



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTH PERIOD ENDED OCTOBER 31, 2017

The following Management's Discussion and Analysis ("MD&A") of Metallic Minerals Corp. ("Metallic" or the "Company") is for the three months ended October 31, 2017 and covers information up to the date of this MD&A.

This MD&A is dated December 29, 2017.

This MD&A should be read in conjunction with the Company's condensed interim financial statements and the notes thereto for the three months ended October 31, 2017, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar amounts herein are expressed in Canadian Dollars unless stated otherwise.

This MD&A includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address exploration drilling, exploitation activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

NATURE OF BUSINESS

The Company was incorporated in the Province of British Columbia ("BC") on May 3, 2007 under the Business Corporations Act (British Columbia) and was registered as an extra-territorial corporation under the Business Corporations Act (Yukon) on July 10, 2009. The Company is a reporting issuer in BC, Yukon, Alberta, Ontario, New Brunswick, Nova Scotia and Newfoundland and Labrador. The Company's common shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "MMG" and the OTC Exchange under the symbol "MMNGF".

The Company's principal business activity is the acquisition, exploration and development of silver and gold mineral properties. To date the Company has not generated any revenues.

OUTLOOK AND STRATEGY

Metallic Minerals Corp. is a growth stage exploration company, focused on the acquisition & development of high-grade silver and gold in the Yukon in under-explored districts with the potential to produce top-tier assets. Our objective is to create value through a systematic, entrepreneurial approach to exploration, reducing investment risk and maximizing the probability of long-term success.

Metallic is led by a management team with a track record of discovery and exploration success, including large scale development, permitting and project financing. Importantly, the team brings years of experience in the north, especially the Yukon, Alaska and British Columbia, where the team has established long-term working relationships with First Nations and First Nations Development Corporations, as well as local communities and regional governments.



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTH PERIOD ENDED OCTOBER 31, 2017

HIGHLIGHTS AND KEY DEVELOPMENTS (to the date of this report)

- On August 24, 2017, the Company granted 2,200,000 incentive stock options to Directors, Officers, employees and consultants of the Company. The stock options are exercisable for up to five years, expiring on August 24, 2022, and each stock option allows the holder to purchase one common share of the Company at a price of \$0.30 per share;
- In September 2017, the Company acquired a number of additional properties totalling 53.5 square kilometres ("km²") in the Keno Hill Silver District. These properties are adjacent to, or contiguous with, Metallic's Keno Silver Project and Alexco Resource Corp.'s ("Alexco") Keno Hill properties;
- In September 2017, the Company acquired two sets of claims along two tributaries to the Indian River in the Klondike Gold District near Dawson City, Yukon. In connection with these acquisitions, the Company entered into production royalty agreements whereby the Company has given operators exclusive rights to mine certain parts of the two tributaries in exchange for royalties on all gold production;
- In October 2017, the Company announced results from its summer/fall 2017 McKay Hill Project field exploration programs which included follow up rock and soil sampling, reconnaissance and detailed mapping. As a result of encouraging results from the Company's summer/fall 2017 field programs at McKay Hill, the Company staked an additional 26 claims totalling 5 km² to expand its McKay Hill claim holdings to 35 km²;
- In November 2017, the Company received its first gold production royalty from test mining activities at Dominion Creek, in the Klondike Gold District;
- In December 2017, the Company announced results, including trenching and surface sampling, from its summer/fall 2017 field programs on its Keno Summit Property;
- In December 2017, the Company announced drill results from its summer/fall 2017 drill program on its Keno Summit and Duncan Creek Properties;
- In December 2017, the Company made a payment of \$12,500 and issued 250,000 common shares pursuant to its Australia Creek Property option agreement; and
- On December 29, 2017, the Company completed a private placement of 3,450,000 flow-through common shares ("FT Shares") of the Company at a price of \$0.40 per FT Share for gross proceeds of \$1,380,000.



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTH PERIOD ENDED OCTOBER 31, 2017

MINERAL PROPERTY ACQUISITIONS

YUKON SILVER PROJECTS

SEPTEMBER 2017

In September 2017 the Company acquired a number of additional properties totalling 53.5 km² in the Keno Hill Silver District. These properties are adjacent to, or contiguous with, Metallic's Keno Silver Project and Alexco's Keno Hill properties.

- a) **Formo and Keno Summit Properties** - The Company acquired a 100% interest in 19 mining leases in the Keno Hill Silver District, three of which are part of the Keno Summit Property, from Independence Gold Corp. ("**Independence**") in exchange for 200,000 units. Each unit consisted of one common share of the Company (issued on September 27, 2017) and one non-transferable share purchase warrant, with each warrant entitling Independence to acquire one common share at a price of \$0.45 with an expiry of September 18, 2019.

The Formo Property is subject to a 2% NSR for precious metals and a 1% NSR for base metals to Independence. The Company has an option to buy back the NSR from Independence.

- b) **McKay Hill and Keno Summit Properties** - The Company acquired a 100% interest in four mining claims on the McKay Hill Property and one mining claim on the Keno Summit Property from an arms-length private party in exchange for 55,000 common shares of the Company (issued on September 27, 2017).
- c) **Keno East Property** – The Company staked additional ground in the Keno East target area, which covers the eastern and southern extension of the main Keno Hill Quartzite unit, as well as several areas with prospective greenstone targets.

OCTOBER 2017

In October 2017 the Company staked an additional 26 claims on its McKay Hill Property totalling 5km², expanding its McKay Hill Property claim holdings to 35 km².

KLONDIKE GOLD DISTRICT – ROYALTY PORTFOLIO

SEPTEMBER 2017

In September 2017, the Company acquired two sets of claims along two tributaries to the Indian River in the Klondike Gold District near Dawson City, Yukon. In connection with these acquisitions, the Company entered into production royalty agreements whereby the Company has given operators exclusive rights to mine certain parts of the two tributaries in exchange for royalties on all gold production.



