $34,125 (December 31, 2020: $24,000) to James Walchuck, who was the President of the Company as at December 31, 2020 for consulting fees; $71,819 (December 31, 2020: $71,121) owing to Gordon Tainton, a former President of the Company for project management fees and expenses, and $565,779 (December 31, 2020: $518,585) owing to a director of the Company for advances made to the Company. The amount owing to Gold Group is partially secured by a deposit and is interest bearing if not paid within a certain period. The amounts owing to Mill Street and other current and former directors and/or officers are non-interest bearing and due upon demand.

Long-term payables as of March 31, 2021 includes $280,162 (December 31, 2020: $272,002) owing to Gold Group. The amount owing to Gold Group is subject to an interest rate of 1% per month, compounded annually, and due by June 30, 2022. During the period ended March 31, 2021, the Company recorded an interest expense totaling $8,160 (2020: $Nil) .

Key management compensation

Key management personnel are persons responsible for planning, directing, and controlling the activities of an entity, and include certain directors and officers. Key management compensation comprises:

	Three months ended March 31,	
	2021	**2020**
Management fees	$ 10,500	$ 10,500
Consulting fees	8,500	-
Salaries and benefits	25,042	1,742
	$ 44,042	**$ 12,242**

Key management personnel were not paid post-employment benefits, termination benefits or other long-term benefits during the three-month periods ended March 31, 2021 and 2020.

(Expressed in Canadian Dollars)

13. SEGMENTED INFORMATION

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. All of the Company's operations are within the mining sector relating to precious metals exploration. Due to the geographic and political diversity, the Company's exploration operations are decentralized whereby exploration managers are responsible for business results and regional corporate offices provide support to the exploration programs in addressing local and regional issues. The Company's operations are therefore segmented on a district basis. The Company's assets are located in Canada and Peru.

Details of financial performance by geographical segments are as follows:

Three months ended March 31, 2021	**Canada**	**Peru**	**Total**
Exploration expenditures	$ 18,970	$ -	$ 18,970
Amortization	134	-	134
Net loss	(150,342)	(9,508)	(159,850)

Three months ended March 31, 2020	**Canada**	**Peru**	**Total**
Exploration expenditures	$ -	$ 19,834	$ 19,834
Gypsum production costs	-	35,100	35,100
Amortization	57	1,417	1,474
Net loss	(251,389)	(57,710)	(309,099)

Details of identifiable assets and liabilities by geographical segments are as follows:

As at March 31, 2021	**Canada**	**Peru**	**Total**
Total current assets	$ 2,601,005	$ 8,935	$ 2,609,940
Total non-current assets	500,972	-	500,972
Total assets	**$ 3,101,977**	**$ 8,935**	**$ 3,110,912**
Total current liabilities	$ 6,759,151	$ 2,467	$ 6,761,618
Total non-current liabilities	280,162	-	280,162
Total liabilities	**$ 7,039,313**	**$ 2,467**	**$ 7,041,780**

As at December 31, 2020	**Canada**	**Peru**	**Total**
Total current assets	$ 44,118	$ 8,436	$ 52,554
Total non-current assets	390,945	-	390,945
Total assets	**$ 435,063**	**$ 8,436**	**$ 443,499**
Total current liabilities	$ 6,479,905	$ 2,938	$ 6,482,843
Total non-current liabilities	272,002	-	272,002
Total liabilities	**$ 6,751,907**	**$ 2,938**	**$ 6,754,845**

(Expressed in Canadian Dollars)

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board of Directors reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

a) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. As at March 31, 2021, the Company is exposed to foreign currency risk and interest rate risk.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to fluctuations in foreign currencies through its operations in Canada and former operations in Peru. The Company monitors this exposure but has no hedge positions.

