

**ICONIC MINERALS LTD.  
MANAGEMENT DISCUSSION AND ANALYSIS  
NINE MONTHS ENDED May 31, 2020**

---

Dated: July 27, 2020

**OVERVIEW**

---

The following management discussion and analysis (“MDA”) of the financial position of Iconic Minerals Ltd. (“Company”) and results of operations should be read in conjunction with the audited consolidated financial statements for the year ended August 31, 2019 and the unaudited condensed consolidated interim financial statements for the nine months ended May 31, 2020. All monetary amounts referred to herein are in Canadian dollars unless otherwise stated. The financial statements together with this MDA are intended to provide investors with a reasonable basis for assessing the financial performance of the Company.

Except as described in Note 2 to the Financial Statements, the accounting policies in these condensed consolidated interim financial statements are the same as those applied in the Company’s financial statements for the year ended August 31, 2019.

Additional information related to the Company is available for view on SEDAR at [www.sedar.com](http://www.sedar.com), on the Company’s website at [www.iconicmineralsltd.com](http://www.iconicmineralsltd.com), or by requesting further information from the Company’s head office in Vancouver.

**FORWARD LOOKING STATEMENTS**

---

Information contained in this MDA that is not historical fact may be considered “forward looking statements”. These forward looking statements sometimes include words to the effect that management believes or expects a stated condition or result. All estimates and statements that describe the Company’s objectives, goals or plans are forward looking statements. Since forward looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors, including such variables as new information regarding recoverable reserves, changes in commodity demand and prices, legislative, environmental and other regulatory or political changes, competition in areas where the Company operates, and other factors discussed herein. Readers are cautioned not to place undue reliance on this forward looking information.

**DESCRIPTION OF BUSINESS**

---

Iconic Minerals Ltd. (TSX-V: ICM) is a mineral exploration company focused on acquiring and exploring gold and lithium properties in Nevada and Canada leading to NI43-101 compliant mineral resources in the near term. Although its Canadian properties were impaired in prior fiscal years, the Company continues to investigate new Canadian properties to acquire and explore.

In December 2015, the Company entered into a property option agreement with a related party to acquire a 100% interest in certain Lithium claims located in Nye County, Nevada. The Company has expanded its Bonnie Claire lithium project to 921 claims comprising 18,420 acres (28.75 mi<sup>2</sup>).

The Company holds highly prospective gold exploration properties in Nevada with the potential to host both Carlin-type and Round Mountain style gold/silver deposits. The Company, through option agreements, has acquired 50% interests in the New Pass and Squaw creek properties located in Nevada.

In September 2011 the Company entered into an earn-in agreement to acquire up to a 70% interest in a lease in the Hercules Project located in Lyon County, Nevada. During fiscal 2014, the Company amended the earn-in agreement to obtain an additional 30% interest in the lease of the property (for a total of 100%). In August 2019 the Company entered into an agreement with Great Basin Resources Inc., Eclipse Gold Mining Corporation and Hercules Gold USA, a subsidiary of Eclipse, on the Hercules project. The terms of the amended underlying lease agreement are disclosed in the consolidated financial statements.

In January 2018 the Company entered into an exclusive definitive licensing agreement with St-Georges Platinum and Base Metals Ltd. (“St-Georges”) to utilize its proprietary lithium extraction, purification and processing technology.

**ICONIC MINERALS LTD.  
MANAGEMENT DISCUSSION AND ANALYSIS  
NINE MONTHS ENDED May 31, 2020**

---

The Agreement grants the Company the exclusive right to a site license within the state Nevada, to use St-Georges' proprietary and related technology, products, patents and future improvements for the purpose of extracting, processing and selling lithium. Pursuant to the Agreement, St-Georges has agreed to provide engineering and technical services on all licensed production sites.

In consideration for the licensing rights, the Company has agreed to issue St-Georges a total of 5,000,000 common shares in its capital stock in stages over a 36 months period, subject to performance benchmarks outlined below:

- 2,000,000 common shares upon Stage 1 Benchmark completion: which is defined by the delivery of an independent laboratory report currently commissioned by St-Georges, indicating positive viable lithium recoveries; (On August 29, 2019, 2,000,000 common shares were issued to St-Georges)
- 1,500,000 shares upon Stage 2 Benchmark completion: which is defined by independent report describing results of initial pilot mining operations and the processing of a minimum of one metric ton in a simulated industrial environment; and
- 1,500,000 shares upon Stage 3 Benchmark completion: which is defined by the reception of a Preliminary Economical Assessment Report or at commercialization decision or the third-year anniversary mark of this Agreement assuming other issuance have been completed.

