MEDALLION RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS
For the Six Months ended September 30, 2020
Containing information up to and including November 30, 2020

The following Management Discussion and Analysis ("MD&A") is prepared as at November 30, 2020 and is intended to help the reader understand the accompanying unaudited condensed consolidated interim financial statements of Medallion Resources Ltd. (the "Company" or "Medallion"). The information provided herein should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and notes for the six months ended September 30, 2020.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls to ensure that information used internally or disclosed externally, including the accompanying consolidated financial statements and this MD&A, is complete and reliable.

The unaudited condensed consolidated interim financial statements of the Company for the six months ended September 30, 2020 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The Company is incorporated in British Columbia and is involved in the acquisition and evaluation of mineral resource projects. The Company is seeking monazite processing partnerships by which to extract and produce rare-earths from monazite.

Additional information relating to the Company is available on the SEDAR website: www.sedar.com under "Medallion Resources Ltd.".

All currency amounts are in Canadian dollars unless otherwise indicated.

OPERATIONS

The Company's operations historically consisted of the acquisition, exploration and evaluation of mineral properties. This included evaluating the merits of these properties using various techniques such as sampling, trenching, drilling, and geophysical and geochemical survey methods.

The Company is now focused on a rare earth element (REE) business strategy involving the safe and efficient extraction of REE from the mineral monazite. Monazite is widely available as a by-product from heavy mineral sand mining operations.

Medallion is completing process testwork, and seeking monazite supply agreements for the future production of REE materials. Medallion is testing a variety of samples, which have been submitted by heavy-mineral-sands producers, to locate suitable quantities and qualities of monazite feed. This testing could lead to monazite purchase agreements and potentially provide feedstock for a planned rare-earth processing plant. Since no monazite purchase contracts or processing plant financing and development agreements are in place at this time, all expenses associated with this strategy are being written off in the Company's consolidated statements of loss and comprehensive loss.

The Company has no commercial production at this time and accordingly the Company has no revenue from operations.

PROJECT INVESTIGATION

To support the Company's strategy of securing monazite supply agreements for the future production of REE materials, certain consulting, travel, legal and other expenses have been incurred by the Company. The Company expects to continue to incur such expenses during the current year. Since no monazite purchase contracts or process-plant financing and development agreements are in place at this time, all expenses associated with this strategy are being expensed in the Company's consolidated statements of loss and comprehensive loss.

For further details relating to project investigation expenses, please refer to Note 4 of the accompanying unaudited consolidated interim financial statements for the six months ended September 30, 2020.

RESULTS OF OPERATIONS FOR THE QUARTER

Results of operations for the three months ended September 30, 2020 compared to the three months ended September 30, 2019

The Company's loss for the three months ended September 30, 2020 was $606,606 (loss per share – $0.01) compared to a loss of $442,632 (loss per share – $0.01) for the three months ended September 30, 2019.

Excluding the non-cash share-based compensation of $375,399 (2019 - $139,910), the expenses amounted to $223,403 (2019 - $310,417). The significant factors that contributed to the decrease in the loss during the three months ended September 30, 2020 compared with the corresponding period in 2019 were:

- Consulting fees for the three months ended September 30, 2020 were $24,494 compared to $152,041 for three months ended September 30, 2019. This is due to a reduction in the number of contract staff following completion of the flow-sheet design and consultants engaged in investor relations.

- Office and general expenditures for the three months ended September 30, 2020 were $9,036 compared to $18,730 for the three months ended September 30, 2019. This is because the Company has been monitoring its use of cash and actively seeking ways to reduce its operating expenses.

- Project Investigation expenses for the three months ended September 30, 2020 were $31,608 compared to $45,156 for the three months ended September 30, 2019. This is due to decreased process testing costs that were incurred in 2020 compared with the three months ended September 30, 2019.

These decreased expenses were offset by the following:

- Management fees for the three months ended September 30, 2020 were $69,224 compared to $37,344 for three months ended September 30, 2019. This is because the Company hired a new Chief Executive Officer.