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED OCTOBER 31, 2017**

MINERAL PROPERTY ACQUISITIONS (continued)

KLONDIKE GOLD DISTRICT – ROYALTY PORTFOLIO (continued)

SEPTEMBER 2017 (continued)

Australia Creek Property - On September 7, 2017, the Company completed an option agreement to acquire a 100% interest from underlying claim holders (the “**Sellers**”) in approximately 26 miles (42 kms) of mining rights and 18 miles (29 kms) of bench claims along the Australia Creek drainage (the “**Australia Creek Property**”), a tributary to the Indian River, in the Klondike Gold District near Dawson City, Yukon. In connection with this acquisition, the Company entered into a production royalty agreement with respect to a two mile portion of the Australia Creek Property (“**Lower Australia Creek**”). Under the production royalty agreement, the Company has given an experienced arms-length alluvial mining operator an exclusive right to mine Lower Australia Creek, in exchange for a 12% royalty on all gold production, payable to the Company. The Sellers will receive a 4% royalty from the Company on all alluvial gold production. The Company has the ability to buy back the full royalty.

In order to earn a 100% interest in the underlying Australia Creek Property, Metallic has the following commitments:

- Upon regulatory approval, a total of \$50,000 is to be paid to the Sellers for partial reimbursement of accrued expenditures (paid);
- In December 2017, a total of \$25,000 is to be paid to the Sellers for carrying out consulting and supervision activities in 2017 (\$12,500 paid);
- In December 2017, the Company is to issue 250,000 common shares to the Sellers, based on a program of drilling, geophysics and test pitting, provided at least \$75,000 has been spent on the ground by the Company or the alluvial mining operator of Lower Australia Creek (issued on December 1, 2017);
- In December 2018, a further \$50,000 is to be paid to the Sellers;
- In December 2018, the Company is to issue 250,000 common shares to the Sellers, based on follow-up exploration and test mining programs producing gold and a minimum \$100,000 having been spent on the ground by the Company or the alluvial mining operator of Lower Australia Creek;
- In December 2019, a final payment of \$50,000 is to be paid to the Sellers; and
- In December 2019, the Company is to issue 400,000 common shares to the Sellers, based on continued mining on the Australia Creek Property with gold royalty production or a new mining lease agreement with another operator on additional claims.

One of the Sellers is a related party as a director of the Company.



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED OCTOBER 31, 2017**

MINERAL PROPERTY ACQUISITIONS (continued)

KLONDIKE GOLD DISTRICT – ROYALTY PORTFOLIO (continued)

SEPTEMBER 2017 (continued)

- a) ***Dominion Creek Property*** - In September, 2017, the Company completed an option agreement to acquire a 100% interest in mining rights from an arms-length party consisting of 10 claims totalling 1 mile (1.6 km) along a bench of Dominion Creek, a tributary to the Indian River, in the Klondike Gold District near Dawson City, Yukon. In consideration, the Company made an initial cash payment of \$30,000 and must make a final payment of \$45,000 on or before December 31, 2017. The Company also entered into a production royalty agreement with respect to these claims under which the Company has granted exclusive mining rights to an experienced alluvial mining operator in exchange for a 15% royalty on all gold production.

CAPITALIZED ACQUISITION COSTS

A summary of the changes in exploration and evaluation assets is presented below:

	Keno Silver	McKay Hill	Australia Creek	Dominion Creek	Total
	\$	\$	\$	\$	\$
Balance, July 31, 2017	380,903	6,000	62,038	30,000	478,941
Cash payments	10,000	-	50,000	-	60,000
Claim staking	(520)	-	16,585	-	16,065
Licensing costs	243	-	-	-	243
Shares issued	68,000	17,600	-	-	85,600
Warrants issued	22,540	-	-	-	22,540
Balance, October 31, 2017	481,166	23,600	128,623	30,000	663,389

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTH PERIOD ENDED OCTOBER 31, 2017

MINERAL PROPERTIES

YUKON SILVER PROJECTS

As shown in Figure 1 below, Metallic's core Keno Silver Project is located in the historic Keno Hill Silver District of Canada's Yukon Territory, a region which has produced over 200 million ounces of silver and currently hosts one of the world's highest grade silver resources. In addition, its McKay Hill silver and gold project is a historic producer and is located northeast of Keno Hill in a newly emerging silver and gold mining district.