The Company has agreed to pay a Net Revenue Interest Royalty (NRI) of 5% on all minerals produced and sold on all production sites licensed with St-Georges' technologies. The Company is entitled to receive 20% of royalties received by SX from other operations within a specified area.

During the year ended August 31, 2019, the Company executed an option to invest \$100,000 into shares of St-Georges at a price of \$0.10 per share in a private placement. In addition, in July 2019, the Company received the Phase I independent report titled "Bonnie Claire Metallurgical Evaluation and Process Development" from St-Georges. St-Georges has developed Nitric Acid leaching methodology that puts between 99.97% and 100% of the lithium from the sediments into solution at room temperature within 1-4 hours. St-Georges completed a performance benchmark resulting in the Company issuing 2,000,000 common shares with a value of \$234,000 to St-Georges. The shares will remain in escrow for three years.

On February 28, 2019, the Company launched a "CEO Verified" discussion forum on AGORACOM. The forum will serve as the Company's primary social media platform to interact with both shareholders and the broader investment community in a fully moderated environment.

## **UNITED STATES**

### **Overview**

With the farm out of the Hercules Project the Company has brought in additional funding which will be used to develop the Bonnie Claire project. The New Pass and Squaw Creek properties will be further explored once the property is advanced.

### **Lithium Project, Nevada**

#### **Bonnie Claire**

In December 2015, the Company entered into a property option agreement with a related party (Richard Kern, CEO) to acquire a 100% interest in certain Lithium claims located in Nye County, Nevada.

The Company may earn its 100% interest in the property by: (a) reimbursing expenses not to exceed US \$20,000 for the property (paid); (b) expending initial claim filing fees and expenses estimated to be US \$76,500 (paid); and (c) expending US \$100,000 (incurred) for the first year exploration development program, and by thereafter completing additional work requirements for the second (US \$200,000-incurred), third (US \$400,000-incurred) and fourth (US \$600,000) year totaling US \$1,200,000.

The Vendor will retain a 4.5% NSR, 1.5% of which the Company shall have the right to buy back within 90 days of

**ICONIC MINERALS LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**NINE MONTHS ENDED May 31, 2020**

---

the property going into production for US \$2,000,000, and an additional 1.5% of which the Company shall have the right to buy back within 180 days of the property going into production for US \$4,000,000; and (b) a cash payment of US \$1,000,000 to be made by the Company to the Vendor upon the property attaining commercial production.

The Property is a lithium brine target. It is located within a valley that is over +20 miles (+30 km) long and 12 miles (20 km) wide into which streams from an +800 mi<sup>2</sup> (2,070 km<sup>2</sup>) drainage basin empty. The source rocks are quartz-rich volcanics that contain anomalous amounts of lithium. Sampling of salt flats within the basin indicates lithium values in salt samples ranging from 50 to 340 ppm. The deeper part of a gravity low within the valley is 12 miles (20 km) long, and initial estimates of the depth to bedrock ranges from 1,500 to 2,000 feet (460-610 m) within this low. The current claim block covers the gravity low and associated mud flats that could be used for evaporation ponds if significant lithium brines are discovered in drilling.

In the summer and fall of 2016 the Company drilled two exploration wells to test for lithium brine. Although the brines intersected contained marginal amounts of lithium, the sediments drilled were found to contain abundant lithium averaging over 1000 ppm. Initial leach tests of the sediments indicate recoveries of over 95% of the lithium using a dilute acid leach. Further metallurgical testing was initiated in late fall.

In May 2017, the Company completed one shallow drill hole of a lithium brine target. Both brine and sediment samples were collected continuously to a total depth of 300 feet (91.4 m). The sediments drilled consisted primarily of fine-grained sand and silt with occasional clay layers.

In June 2018, the Company completed its third deep drill hole. The hole was drilled to a depth of 567 meters (1860 feet) and intersected large thicknesses of green, clay-rich sediments, that contained high lithium content in the first two deep holes drilled. Assay and bulk metallurgical samples of the sediments were collected in 20 foot (6.1m) intervals. Samples for assay has been securely transported to the geochem labs for further analysis.

In October 2018, the Company completed a NI 43-101 technical resource study. The report defined inferred resources of 5,370 billion kilograms or 11.839 billion pounds of elemental lithium. The lithium carbonate equivalent consists of lithium carbonate and lithium chloride. The average grade of the current resources is 963 ppm lithium. Bulk sample metallurgy was conducted by St-Georges.