- Professional expenses for the three months ended September 30, 2020 were $21,396 compared to $12,166 for the three months ended September 30, 2019. This is due to increase in the number of professional staff engaged to complete two private placements during the current period.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected quarterly financial information for each of the last eight quarters (information is unaudited):

Quarter Ending	Revenue $	Other Items $	Expenses $	Net Loss $	Loss Per Share $
September 30, 2020	Nil	(7,804)	598,802	606,606	0.01
June 30, 2020	Nil	Nil	375,258	375,258	0.01
March 31, 2020	Nil	Nil	202,185	202,185	0.00
December 31, 2019	Nil	14,609	306,833	292,224	0.01
September 30, 2019	Nil	7,695	450,327	442,632	0.01
June 30, 2019	Nil	60,800	317,686	256,886	0.01
March 31, 2019	Nil	Nil	183,603	186,603	0.01
December 31, 2018	Nil	Nil	97,110	97,110	0.00

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2020, the Company had working capital of $1,862,169 (March 31, 2020 - deficiency of $170,541), an increase in the working capital of $2,032,710 from March 31, 2020. The working capital increase is due to proceeds from private placements and exercise of warrants, during the six months ended September 30, 2020 offset by operating expenses incurred during the six months ended September 30, 2020. During the six months ended September 30, 2020, a total of $124,588 was repaid to a corporation controlled by a director of the Company that decreased amounts owed to the related party. Of the $300,447 of total current liabilities as at September 30, 2020, $194,259 is owed directly or indirectly to directors and officers of the Company.

Cash consists of $2,012,392 (March 31, 2020 - $138,104) available in the bank accounts of the Company at September 30, 2020.

On April 9, 2019 the Company completed the second and final tranche of a private placement financing consisting of 410,167 units at $0.09 per unit for gross proceeds of $36,915. Each unit consists of one common share and one half common share purchase warrant, with each warrant exercisable to acquire one common share for 3 years at an exercise price of $0.15. Cash proceeds from the private placement were allocated as $27,394 and $9,521, respectively, to the common shares and warrants issued in the private placement based on their relative fair values at the closing date of the private placement. The Company issued 16,480 finders' warrants (valued at $976), each exercisable to acquire a common share at a price of $0.09 per share for a period of 2 years from closing.

On August 23, 2019 the Company completed the first tranche of a private placement financing consisting of 5,372,572 units at $0.105 per unit for gross proceeds of $564,120. Each unit consists of one common share and one half common share purchase warrant, with each warrant exercisable to acquire one common share for 3 years at an exercise price of $0.165. The Company incurred share issuance costs of $17,292 and issued 164,686 finders' warrants each exercisable to acquire a common share at a price of $0.165 per share for a period of 3 years from closing.

On October 9, 2019 the Company completed the second and final tranche of a private placement financing consisting of 2,197,657 units at $0.105 per unit for gross proceeds of $230,754. Each unit consists of one common share and one half common share purchase warrant, with each

warrant exercisable to acquire one common share for 3 years at an exercise price of $0.165. The Company paid $420 in finder's fees and issued 4,000 finder's warrants each exercisable to acquire a common share at a price of $0.165 per share for a period of 3 years from closing.

On June 26, 2020, the Company completed a non-brokered private placement issuing 2,500,000 units at a price of $0.10 per unit for aggregate gross proceeds of $250,000. Each unit consisted of one common share of the Company and one-half transferable common share purchase warrant. Each warrant is exercisable for one common share of the Company at a price of $0.15 for two years from the date of issuance. The warrants were ascribed a value of $56,700 under the Black-Scholes valuation model with the residual being allocated to share capital. In accordance with the Company's accounting policy in regards to unit bifurcation, the Company calculated the relative fair value of the unit warrants with the use of the Black-Scholes option pricing model with the following assumptions: term of 2 years, dividend yield of 0%, expected volatility of 114% and a risk free interest rate of 0.29%.

On August 25, 2020 the Company completed a non-brokered private placement consisting of 10,666,667 units at $0.15 per unit for gross proceeds of $1,600,000. Each unit consisted of one common share and one-half transferable common share purchase warrant, with each warrant exercisable to acquire one common share for 3 years at an exercise price of $0.20. The Company paid finders' fees of $65,620 and granted 437,467 finders' warrants (valued at $68,200), each finders' warrant exercisable to acquire one common share at an exercise price of $0.25 until August 25, 2022. The warrants were ascribed a value of $437,233 under the Black-Scholes valuation model with the residual being allocated to share capital. In accordance with the Company's accounting policy in regards to unit bifurcation, the Company calculated the relative fair value of the unit warrants with the use of the Black-Scholes option pricing model with the following assumptions: term of 3 years, dividend yield of 0%, expected volatility of 123.49% and a risk free interest rate of 1.53%. In addition, the Company calculated the fair value of the finders' warrants with use of the Black-Scholes option pricing model with the following assumptions: term of 2 years, dividend yield of 0%, expected volatility of 123.72% and a risk free interest rate of 1.38%.

