

**SIENNA RESOURCES INC.**  
Management's Discussion and Analysis  
For the nine months ended September 30, 2019

Date of Report: November 13, 2019

The following discussion and analysis of the Company's financial condition and results of operations for the nine months ended September 30, 2019 should be read in conjunction with its condensed consolidated interim financial statements and related notes. The requisite financial data presented for the relevant periods has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

**Disclaimer for Forward-Looking Information**

Certain statements in this report are forward-looking statements, which reflect its management's expectations regarding its future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this report. These assumptions, which include management's current expectations, estimates and assumptions about the Company's current mineral property interests, the global economic environment, the market price and demand for commodities and its ability to manage its property interests and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause the actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) a decreased demand or price of minerals, (3) delays in the start of projects with respect to its property interests, (4) inability to locate and acquire additional property interests, (5) the uncertainty of government regulation and politics in North America regarding mining and mineral exploration, (6) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (7) other factors beyond its control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. Except as required by law, the Company disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

**Nature of Business**

The Company is involved in the identification, acquisition and exploration of mineral properties that management deems as potentially viable to assist in the growth of the Company. At September 30, 2019, the Company had mineral property interests located in Canada, Sweden and in the USA.

### ***Mineral Properties***

#### *Slattberg Cobalt-Nickel-Copper Project, Sweden – Exploration and Option Agreement*

In December 2017, the Company entered into an exploration and option agreement (the "Slattberg Agreement") with an arm's length party, a company organized under the laws of Sweden (the "Slattberg Vendor"). Pursuant to the Slattberg Agreement, the Slattberg Vendor granted an option (the "Option") to the Company to acquire the Slattberg Cobalt-Nickel-Copper Project in Sweden. The Slattberg Project consists of two adjacent exploration permits comprising approximately 9,513 contiguous acres. In consideration, the Company is required to issue 3,000,000 common shares to the Slattberg Vendor within five business days upon Exchange approval (issued at a value of \$735,000) and spend at least \$500,000 in exploration expenditures on or before December 8, 2018, and such exploration expenditures shall include the drilling of at least 750 metres on the project. In November 2018, February 2019 and September 2019, the Company entered into Amendments with the Slattberg Vendor to extend the option period from December 8, 2018 to December 31, 2019. Pursuant to the Amendments, the Company is required to incur at least \$250,000 in exploration expenditures on the Slattberg properties on or before the end of the option period.

Upon exercise of the Option, the Company shall issue to the Slattberg Vendor an additional 3,000,000 common shares.

The Slattberg Project is subject to a 3% net smelter return (NSR) royalty. Within six years of the execution of the Slattberg Agreement, the Company may purchase 0.5% of the NSR royalty for \$1,500,000, which is subject to Exchange approval.

From the date of the closing of the exercise of the Option, the Company will use commercially reasonable efforts to raise \$3,000,000 for development of the Slattberg Project and other activities. Once the Company has raised that amount, the Company will issue an additional 4,000,000 shares to the Slattberg Vendor, which is subject to Exchange approval.

In January 2018, the Company completed a high-resolution ground magnetic survey on the property and received initial results from the survey, which defined multiple strong magnetic responses along the trends of mineralization. These areas of strong magnetic response are interpreted to represent steeply plunging bodies of massive sulphide mineralization that is rich in pyrrhotite.

In February 2018, the Company significantly increased the land holdings on its Slattberg Project. This new Slattberg exploration license contains four old mines with one being the historic Martanberg copper mine. The Slattberg Project now consists of three exploration licenses covering 12,733 acres and at least 16 historic mines.

The Company engaged Protek Norr AB of Sweden to drill this project. This maiden drill program consisted of five to seven prioritized drill holes of 125 to 200 metres in length. The Company completed the first phase of drilling, seven-hole, 942-metre drill program, in April. Drill results from this initial drill program at Slattberg show several intercepts of nickel and cobalt mineralization in areas that are along strike and downdip from historic mine workings in the area. These results include 2.8 metres averaging 1.05 per cent nickel and 1,125 parts per million cobalt and 0.79 per cent copper in drill hole SIE-18-3, and 13.0 m averaging 0.32 per cent nickel, 340 ppm cobalt, 0.28 per cent copper and 0.32 ppm platinum plus palladium, including 2.35 m averaging 0.87 per cent nickel, 594 ppm cobalt, 0.35 per cent copper and 0.73 ppm platinum plus palladium in drill hole SIE-18-5. This serves as clear evidence that additional bodies of nickel, cobalt and PGE-rich sulphide mineralization exist in the area, and remain open at depth and along strike.

As disclosed in a news release dated May 22, 2018, the Company announced that a Downhole electromagnetic survey was slated to be run on the recently completed drill holes on the Slattberg

nickel-copper-cobalt project in Sweden. Downhole EM was an ideal exploration tool to utilize at Slattberg due to the highly conductive nature of the cobalt-nickel-copper mineralization. The intent of the EM surveys was to identify conductive anomalies in the immediate vicinity of the drill holes that were not intercepted in the holes.