On April 1, 2019, St-Georges achieved complete and total recovery in leach of lithium from the bulk material and reported leaching 100% of the lithium while not affecting 88% of the remaining solids. The process uses Nitric and Citric acid at room temperature which reduces cost over other leaching methods. The sample tested which contained 963 ppm Li before processing contained 8,025 ppm lithium after processing, a gain of 833 percent, and because the leach process removes most of the salts from the sediment, the remaining material may be suitable for a nitrate-based fertilizer by-product. The Company plans to do more metallurgical testing in 2020.

At the end of 2019, the Company finalized plans for its 2020 drilling program at Bonnie Claire. Five drill holes averaging 300 feet (90 m) depth will be drilled in the southern portion of the project area in an area of anomalous surface lithium values and interpreted faults. The purpose of the drilling program is to define shallow lithium mineralization which the Company can utilize for bulk sampling and extend the resource to the south. The Shallow holes will be drilled using a tracked or buggy reverse circulation (RC) rig suitable for the salt flats being tested. Down-hole sediment samples will be collected continuously in 20 feet (6 m) intervals and sent to a geochem lab for analysis. Drilling will be initiated when the wet season has ended and the salt flats dry sufficiently to allow access.

The next claims fees of approximately US\$123,025 are due to the Bureau of Land Management and Nye County in August 2020.

### **Smith Creek**

In October 2016, the Company entered into a lithium property option agreement with a company related via a common director (Richard Kern, CEO) to acquire a 100% interest in placer mining claims acres in Nevada. The Company may earn its 100% interest in the property by: (a) reimbursing the vendor for all documented expenses, not to exceed US \$40,000; (b) expending initial and annual claim filing fees and expenses being, US \$133,100 (Unpaid), and (c) also expending for exploration in the first year US \$200,000 (Partially unexpended), second year US \$500,000, third year US \$500,000 and fourth year US \$1,000,000, totaling US \$2,000,000. The annual claims fees were paid by the

**ICONIC MINERALS LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**NINE MONTHS ENDED May 31, 2020**

---

optionor in August 2019, and billed to the Company. The next claims fees of approximately US\$8,000 are due in August 2020.

The Company is currently in default on its requirements, however, the optionor has filed no notice of default and the Company is in the process of finalizing the renegotiation of the terms of the agreement and anticipates preparing the agreement in the near future. The optionor agrees that the claims are in good standing. Further, the Company intends to raise funds through a private placement which will be used to address any outstanding requirements.

If the Company is unable to conclude the renegotiations or the financing in a satisfactory manner allowing it to cure its default, the Company would forfeit its right to the option agreement.

In the fall of 2016, the Company contracted Zonge Engineering of Reno, Nevada to do a MagnetoTelluric (MT) geophysical survey to test the property for potential conductors which indicate the presence of brine.

In March, 2017, the company completed an interpretation of the Magneto Telluric (MT) geophysical survey. The Survey was conducted along the long axes of the valley to determine the presence and the extent of the brine. The survey identified two probable brines. There is a thin, near surface anomaly that correlates with brine drilled by the USGS in a 1989 hydrology study of the basin. The USGS did not include an analysis of lithium within this study. The Survey also identified a deeper probable brine averaging 400 meters in interpreted thickness, which dips gently to the south and extends beyond the Survey to the north. The top layer of this brine anomaly occurs 200-500 meters below the surface. There were two major interpreted faults identified also.

#### **Hercules Project, Nevada**

The Company is a party to an earn in agreement, subsequently amended, with a company related by virtue of a common director, on certain claims in Lyon County, Nevada.

On August 9, 2019, the Company entered into an agreement (“Hercules Option Agreement”) with Great Basin Resources Inc., Eclipse Gold Mining Corporation (“Eclipse”) and Hercules Gold USA, LLC (“HGU”), a subsidiary of Eclipse, in respect of the Hercules project.

In consideration for the termination of the existing option and data transfer, Eclipse will:

- make a cash payment to Iconic in the sum of CAD \$325,000 within five business days of the execution of the Hercules Option Agreement (received); and
- issue up to an aggregate of 4,000,000 common shares in the capital of Eclipse to the Company as follows:
  - 1,000,000 Eclipse shares on the date which is 10 days immediately following the date on which Eclipse’s share become listed on a public stock exchange or stock quotation system (“Listing Date”); (received on February 28,2020) and
  - 1,000,000 Eclipse shares on each of the first, second, and third anniversary dates of the Listing Date.