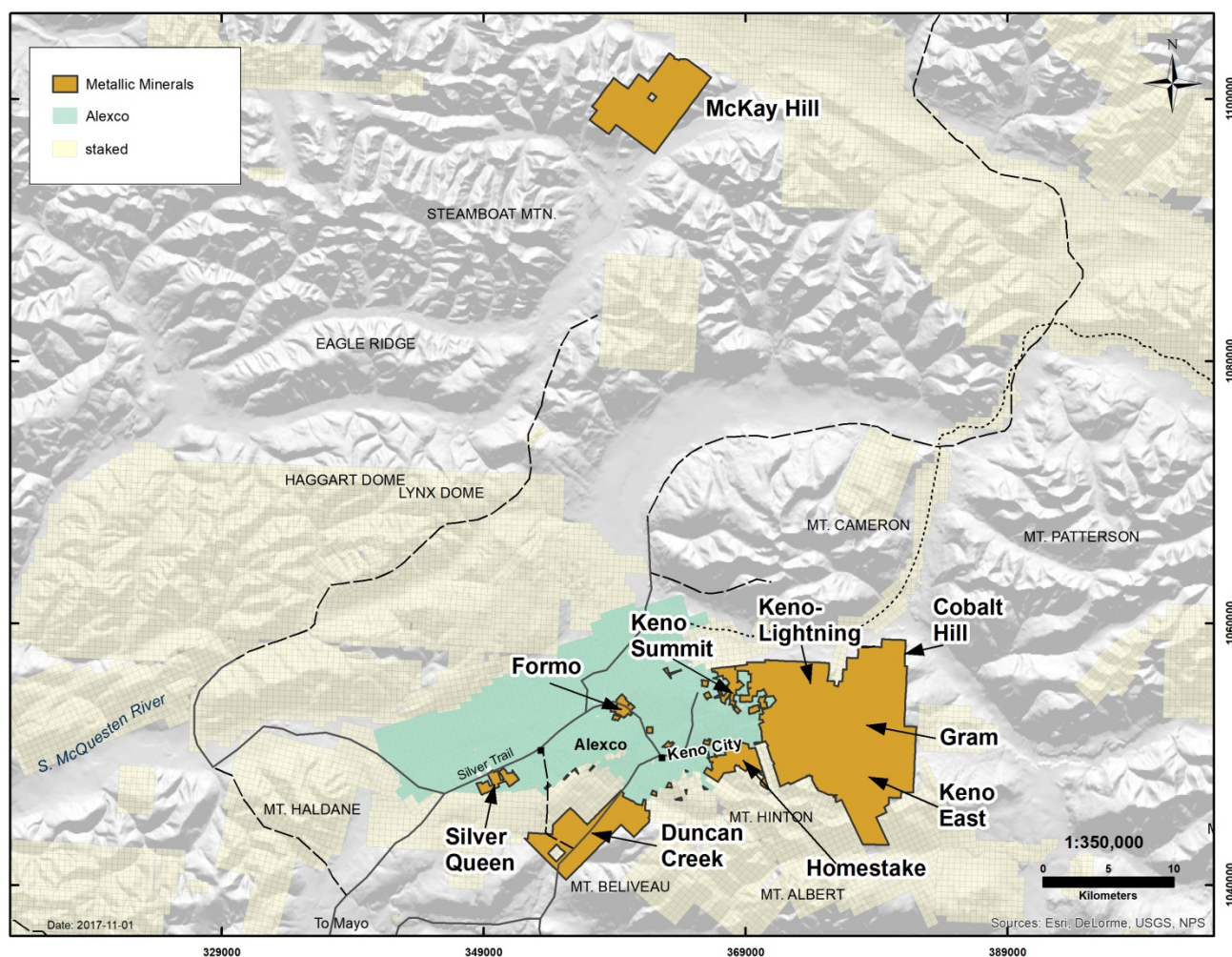


Figure 1. The Company's properties consisting of the Keno Silver Project and McKay Hill Project located in central Yukon Territory of Canada. The Keno Silver Project comprises the Keno-Lightning (which includes Homestake), Silver Queen, Keno Summit, Gram, Duncan Creek, Cobalt Hill, Formo and Keno-East properties.



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTH PERIOD ENDED OCTOBER 31, 2017

MINERAL PROPERTIES (continued)

YUKON SILVER PROJECTS (continued)

KENO SILVER PROJECT

Metallic's 100% owned Keno Silver Project ("**Keno**") covers 165.5 km² within the Keno Hill Silver District located in Canada's Yukon Territory. Keno is a brownfields exploration project within one of the world's highest grade silver districts, which has produced over 200 million ounces ("**ozs**") of high-grade silver over the past 100 years at an average grade exceeding 1,300 grams/tonne ("**g/t**"). The Keno Silver Project, which is located near the communities of Keno City and Mayo, has excellent existing infrastructure with highway and road access, grid power and access to existing deep sea ports.

The Keno Silver Project covers the eastern portion of the Keno Hill Silver District along with newly acquired portions on the western and southern sides of the district. These areas of the district have been under-explored due to previously fragmented, private land ownership that has largely been consolidated by Metallic. The Keno Silver Project directly adjoins Alexco's operations, including the Bellekeno, Birmingham and Flame & Moth projects, which contain over 67 million ozs of high-grade silver in current Measured & Indicated resources. Ten of the twelve known Keno-style high-grade silver structural trends occur on the project in areas underlain by the preferred host rocks within the district. There has been historic silver production from 40 different deposits in the district with the largest mines producing from 10 million up to 100 million ozs of silver.

The Keno Silver Project has seen historic production from 8 mines, including five with average grades above 5,000 g/t silver. Metallic has been compiling and integrating recent and historic geologic and geophysical data into its project database and modelling work.

The Keno Silver Project is made up of eight main properties comprised of Keno-Lightning, Silver Queen, Keno Summit, Gram, Duncan Creek, Cobalt Hill, Formo and Keno-East.

1) Keno-Lightning Property

The Keno-Lightning Property, which includes Homestake, is the largest property within the Keno Silver Project and is subject to a 3% Net Smelter Royalty ("**NSR**"). The Company has the option to buy back up to 2% of this NSR.

2) Silver Queen Property

The 100% owned Silver Queen Property consists of 20 claims primarily on the western end of the Keno Hill silver district.

The Silver Queen Property is subject to a 2% NSR and the Company has the option to buy back the full NSR.

3) Keno Summit Property

The Company owns 100% of 17 claims and five leases on the Keno Summit Property.

Nine claims are subject to the same NSR as the Gram Property, seven claims and two leases are subject to the same NSR as the Silver Queen Property, three leases are subject to the same NSR as the Formo Property and one claim is not subject to an NSR.



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED OCTOBER 31, 2017**

MINERAL PROPERTIES (continued)

YUKON SILVER PROJECTS (continued)

KENO SILVER PROJECT (continued)

4) Gram Property

The 100% owned Gram Property consists of 42 claims covering approximately 8.7 km² on the east side of the Keno Hill Silver District.

The Gram Property is subject to a 2% NSR for precious metals and a 1% NSR for base metals and the Company has the option to buy back the full NSR.

5) Duncan Creek Property

The Duncan Creek Property was staked by the Company in January 2017 along with other claims totaling approximately 30.2 km². The Company owns 100% of the Duncan Creek claims and they are not subject to any underlying royalties.

6) Cobalt Hill Property

The Company owns a 100% interest in the Cobalt Hill property ("Cobalt Hill") covering 4.2 km² that are contiguous with the eastern end of the Keno-Lightning property in the Keno Hill Silver District.

Cobalt Hill is subject to a 3% NSR and the Company has the option to buy back up to 1.5% of this NSR.

7) Formo Property

The Company owns a 100% interest in 16 mining leases in the Keno Hill Silver District.

The Formo Property is subject to a 2% NSR for precious metals and a 1% NSR for base metals. The Company has an option to buy back the full NSR.

8) Keno-East Property

The Company staked additional ground in the Keno East target area, which covers the eastern and southern extension of the main Keno Hill Quartzite unit, as well as several areas with prospective greenstone targets.



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTH PERIOD ENDED OCTOBER 31, 2017

MINERAL PROPERTIES (continued)

YUKON SILVER PROJECTS (continued)

KENO SILVER PROJECT 2017 WORK PROGRAM

The Company conducted field exploration programs on its Keno Silver Project during the summer and fall months of 2017. Through a comprehensive review of modern and historic data, Metallic identified more than a dozen priority target areas for evaluation. Metallic completed detailed geophysical and geochemical surveys, geologic mapping, and trenching during the 2017 field program with a first phase of drilling focused on four advanced target areas.