As disclosed in a news release June 29, 2018, the Company announced that an extended sampling and geophysical program on its Slattberg project commenced. Samples of stream sediments, soil and glacial till were collected in areas where magnetic anomalies have been identified. These magnetic anomalies occur in areas where the highest historic stream sediment cobalt and nickel anomalies occur. The focus of the continuing programs was to identify additional high-priority drill targets for the project.

As disclosed in a news release October 18, 2019, the Company announced the completion of a multi-hole drill program on this property with the expected assay results back in 4-6 weeks.

As at September 30, 2019, the Company had spent a total of \$350,387 in exploration expenditures on this property.

#### *Clayton Valley Deep Basin Lithium Brine Project (Nevada, USA) – Staking*

In May 2016, the Company acquired a 100% interest in the “Clayton Valley Deep Basin Lithium Brine Project”, Nevada, for staking costs of \$23,609. The “Clayton Valley Deep Basin Lithium Brine Project” is located in parts of the deepest sections of the only lithium brine basin with a producing operation in North America (Albemarle’s (ALB-NYSE) Silver Peak Mine).

As at September 30, 2019, the Company had incurred a total of \$53,615 in claim maintenance fees on this property. At this time additional funds need to be raised to take this project to the next stage. Although the Company has secured financings in the past, there is no assurance that the Company will be able to do so in the future on terms that are favourable to the Company or at all.

#### *White Gold Claims (Yukon, Canada) – Staking*

During the year ended December 31, 2009, the Company registered three hundred and forty five quartz claims with the Yukon Government which covered approximately 18,200 acres. This property consisted of two blocks of gold claims in the region of the White and Yukon Rivers for staking costs incurred of \$106,896. The Company held a 100% interest in the White Gold Claims. This prospect stretches westward in a broad arc from British Columbia, Canada, through southeastern and central to southwestern Alaska, United States.

During the years ended 2011, 2013 and 2015, the Company decided not to renew certain claims and allowed them to lapse when they became due. Prior acquisition costs of \$106,273 and exploration costs of \$114,319 associated with these lapsed claims were written off.

As at September 30, 2019, the Company had spent a total of \$4,457 in exploration expenditures on the remaining claims of this property. At this time additional funds need to be raised to take this project to the next stage. Although the Company has secured financings in the past, there is no assurance that the Company will be able to do so in the future on terms that are favourable to the Company or at all.

#### ***Other Properties and Investments***

In addition to its mineral property interests, the Company has several legacy interests in the non-mining sector that the Company has determined are not material.

*Andora Energy Corporation*

The Company's investments consist of an investment in 700,000 common shares of Andora Energy Corporation ("Andora"), a private company in the oil and gas industry in Alberta, Canada. These shares account for 0.7% of Andora's outstanding common shares as of September 30, 2019 and December 31, 2018. The Company's interest in Andora does not represent a position of control or significant influence, accordingly, the Company has recorded the investment at fair value.

***Write-Down of Exploration and Evaluation Assets***

During the nine months ended September 30, 2019, the Company did not record any write-down of its exploration and evaluation assets.

**Overall Performance**

The Company is a mineral exploration issuer engaged in the business of acquisition, exploration and, if warranted, development of mineral properties. The Company does not expect to generate any revenues in the foreseeable future or until a mineable reserve is defined and economically recoverable. The Company expects to continue to incur expenses as it works to further explore and develop its mineral properties.

The Company has conducted limited exploration on some of its properties, due to, among other things, the availability of sufficient funds for the purposes of mineral exploration and development, access to the property due to climate conditions, the uncertainties associated with the prices of precious and base metals and other minerals, and the global economic climate. The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain reserves that are economically recoverable. The Company's future performance is largely tied to the outcome of future exploration and the overall financial markets.

The recoverability of minerals from the Company's properties is dependent upon, among other things, the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to continue to explore and develop its properties, and upon future profitable production. Uncertainty in credit markets, fluctuation in commodity prices and general economic downturns has led to increased difficulties in raising and borrowing funds. As a result, the Company may have difficulties raising equity financing for the purposes of exploration and development of the Company's properties, without diluting the interests of current shareholders of the Company. See "Liquidity and Capital Resources" and "Risk and Uncertainties" for a discussion of risk factors that may impact the Company's ability to raise funds.

Information about the Company's commitments relating to its mineral properties is discussed above under "Nature of Business – Mineral Properties".

The Company did not generate any revenue during the nine months ended September 30, 2019 and 2018. Net comprehensive loss decreased from \$689,684 for the nine months ended September 30, 2018 to \$310,655 for the nine months ended September 30, 2019, mainly due to a decrease in operating expenses. As at September 30, 2019, the Company had a working capital deficiency of \$225,702 and cash and cash equivalents of 609,768 as compared to a working capital deficiency of \$401,206 and cash and cash equivalents of \$550,657 as at December 31, 2018.