As at March 31, 2021, the Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the Canadian dollar:

	March 31, 2021		December 31, 2020	
	Peruvian Soles (CDN equivalent)	**US Dollars** (CDN equivalent)	**Peruvian Soles** (CDN equivalent)	**US Dollars** (CDN equivalent)
Cash	$ 107	$ 10,679	$ 2,986	$ 1,795
Taxes receivable	8,526	-	7,266	-
Liabilities	(2,465)	(359,463)	(7,484)	(341,335)
	$ 6,168	**$ (348,784)**	**$ 2,768**	**$ (339,540)**

(Expressed in Canadian Dollars)

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – cont'd

Based on the above net exposures at March 31, 2021, a 10% depreciation or appreciation of the above currencies against the Canadian dollar would result in an increase or decrease of approximately $34,300 (December 31, 2020: $33,700) in the Company's after tax net earnings, respectively.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its convertible debenture debt and cash. As the Company's cash is currently held in an interest-bearing bank account and the Company's convertible debenture debt is subject to fixed interest rates, management considers the interest rate risk to be limited.

b) Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and other receivables. The Company limits exposure to credit risk by maintaining its cash with large financial institutions. The Company does not have cash that is invested in asset based commercial paper. For other receivables, the Company estimates, on a continuing basis, the expected credit losses and provides an impairment provision as required.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. At March 31, 2021, the Company had a working capital deficiency of $4,151,678 (December 31, 2020: $6,430,289). All of the Company's short-term financial liabilities as of March 31, 2021 have contractual maturities between 30 days and 5 months and are subject to normal trade terms.

The amounts listed below are the undiscounted contractual maturities for financial liabilities held by the Company as at March 31, 2021:

		1 year		**2 years**		**Total**
Accounts payable and accrued liabilities	$	1,495,820	$	280,162	$	1,775,982
Convertible debentures		5,300,566		-		5,300,566
	$	6,796,386	$	280,162	$	7,076,548

Determination of Fair value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The condensed consolidated interim statement of financial position carrying amounts for cash, receivables, and accounts payable and accrued liabilities approximates fair value due to their short-term nature. The derivative liability is measured at fair value and categorized in level 3. The fair value of the derivative liability is based on the Black-Scholes option pricing model. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – cont'd

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

There were no transfers between levels in the period.

15. CAPITAL MANAGEMENT

The Company monitors its cash, debt, common shares, warrants and stock options as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to explore new mineral property opportunities. In order to facilitate the management of its capital requirements, the Company prepares periodic budgets that are updated as necessary. The Company manages its capital structure and makes adjustments to it in order to effectively support the acquisition and exploration of mineral properties. In order to pay for general administrative costs, the Company will use its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended March 31, 2021. The Company's investment policy is to hold cash in interest bearing bank accounts and/or highly liquid short-term interest-bearing investments with maturities of one year or less and which can be liquidated at any time without penalties. The Company did not expect its capital resources as March 31, 2021 to be sufficient to cover its corporate operating costs and new property acquisition or development programs through the next twelve months. As such, subsequent to March 31, 2021, the Company raised gross proceeds of $3,300,000 by way of private placement financings to provide capital for working capital purposes. Actual funding requirements may vary from those planned due to a number of factors, including the progress of property development activity. The Company believes it will be able to raise additional equity capital as required, but recognizes the uncertainty attached thereto.

16. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the three-month periods ended March 31, 2021 and 2020, there was no cash paid for income taxes or loan interest.

Non-cash transactions

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the condensed consolidated interim statements of cash flows.

During the period ended March 31, 2021, the Company accrued $12,328 in convertible debenture interest charges to be settled with the issuance of common shares (2020: $12,465).

17. EVENTS AFTER THE REPORTING DATE

Subsequent to March 31, 2021, the following events, which has not been disclosed elsewhere in these condensed consolidated interim financial statements has occurred:

a) A total of 2,950,000 stock options exercisable at $0.15 per share for up to ten years were granted.

b) A total of 2,855,291 warrants with an exercise price of $0.80 per share expired unexercised.

(the "Company")

(formerly CROPS Inc.)