In December 2017 the Company announced results from its summer/fall exploration programs. Trenching was completed on five target areas which had identified prospective areas through soil sampling and geophysics. The trenching was intended to confirm the presence of significant bedrock mineralization that could be advanced to drill-ready status and was conducted primarily in the Keno Summit area. A total of approximately 0.5 km of trenching was completed in 18 locations as a series of linear trenches or pits. The trenches yielded valuable stratigraphic information, with particularly noteworthy results returned from the Gold Hill and Bounty target areas where significant new bedrock mineralization was exposed at surface following initial soil and rock sampling. Sample results from the 2017 sampling program and assay results from the 2017 trenching program were highlighted in Metallic's press release dated December 4, 2017, which can be found on the Company's website.

A total of 1,320 m of diamond drill core was collected from 14 holes on areas prioritized during initial exploration work including Caribou, Duncan and two vein targets at Homestake. The results show that the Caribou and Homestake targets are classic Keno-type high-grade system with bonanza grades, and that they remain open to further expansion down dip and along trend. Both Caribou and Homestake are expected to be priority targets for the 2018 exploration program. The Company anticipates a robust 2018 exploration program and to continue development of the more than 12 priority targets, along with several new priority targets that were added through acquisitions in the district this year. Drill results from the 2017 drill program were highlighted in Metallic's press releases dated December 13 and 21, 2017, which can be found on the Company's website.

Metallic is in the advanced planning stages for the 2018 field season at its Keno Silver Project. A focus of this work is expected to include follow-up drilling on its priority targets at Caribou and Homestake where the combined historic and recent drilling may allow for rapid development of resources. Additional drill-focused exploration work is intended to include follow-up drilling on the Duncan target, the 2017 discoveries at the Bounty and Gold Hill target areas, remaining drill-ready targets at Vanguard, Silver Basin and Silver Queen, as well as on the recently acquired Formo property, which has an historic resource estimate.

Further exploration activities will continue to focus on advancing known targets to the drill-ready stage through application of the exploration techniques successfully demonstrated during the 2017 field season, including detailed stratigraphic mapping, soil sampling, trenching and geophysics. Follow up exploration will also continue on the earlier stage targets on the highly prospective, but lesser explored targets on the eastern and southern edges of the Keno Silver Project.



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTH PERIOD ENDED OCTOBER 31, 2017

MINERAL PROPERTIES (continued)

YUKON SILVER PROJECTS (continued)

MCKAY HILL PROJECT

The Company owns a 100% interest in the McKay Hill property (“**McKay Hill**”), which covers 35 km² of claims located approximately 50 kms north of the Keno Hill Silver District in the Yukon Territory. McKay Hill is an historic high-grade silver producer and occurs within a belt of silver-lead-zinc related deposits that stretch from the Alaska border to the southern part of the Yukon that includes the famous Keno Hill Silver District. McKay Hill shows potential to host a significant district scale vein system similar to Keno Hill, with at least 16 identified vein structures that have seen very limited modern exploration. McKay Hill occurs at the western end of ATAC Resources Ltd.’s Rackla Gold project, an area that is emerging as a new significant district for silver, gold and associated base metals. Geophysical surveys on McKay Hill have highlighted extensions of the known mineralization and several new areas with similar geophysical properties to those of areas of historic production and focus.

McKay Hill is subject to a 3% NSR and the Company has the option to buy back up to 2% of this NSR.

MCKAY HILL PROJECT 2017 WORK PROGRAM

The Company conducted field exploration programs on McKay Hill during the summer and fall months of 2017. Exploration work included follow-up rock and soil sampling, reconnaissance and detailed mapping of veins in the Central Zone and Independence Ridge areas. In addition, high resolution satellite photography was collected over the entire McKay Hill property to provide mapping and topographic ground control for use in future programs. Soil sampling extended the existing soil grid in the Central Zone to cover open anomalies and a new soil grid was established at the Independence Ridge area. Mapping and prospecting noted some distinctive hydrothermal and structural characteristics to the mineralization, which suggests the potential for a large mineralized system. Sample results from the 2017 sampling program, as well as historic sampling results, were highlighted in Metallic’s press release dated October 24, 2017, which can be found on the Company’s website.

The information provided by the 2017 field program, along with a comprehensive review of historic data, has enabled the Metallic technical team to begin developing future programs which are expected to commence in 2018 including the possibility of drilling the most advanced targets identified through preliminary surface work.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTH PERIOD ENDED OCTOBER 31, 2017

MINERAL PROPERTIES (continued)

KLONDIKE GOLD DISTRICT – ROYALTY PORTFOLIO

As shown in Figure 2 below, Metallic's Alluvial properties consist of Australia Creek and Dominion Creek, which are tributaries of the Indian River, in the Klondike Gold District near Dawson City, Yukon. Australia Creek and Dominion Creek are part of the historic Klondike Gold District that is estimated to have produced over 20 million ounces of gold since its discovery in 1898. Australia Creek and its benches are now recognized by Yukon Geological Survey as an eastern continuation of the highly-productive Indian River drainage system, which is the largest placer gold producing area in the Yukon. Mining on the Indian River began in the late 1970's and has produced about 250,000 ounces, or more than 40% of all placer gold production in the Yukon through 2015.¹