The Company's current assets have increased to \$624,536 as at September 30, 2019 from \$564,489 as at December 31, 2018, due primarily to an increase in cash and cash equivalents. The Company's current liabilities have decreased from \$965,695 as at December 31, 2018 to \$850,238 as at September 30, 2019, mainly due to a decrease in accounts payable and accrued liabilities. Current liabilities as at September 30, 2019 consisted of \$843,485 (December 31, 2018: \$959,129) of accounts payable and

accrued liabilities, \$1,753 (December 31, 2018: \$1,566) of interest payable, and \$5,000 (December 31, 2018: \$5,000) of loans payable. The value ascribed to the Company's exploration and evaluation assets has increased from \$1,146,412 as at December 31, 2018 to \$1,167,691 as at September 30, 2019, due mainly to the exploration work performed in Sweden. As at September 30, 2019, the Company had an accumulated deficit of \$22,433,294 since inception. The Company expects to incur further losses in the development of its business, all of which casts substantial doubt on the Company's ability to continue as a going concern.

As a result, management believes that the Company's available funds may not be sufficient to meet its working capital requirements for the next twelve month period. Management anticipates that additional funds may need to be raised, through equity financings, shareholder loans, or otherwise, to fund the Company's planned work programs on its mineral properties and ongoing operations. Although the Company has secured financings in the past, there is no assurance that the Company will be able to do so in the future on terms that are favourable to the Company or at all. The Company may have difficulty raising additional funds as necessary due to a number of uncertainties and risk factors, including uncertainty in credit markets, fluctuation in commodity prices and general economic downturns. See "Liquidity and Capital Resources" and "Risk and Uncertainties" for a discussion of risk factors that may impact the Company's ability to raise funds.

*Summary of Quarterly Results*

The following table provides selected quarterly financial data for the eight most recently completed interim quarters:

	<b>2019 Third</b>	<b>2019 Second</b>	<b>2019 First</b>	<b>2018 Fourth</b>	<b>2018 Third</b>	<b>2018 Second</b>	<b>2018 First</b>	<b>2017 Fourth</b>
<b>Total revenues</b>	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
<b>Income (loss) before discontinued operations and extraordinary items:</b>								
<b>Total</b>	\$(160,697)	\$(69,485)	\$(80,473)	\$(248,683)	\$(105,148)	\$(110,836)	\$(473,700)	\$(171,580)
<b>Per share</b>	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.01)	\$(0.00)
<b>Per share fully diluted</b>	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.01)	\$(0.00)
<b>Net comprehensive income (loss):</b>								
<b>Total</b>	\$(160,697)	\$(69,485)	\$(80,473)	\$(248,683)	\$(105,148)	\$(110,836)	\$(473,700)	\$(171,580)
<b>Per share</b>	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.01)	\$(0.00)
<b>Per share fully diluted</b>	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.01)	\$(0.00)

*Summary of Results During Prior Eight Quarters*

Net comprehensive loss increased by \$302,120 from the fourth quarter of 2017 to the first quarter of 2018 mainly due to an increase in share-based payments of \$260,516 and an increase of \$50,463 in travel and corporate branding expense. Net comprehensive loss decreased by \$362,864 from the first to

the second quarter of 2018 mainly due to a decrease in share-based payments of \$260,516 as well as a decrease in travel and corporate branding expense of \$72,781. Net comprehensive loss slightly decreased by \$5,688 from the second to the third quarter of 2018 mainly due to a decrease in operating expenses of \$5,100. Net comprehensive loss increased by \$143,535 from the third to the fourth quarter of 2018 mainly due to an increase in loss on write-off of prepaid expenses. Net comprehensive loss decreased by \$168,210 from the fourth quarter of 2018 to the first quarter of 2019 mainly due to a decrease in loss on write-off of prepaid expenses. Net comprehensive loss slightly decreased by \$10,988 from the first to the second quarter of 2019 mainly due to a decrease in operating expenses. Net comprehensive loss increased from the second to the third quarter of 2019 by \$91,212 mainly due to an increase in share-based payments.

*Three months ended September 30, 2019 Compared to the Three months ended September 30, 2018*

The Company did not generate any revenue for the three months ended September 30, 2019 and 2018. Net comprehensive loss for the three months ended September 30, 2019 increased to \$160,697 from \$105,148 for the three months ended September 30, 2018, mainly due to an increase in operating expenses (three months ended September 30, 2019: \$162,191; three months ended September 30, 2018: \$107,422). The increase in operating expenses was due primarily to an increase in share-based payments offset by a decrease in corporate branding expenses.

Increased share-based payments (three months ended September 30, 2019: \$93,165; three months ended September 30, 2018: \$Nil) were due to the Company granted 5,000,000 stock options to its directors and consultants with exercise prices ranging from \$0.065 to \$0.075 per share and expiry dates ranging from July 2, 2019 to September 18, 2019 during the three months ended September 30, 2019 as compared to Nil stock options were granted during the three months ended September 30, 2018. The Company may grant options that are available under the approved stock option plan in the next 12 months period.