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

For the three months ended March 31, 2021

General

This Interim Management's Discussion and Analysis ("Interim MD&A") supplements, but does not form part of, the unaudited condensed consolidated interim financial statements of the Company for the three months ended March 31, 2021. The following information, prepared as of May 25, 2021, should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for three months ended March 31, 2021 and the related notes contained therein. The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). In addition, the following should be read in conjunction with the consolidated financial statements of the Company for the year ended December 31, 2020 and the related MD&A. All amounts are expressed in Canadian dollars unless otherwise indicated. The March 31, 2021 condensed consolidated interim financial statements have not been reviewed by the Company's auditors.

The Company's public filings, including its most recent unaudited and audited consolidated financial statements can be reviewed on the SEDAR website www.sedar.com.

Forward-looking Statements

This Interim MD&A contains certain statements which constitute forward-looking information within the meaning of applicable Canadian securities legislation ("Forward-looking Statements"). All statements included herein, other than statements of historical fact, are Forward-looking Statements and are subject to a variety of known and unknown risks and uncertainties which could cause actual events or results to differ materially from those reflected in the Forward-looking Statements. The Forward-looking Statements in this Interim MD&A may include, without limitation, statements relating to:

- the Company's plans for exploration or development of its properties;
- mineral reserves or resources as they involve the implied assessment, based on estimates and assumptions, that the resources described exist in the quantities predicted or estimated and can be profitably produced in the future; and
- the sufficiency of the Company's cash position, and its ability to raise equity capital or access debt facilities.

Often, but not always, these Forward-looking Statements can be identified by the use of words such as "anticipates", "believes", "plans", "estimates", "expects", "forecasts", "scheduled", "targets", "possible", "strategy", "potential", "intends", "advance", "goal", "objective", "projects", "budget", "calculates" or statements that events, "will", "may", "could" or "should" occur or be achieved and similar expressions, including negative variations.

Forward-looking Statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any results, performance or achievements expressed or implied by the Forward-looking Statements. Such uncertainties and factors include, among others:

- risks associated with mineral exploration;
- the Company's planned exploration activities for its mineral properties;
- uncertainty of mineral reserve and resource estimates;
- fluctuations in commodity prices, foreign exchange rates, and interest rates;
- credit and liquidity risks;
- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in countries in which the Company does or may carry on business;
- reliance on key personnel;
- property title matters and local community relationships;
- risks associated with potential legal claims generally or with respect to environmental matters;
- dilution from further equity financing;
- competition;
- uncertainties relating to general economic conditions; and
- risks relating to a global pandemic, including the coronavirus COVID-19, which could result in government imposed restrictions that could cause a slowdown in global economic growth and impact the Company's business, operations, financial condition and share price;

as well as those factors referred to in the "Risks and Uncertainties" section in this Interim MD&A.

Forward-looking Statements contained in this Interim MD&A are based on the assumptions, beliefs, expectations and opinions of management, including but not limited to:

- all required third party contractual, regulatory and governmental approvals will be obtained for the exploration and development of the Company's properties;
- there being no significant disruptions affecting operations, whether relating to labor, supply, power, damage to equipment or other matters;
- exploration activities proceeding on a basis consistent with the Company's current expectations;
- expected trends and specific assumptions regarding commodity prices and currency exchange rates; and
- prices for and availability of fuel, electricity, equipment and other key supplies remaining consistent with current levels.

These Forward-looking Statements are made as of the date hereof and the Company disclaims any obligation to update any Forward-looking Statements, whether as a result of new information, future events or results or otherwise, except as required by law. There can be no assurance that Forward-looking Statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, investors should not place undue reliance on Forward-looking Statements.

Business of the Company

The Company is a zinc and copper focused, base metal resource company run by a Canadian-based management team with extensive experience in the acquisition, exploration, and development of resource properties.

Acquisition of Superior Lake Zinc Project and Related Transactions

On April 1, 2021, the Company completed the acquisition (the "Acquisition") of the Superior Lake Zinc Project from Superior Lake Resources Limited (ASX:SUP) through the purchase of 100% of the existing common shares of Pick Lake Mining Limited, a company incorporated under the laws of Nova Scotia.