During the six months ended September 30, 2020, the Company issued an aggregate of 3,530,700 common shares for gross proceeds of $740,783 pursuant to the exercise of warrants and options.

Subsequent to September 30, 2020, the Company issued an aggregate of 158,143 common shares for gross proceeds of $26,094 pursuant to the exercise of warrants.

Contributed surplus totaled $3,871,532 as at September 30, 2020 (March 31, 2020 - $3,130,902). The increase of $740,630 is due to the grant of stock options to officers, directors and consultants of the Company, the reversal of fair value of exercised options and the transfer of fair value of expired warrants.

The Company has in the past relied primarily upon the sale of equity securities for cash required for business purposes, for acquisitions, and to fund the administration of the Company. Since the Company does not expect to generate any revenues in the near future, it will continue to rely primarily upon sales of its equity to raise capital. There can be no assurance that additional equity financing will be available to the Company in the required amount when needed or at all. Mineral processing is a capital-intensive business with lengthy periods elapsing from initial investigation to any prospect of revenues. The nature of the mineral processing business increases risks of insufficient capital resources above that of many other businesses. The Company believes it has sufficient cash to last to the end of the fiscal year.

OFF BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet transactions.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions are as follows:

a) During the six months ended September 30, 2020, $64,000 (2019 - $72,000) was charged by a private company controlled by a director of the Company, Don Lay, for management and consulting fees. At September 30, 2020, $153,612 (March 31, 2020 - $214,200) was owed to this company on account of management and consulting fees.

b) Effective October 1, 2018 the Company began accruing interest owed to a private company controlled by a director of the Company, Don Lay, on account of management and consulting fees owed at an interest rate of prime plus 3.00%. During the six months ended September 30, 2020, $6,204 (2019 - $8,860) was paid to this company on account of interest. At September 30, 2020, $3,122 (March 31, 2020 - $Nil) was owed to this company on account of interest.

c) During the six months ended September 30, 2020, the Company incurred $8,450 (2019 – $7,950) in rent in connection with an office sub-lease the Company entered into with a company owned by a former director of the Company. At September 30, 2020, $Nil (March 31, 2020 - $Nil) was owed to this company.

d) During the six months ended September 30, 2020, the Company incurred $11,900 (2019 - $29,500) of consulting fees to a company owned by the former Chief Financial Officer of the Company. At September 30, 2020, a total of $Nil (March 31, 2020 – $Nil) was owed to this company.

e) During the six months ended September 30, 2020, the Company incurred $10,000 (2019 - $Nil) of accounting and consulting fees to a company of which Robert Doyle, the Company's CFO, is a Senior Vice President. At September 30, 2020, a total of $5,250 (March 31, 2020 – $Nil) was owed to this company..

f) As at September 30, 2020, a principal amount of $20,000 (March 31, 2020 – $20,000) was outstanding on the promissory notes bearing interest at a rate of prime plus 3.00%. During the six months ended September 30, 2020 interest totaling $546 (2019 - $1,272) was paid on the promissory notes. The principal amount was repaid subsequent to the period end.

g) During the three months ended September 30, 2020, $57,161 (2019 - $Nil) was charged by a private company controlled by the Chief Executive Officer of the Company, Mark Saxon, for management and consulting fees. At September 30, 2020, $12,000 (March 31, 2020 - $Nil) was owed to this company on account of management and consulting fees.

h) On May 20, 2020, 1,100,000 stock options were granted to the Chief Executive Officer of the Company, Mark Saxon, which can be exercised at a price of $0.105. The options are exercisable for 5 years and vested immediately.

i) On July 22, 2020, the Company granted 442,500 stock options to officers and directors of the Company that can be exercised at a price of $0.195 per share. The options are exercisable for 5 years and vested immediately.

j) On September 18, 2020, the Company granted 1,000,000 stock options to officers, directors and consultants of the Company that can be exercised at a price of $0.33 per share. The options are exercisable for 5 years and vested immediately.