Decreased corporate branding expenses (three months ended September 30, 2019: \$Nil; three months ended September 30, 2018: \$31,293) were due to a decrease in Google banner advertisement branding and a decrease in TV and magazine advertisement. The corporate branding expenses were incurred to increase the awareness of the Company and the cobalt industry in general. Management anticipates such expenses may be similar in the next 12 month period due to management's decision to decrease overall branding expenses, including a decision to decrease Google banner advertisement branding, and television and magazine advertisements.

*Nine months ended September 30, 2019 Compared to the Nine months ended September 30, 2018*

The Company did not generate any revenue for the nine months ended September 30, 2019 and 2018. Net comprehensive loss for the nine months ended September 30, 2019 decreased to \$310,655 from \$689,684 for the nine months ended September 30, 2018, mainly due to a decrease in operating expenses (nine months ended September 30, 2019: \$314,731; nine months ended September 30, 2018: \$695,272). The decrease in operating expenses was due primarily to a decrease in share-based payments and a decrease in corporate branding expenses.

Decreased share-based payments (nine months ended September 30, 2019: \$93,165; nine months ended September 30, 2018: \$260,516) were due to the Company granted 5,000,000 stock options to its directors and consultants with exercise prices ranging from \$0.065 to \$0.075 per share and expiry dates ranging from July 2, 2019 to September 18, 2019 during the nine months ended September 30, 2019 as compared to 3,000,000 stock options were granted at a price of \$0.33 per share for a one-year term (expiring on February 16, 2019) during the nine months ended September 30, 2018. The Company may grant options that are available under the approved stock option plan in the next 12 months period.

Decreased corporate branding expenses (nine months ended September 30, 2019: \$Nil; nine months ended September 30, 2018: \$173,685) were due to a decrease in Google banner advertisement branding and a decrease in TV and magazine advertisement. The corporate branding expenses were incurred to increase the awareness of the Company and the cobalt industry in general. Management anticipates such expenses may be similar in the next 12 month period due to management's decision to decrease overall branding expenses, including a decision to decrease Google banner advertisement branding, and television and magazine advertisements.

See "Nature of Business – Mineral Properties" for a discussion of the Company's mineral properties on a property by property basis, including its plans for its mineral properties, the status of its plans, expenditures made and the anticipated timing and costs to take its mineral properties to the next stage of the project plan.

See "Overall Performance" for a discussion of the commitments, events, risks and uncertainties that the Company believe will materially affect its future performance and "Risk and Uncertainties" for a discussion of risk factors affecting the Company.

### Discussion of Operations

#### *Use of Proceeds*

<b>Financing</b>	<b>Previously Disclosed Use of Proceeds</b>	<b>Status of Use of</b>
\$2,500,000 Non flow-through <i>January 2018</i> <i>Private Placement</i>	Towards working capital, loans payable and the planned work programs, including drilling in Sweden.	As of the date of this report, \$40,000 used to repay loan principal, \$136,959 used in filing fees and finders' fees in connection with the private placement, \$350,387 used in drilling of Slattberg Cobalt-Nickle-Copper Project in Sweden, \$27,507 used in claim maintenance fees to keep White Gold Property in Yukon and Nevada claims in good standing, \$1,801,554 used in working capital, and \$143,593 has not been used.
\$428,500 Non flow-through <i>July 2019</i> <i>Private Placement</i>	Towards working capital.	As of the date of this report, \$13,593 used in filing fees and finders' fees in connection with the private placement, and \$414,907 has not been used.

In January 2018, the Company closed a private placement (the "Offering") consisting of 12,500,000 units at \$0.20 per share for gross proceeds of \$2,500,000. Each unit consisted of one common share and one share purchase warrant which entitles the holder to purchase one additional common share of the Company at a price of \$0.30 per share until January 16, 2023. The Company incurred filing fees of \$14,799, paid an aggregate finders' fees of \$122,160, and issued 610,800 broker warrants (the "Broker Warrants") in connection with the Offering. Each Broker Warrant is exercisable at \$0.30 per share into one common share until January 16, 2023.

In July 2019, the Company closed a private placement (the "Offering") consisting of 8,570,000 units at \$0.05 per unit for gross proceeds of \$428,500. Each unit consisted of one common share and one share purchase warrant which entitles the holder to purchase one additional common share of the Company

at a price of \$0.05 per share until July 2, 2024. The Company incurred filing fees of \$4,227, paid an aggregate finders' fees of \$10,000, and issued 200,000 broker warrants (the "Broker Warrants") in connection with the Offering. Each Broker Warrant is exercisable at \$0.05 per share into one common share until July 2, 2024.

## **Liquidity and Capital Resources**

### *Liquidity*

As at September 30, 2019, the Company had a working capital deficiency of \$225,702 and cash and cash equivalents of \$609,768 as compared to a working capital deficiency of \$401,206 and cash and cash equivalents of \$550,657 as at December 31, 2018.

The Company's current assets increased by \$60,047 to \$624,536 as at September 30, 2019 from \$564,489 as at December 31, 2018 due primarily to an increase in cash and cash equivalents. The Company's current liabilities decreased by \$115,457 from \$965,695 as at December 31, 2018 to \$850,238 as at September 30, 2019. The value ascribed to the Company's exploration and evaluation assets increased by \$21,279 to \$1,167,691 as at September 30, 2019 from \$1,146,412 as at December 31, 2018 mainly due to the exploration work performed in Sweden.