As part of the Acquisition transaction, the Company has:

- changed its name to Metallum Resources Inc. and its trading symbol to "MZN",
- moved its jurisdiction from Yukon to British Columbia,
- consolidated its share capital on the basis of one new common share for every ten existing common shares (the "Consolidation"),
- appointed Kerem Usenmez as a director, President and Chief Executive Officer of the Company, and accepted the resignations of Mario Szotlender and Tim Osler as directors,
- issued 128,920,000 common shares, and made cash payments of CAD$525,000 and AUD$200,000, to Superior Lake,
- completed a private placement financing with the issuance of 27,000,000 common shares at $0.10 each (raising $2.7 million), and 5,454,546 flow-through common shares at $0.11 each (raising $600,000 in flow-through funds),
- converted its outstanding debentures with the issuance of 20,960,789 common shares, and
- issued 3,200,000 common shares as an advisory fee in relation to the Acquisition.

As a result of the completion of the foregoing transactions, the Company's post-consolidated issued capital is 192,524,408 common shares. Trading in the Company's common shares resumed under the new name and trading symbol on April 7, 2021.

Following acquisition of the Project, the Company appointed Dr. Mark Cruise and Mr. David Laing as technical advisors to the Company.

All references in this Interim MD&A to loss per share, common shares, share purchase warrants, debentures, and stock options reflect the Consolidation.

Superior Lake Zinc Project

Highlights of the Superior Lake Zinc Project include:

- The Project package contains high-grade zinc ("Zn") deposits, along with copper, gold and silver.
- Total tenement package covers 175km^2 and consists of two deposits – Pick Lake and Winston Lake deposits.
- The Project also contains several high potential exploration targets.
- The Project is located in the Province of Ontario, Canada approximately 200km east of Thunder Bay.

The following is a Mineral Resources Estimation of the Project, effective August 12, 2020, prepared for the Company by Marat Abzalov, Ph.D., FAusIMM in accordance with National Instrument 43-101 ("NI 43-101") and CIM Definition Standards:

Classification	Tonnes (Mt.)	Zn(%)	Cu(%)	Au(g/t)	Ag(g/t)
Indicated	2.07	17.9	0.8	0.4	33.6
Inferred	0.27	16.2	1.0	0.3	37.2

Notes to Mineral Resource Estimation:

1) *A cut-off of 3% Zn is used.*
2) *The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource.*
3) *The Mineral Resources in this report 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 the CIM Council.*

In 2019, Superior Lake published a Bankable Feasibility Study ("BFS") for the Project which incorporated Joint Ore Reserves Committee ("JORC") Probable Ore Reserves and the result of feasibility work carried out by Superior Lake since it acquired the Project in 2018. The BFS is based upon a JORC compliant mineral reserve and resource. The Company will complete its own studies for the Project that will comply with the requirements of CIM and NI 43-101.

The Company's rights to the Project consist of:

- 100% interest in the claims comprising Pick Lake deposit, subject to a 2% NRS royalty.
- Option to acquire a 100% interest in the claims comprising the Winston Lake deposit, subject to a 2% NSR royalty. To exercise the option, a letter of credit of $1.2 million issued by the current property owner in favour of the Ontario mining ministry must be replaced.
- 100% owned claims hosting exploration targets.

Drill Program

In late April 2021, the Company mobilized a diamond drill rig to the Superior Lake Zinc Project and commenced a planned 2,000 metre drill program.

The drill program is designed to further define the extents of the high grade Lower Pick Lake massive sulphide deposit (LPD), which has had exceptional historic intercepts including zinc grades up to 40.6% over 0.51 metres and 13.4% over 13.4 metres. Table 1 shows composite assays of some of the most significant intercepts in the LPD to date.