DISCLOSURE OF OUTSTANDING SHARE DATA

The authorized share capital of the Company consists of an unlimited number of common shares without par value. The following is a summary of the Company's outstanding share data as at September 30, 2020 and November 30, 2020:

	Issued and outstanding	
	September 30, 2020	November 30, 2020
Common shares outstanding	63,051,235	63,209,378
Stock options	5,646,958	5,646,958
Warrants	20,543,952	20,385,809
Fully diluted common shares outstanding	89,242,145	89,242,145

There are no shares subject to escrow or pooling agreements.

The Company's common shares are listed for trading on the TSX Venture Exchange with the stock trading symbol of MDL.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant estimates and assumptions include those related to the valuation allowance on deferred income taxes and share-based compensation valuations. Actual results could differ from these estimates. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

FINANCIAL INSTRUMENTS

The following table sets forth the levels in the fair value hierarchy in which the Company's financial assets and liabilities are measured and recognized in the statement of financial position. Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Balance September 30, 2020
Cash	$ 2,012,392	$ -	$ -	$ 2,012,392

The fair value of the Company's accounts payables and accrued liabilities and amounts due to related parties approximates their carrying values due to the short-term nature of these instruments. The Company's financial instruments are exposed to certain financial risks including credit risk, liquidity risk, and commodity-price risk.

a) Credit risk
The Company's cash is held in a major Canadian financial institution. The Company does not have any significant exposure to credit risk.

b) 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 manages liquidity risk through the management of its capital structure. Accounts payable and accrued liabilities are due within the current operating period.

c) Commodity price risk
The ability of the Company to develop its business and the future profitability of the Company are directly related to the market price of several commodities. The Company has not hedged any potential future commodity sales. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

d) Sensitivity analysis
The Company has, for accounting purposes, designated its cash and short-term investments as held-for-trading, which are measured at fair value. Accounts payable and accrued liabilities are classified as other financial liabilities which are measured at amortized cost. As at September 30, 2020, the carrying and fair value amounts of the Company's financial instruments are the same.

Based on management's knowledge and experience of the financial markets, management does not believe that the Company's current financial instruments will be affected significantly by interest rate risk, foreign currency risk and price risk. The Company does not hold significant balances in foreign currencies to give rise to exposure to foreign exchange risk. Commodity price risk could, however, affect the Company. In particular, the Company's future profitability and viability of development depends upon world markets for natural resources. As of September 30, 2020, the Company was not a producing entity. As a result, commodity price risk could affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken.

MANAGEMENT OF CAPITAL

The Company manages its cash, common shares, stock options, and warrants 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 pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may look to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash. In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing exploration efforts, the Company does not currently pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments issued by a major Canadian chartered bank.

There has been no change in the Company's management of capital risk during the six months ended September 30, 2020.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure controls and procedures

The Company's management is responsible for designing disclosure controls and procedures to provide reasonable assurance that: (a) material information relating to the Company is made known to management so as to allow for timely decisions to be made regarding disclosure, and (b) information required to be disclosed by the Company is recorded, processed, summarized and reported within the time periods specified in applicable securities legislation.

The Chief Executive Officer and Chief Financial Officer of the Company have evaluated, or caused to be evaluated under their supervision, the effectiveness of the Company's disclosure controls and procedures as at September 30, 2020. Based on this evaluation, the CEO and CFO of the Company have concluded that the Company's disclosure controls and procedures in place as at September 30, 2020 are effective to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by the Company under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and that such information is accumulated and communicated to the Company's management, including the CEO and CFO, as appropriate to allow for timely decisions regarding required disclosure.

Internal control over financial reporting

Management is responsible for designing, establishing and maintaining an adequate system of internal control over financial reporting. The CEO and CFO of the Company have evaluated, or caused to be evaluated under their supervision, the effectiveness of the Company's internal control over financial reporting as at September 30, 2020. Based on this evaluation, the CEO and CFO have concluded that as at September 30, 2020, the Company's internal control over financial reporting continues to be effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The CEO and CFO of the Company have identified that due to the size of the Company there is limited segregation of duties. Companies of a similar size often have this limitation. Although it is possible, management of the Company does not believe that this lack of segregation of duties will lead to a material misstatement in the financial statements. Steps have been taken to minimize this risk such as ensuring that two senior officers or directors sign all cheques and outgoing wire transfer requests. In addition, senior management and the directors of the Company review quarterly and year-end financial statements on a regular basis.

There was no change in the Company's internal control over financial reporting during the period ended September 30, 2020 that materially affected, or was reasonably likely to materially affect, the Company's internal control over financial reporting.