In September 2012, the Company arranged a loan from an arm's length party for a total principal amount of \$5,000 bearing interest at 5% per annum and due on demand.

As at September 30, 2019, \$5,000 (December 31, 2018: \$5,000) of principal and \$1,753 (December 31, 2018: \$1,566) of interest was outstanding relating to the loans.

In July 2019, the Company closed a private placement consisting of 8,570,000 units at \$0.05 per unit for gross proceeds of \$428,500.

Management believes that the Company's cash and cash equivalents may not be sufficient to meet its working capital requirements for the next twelve month period, including the existing commitments relating to the Company's mineral properties. The Company expects to raise additional capital as the needs arise. See "Nature of Business – Mineral Properties" and "Overall Performance" for a discussion of the Company's commitments relating to its mineral properties. As a mineral exploration company, its expenses are expected to increase as the Company explores its mineral properties further. Management does not expect the Company to generate revenues from mineral production in the foreseeable future.

The Company's ability to conduct the planned work programs on its mineral properties, meet ongoing levels of corporate overhead and discharge its liabilities as they become due is dependent, in large part, on the ability of management to raise additional funds as necessary. Management anticipates that additional equity financings will need to be conducted to raise additional funds which, if successful, will result in dilution in the equity interests of the Company's current shareholders. Obtaining commercial loans, assuming those loans would be available, will increase its liabilities and future cash commitments. Although the Company has secured financings in the past, there is no assurance that the Company will be able to do so in the future on terms that are favourable to the Company or at all. The Company's ability to raise additional funds in the future and its liquidity may be negatively impacted by a number of factors, including changes in commodity prices, market volatility and general economic downturns.

There is substantial doubt about its ability to continue as a going concern as the continuation of its business is dependent upon obtaining further long-term financing, successful exploration of its mineral property interests, the identification of reserves sufficient to warrant development, successful development of its property interests and achieving a profitable level of operations. Due to the

uncertainty of its ability to meet its current operating and capital expenses, in their notes to its audited financial statements for the year ended December 31, 2018, the Company's independent auditors included an explanatory paragraph regarding their substantial doubt about its ability to continue as a going concern.

### *Capital Resources*

The Company has the following commitments for capital expenditures with respect to its mineral properties as of September 30, 2019. The expenditures are optional and the Company may decide not to incur such payments in the event the Company does not decide to pursue further exploration with respect to such properties.

- *Clayton Valley Deep Basin Lithium Brine Project:*
  - These mineral claims are in good standing until September 1, 2020. In order to keep these claims in good standing, the Company is required to incur pay BLM fees of USD\$9,900 by September 1, 2020 and county fees of USD\$730 by November 1, 2020.
  
- *White Gold Claims:*
  - Two White Gold claims are in good standing until October 3, 2020. In order to renew these two claims for another year, the Company is required to pay the annual rent of \$200 to the Government of Yukon by October 3, 2020 for the White Gold claims, unless the Company spends an amount greater than that in exploration beforehand. In addition, the Company is also required to pay the claim recording fees of \$10 to the Government of Yukon by October 3, 2020.
  
- *Slattberg Cobalt-Nickle-Copper Project:*
  - These mineral claims are in good standing until May through to December 2020. Pursuant to the Slattberg Agreement and the subsequent Amendments, the Company is required to spend at least \$250,000 in exploration expenditures on or before December 31, 2019.

See “Nature of Business – Mineral Properties” for a discussion of the Company's capital expenditure commitments with respect to its mineral properties.

In addition to the above capital expenditure requirements, the Company shares office space with another three public companies and the Company pays office rent of \$1,430 on a monthly basis.

Management believes that the Company's cash and cash equivalents may not be sufficient to meet its working capital requirements for the next twelve month period, including the existing commitments relating to the Company's mineral properties. The Company expects to raise additional capital as the needs arise. Although the Company has been successful in raising funds in the past, there is no guarantee that the Company will be able to raise additional funds in the future. The Company's ability to raise additional funds is subject to a number of uncertainties and risk factors. See “Liquidity and Capital Resources – Liquidity” and “Risk and Uncertainties”.

### *Operating Activities*

During the nine months ended September 30, 2019, operating activities used cash of \$336,692 compared to using cash of \$1,167,126 during the nine months ended September 30, 2018. The use of cash for the nine months ended September 30, 2019 was mainly attributable to its loss for the period of \$310,655 and decreased accounts payable and accrued liabilities of \$118,453, offset by share-based

payments of \$93,165. The use of cash for the nine months ended September 30, 2018 was mainly attributable to its loss for the period of \$689,684 and decreased accounts payable and accrued liabilities of \$713,528, offset by share-based payments of \$260,516.

#### *Investing Activities*

During the nine months ended September 30, 2019, the Company used cash of \$18,470 in investing activities mainly attributable to the exploration work performed on the Slattberg Cobalt-Nickel-Copper Project. During the nine months ended September 30, 2018, the Company used cash of \$337,488 in investing activities attributable to the exploration work performed on the Slattberg Cobalt-Nickel-Copper Project.