Table 1: Historic Highlight Composite Assays from the LPD (not verified by the Company)

Hole ID	*From (m)*	*To (m)*	*Length (m)*	*True Thickness (m)*	*Zn %*	*Cu %*	*Ag ppm*	*Au ppm*
UP-0015	*46.9*	*48.3*	*1.4*	***0.51***	***40.60***	***0.35***	***16.2***	***0.16***
UP-0154	*29.7*	*43.1*	*13.4*	***13.39***	***30.47***	***1.44***	***57.7***	***0.22***
UP-0164	*58.1*	*63.8*	*5.6*	***4.33***	***30.01***	***1.06***	***49.9***	***0.48***
UP-0178	*18.9*	*22.8*	*3.9*	***3.51***	***36.35***	***1.25***	***64.4***	***0.33***

The LPD has not been closed off by drilling, leaving it open along strike and dip. This includes a large zone between the LPD and the past-producing Upper Pick Lake Deposit (UPD), which is still largely untested, and has great potential for undiscovered, high grade massive sulphide mineralization close to existing underground development. The boreholes planned in the initial phase of the exploration program will begin to test this area as well as further define the LPD. These boreholes were included in the NI 43-101 Mineral Resource Estimation technical report which was released in January 2021 and can be found on SEDAR.com.

In addition, there have been multiple near-mine and regional exploration targets established using available historic data, and the team is evaluating all the potential targets for the upcoming summer 2021 exploration program. Phase 2 of the exploration program is planned to include additional drilling, as well as surface geophysics and geochemical programs to generate and further refine targets.

Feasibility Study

In late 2020, the Company contracted Dr. Abzalov of Massa Geoservices to complete a Mineral Resource Estimation of the Pick Lake and Winston Lake properties that form the Superior Lake Project. The Resources of the Project, estimated at a 3% Zn cut-off grade are listed below:

Classification	**Tonnes (Mt.)**	**Zn(%)**	**Cu(%)**	**Au(g/t)**	**Ag(g/t)**
Indicated	2.07	17.9	0.8	0.4	33.6
Inferred	0.27	16.2	1.0	0.3	37.2

Notes to Accompany Mineral Resource Table:

1. *There has been insufficient exploration to define the inferred resources tabulated above as an indicated or measured mineral resource, however, it is reasonably expected that the majority of the Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.*
2. *Mineral resources which are not mineral reserves do not have demonstrated economic viability.*
3. *There is no guarantee that any part of the mineral resources discussed herein will be converted into a mineral reserve in the future. The estimate of mineral resources may be materially affected by metallurgical, commercial, environmental, permitting, legal, marketing or other relevant issues.*

In early May 2021, the Company engaged the services of DRA Global of Toronto, Ontario to lead the preparation of an NI 43-101 Feasibility Study of the Superior Lake Project. DRA Global will be supported by well-established independent engineering and consulting firms, selected on the basis of their extensive regional and global technical experience. The Project, located 20 kilometres from the main Trans-Canada Highway and 150 kilometres west of Thunder Bay, benefits from established infrastructure, including electrical sub-stations, tailings dam, and underground developments.

Technical Information

Robert Middleton, P.Eng., who is a Qualified Person as defined in NI 43-101, has reviewed and approved the scientific or technical information contained in this Interim MD&A.

Selected Quarterly Information

The following table provides information for the eight fiscal quarters ended March 31, 2021:

	First Quarter ended Mar. 31, 2021 ($)	Fourth Quarter ended Dec. 31, 2020 ($)	Third Quarter ended Sep. 30, 2020 ($)	Second Quarter ended June 30, 2020 ($)	First Quarter ended Mar. 31, 2020 ($)	Fourth Quarter ended Dec. 31, 2019 ($)	Third Quarter ended Sep. 30, 2019 ($)	Second Quarter ended June 30, 2019 ($)
Gypsum revenue	-	-	-	-	-	-	309,980	114,305
Gypsum production expenses	-	9,410	28,900	74,810	35,100	75,535	347,292	282,169
Exploration expenditures	18,970	4,951	8,162	7,516	19,834	78,417	45,027	142,982
Loss attributed to equity shareholders of the Company								
Total	(159,850)	(201,132)	(218,587)	(429,747)	(298,322)	(4,729,167)	(169,545)	(121,002)
Basic & diluted loss per share	(0.02)	(0.03)	(0.03)	(0.06)	(0.04)	(0.68)	(0.02)	(0.02)