Under the terms of the Hercules Option Agreement, Great Basin Resources Inc. has granted an option (“HGU Option”) to HGU, under which HGU must complete certain exploration expenditures over a three-year period and make cash payments to Great Basin Resources Inc. In the event that HGU fails to exercise the HGU Option in accordance with the Hercules Option Agreement, the Company may elect to receive an assignment of HGU’s rights and benefits under the Hercules Option Agreement and to assume certain of HGU’s remaining obligations under the Hercules Option Agreement as may be outstanding at such time. The term of the HGU Option is the earlier of the date of exercise of the HGU Options, the termination of the Hercules Option Agreement or 12 years from the Listing Date.

Pursuant to the Hercules Option Agreement, the Company terminated the existing option, and lease, and transferred the existing data to HGU. The Company has recorded the receipt of the \$325,000 paid by Eclipse as a recovery to the property. No value has been assigned to the Eclipse shares as they are contingently issuable by Eclipse pursuant to the option agreement without recourse. As the Company has terminated its option with Great Basin, the property has

**ICONIC MINERALS LTD.  
MANAGEMENT DISCUSSION AND ANALYSIS  
NINE MONTHS ENDED May 31, 2020**

---

been written off by \$1,009,462 during the year ended August 31, 2019. As and if Eclipse shares are received, the value will be recorded as recovery to profit or loss upon receipt of the shares.

On February 28, 2020, the Company received 1,000,000 shares of Eclipse at a fair value of \$720,000. In April 2020, the Company received a refund of \$168,506 reclamation bond from the Bureau of Land Management for the Hercules Project. During the period ended May 31, 2020, the Company recorded a gain of \$888,506 on previously impaired assets.

**New Pass Property, Nevada**

In April 2006 the Company received a mineral resource report on the New Pass project compiled by Sam S. Arentz III, P.E. of Sierra Environmental Engineers, Inc., Reno, Nevada. The report was prepared using NI 43-101 guidelines and standards and is identified as an addendum to the NI 43-101 report filed on SEDAR.

According to the Arentz report the New Pass project contains an Inferred Mineral Resource of 11.5 million tons (10.5 million tonnes) averaging 0.0226 oz/t (0.78 g/t) gold and 0.2214 oz/t (7.59 g/t) silver. This is equivalent to approximately 260,000 ounces of gold and 2.546 million ounces of silver. The shallow and largely oxidized nature of the resource indicates it may be amenable to open pit heap-leach mining methods.

On September 8, 2010, the Company filed an NI 43-101 technical report which included updated information on all of the drilling since the 2006 resource report. A Plan of Operation was granted in July, 2009 and bonded in November, 2009. In a news release dated June 11, 2013, the Company announced the results of the 11 holes exploration program completed during the period at the Company's New Pass property.

During fiscal 2016 the Company decided to concentrate its resources and efforts towards its Bonnie Claire and Hercules Project properties, and accordingly impaired the New Pass Property to a nominal value, but continues to hold the rights to further explore this property. The next claims fees of approximately US\$10,000 are due in August 2020.

**Squaw Creek Property, Nevada**

The Squaw Creek property is located in the Ivanhoe Mining District, four miles northwest of the Hollister Deposit and is 15 miles southeast of the Ken Snyder Deposit in the Midas Mining District. Both the Ivanhoe Mining District and the Midas Mining District lie on the northwest strike projection of the Carlin Trend and within the Northern Nevada Rift. The Midas Mining District lies at the northwest end of a line of gold deposits, which extends to the southeast to the Rain deposit, south of Carlin. The property is a joint venture with McEwen Mining Inc. (Formerly White Knight Resources Ltd.)

According to the NI 43-101 report on the property, strongly anomalous gold mineralization has been consistently intersected in drill holes over an area 3 miles long by 1 mile wide. The Company conducted a geophysics survey of the property and a 3 holes deep core drilling program. The primary target is a high grade vein deposit like the Ken Snyder mine or the deeper part of the Ivanhoe (Hollister) mine.

During fiscal 2012 the Company decided to concentrate its resources and efforts towards its Hercules Project properties, and accordingly impaired the Squaw Creek Property to a nominal value, but continues to hold the rights to further explore this property. The next claims fees of approximately US\$10,000 are due in August 2020.

**CANADA**

In a prior year, the Company impaired its Canadian property, but continues to seek opportunities to acquire and explore new properties.

Richard Kern, CPG #11494 and President/CEO of the Company, is the QP responsible for the technical disclosure contained in this document.

**ICONIC MINERALS LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**NINE MONTHS ENDED May 31, 2020**

**SELECTED ANNUAL INFORMATION**

The following table provides a brief summary of the Company's financial operations for the prior three fiscal years. For more detailed information, refer to the Company's financial statements for the years then ended.