RISKS AND UNCERTAINTIES

The Company is a mineral development company and is exposed to a number of risks and uncertainties that are common to other companies in the same business. Some of these risks have been discussed elsewhere in this document. Additional risks include: access to necessary financing on an ongoing basis, volatility of prices of publicly traded securities, current and future political environment in areas where projects are being pursued, uncertainty regarding current and future environmental regulations that may affect existing and future projects, uncertainty regarding the rare-earth market in the future, competition from other companies undertaking similar business strategies, requirements to acquire licenses and permits to develop projects and loss of key members of management of the Company.

OUTLOOK

Medallion has developed a business plan that targets rare earth element ("REE") production through the purchase of the by-product REE phosphate mineral monazite, and subsequent extraction, production and marketing of REE concentrate products via an optimized process. This business plan has led to the development of the Medallion Monazite Process, a proprietary method and related business model to achieve low-cost, near-term, REE production utilizing mineral sand monazite.

The Medallion Monazite Process focusses on the recovery of neodymium and praseodymium (NdPr), which are the critical magnet-related elements used in high-powered, rare earth permanent magnets required for electric and hybrid vehicles, wind power generation, and robotics.

Monazite is the world's original commercial source for REEs and typically contains approximately 60% REEs. According to the US Geological Survey, the minerals monazite and bastnaesite account for about 95% of the world's rare-earth resources (approximately evenly split between these two minerals). Only these two minerals have ever produced significant quantities of rare earths.

Because monazite sand feedstock is available in large quantities as a by-product from heavy mineral sand ("HMS") mines, development of new REE production from by-product monazite could, in Medallion's view, be done relatively inexpensively. These HMS mines excavate and process the bulk of the world's titanium and zirconium. Many HMS mines report total reserves in excess of one billion tonnes and often up to 40 years of production life. As a result, there are potential long-term by-product supplies of monazite that could be utilized to produce a steady supply of REE concentrates for many years.

Importantly, as monazite is produced as a by-product from existing mining operations, there is no requirement for exploration, proving of mineral reserves, mining or most milling processes. The processing methods necessary to extract REEs from monazite are well understood compared to that of many other REE minerals, and industry-standard metallurgical processes have produced significant commercial REEs for over 100 years. These are significant cost-saving and time saving attributes. HMS mines generally produce a low grade monazite by-product, but further upgrading is required to be acceptable feedstock for Medallion.

Safe environmental procedures are an important part of REE production. In 2012, Medallion received a report from SENES Consultants Limited, internationally recognized specialists in mining, nuclear and environmental sciences, which reviewed the health and safety aspects of Medallion's proposed monazite processing plant plans. The report supported the Company's view that, with the proper operational controls and the use of modern handling and waste disposal systems, a commercial scale monazite processing plant can be operated safely and effectively while complying with all major national and international mineral processing and environmental safety standards. This was an important step, since the safe handling and disposal of the various resulting wastes, including the naturally-occurring radioactive elements thorium and uranium, is a concern with processing minerals from any natural REE occurrence. The Company has produced preliminary processing technical plans, including flow sheets and initial internal capital and operating cost estimates for a monazite-based REE processing facility.