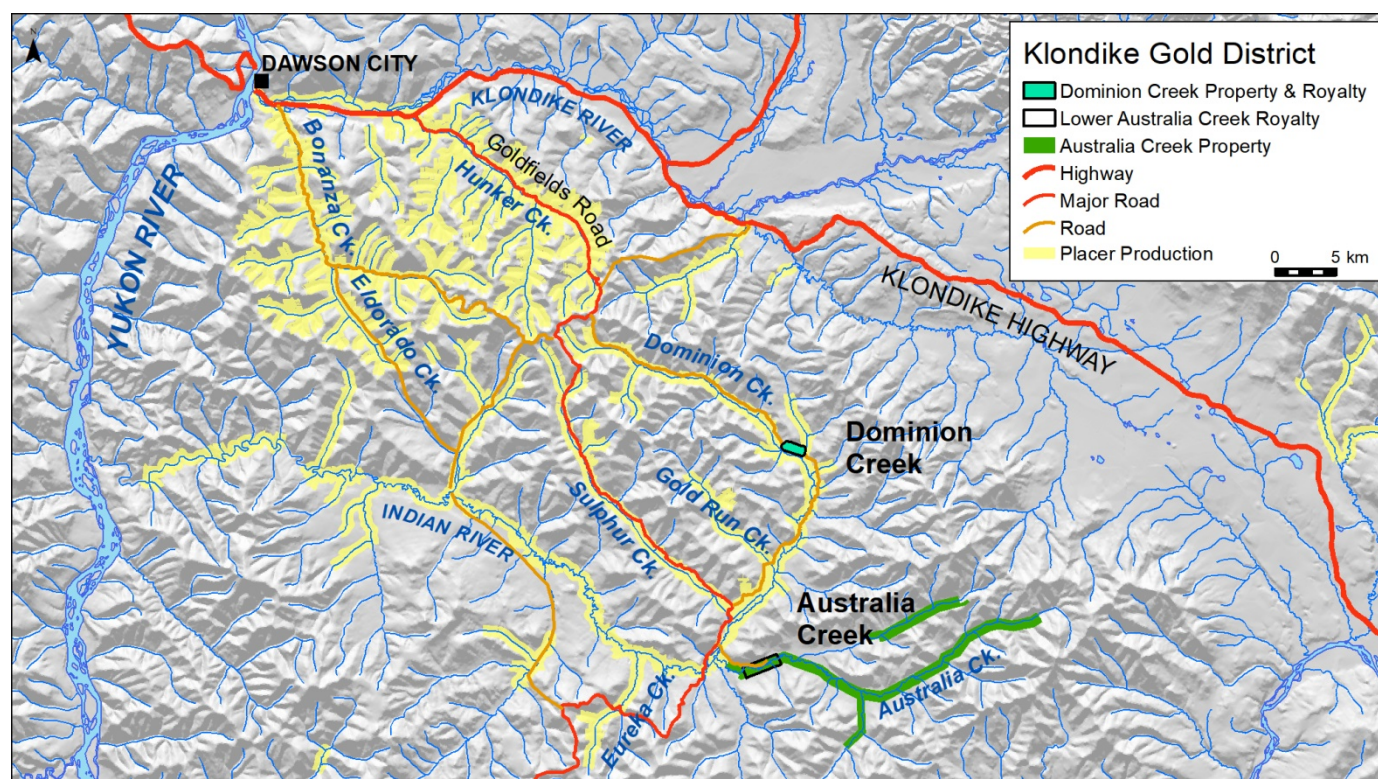


Figure 2. The Company's Alluvial properties located in the Klondike Gold District, Yukon, consisting of Australia Creek and Dominion Creek.

¹ Yukon Geological Survey ("YGS") Yukon Placer Mining Industry Report 2010-2014.



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED OCTOBER 31, 2017**

MINERAL PROPERTIES (continued)

KLONDIKE GOLD DISTRICT – ROYALTY PORTFOLIO (continued)

AUSTRALIA CREEK PROPERTY

The Company has an option to acquire a 100% interest in approximately 26 miles (42 kms) of mining rights and 18 miles (29 kms) of bench claims along the Australia Creek Property, a tributary to the Indian River, in the Klondike Gold District near Dawson City, Yukon (see Figure 2 on Page 9). In connection with this acquisition, the Company entered into a production royalty agreement with respect to a two mile portion of Lower Australia Creek. Under the production royalty agreement, the Company has given an experienced arms-length alluvial mining operator an exclusive right to mine Lower Australia Creek, in exchange for a 12% royalty on all gold production, payable to the Company. The Sellers will receive a 4% royalty from the Company on all alluvial gold production. The Company has the ability to buy back the full royalty.

In order to earn a 100% interest in the underlying Australia Creek Property, Metallic has remaining commitments as follows:

- In December 2017, a total of \$25,000 is to be paid to the Sellers for carrying out consulting and supervision activities in 2017 (\$12,500 paid);
- In December 2018, a further \$50,000 is to be paid to the Sellers;
- In December 2018, the Company is to issue 250,000 common shares to the Sellers, based on follow-up exploration and test mining programs producing gold and a minimum \$100,000 having been spent on the ground by the Company or the alluvial mining operator of Lower Australia Creek;
- In December 2019, a final payment of \$50,000 is to be paid to the Sellers; and
- In December 2019, the Company is to issue 400,000 common shares to the Sellers, based on continued mining on the Australia Creek Property with gold royalty production or a new mining lease agreement with another operator on additional claims.

One of the Sellers is a related party as a director of the Company.



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTH PERIOD ENDED OCTOBER 31, 2017

MINERAL PROPERTIES (continued)

KLONDIKE GOLD DISTRICT – ROYALTY PORTFOLIO (continued)

AUSTRALIA CREEK PROPERTY (continued)

In October 2017, six additional miles of mining rights were staked and fall under the area of interest in the Australia Creek Property agreement.

AUSTRALIA CREEK 2017 WORK PROGRAM

In the summer/fall of 2017, the operator of Australia Creek mobilized to site and conducted test work. Additional ground preparation was completed to facilitate an early start to work in 2018. In October 2017, geophysical surveys were conducted on a portion of the Australia Creek Property in order to assist in defining depth to bedrock as well as defining paleo-channels. The operator is expected to make a decision regarding full-scale production with respect to Lower Australia Creek in early 2018.

DOMINION CREEK PROPERTY

The Company has an option agreement to acquire a 100% interest in mining rights from an arms-length party consisting of 10 claims totalling approximately 1 mile (1.6 km) along a bench of Dominion Creek, a tributary to the Indian River, in the Klondike Gold District near Dawson City, Yukon (see Figure 2 on Page 12). In order to obtain the 100% interest, the Company has made an initial cash payment of \$30,000 and is required to make a final payment of \$45,000 on or before December 31, 2017. The Company also entered into a production royalty agreement with respect to these claims under which the Company has granted exclusive mining rights to an experienced alluvial mining operator in exchange for a 15% royalty on all gold production.