#### *Financing Activities*

During the nine months ended September 30, 2019, financing activities provided cash of \$414,273 compared to providing cash of \$2,187,041 during the nine months ended September 30, 2018. During the nine months ended September 30, 2019, cash provided by financing activities was due to the following: \$428,500 from the issuance of share capital offset by share issue costs of \$14,227. During the nine months ended September 30, 2018, cash provided by financing activities was due to the following: \$2,364,000 from the issuance of share capital offset by loan repayments of \$40,000 and share issue costs of \$136,959.

### **Changes in Accounting Policies including Initial Adoption**

#### *New accounting standards adopted during the period*

##### *IFRS 16 – Leases*

New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting. The Company adopted this new standard on January 1, 2019. The adoption of this new standard has no impact on the Company's condensed consolidated interim financial statements.

### **Off Balance Sheet Arrangements**

The Company does not have any off balance sheet arrangements.

### **Related Party Transactions**

During the nine months ended September 30, 2019, the Company paid \$90,000 in management fees to CSM Consulting Inc., a private company controlled by the President of the Company; and the Company accrued directors' fees of \$2,500 each to Gregory Thomson and John Masters, in consideration for their services as directors of the Company during the period.

During the nine months ended September 30, 2019, the Company paid \$27,000 in accounting fees to Sea Star Consulting Inc., a private company controlled by Cindy Cai, the Chief Financial Officer of the Company, in consideration for accounting services provided to the Company; and the Company paid \$3,172 to Nordfors Consulting AB, a private company controlled by Sten Michael Nordfors, a director of Sienna Resources Sweden AB, in consideration for accounting services provided to the subsidiary in Sweden.

There are no management agreements in place and the Company has no contractual requirement to continue paying management fees. Management and directors' fees and professional fees are intended to compensate such persons for their time and dedication to the Company.

During the nine months ended September 30, 2018, the Company incurred share-based payments of \$87,051 to four directors and one officer of the Company as follows: \$7,279 each to Dennis Alderink, Gregory Thomson and John Masters, \$43,088 to CSM Consulting, and \$22,126 to Cindy Cai. As a mineral exploration issuer, the Company partially relies on the issuance of stock options to compensate its directors and officers for their time and dedication to the Company.

As at September 30, 2019, accounts payable and accrued liabilities include \$772,207 to related parties (December 31, 2018: \$869,404). The amounts payable to related parties include: \$2,500 each payable to Gregory Thomson and John Masters for unpaid 2019 director's fees; \$203,000 payable to MGK Consulting Ltd., a private company controlled by the President, for unpaid management fees for services rendered from November 2012 to March 2014, and from June 2016 to July 2016; \$422 payable to Nordfors Consulting for accounting services provided to the Swedish subsidiary in September 2019; \$561,177 payable to Jason Gigliotti, for debts assigned by All Seasons Consulting Inc., a private company controlled by Negar Adam (a former director), and by Skyridge Consulting Inc., a private company controlled by Graeme Sewell (a former director); \$451 payable to Cruz Cobalt Corp., a public company with common director for unpaid office expenses; and \$2,157 payable to Jason Gigliotti for reimbursement of September 2019 office expenses.

All transactions with related parties have occurred and are measured at the amount of consideration established and agreed to by the related parties.

### **Financial and Other Instruments**

The Company's financial instruments consist of cash and cash equivalents, accounts payable and accrued liabilities, loans payable, interest payable, and receivables. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

### **Proposed Transactions**

Other than as disclosed herein, the Company does not have any proposed transactions as of the date of this report.

### **Additional Disclosure for Venture Issuers**

During the nine months ended September 30, 2019 and 2018, the Company incurred the following expenses:

	<b>2019</b>	<b>2018</b>
Capitalized exploration costs	\$21,279	\$355,624
Operating expenses	\$314,731	\$695,272

Please refer to Note 7 *Exploration and Evaluation Assets* in the condensed consolidated interim financial statements for the nine months ended September 30, 2019 for a description of the capitalized acquisition and exploration costs presented on a property-by-property basis.

### Additional Disclosure of Outstanding Share Data

#### *Common Shares*

The Company's common shares are listed on the TSX Venture Exchange under the symbol "SIE". Its authorized share capital consists of unlimited common shares without par value, 100,000,000 Class A preferred shares, par value \$10 and 100,000,000 Class B preferred shares, par value \$50.

As at September 30, 2019, the Company had 61,726,382 common shares issued and outstanding. Subsequent to September 30, 2019, the Company issued 1,000,000 common shares for warrants exercised at a price of \$0.05 per share. As at November 13, 2019, the Company had 62,726,382 common shares issued and outstanding

#### *Share Purchase Warrants*

As at September 30, 2019, the Company had 26,130,800 share purchase warrants outstanding. Each warrant entitles the holder the right to purchase one common share as follows:

<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
4,250,000	\$0.05	April 6, 2020
13,110,800	\$0.30	January 16, 2023
<u>8,770,000</u>	\$0.05	July 2, 2024
<u><u>26,130,800</u></u>		

Subsequent to September 30, 2019, 1,000,000 share purchase warrants were exercised into common shares at a price of \$0.05 per share. As of November 13, 2019, the Company had 25,130,800 share purchase warrants outstanding.