	Years ended August 31,	2019	2018	2017
		- \$ -	- \$ -	- \$ -
Net loss		(1,539,360)	(1,442,282)	(668,165)
Basic and diluted loss per share		(0.02)	(0.02)	(0.01)
Total assets		3,463,419	4,216,321	3,487,591
Total long-term liabilities		2,064,855	1,936,473	2,013,521
Total equity (deficit)		(1,159,334)	152,034	(264,136)

**Year ended August 31, 2019:** The Company recorded a net loss for the year of \$1,539,360 compared to \$1,442,282 in 2018. Significant variances in costs between the two years include impairment, business development, consulting fees, share-based compensation, and shareholder communication.

Impairment costs increased to \$1,037,885 (2018 - \$27,336) mainly due to the impairment recorded in connection to the Hercules Option Agreement, whereby the Company terminated the existing option, and lease on this property, business development decreased to \$29,108 (2018 - \$55,151), and consulting fees decreased to \$49,400 (2018 - \$354,430) commensurate with the decreased level of activity relating to the search and evaluation for new properties acquisitions in the current year. Share-based compensation decreased to \$nil (2018 - \$467,438) due to granting of stock options during the prior year. Shareholder communications decreased to \$3,845 (2018 - \$ 53,658) as a result of decreased news release and marketing activities in the current year.

At year end, there was a working capital deficiency of \$2,419,641 (2018 - \$2,045,364). Net cash used in operations was \$4,395 (2018 - \$677,904), net cash used in investing activities totaled \$60,288 (2018 \$485,750), and net cash provided by financing activities was \$nil (2018 - \$1,225,774).

**Year ended August 31, 2018:** The Company recorded a net loss for the year of \$1,442,282 compared to \$668,165 in 2017. Significant variances in costs between the two years include business development, consulting, share based compensation, office administration, interest expenses and impairment of exploration and evaluation properties.

Business development increased to \$55,151 in 2018 (2017 - \$38,306) due to increased activity in search for new properties acquisitions in the current year. Consulting fees increased to \$354,430 (2017-\$232,275) as the Company increased the use of consultants to evaluate new potential acquisitions. Share based compensation increased to \$467,438, (2017-\$40,569) due to granting of stock options during the current year and the recovery in the prior year. Impairment costs for New Pass property and Squaw Creek property in Nevada claim renewal fees decreased to \$27,336 (2017 - \$28,215).

At year end, there was a working capital deficiency of \$2,045,364 (2017 - \$1,706,233). Net cash used in operations was \$637,752 (2017 - \$74,023), net cash used in investing activities totaled \$525,902 (2017 \$844,690), and net cash provided by financing activities was \$1,225,774 (2017 - \$605,562).

**ICONIC MINERALS LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**NINE MONTHS ENDED May 31, 2020**

**Summary of quarterly financial results:** The following is a summary of selected financial information compiled from the quarterly interim unaudited financial statements for eight quarters ending May 31, 2020:

	May 31, 2020	February 29, 2020	November 30, 2019	August 31, 2019
<i>Three months ending</i>	- \$ -	- \$ -	- \$ -	- \$ -
Total assets	4,545,180	4,188,504	3,458,317	3,463,419
Exploration and evaluation assets	3,341,310	3,335,720	3,330,589	3,325,162
Working capital deficiency	(1,516,501)	(1,925,372)	(2,521,986)	(2,419,641)
Long term liabilities	2,107,156	2,098,834	2,081,468	2,064,855
Shareholders' equity(deficiency)	(282,347)	(688,486)	(1,272,865)	(1,159,334)
Net income (loss)	401,538	579,678	(118,958)	(1,086,056)
Income (loss) per share	0.00	0.01	(0.00)	(0.01)

  

	May 31, 2019	February 28, 2019	November 30, 2018	August 31, 2018
<i>Three months ending</i>	- \$ -	- \$ -	- \$ -	- \$ -
Total assets	4,451,416	4,314,673	4,268,736	4,216,321
Exploration and evaluation assets	4,321,406	4,300,243	4,250,783	4,133,871
Working capital deficiency	(2,474,204)	(2,334,568)	(2,230,882)	(2,045,364)
Long term liabilities	2,028,972	1,997,330	1,967,999	1,936,473
Shareholders' equity(deficiency)	(181,770)	(31,655)	51,902	152,034
Net loss	(170,905)	(127,187)	(155,212)	(85,411)
Loss per share	(0.00)	(0.00)	(0.00)	(0.00)

In the quarter ending May 31, 2020, the Company's net income increased to \$401,538 due to the unrealized gain of \$190,500 on marketable securities and a gain of \$194,138 on forgiveness of debt. In the quarter ending February 29, 2020, the Company's net income increased to \$579,678 due to gain on sale of a previously impaired asset recorded on the Hercules project as the Company received 1,000,000 shares of Eclipse at a fair value of \$720,000.