DOMINION CREEK 2017 WORK PROGRAM

On November 9, 2017, Metallic announced it had received the first royalty payments from test work conducted by the Dominion Creek operator. The proceeds from these royalty payments will be used to offset some of the corporate and operating expenses related to Metallic's exploration activities. Although the royalty was from a modest amount of test material, it confirms the presence of recoverable alluvial gold on the Dominion Creek Property. Additional ground preparation has been completed at Dominion Creek to facilitate an early start to work in 2018.

QUALIFIED PERSON

Mr. Scott Petsel, P.Geo., VP Exploration for the Company and a Qualified Person within the meaning of National Instrument 43-101, has reviewed the technical information in this MD&A.



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED OCTOBER 31, 2017**

MINERAL PROPERTIES (continued)

2017 PROPERTY EXPENDITURES

A summary of the exploration and evaluation expenditures incurred for the three months ended October 31, 2017 is presented below:

	Keno Silver	McKay Hill	Australia Creek	Dominion Creek	Total
	\$	\$	\$	\$	\$
Analysis	41,388	-	-	-	41,388
Camp costs	12,961	-	14,242	-	27,203
Consulting - geological	59,827	2,212	788	-	62,827
Consulting - other	7,750	-	9,000	1,500	18,250
Drilling	516,949	-	-	-	516,949
Equipment and communication	60,479	-	8,300	-	68,779
Fuel	1,976	-	1,178	-	3,154
Geophysics	18,209	-	66,830	-	85,039
Overhead and administration	4,738	291	1,022	-	6,051
Prospecting and mapping	7,250	9,597	-	-	16,847
Road work	115,260	-	50,650	-	165,910
Salaries and benefits	98,308	6,557	-	-	104,865
Transportation and travel	13,282	8,386	6,195	-	27,863
Trenching and test pitting	-	-	53,510	-	53,510
	958,377	27,043	211,715	1,500	1,198,635
Less: Government Grants	-	(28,540)	-	-	(28,540)
	958,377	(1,497)	211,715	1,500	1,170,095



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTH PERIOD ENDED OCTOBER 31, 2017

OVERALL PERFORMANCE

FINANCIAL CONDITION

The net assets of the Company decreased from \$1,907,459 at July 31, 2017 to \$761,709 at October 31, 2017, a decrease of \$1,145,750. The most significant assets at October 31, 2017 were cash of \$479,015 (July 31, 2017: \$1,533,023) and exploration and evaluation assets of \$663,389 (July 31, 2017: \$478,941). The most significant liabilities at October 31, 2017 were accounts payable and accrued liabilities of \$468,971 (July 31, 2017: \$355,478) and a flow-through share premium liability of \$75,943 (July 31, 2017: \$141,992).

The majority of the decrease in cash was a result of the Company incurring \$1,170,095 in exploration expenditures on its summer/fall 2017 field programs. The majority of the increase in exploration and evaluation assets of \$184,448 consisted of a fair value of \$85,600 for shares issued pursuant to option agreements and \$60,000 in cash payments pursuant to option agreements. The majority of acquisition costs were incurred on the Company's Keno Silver Project (\$100,263).

The flow-through share premium liability is an estimated premium that investors pay for the flow-through feature. Upon eligible exploration expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The flow-through share premium liability was reduced by \$66,049 during the three months ended October 31, 2017 as a result of the Company incurring eligible exploration expenditures.

RESULTS OF OPERATIONS

Quarter ended October 31, 2017

The net loss for the three months ended October 31, 2017 was \$1,598,010 (2017: \$318,326).

The significant increase in the net loss year-over-year is a result of the Company conducting significant field exploration programs during the summer/fall 2017 (Q4 2017 and Q1 2018).

The most significant expenses for the three months ended October 31, 2017 were exploration expenditures of \$1,170,095 (2017: \$17,888), share-based payment expense of \$184,120 (2017: \$119,888), investor relations and corporate development expenses of \$133,676 (2017: \$8,139) and consulting fees of \$125,142 (2017: \$125,978). Other items consisted of other income of \$66,049 (2017: \$Nil) and interest income of \$5,384 (2017: \$Nil).

The Company conducted a number of summer 2017 field exploration programs which ran from June through to October. As noted in the table on Page 14, the majority of exploration expenditures consisted of drilling costs of \$516,949, road work of \$165,910, salaries and benefits of field personnel of \$104,865 and geophysics costs of \$85,039. The majority of expenditures were incurred on Metallic's Keno Silver Project (\$958,377).



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTH PERIOD ENDED OCTOBER 31, 2017

RESULTS OF OPERATIONS (continued)

Quarter ended October 31, 2017 (continued)

The share-based payment expense relates to stock options that were granted in September 2016 and August 2017. In September 2016 and August 2017, the Company granted 3,400,000 and 2,200,000 stock options to directors, officers and consultants with each option granting the holder the right to acquire one common share of the Company at a price \$0.44 and \$0.30 per share, respectively, for five years. The Company applies the fair value method of accounting for all awards of stock options by using the Black-Scholes Option Pricing Model. Variations in share-based expense are based on a number of factors including, but not limited to, the expected stock price volatility, the occurrence of grants during a particular period, the Company's share price at the time of an option grant and the timing of recording share-based payments expense based on vesting schedules. The fair value of the September 2016 stock options at grant date was \$851,670, or \$0.25 per option, with \$87,306 recorded during the three months ended October 31, 2017. The fair value of the August 2017 stock options at grant date was \$427,292, or \$0.19 per option, with \$96,814 recorded during the three months ended October 31, 2017. The remaining balances will be expensed in future periods, consistent with vesting provisions.

The majority of investor relations and corporate development expenses of \$133,676 consisted of advertising expenses of \$61,661, corporate advisory services of \$33,920 and conferences of \$18,293.

Other income of \$66,049 consisted exclusively of the settlement of flow-through share premium liability as a result of incurring qualified exploration expenditures.

CASH FLOWS

Quarter ended October 31, 2017

Cash decreased by \$1,054,008 during the three months ended October 31, 2017, from \$1,533,023 at July 31, 2017 to \$479,015 at October 31, 2017. The decrease was a result of cash of \$1,137,700 used in operating activities and cash of \$76,308 used in investing activities, partially offset by cash of \$160,000 provided by financing activities.