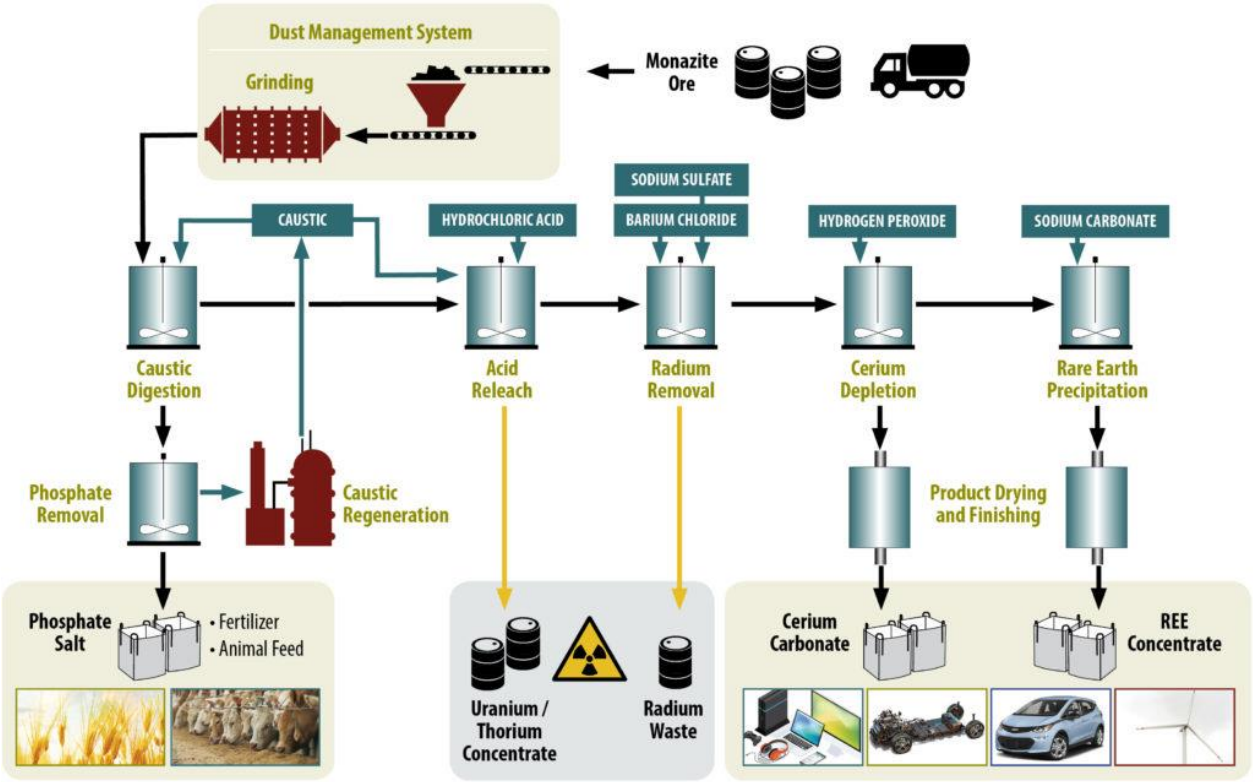
In 2015, the Company announced it would focus on evaluating North American jurisdictions to expedite the approval, construction, and operation of a proposed monazite based REE processing facility. Later that year, Medallion reported that its initial lab-scale extraction testing had confirmed Medallion's caustic-route metallurgical process flow-sheet; a subsequent release reported that the tests recovered an average of 91% of the ten important commercial REEs and

yielded a mixed REE chemical concentrate. The tests indicated that the economically important magnet-related elements (neodymium, praseodymium, dysprosium, terbium) represent 86% of the value of the resulting concentrate, using then current standard Chinese FOB prices (source: Asian Metal August 2015). Medallion received positive feedback that its high-purity REE concentrate samples were suitable, once available in commercial quantities, as input material to standard commercial REE refineries. These refineries, or separation plants, separate the REE concentrate into individual marketable REE oxides and other commercial REE products.

On February 7, 2018 Medallion announced it had successfully completed bench-scale optimization of extraction testwork. This phase produced a cerium-depleted, rare-earth element concentrate derived from North American-sourced monazite sand. Medallion's enhanced extraction process provides for cost-effective removal of cerium, a plentiful and low-valued REE that typically constitutes well over 40% of the rare-earth content of monazite. As such, the removal of cerium from a rare-earth concentrate product significantly increases the value of a concentrate versus a similar one with cerium. The testwork achieved an 84.8% recovery of REEs, excluding cerium, from the initial grinding through to the production of the high-purity mixed rare earth carbonate concentrate. The produced product met the quality specifications as input into standard commercial rare earth refineries.

On March 28, 2018, Medallion reported its recent process testwork also produced a Trisodium Phosphate, a commercial compound which wholesales at approximately $500/tonne and has wide application as a food additive, cleaning agent, lubricant, stain remover and degreaser. Also being investigated is potential commercialization of thorium, uranium, and their related daughter products—the radioactive elements that are present in monazite and its process waste streams.

A current internal top-level process flow diagram of Medallion's process can be seen here:



On September 26, 2019, the Company announced the completion of the development of its proprietary flow-sheet design to extract a rare-earth element (REE) concentrate from by-product monazite sand. Medallion believes this new flow-sheet represents an important improvement in the processing of monazite, holding promise of a highly automated and cost-efficient process. Key features of Medallion's enhanced "caustic crack" REE extraction process include:

- Full automation for low manpower requirements and worker isolation from harsh operating environments (chemical, thermal and radiological) for enhanced safety;
- Highly-energy efficient design;
- Option for a zero liquid discharge plant to provide additional flexibility on planning/permitting;
- Waste production options; and
- Employment of only "off-the-shelf" equipment — with innovations on their application.