#### *Stock Options*

As at September 30, 2019, and November 13, 2019, the Company had 5,000,000 stock options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
<u>3,000,000</u>	\$0.075	July 2, 2020
<u>2,000,000</u>	\$0.065	September 18, 2020
<u><u>5,000,000</u></u>		

### Risks and Uncertainties

*Because of the unique difficulties and uncertainties inherent in mineral exploration ventures, the Company face a high risk of business failure.*

Potential investors should be aware of the difficulties normally encountered by mineral exploration companies and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration program that the Company intend to undertake on its properties and any additional properties that the Company may acquire. These potential problems include unanticipated problems relating to exploration, and additional costs and expenses that may exceed

current estimates. The expenditures to be made by the Company in the exploration of the properties may not result in the discovery of any mineral deposits. Any expenditure that the Company may make in the exploration of any other mineral property that the Company may acquire may not result in the discovery of any commercially exploitable mineral deposits. Problems such as unusual or unexpected geological formations and other conditions are involved in all mineral exploration and often result in unsuccessful and/or expensive exploration efforts. If the results of the exploration do not reveal viable commercial mineralization, the Company may decide to abandon or sell some or all of the property interests.

*Because of the speculative nature of the exploration of mineral properties, there is no assurance that the exploration activities will result in the discovery of any quantities of mineral deposits on the current properties or any other additional properties the Company may acquire.*

The Company intend to continue exploration on the current properties and the Company may or may not acquire additional interests in other mineral properties. The search for mineral deposits as a business is extremely risky. The Company can provide investors with no assurance that exploration on the current properties, or any other property that the Company may acquire, will establish that any commercially exploitable quantities of mineral deposits exist. Additional potential problems may prevent the Company from discovering any mineral deposits. These potential problems include unanticipated problems relating to exploration and additional costs and expenses that may exceed current estimates. If the Company is unable to establish the presence of mineral deposits on the properties, the Company's ability to fund future exploration activities will be impeded, the Company will not be able to operate profitably and investors may lose all of their investment in the Company.

*Because of the inherent dangers involved in mineral exploration and exploitation, there is a risk that the Company may incur liability or damages as the Company conducts business.*

The search for mineral deposits involves numerous hazards. As a result, the Company may become subject to liability for such hazards, including pollution, cave-ins and other hazards against which the Company cannot insure or against which the Company may elect not to insure. At the present time the Company have no coverage to insure against these hazards. The payment of such liabilities may have a material adverse effect on the Company's financial position.

*The potential profitability of mineral ventures depends in part upon factors beyond the control of the Company and even if the Company discover and exploit mineral deposits, the Company may never become commercially viable and the Company may be forced to cease operations.*

The commercial feasibility of an exploration program on a mineral property is dependent upon many factors beyond the Company's control, including the existence and size of mineral deposits in the properties the Company explore, the proximity and capacity of processing equipment, market fluctuations of prices, taxes, royalties, land tenure, allowable production and environmental regulation. These factors cannot be accurately predicted and any one or a combination of these factors may result in the Company not receiving any return on invested capital. These factors may have material and negative effects on financial performance and the Company's ability to continue operations.

*Exploration and exploitation activities are subject to comprehensive regulation which may cause substantial delays or require capital outlays in excess of those anticipated causing an adverse effect on the Company.*

Exploration and exploitation activities are subject to foreign, federal, provincial, and local laws, regulations and policies, including laws regulating the removal of natural resources from the ground and the discharge of materials into the environment. Exploration and exploitation activities are also subject to foreign, federal, provincial, and local laws and regulations which seek to maintain health and

safety standards by regulating the design and use of drilling methods and equipment. Properties may also be subject to complex Aboriginal claims.

Environmental and other legal standards imposed by foreign, federal, provincial, or local authorities may be changed and any such changes may prevent the Company from conducting planned activities or may increase costs of doing so, which would have material adverse effects on the Company's business. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus causing an adverse effect on the Company, especially, foreign laws and regulations. Additionally, the Company may be subject to liability for pollution or other environmental damages that the Company may not be able to or elect not to insure against due to prohibitive premium costs and other reasons. Any laws, regulations or policies of any government body or regulatory agency may be changed, applied or interpreted in a manner which will alter and negatively affect the Company's ability to carry on business.