The cash of \$1,137,700 used in operating activities consisted of a net loss of \$1,598,010, reduced by a net change in non-cash working capital items of \$342,239 and non-cash items of \$118,071.

Cash of \$76,308 used in investing activity consisted of cash spent on the acquisition of exploration and evaluation assets. The majority of costs consisted of cash payments of \$50,000 on the Australia Creek Property and \$10,000 on the Keno Hill Silver Project and staking costs of \$16,585 on Australia Creek.

The cash of \$160,000 provided by financing activities consisted exclusively of proceeds pursuant to the exercise of 1,600,000 warrants.



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED OCTOBER 31, 2017**

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's financial results for the most recent eight quarterly periods:

	Q1, 2018	Q4, 2017	Q3, 2017	Q2, 2017
	\$	\$	\$	\$
Net loss for the period	(1,598,010)	(839,566)	(575,785)	(837,555)
Basic and diluted loss per share	(0.04)	(0.02)	(0.01)	(0.02)

	Q1, 2017	Q4, 2016	Q3, 2016	Q2, 2016
	\$	\$	\$	\$
Net loss for the period	(318,326)	(86,742)	(11,228)	(18,139)
Basic and diluted loss per share	(0.01)	(0.03)	(0.00)	(0.01)

Over the last eight quarters, the Company's net loss has ranged from \$11,228 in Q3, 2016 to a net loss of \$1,598,010 in Q1, 2018.

The significant increase in net losses in fiscal 2017 and Q1 2018 is a result of the Company's recapitalization and the appointment of a new management team in Q1 2017, the Company completing multiple financings for gross proceeds of \$3.73 million between July 2016 and July 2017 and the Company conducting significant exploration programs in summer/fall 2017 (Q4 2017 and Q1 2018). The management team continues to seek ways to create shareholder value. The gross proceeds from the financings included \$2.425 million of flow-through dollars which will be spent on qualifying exploration expenditures for purposes of the Canadian Income Tax Act. As of October 31, 2017 the Company had approximately \$380,000 of flow-through funds remaining to be spent.

The most significant expenses in Q1, 2018 were exploration expenditures of \$1,170,095, share-based payment expense of \$184,120 and investor relations and corporate development costs of \$133,676. See "*Results of Operations*" above for explanations of these expenses.

LIQUIDITY AND CAPITAL RESOURCES

In management's view, given the nature of the operations, which currently consists of its interest in certain mineral properties, the most relevant financial information relates primarily to current liquidity, solvency and planned expenditures. The Company's financial success will be dependent upon the extent to which it can determine whether its resource properties contain reserves, which are economically recoverable.



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTH PERIOD ENDED OCTOBER 31, 2017

LIQUIDITY AND CAPITAL RESOURCES (continued)

Such development may take years to complete and the amount of resulting income, if any, is difficult to determine. The Company does not expect to receive significant income in the foreseeable future.

As at October 31, 2017, the Company had \$479,015 in cash, working capital of \$98,320 and no long-term debt. On December 29, 2017, the Company completed a private placement of 3,450,000 FT Shares of the Company at a price of \$0.40 per FT Share for gross proceeds of \$1,380,000. In connection with this private placement, the Company paid finders' fees of 6% on a portion of the gross proceeds, paid \$5,000 to cover a finder's due diligence fees related to this private placement and issued 80,250 finders' warrants, with each warrant entitling the holder to purchase one common share of the Company at a price of \$0.45, with an expiry of December 28, 2019. Approximate cash balance at the date of this report was \$1,800,000.

While the Company has been successful in obtaining the necessary financing through the issuance of common shares and loans from related parties in the past, there is no assurance it will be able to raise funds in this manner in the future and there remain material uncertainties that may cast significant doubt as to the Company's ability to continue as a going concern. The Company's trade and other payables are due in the short term.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

CONTRACTUAL OBLIGATIONS

As a result of the issuance of FT Shares on October 31, 2016, March 23, 2017 and June 26, 2017, the Company has a commitment to incur \$1,125,000 in qualifying Canadian exploration expenditures on or before December 31, 2017 and \$1,300,000 on or before December 31, 2018. As at October 31, 2017, the Company had approximately \$380,000 remaining to be spent.

As a result of the private placement noted in 'Liquidity and Capital Resources' above, the Company has an additional commitment to incur \$1,380,000 in qualifying Canadian exploration expenditures on or before December 31, 2018.

RELATED PARTY TRANSACTIONS

The following is a summary of charges incurred by the Company with related parties and compensation paid to key management personnel. Key management personnel at the Company are the Directors and Officers of the Company.



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTH PERIOD ENDED OCTOBER 31, 2017

RELATED PARTY TRANSACTIONS (continued)

The remuneration of key management personnel for the three months ended October 31 was as follows:

		2017	2016
		\$	\$
Consulting fees	1	107,900	99,800
Exploration and evaluation assets	2	25,000	-
Exploration expenditures	3	61,800	-
Share-based payment expense	4	145,379	109,310
		340,079	209,110

¹ Consulting fees for the three months ended October 31, 2017 and October 31, 2016 consisted of fees earned by key management personnel including the CEO, CFO, VP Government & Community Relations, VP Exploration, Corporate Secretary and fees earned by Midnight Mining Services Ltd., a private company controlled by Bill Harris, a director of the Company.

² This amount was incurred with a director of the Company with respect to the Australia Creek option agreement.

³ Exploration expenditures consisted of equipment rentals from Midnight Mining Services Ltd.

⁴ Share-based payment expense is a non-cash item that consisted of the fair value of stock options that were granted to key management personnel.

Included in deposits at October 31, 2017 was an amount of \$Nil (July 31, 2017: \$25,000) paid to Bill Harris, a director of the Company, in connection with the purchase of the Australia Creek Property.

Included in accounts payable and accrued liabilities at October 31, 2017 was an amount of \$127,441 (July 31, 2017: \$88,918) for CEO, CFO, VP Government & Community Relations, VP Exploration and Corporate Secretary fees.