On November 5, 2019, Medallion reported that it had engaged Australian-based Simulus Engineers, an independent engineering consultancy, to develop the chemical process model for Medallion's continuous monazite REE extraction process, based on the design completed following significant testwork. This project is expected to deliver a robust process model including comprehensive mass and energy balances.

On January 8, 2020, Medallion announced it had engaged international engineering group Stantec to carry out its "Rare-Earth Production Facility — Logistics and Facility Siting Studies" project announced in July 2019 seeking a location in the United States.

On February 25, 2020 Medallion announced completion of the Process Engineering Design work by Simulus Engineers for its proprietary extraction method for production of an REE concentrate. This is the culmination of core test work and process development stages and allows the Company to combine with trade-off studies to form basis for planned Techno-Economic Assessment that will provide design engineering specifications and produce capital and operating cost estimates for our proposed US REE plant.

Simulus undertook chemical process modelling of Medallion's proprietary monazite caustic crack process and prepared all required process flow diagrams. The Medallion process allows for a relatively rapid and low-capital production of REEs. Feedstock can be sourced within the United States and shipped to a REE extraction plant, designed to readily scale up as required.

On May 25, 2020 Medallion the Company appointed Mr. Mark Saxon, as President & CEO. Mr. Saxon is an experienced and respected public market executive, with substantial experience in rare earth elements and other critical raw materials. Mark Saxon was most recently President & CEO at Leading Edge Materials, focused on the development of the Norra Kärr heavy rare-earth and other European mineral properties. He has more than 25 years of experience in the resources industry, representing junior and senior companies with a particular focus on critical raw materials. An Honours BSc graduate in Geology from the University of Melbourne, a Fellow of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists, It was also reported that current President & CEO Don Lay would transition to a strategic advisor role and remain on the board of directors and an officer to support the future growth of the Company.

On July 10, 2020 announced it had formed a consortium with technical and financial partners aimed at accelerating the development of a comprehensive REE supply chain within the United States. It includes leading financial advisory firm Amvest Capital Inc., and plans to seek, where appropriate, public sector funding from a range of supportive US agencies.

On August 4, 2020 Medallion reported that it entered a non-binding Memorandum of Understanding (MOU) with Singapore-based Talaxis Limited, a subsidiary of global trading house Noble Group Holdings Limited and was part of its previously announced consortium. The terms for the relationship, anticipated to be definitive by year-end, see Talaxis deliver to Medallion support for the global sourcing and transport of monazite as well as marketing of finished products from Medallion's proposed REE plant. Importantly, Talaxis is a founding partner in Medallion's recently announced technical and financial consortium. The consortium was formed to accelerate the development of a comprehensive REE supply chain within the United States through the selection of proven technology and low capital risk pathways.

On August 5, 2020 appointed Robert (Bob) Doyle, CPA, CA, as the Company's new Chief Financial Officer ("CFO") and Corporate Secretary. Bob is a principal of Pacific Opportunity Capital, a highly regarded Vancouver-based corporate services firm.

On August 25, 2020 Medallion closed a $1,600,000 non-brokered private placement (see page 4), led by investors that included Talaxis Limited and Amvest Capital Inc., who are both members of the Company's North American-focused REE supply chain consortium.

On September 25, 2020, the Company announced the initiation of a comprehensive comparative technical and commercial review of existing and emerging rare-earth element (REE) separation technologies. Medallion's REE extraction process from monazite has achieved the technical milestones needed to consider binding downstream partnerships, while the Company's improved financial position is enabling stronger commitments within the REE supply chain. Leading technologies, subject to appropriate business conditions, will be considered for partnership or investment by Medallion or its North American focused REE Consortium financial backers Talaxis Limited, (the technology metals unit of Noble Holdings) and Amvest Capital Inc.

The Company has engaged on an exclusive basis a highly regarded and independent European chemist, Dr Dag Øistein Eriksen with decades of REE processing experience. Dr Eriksen has been tasked to review and compare data from the various REE separation alternatives that are either commercially available or emerging. The review is focused entirely on the most cost-effective method for the separation of the highest value magnet metals neodymium (Nd), praseodymium (Pr), dysprosium (Dy) and terbium (Tb) from a cerium-depleted heavy mineral sand monazite feedstock. Furthermore, the time to commercial readiness, execution risk and the environmental footprint will be key discriminating factors.