In the quarter ending August 31, 2019, the Company's net loss increased to \$1,086,056 due to impairment recorded on the Hercules property as the Company terminated the existing option and lease, and impaired the property by \$1,009,462, which also decreased exploration and evaluation assets to \$3,262,960.

In the period ended February 28, 2018, the increase in the Company's loss to \$998,451 was a primarily a result of a stock-based compensation expense as stock options were granted. Total assets, working capital and shareholders' equity increased in the period ended February 28, 2018 as a result of a completion of a private placement with gross proceeds of \$600,000 in December 2017, offset by operating costs.

**In the nine months ended May 31, 2020 and 2019:**

The Company had a net income of \$849,758 the period compared to a net loss of \$453,304 in the prior year's comparable period. Most expenses were similar in both periods, with the most significant variances explained in the following table:

	<i>Nine months ended</i>	May 31, 2020	May 31, 2019
		- \$ -	- \$ -
Transfer agent and regulatory fees		11,758	20,787
<i>The decrease in transfer agent and regulatory fees in the current period is commensurate with utilization of services in the comparative period.</i>			
Business development		9,621	24,166
<i>The decrease in business development in the current period is due to the decrease of travel expenses in the comparative period.</i>			

**ICONIC MINERALS LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**NINE MONTHS ENDED May 31, 2020**

Interest expense	50,013	89,799
<i>Interest expense includes accretion of interest on long-term liabilities, the variance of expense in the periods presented is due to the decrease in long-term liabilities in the current period.</i>		
Unrealized loss (gain) on marketable securities	(190,500)	1,300
<i>The change was due to the market value increase in the marketable securities.</i>		
Gain on sale of previously impaired assets	(888,506)	-
<i>The Company received shares of \$720,000 on Hercules Option Agreement and a refund of \$168,506 reclamation bond on the Hercules Project in current period. An impairment of \$1,009,462 was recorded in the year ended August 31, 2019, the Company recorded a gain of \$803,828 on sale of previously impaired assets in the current period.</i>		
Gain on forgiveness of debt	(194,138)	-
<i>The CEO forgave \$194,138 of accounts payable and accrued liabilities in the current period.</i>		

**In the three months ended May 31, 2020 and 2019:**

The Company had a net income of \$389,038 in the period compared to a net loss of \$170,905 in the prior comparable period. Most expenses were similar in both periods, with the most significant variances explained in the following table:

	<i>Three months ended</i>	May 31, 2020	May 31, 2019
		- \$ -	- \$ -
Foreign exchange loss (gain)		39,311	32,155
<i>The change is due to a change in the US dollar in the current period applied to the US dollar denominated debts.</i>			
Interest expense		16,671	29,933
<i>Interest expense includes accretion of interest on long-term liabilities, the variance of expense in the periods presented is due to the decrease in long-term liabilities in the current period.</i>			
Unrealized loss (gain) on marketable securities		(200,700)	300
<i>The change is due to a change in the market in the current period applied to the marketable securities.</i>			
Gain on sale of previously impaired assets		(168,506)	-
<i>The Company received a refund of \$168,506 reclamation bond on the Hercules Project in current period.</i>			
Gain on forgiveness of debt		(194,138)	-
<i>The CEO forgave \$194,138 of accounts payable and accrued liabilities in the current period.</i>			

**LIQUIDITY AND CAPITAL RESOURCES**

The Company has financed its operations to date primarily through the issuance of common shares, exercise of stock options and related party advances. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The financial statements have been prepared on a going concern basis which assumes that the Company will be able realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

**ICONIC MINERALS LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**NINE MONTHS ENDED May 31, 2020**

---

As at May 31, 2020, the Company had a working capital deficiency of \$1,516,501 and a cumulative deficit of \$46,501,864. Management considers its cash-on-hand is not sufficient to fund its recommended exploration work, planned acquisition program and corporate overhead through the next twelve months. Accordingly, the Company is continuing to seek additional funds from existing shareholders and potential investors.

The Company has several overdue payments required on its Smith Creek projects, as well as substantial expenditure requirements.

To address these issues, the Company has performed or is performing the following:

During the year ended August 31, 2019, the Company entered into an agreement (“Hercules Option Agreement”) with Great Basin Resources Inc., Eclipse Gold Mining Corporation (“Eclipse”) and Hercules Gold USA, LLC (“HGU”), a subsidiary of Eclipse, in respect of the Hercules project.