Included in accounts payable and accrued liabilities at October 31, 2017 were amounts of \$4,500 (July 31, 2017: \$12,000) and \$57,326 (July 31, 2017: \$28,350) owed to Midnight Mining Services Ltd. for consulting fees and equipment rentals, respectively.

These transactions were measured at the exchange amount, which is the amount agreed upon by the transacting parties.

PROPOSED TRANSACTIONS

As of the date of this report, there were no proposed transactions.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year and include, but are not limited to, the following:



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTH PERIOD ENDED OCTOBER 31, 2017

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

i) Critical accounting estimates (continued)

Premium on Flow-Through Shares

At the time of issue, the Company estimates the proportion of proceeds attributed to the flow-through share, the common share and the warrant, if applicable with reference to closing market prices and such techniques as the Black-Scholes option-pricing model.

Share-based payments

The fair value of share-based payments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

Exploration and Evaluation Expenditures

The application of the Company accounting policy for E&E expenditures requires judgment in determining whether it is likely that future economic benefits will follow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the Company's profit or loss in the period the new information becomes available.

Title to Mineral Property Interests

Although the Company takes 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.

Going Concern

The preparation of the Company's financial statements requires management to make judgments regarding the going concern of the Company, as discussed in Note 1 of the audited financial statements for the year ended July 31, 2017.

FINANCIAL AND OTHER INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks which are discussed in detail in Note 9 of the Company's condensed interim financial statements for the three months ended October 31, 2017.



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED OCTOBER 31, 2017**

OTHER MD&A REQUIREMENTS

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

General and administration expenses for the three months ended October 31 were as follows:

	2017	2016
	\$	\$
Consulting	125,142	125,978
Exploration expenditures	1,170,095	17,888
Investor relations and corporate development	133,676	8,139
Office and administration	24,614	14,038
Professional fees	10,361	-
Property evaluation	11,858	9,507
Share-based payment expense	184,120	119,888
Transfer agent, regulatory and filing fees	4,914	17,810
Travel and accommodation	4,663	5,078
	1,669,443	318,326

DISCLOSURE OF OUTSTANDING SHARE DATA

As of the date of this report, there were 54,569,419 common shares, 22,327,916 share purchase warrants and 5,500,000 stock options outstanding.

RISKS AND UNCERTAINTIES

The principal business of the Company is the acquisition, exploration and development of silver and gold mineral properties. Given the nature of the mining business, the limited extent of the Company's assets and the present stage of development, the following risk factors, among others, should be considered:

Exploration Stage Company

The Company does not hold any known mineral reserves of any kind and does not generate any revenues from production. The Company's success will depend largely upon its ability to locate commercially productive mineral reserves. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful. Success in establishing reserves is a result of a number of factors, including the quality of management, the level of geological and technical expertise, and the quality of property available for exploration.



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTH PERIOD ENDED OCTOBER 31, 2017

RISKS AND UNCERTAINTIES (continued)

Once mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves through drilling and bulk sampling, to determine the optimal metallurgical process to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of resources or reserves.

Operating History and Availability of Financial Resources

The Company does not have an operating history and has no operating revenues and is unlikely to generate any significant amount in the foreseeable future. Hence, it may not have sufficient financial resources to undertake by itself all of its planned mineral property acquisition and exploration activities. Operations will continue to be financed primarily through the issuance of securities.

The Company will need to continue its reliance on the issuance of such securities for future financing, which may result in dilution to existing shareholders. Furthermore, the amount of additional funds required may not be available under favourable terms, if at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause the Company to forfeit its interests in some or all of its properties or to reduce or discontinue its operations.

Price Volatility and Lack of Active Market

Securities markets in Canada and elsewhere continue to experience a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any quoted market for the Company's securities will be subject to such market trends and that the value of such securities may be affected accordingly. If an active market does not develop, the liquidity of the investment may be limited and the market price of such securities may decline below the subscription price.

Competition

The resource industry is intensively competitive in all of its phases, and the Company competes with many other companies possessing much greater financial and technical resources. Competition is particularly intense with respect to the acquisition of desirable undeveloped properties. The principal competitive factors in the acquisition of prospective properties include the staff and data necessary to identify and investigate such properties, and the financial resources necessary to acquire and develop the projects. Competition could adversely affect the Company's ability to acquire suitable prospects for exploration.



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTH PERIOD ENDED OCTOBER 31, 2017

RISKS AND UNCERTAINTIES (continued)

Government Regulations and Environmental Risks and Hazards

The Company's conduct is subject to various federal, provincial and state laws, and rules and regulations including environmental legislation. The Company has adopted environmental practices designed to ensure that it continues to comply with environmental regulations currently applicable to it. All of the Company's activities are in compliance in all material respects with applicable environmental legislation.

Environmental hazards may exist on the Company's properties, which may have been caused by previous or existing owners or operators of the properties. The Company is not aware of any existing environmental hazards related to any of its current property interests that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the resource property interests, the potential for production on the property may be diminished or negated.

Dependence on Key Personnel

The Company is dependent on a relatively small number of key directors, officers and senior personnel. Loss of any one of those persons could have an adverse effect on the Company. The Company does not currently maintain "key-man" insurance in respect of any of its management.

Licenses and Permits

The operations of the Company require licenses and permits from various government authorities. The Company believes that it holds all necessary licenses and permits under applicable laws and regulations for work in progress and believes it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change in various circumstances. There can be no guarantee that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities or to maintain continued operations that economically justify the cost.

Title to Property

Although the Company has exercised the usual due diligence with respect to title to properties in which it has a material interest, there is no guarantee that title to the properties will not be challenged or impugned. The Company's mineral property interest may be subject to prior unregistered agreements or transfers, aboriginal land claims, government expropriation and title may be affected by undetected defects. In addition, certain mining claims in which the Company has an interest are not recorded in the name of the Company and cannot be recorded until certain steps are taken by other parties.



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED OCTOBER 31, 2017**

OTHER INFORMATION

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Director – Bill Harris
Director – Stephen Pearce
Director – Gregor Hamilton
Vice President, Government & Community Relations – Susan Craig
Vice President, Exploration – Scott Petsel
Chief Financial Officer & Corporate Secretary – Tim Thiessen

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Listings

TSX Venture Exchange Symbol: “MMG”
US OTC: “MMNGF”