On October 14, 2020, the Company reported on the completion of a comprehensive study by Stantec Consulting to identify the most suitable locations in North America for installation of Medallion's proposed rare-earth element (REE) production facility utilizing monazite from mineral sands. The study has identified and ranked a range of regions that appear highly suitable for further investigation. While detailed study results remain confidential, U.S. states with access to the Gulf Coast present many advantages. Medallion is now seeking additional detail from the highest-ranked areas to narrow site choices.

On October 26, 2020, the Company announced that shareholders had approved all resolutions put forth at the Annual General Meeting ("AGM") of Shareholders held in Vancouver, BC, on October 22, 2020. Mark Saxon, Don Lay, Rod McKeen, David Shaw and Andrew Morden were elected to serve as directors of the Company (the "Board"). David Haber, former chairman, did not stand for re-election as a director.

Subsequent to the AGM, the directors appointed Rod McKeen as chairman of the Board, replacing David Haber. The Board renewed Mark Saxon as President and Chief Executive Officer, Robert Doyle as Chief Financial Officer and corporate secretary, and appointed Don Lay as Vice President, Corporate Development.

On November 10, 2020, the Company announced the engagement of Simulus Engineers to complete a techno-economic assessment of the Medallion Monazite Process. The techno-economic assessment (TEA) will aggregate results from extensive laboratory test work, process simulation and trade-off studies completed by Medallion over the past 5 years. The TEA will deliver commercial capital and operating cost estimates for an extraction facility that processes 7,000 tonnes per year of monazite feedstock and delivers approximately 2,300 tonnes of cerium-depleted high-value REE products plus additional phosphate co-product. Completion of the TEA is expected in the first quarter of 2021.

The Company's current activities are focused on making progress in the following areas:

Process Development – using qualified mineral labs to test specific parts of processing flow-sheet in order to further optimize the flow-sheet, producing new larger sample volumes of products for customer evaluation.

Customer Engagement – building relationships with both established solvent extraction-based refiners and new technology groups, such as Medallion collaborator RES, that are working to commercialize novel REE separation technologies.

Monazite Feedstock Sourcing – further develop commercial and technical relationships with mineral sand mining operators to assess and source monazite-sand concentrate. Finalization of supply contacts will require that Medallion demonstrate additional progress towards production, including customer and waste management agreements.

Financing – efforts on capital-raising to proceed with process development and business-development activities. The Company has reported that it is open to equity investment, strategic partnerships or alternative financial approaches to provide minimally dilutive capital to develop the business. In addition, various non-dilutive government programs are being reviewed as possible sources of funds for particular initiatives.

FORWARD LOOKING STATEMENTS

Except for statements of historical fact, certain information contained herein constitutes forward-looking statements. Forward-looking statements are usually identified by the use of certain terminology, including "will", "believes", "may", "expects", "should", "could", "seeks", "anticipates" or "intends" or by discussions of strategy or intentions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results or achievements to be materially different from any future results or achievements expressed or implied by such forward-looking statements. Forward-looking statements are statements that are not historical facts, and include but are not limited to, estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to the effectiveness of the Company's business plan, future operations, the impact of regulatory initiatives on the Company's operations; general industry and macroeconomic growth rates; expectations related to possible joint and/or strategic ventures, the entering into of monazite purchase agreements and the ability of the Company to finance and advance a monazite processing facility, and other statements regarding future performance.

Forward-looking statements used in this discussion are subject to various risks and uncertainties, including the risks of price fluctuations of rare-earths, risks of obtaining required financing on suitable terms, or at all, risks of competition from larger, financially stronger competitors, and other mineral resource industry risks most of which are difficult to predict and generally beyond the control of the Company. If risks or uncertainties materialize, or if underlying assumptions prove incorrect, the Company's actual results may vary materially from those expected, estimated or projected. Forward looking statements in this document are not a prediction of future events or circumstances, and those future events or circumstances may not occur. Given these uncertainties, users of the information included herein, including investors and prospective investors, are cautioned not to place undue reliance on such forward-looking statements.

DISCLAIMER

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all Company documents filed on SEDAR (www.SEDAR.com). No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

BY ORDER OF THE BOARD

"*Mark Saxon*"

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MARK SAXON