In consideration for the termination of the existing option and data transfer, Eclipse will:

- make a cash payment to Iconic in the sum of CAD \$325,000 within five business days of the execution of the Hercules Option Agreement (received); and
- issue up to an aggregate of 4,000,000 common shares in the capital of Eclipse to the Company as follows:
  - 1,000,000 Eclipse shares on the date which is 10 days immediately following the date on which Eclipse’s share become listed on a public stock exchange or stock quotation system (“Listing Date”) (received); and
  - 1,000,000 Eclipse shares on each of the first, second, and third anniversary dates of the Listing Date.

Under the terms of the Hercules Option Agreement, Great Basin Resources Inc. has granted an option (“HGU Option”) to HGU, under which HGU must complete certain exploration expenditures over a three-year period and make cash payments to Great Basin Resources Inc. In the event that HGU fails to exercise the HGU Option in accordance with the Hercules Option Agreement, the Company may elect to receive an assignment of HGU’s rights and benefits under the Hercules Option Agreement and to assume certain of HGU’s remaining obligations under the Hercules Option Agreement as may be outstanding at such time. The term of the HGU Option is the earlier of the date of exercise of the HGU Options, the termination of the Hercules Option Agreement or 12 years from the Listing Date.

On February 28, 2020, the Company received 1,000,000 shares of Eclipse at a fair value of \$720,000. On April 2, 2020, the Company received a refund of \$168,506 (US\$118,851) reclamation bond from the Bureau of Land Management for the Hercules Project.

With the farm out of the Hercules Project the Company has brought in additional funding which will be used to develop the Bonnie Claire project. The New Pass and Squaw Creek properties will be further explored once this property is advanced.

On June 29, 2020, the Company closed its non-brokered private placement of 20,000,000 units at a price of \$0.05 per unit for gross proceeds of \$1,000,000. Each unit consisting of one common share and one share purchase warrant, each whole warrant entitling the holder thereof to purchase one additional common share, exercisable for a period of two years from the date of issuance, at a price of \$0.07 per share in the first year and \$0.10 per share in the second year. Insiders of the Company subscribed for a total of 3,400,000 units.

The Company paid finders fee of \$3,000 in cash and issued 60,000 warrants with a fair of \$1,631 at an exercise price of \$0.07 per share for a period of one year. The fair value of the finder’s warrants was estimated based on the following assumptions: share price at grant date of \$0.06; exercise price of \$0.07; expected life of 1 year; expected volatility of 132%; risk free interest rate of 0.25%; expected dividend yield rate of 0%; and forfeiture rate of 0%.

Proceeds raised will be used towards exploration, corporate development and general working capital purposes.

If the Company is unable to raise sufficient funds through the above items or conclude satisfactory renegotiations with the optionors on the Smith Creek, it is likely that these projects may be impaired or lost. Management anticipates that these issues will be resolved in this fiscal year.

**ICONIC MINERALS LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**NINE MONTHS ENDED May 31, 2020**

The Company's future capital requirements will depend on many factors, including costs of exploration and development of the properties, cash flow from operations, costs to complete additional exploration, and competition and global market conditions. The Company's recurring operating losses and growing working capital needs will require that it obtain additional capital to operate its business.

The Company will depend on outside capital to complete the exploration and development of the resource properties. Such outside capital will include the sale of additional common shares. There can be no assurance that capital will be available as necessary to meet these continuing exploration and development costs or, if the capital is available, that it will be on terms acceptable to the Company. The issuances of additional equity securities by the Company may result in a significant dilution in the equity interests of its current shareholders. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the business and future success may be adversely affected.

**RELATED PARTY TRANSACTIONS**

During the periods ended May 31, 2020 and 2019, transactions with key management were as follows:

	2020	2019
	- \$ -	- \$ -
Management fees paid or accrued to the CEO and CFO	78,577	77,806
Consulting fees paid or accrued to a company controlled by the corporate manager	36,000	36,000
Fees paid or accrued to a company controlled by the corporate manager for office administration, accounting and reimbursement of out of pocket expenses	112,500	112,500
Forgiveness of debt by CEO	(194,138)	-
<b>Total</b>	<b>32,939</b>	<b>226,306</b>

The amounts due to key management personnel as at May 31, 2020 and August 31, 2019 were as follows:

	May. 31, 2020	Aug. 31, 2019
	- \$ -	- \$ -
Included in accounts payable are amounts due to the corporate manager, or MLTK Management Inc., or Simco Services Inc., companies controlled by the corporate manager <sup>(5)</sup>	719,632	520,086
Included in accounts payable are amounts due to Jenrich Operations Ltd., a company controlled by the CFO <sup>(2)</sup>	39,900	21,000
Included in accounts payable are amounts due to Richard Kern, director, or Great Basin Resources Inc. or Great Basin Oil LLP, companies related to him <sup>(1)</sup>	712,559	895,325

**DIRECTORS AND OFFICERS**

<sup>1</sup> Richard Kern, President Director and CEO

<sup>2</sup> Richard Barnett, CFO & Secretary

<sup>3</sup> Jurgen Wolf, Director

<sup>4</sup> Huitt Tracey, Director

<sup>5</sup> Joe DeVries, Corporate Manager

<sup>6</sup> Keturah Nathe, Director

The remuneration of directors and other key management personnel, which include the amounts disclosed above for the period ended May 31, 2020 and 2019, were as follows:

	2020	2019
	- \$ -	- \$ -
Short-term employee benefits – management, administrative, and consulting fees	115,777	113,806

Management fees are charged by the CEO and the CFO for the overall management of the Company. Consulting fees are charged by the Corporate Manager to run the day to day operations as well as raising funds. Administration fees are charged as reimbursements for rent, accounting, securities administration, reception and other office services expended on behalf of the Company.

**ICONIC MINERALS LTD.  
MANAGEMENT DISCUSSION AND ANALYSIS  
NINE MONTHS ENDED May 31, 2020**

---

These transactions and the other related party transactions disclosed elsewhere in the financial statements were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

All of the above items are charged on a month to month basis and there are no long-term compensation agreements with any related parties.

**OTHER MATTERS**

---

**Outstanding Share Data:** As at May 31, 2020, the Company has 82,630,778 common shares outstanding. Subsequent to the period ended May 31, 2020, the Company completed a non-brokered private placement by issuing 20,000,000 shares of the Company. As of the current date, the Company has 102,630,778 common shares outstanding.

**Stock options:** As at May 31, 2020, and at the current date, the Company does not have any stock option outstanding.

**Warrants:** As at May 31, 2020, the Company does not have any warrants outstanding. Subsequent to the period ended May 31, 2020, the Company completed a non-brokered private placement, and 20,000,000 warrants and 60,000 finders warrants were issued. As of the current date, the Company has 20,060,000 warrant outstanding.

**Off-Balance Sheet Arrangements:** The Company has not entered into any off-balance sheet arrangements.

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The classification determines the method by which the financial assets are carried on the balance sheet subsequent to inception and how changes in value are recorded. Receivables and reclamation bonds are measured at amortized cost with subsequent impairments recognized in profit or loss and cash and marketable securities are classified as FVTPL.

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

**ICONIC MINERALS LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**NINE MONTHS ENDED May 31, 2020**

---

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Accounts payable and accrued liabilities are classified as other financial liabilities and carried on the statement of financial position at amortized cost.

**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION**

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The accompanying consolidated financial statements are prepared by management in accordance with International Financial Reporting Standards ("IFRS") and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

**ACCOUNTING POLICIES**

---

***Changes in accounting standards***

During the period ended May 31, 2020, the Company adopted IFRS 16, Lease, which is a new standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting.

The Company has considered the impact of this change and has determined that, since the Company currently has no leases, the new standard has not had any impact on the Company's financial statements other than note disclosure.

**RISKS**

---

The Company is engaged in the exploration for and development of exploration and evaluation assets. These activities involve significant risks which careful evaluation, experience and knowledge may not, in some cases, eliminate. The commercial viability of any material deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade, proximity to infrastructure. Government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a mineral deposit.

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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Annual losses are expected to continue until the Company has an interest in an exploration and evaluation asset that produces revenues. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. The accompanying consolidated financial statements do not give effect to any

**ICONIC MINERALS LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**NINE MONTHS ENDED May 31, 2020**

---

adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements.

Any forward-looking information in the management discussion and analysis is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the Company and other factors.

**INTERNAL CONTROLS OVER FINANCIAL REPORTING**

---

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting ("ICFR") or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. We have designed controls for this process and have conducted an evaluation which has identified potential weaknesses in such controls. Due to the limited number of staff, it is not feasible to attain complete segregation of incompatible duties. Weaknesses in the Company's internal controls over financial reporting allow for a greater likelihood that a material misstatement would not be prevented or detected.

The company is not required to certify the design and evaluation of its ICFR and has not completed such an evaluation, and inherent limitations on the ability of the certifying officers to design and implement, on a cost-effective basis, ICFR for the company may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

**DIRECTORS**

---

Certain directors of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploring natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.