Gypsum revenue and production expenses relate to the gypsum operation which consisted of extraction costs, costs that were needed to keep the formerly held Bayovar 12 project concession in good standing, and other operating costs. Gypsum extraction activity ceased during the quarter ended September 30, 2019 although expenses related to the gypsum operation continued to be incurred up to the quarter ended December 31, 2020.

Exploration expenditures for the most recently completed quarter relate to the Superior Lake Zinc Project while exploration expenditures for all other quarters presented relate to the formerly held Bayovar 12 phosphate mineral property.

The loss attributable to equity shareholders of the Company during the quarter ended December 31, 2019 was higher than all quarters presented due to the write-down of the Bayovar 12 project carrying cost of $9,677,404.

Results of Operations

All references to 'net loss' in the results of operations discussion below refers to the loss and comprehensive loss attributed to equity shareholders of the Company.

Quarter ended March 31, 2021

For the three-month period ended March 31, 2021, the Company had a net loss of $159,850 compared to a net loss of $298,322 for the three-month period ended March 31, 2020, a decrease of $138,472. This decrease is partly due to the quarter current recording a fair value adjustment gain of $91,668 on derivative liabilities whereas the comparative quarter recorded a loss of $30,087, a difference of $121,755. The comparative quarter also recorded gypsum operation costs of $35,100 compared to no such costs for the current quarter.

General and administrative expenses during the current quarter were $251,989 compared to $192,354 for the comparative quarter, an increase of $59,635. Significantly impacting both the current and comparative quarters were finance expenses of $159,404 and $152,063, respectively. The finance expense is related to accretion of convertible debenture interest. All other general and administrative expenses for the current quarter, with the exception of amortization, office and miscellaneous, and travel and accommodation costs were higher in the current quarter due to increased corporate activity leading up to the Superior Lake Zinc Project acquisition.

Financial Condition, Liquidity and Capital Resources

The Company had cash resources of $2,545,910 and a working capital deficiency of $4,151,678 as of March 31, 2021 compared to cash resources of $20,801 and a working capital deficiency of $6,430,289 at December 31, 2020. Cash resources as of March 31, 2021 included subscriptions received in advance totaling $2,528,000 for the private placement financings that closed subsequently on April 1, 2021.

With the completion of the private placement financing providing gross proceeds of $2.7 million that may be used towards general working capital purposes, the Company settled a significant portion of its accounts payables and accrued liabilities. Also, upon completion of the Acquisition, all liabilities relating to the convertible debentures were settled with the issuance of 20,960,789 common shares.

With the $2.7 million non-flow through private placement proceeds received on April 1, 2021, the Company expects its current capital resources to be sufficient to cover its corporate operating costs through the next twelve months. Flow-through private placement proceeds of $600,000 is being used to fund exploration activity on the Superior Lake Zinc Project. Exploration costs in excess of the available flow-through funds, and any development programs or new property acquisitions, will require the Company to raise additional capital. Actual funding requirements may vary from those planned due to a number of factors, including property acquisition, development, or exploration activity. The Company believes it will be able to raise additional equity capital as required, but recognizes the uncertainty attached thereto.

Related Party Transactions

See Note 12 of the condensed interim consolidated financial statements for the three months ended March 31, 2021 for details of related party transactions which occurred in the normal course of business.

Other Data

Additional information related to the Company is available for viewing at www.sedar.com.