*Because the Company's property interests may not contain any mineral deposits and because the Company have never made a profit from operations, the Company's securities are highly speculative and investors may lose all of their investment in the Company.*

The Company's securities must be considered highly speculative, generally because of the nature of its business and the stage of exploration. The Company currently has exploration stage property interests which may not contain mineral deposits. The Company may or may not acquire additional interests in other mineral properties but the Company does not have plans to acquire rights in any specific mineral properties as of the date of this Management's Discussion and Analysis. Accordingly, the Company have not generated any revenues nor have the Company realized a profit from operations to date and there is little likelihood that the Company will generate any revenues or realize any profits in the short term. Any profitability in the future from the Company's business will be dependent upon locating and exploiting mineral deposits on current properties or mineral deposits on any additional properties that the Company may acquire and subsequent development. The likelihood that any mineral properties that the Company may acquire or have an interest in will contain commercially exploitable mineral deposits is extremely remote. The Company may never discover mineral deposits in respect to current properties or any other area, or the Company may do so and still not be commercially successful if the Company is unable to exploit those mineral deposits profitably. The Company may not be able to operate profitably and may have to cease operations, the price of the Company's securities may decline and investors may lose all of their investment in the Company.

*As the Company face intense competition in the mineral exploration and exploitation industry, the Company will have to compete with competitors for financing and for qualified managerial and technical employees.*

Competition includes large established mining companies with substantial capabilities and with greater financial and technical resources than the Company have. As a result of this competition, the Company may have to compete for financing and be unable to conduct any financing on terms the Company consider acceptable. The Company may also have to compete with the other mining companies for the recruitment and retention of qualified managerial and technical employees. If the Company is unable to successfully compete for financing or for qualified employees, the exploration programs may be slowed down or suspended, which may cause operations to cease as a company.

*The Company have a history of losses and have a deficit, which raises substantial doubt about its ability to continue as a going concern.*

The Company has not generated any revenues during the nine months ended September 30, 2019 and 2018. The Company will continue to incur operating expenses without revenues if and until the Company engages in commercial operations. Accumulated loss as of September 30, 2019 was \$22,433,294 since inception. The Company had cash and cash equivalents in the amount of \$609,768

as at September 30, 2019. The Company estimates the average monthly operating expenses to be approximately \$40,000 each month. This estimate depends on whether the Company is active or inactive with the work programs. The Company cannot provide assurances that the Company will be able to successfully explore and develop its property interests. These circumstances raise substantial doubt about its ability to continue as a going concern, which was also described in an explanatory paragraph to the independent auditors' report on the Company's audited financial statements, December 31, 2018. If the Company is unable to continue as a going concern, investors will likely lose all of their investments in the Company.

*The Company's future is dependent upon its ability to obtain financing and if the Company does not obtain such financing, the Company may have to cease its exploration activities and investors could lose their entire investment.*

There is no assurance that the Company will operate profitably or will generate any positive cash flow in the future. The Company will require additional financing in order to proceed with the exploration and, if warranted, development of its properties. The Company will also require additional financing for fees the Company must pay to maintain its status in relation to the rights to the properties and to pay the fees and expenses necessary to operate as a public company. The Company will also need more funds if the costs of the exploration of its mineral claims are greater than the Company has anticipated. The Company will require additional financing to sustain its business operations if the Company is not successful in earning revenues. The Company will also need further financing if the Company decides to obtain additional mineral properties. The Company currently does not have any arrangements for further financing as the Company believes that it is sufficiently funded for the current operations but in future the Company expects to raise additional capital as the needs arise. The Company's future is dependent upon its ability to obtain financing. If the Company does not obtain such financing, its business could fail and investors could lose their entire investment.

*The Company's directors and officers are engaged in other business activities and accordingly may not devote sufficient time to the Company's business affairs, which may affect its ability to conduct operations and generate revenues.*

The Company's directors and officers are involved in other business activities. As a result of their other business endeavours, the Company's directors and officers will exercise their fiduciary duties and duty of care but nonetheless may not be able to devote sufficient time to the Company's business affairs, which may negatively affect the Company's ability to conduct ongoing operations and its ability to generate revenues. In addition, the management of the Company may be periodically interrupted or delayed as a result of the Company's officers' other business interests.

#### RISKS RELATING TO THE COMPANY'S COMMON STOCK

*A decline in the price of the Company's common stock could affect its ability to raise further working capital and adversely impact ability to continue operations.*

A prolonged decline in the price of the Company's common stock could result in a reduction in the liquidity of its common stock and a reduction in its ability to raise capital. Because a significant portion of operations have been and will be financed through the continued sale of equity securities, a decline in the price of the common stock could be especially detrimental to liquidity and operations. Such reductions may force the Company to reallocate funds from other planned uses and may have a significant negative effect on business plans and operations, including the ability to continue current operations. If the Company's stock price declines, the Company can offer no assurance that it will be able to raise additional capital or generate funds from operations sufficient to meet its obligations. If the Company is unable to raise sufficient capital in the future, the Company may not be able to have the resources to continue normal operations.

The market price for the Company's common stock may also be affected by its ability to meet or exceed expectations of analysts or investors. Any failure to meet these expectations, even if minor, may have a material adverse effect on the market price of its common stock and its operations as a result.

**Additional Information**

The Company files annual and interim reports, information circulars and other information with certain Canadian securities regulatory authorities. The documents filed with the Canadian securities regulatory authorities are available at <http://www.sedar.com>.