Share Position and Outstanding Warrants and Stock Options

As at the date of this Interim MD&A, the Company's outstanding share position is 192,524,408 common shares and the following share purchase warrants and incentive stock options are currently outstanding:

WARRANTS

No. of warrants	Exercise price	Expiry date
2,555,354	$4.00	March 22, 2022

STOCK OPTIONS

No. of options	Exercise price	Expiry date
1,875	$12.00	June 28, 2021
30,750	$8.40	June 19, 2022
2,500	$8.40	July 10, 2022
53,625	$8.80	December 17, 2023
2,950,000	$0.15	April 14, 2031
3,038,750		

Accounting Policies and Basis of Presentation

The Company's significant accounting policies and future changes in accounting policies are presented in the audited consolidated financial statements for the year ended December 31, 2020.

Future Accounting Changes

The Company has reviewed upcoming policies and determined that none are expected to have an impact on the Company's condensed interim consolidated financial statements.

Risks and Uncertainties

Global Pandemic

The Company faces risks related to health epidemics and other outbreaks of communicable diseases, which could significantly disrupt its operations and may materially and adversely affect its business and financial conditions. The Company's business could be adversely impacted by the effects of the COVID-19 coronavirus which was declared a global pandemic by the World Health Organization in March 2020.

The international governmental restrictions imposed due to COVID-19 have led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility and a general reduction in consumer activity. Such public health restrictions can result in operating and supply chain delays and disruptions, global stock market and financial market volatility, declining trade and market sentiment, reduced movement of people and labour shortages, and travel and shipping disruption and shutdowns, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation.

Mineral Property Exploration and Mining Risks

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. The main operating risks include: securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that option agreements, claims or leases are in good standing; and obtaining permits for drilling and other exploration activities.

Title to Mineral Property Risks

The Company does not maintain insurance against title. Title on mineral properties and mining rights involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mining properties. The Company has diligently investigated and continues to diligently investigate and validate title to its mineral claims; however, this should not be construed as a guarantee of title. The Company cannot give any assurance that title to properties it acquired will not be challenged or impugned and cannot guarantee that the Company will have or acquire valid title to these mineral properties.

Commodity Price Risk

The Company is exposed to commodity price risk. Declines in the market price of precious metals, base metals and other minerals may adversely affect the Company's ability to raise capital in order to fund its ongoing operations. Commodity price declines could also reduce the amount the Company would receive on the disposition of a mineral property to a third party.

Financing and Share Price Fluctuation Risks

The Company has limited financial resources, no source of operating cash flow other than proceeds from sales of mineral properties or mineral property rights and has no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of the Company's projects may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its projects which could result in the loss of one or more of its properties.

Securities markets have at times in the past experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as the Company, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues.

Political, Regulatory and Currency Risks

The Company is operating in Canada, which has a relatively stable political and regulatory environment. However, changing political aspects may affect the regulatory environment in which the Company operates, and no assurances can be given that the Company's plans and operations will not be adversely affected by future developments. Any property interests held and any proposed exploration or development activities by the Company may be subject to political, economic, and other uncertainties, including the risk of expropriation, nationalization, renegotiation or nullification of existing contracts, mining licenses and permits or other agreements, changes in laws or taxation policies, currency exchange restrictions, and changing political conditions and international monetary fluctuations.

The Company's equity financings are sourced in Canadian dollars but has incurred certain expenditures in Peruvian Soles and US dollars. At this time there are no currency hedges in place. Therefore, a weakening of the Canadian dollar against the US dollar or other foreign currencies could have an adverse impact on the Company's financials.

Insured and Uninsured Risks

In the course of exploration, development and production of mineral properties, the Company is subject to a number of hazards and risks in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to the Company's properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses, and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and a decline in the value of the securities of the Company.

Environmental Risks

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors, and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present.

Community Risks

The activities of the Company may be subject to negotiations with the local communities on or nearby its mineral property concessions for access to facilitate the completion of geological studies and exploration work programs. The Company's operations could be significantly disrupted or suspended by activities such as protests or blockades that may be undertaken by such certain groups or individuals within the community.

Competition

The Company will compete with many companies and individuals that have substantially greater financial and technical resources than the Company for the acquisition and development of its projects as well as for the recruitment and retention of qualified employees.