MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2017

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

This MD&A is dated November 24, 2017.

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

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

NATURE OF BUSINESS

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

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

OUTLOOK AND STRATEGY

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2017

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

- Between May 2016 and the date of this report, the Company recapitalized by completing a share consolidation, appointed a new management team, completed private placements totaling gross proceeds of $3,968,500, changed its name from Monster Mining Corp. to Metallic Minerals Corp., began trading under the new symbol MMG on the TSX-V, significantly expanded its property holdings in the Keno Hill Silver District and appointed two new directors, including the Chairman of the Board;

- In July and August 2016, the Company completed two tranches of a private placement for gross proceeds of $1,543,500 pursuant to the issuance of 30,870,000 units ($238,500 closed July 30th and $1,305,000 closed August 1st). Each unit consisted of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder to acquire one additional common share expiring July 30, 2019;

- Beginning in September 2016, the Company appointed its new management team led by Greg Johnson as CEO and Chairman, Tim Thiessen as CFO, Susan Craig as VP Government and Community Relations, Scott Petsel as VP Exploration, Connie Norman as Corporate Secretary, and Chris Ackerman as Manager of Corporate Communications;

- On October 31, 2016, the Company raised gross proceeds of $1,125,000 through the issuance of 2,250,000 common shares on a flow-through basis at a price of $0.50 per flow-through share. Proceeds from this financing was used to incur eligible Canadian Exploration Expenses on the Company's properties including its flagship Keno Silver Project;

- In January 2017, the Company acquired additional properties totaling 43.5 square kilometres ("**km²**") in the Keno Hill Silver District nearly doubling its holdings in the district. These properties include the Silver Queen, Keno Summit and Gram properties totaling 13.3 km^2 along with another 30.2 km^2 of newly staked claims in the district, including Duncan Creek (see Figure 1 on Page 8). These properties are adjacent to, or contiguous with, Metallic's Keno Silver Project and Alexco Resource Corp.'s ("**Alexco**") Keno Hill properties;

- In January 2017, the Company announced the appointment of Mr. Gregor Hamilton to its Board of Directors. Mr. Hamilton has more than 20 years of mining sector experience both as an investment banker and geologist;

- On March 23, 2017, the Company completed a private placement issuing 1,666,666 units at a price of $0.45 per unit for gross proceeds of $750,000. Each unit consisted of one flow through share of the Company and one non flow-through common share purchase warrant, with each warrant entitling the holder to acquire one additional common share at $0.60 per share expiring March 23, 2020. The proceeds from this financing will be used to incur eligible Canadian Exploration Expenses, primarily on the Company's Keno Silver Project;

- On May 30, 2017, the Company announced the commencement of a 2017 field exploration program on its Keno Silver Project including targeted geophysical and geochemical surveys, stratigraphic mapping and trenching and a drill program estimated to consist of 1,000 – 1,500 metres;

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

- On June 26, 2017, the Company completed a private placement of 1,375,000 common shares on a flow-through basis at a price of $0.40 per flow-through share for gross proceeds of $550,000. The proceeds from this financing will be used to incur eligible Canadian Exploration Expenses on the Company's properties;

- On August 24, 2017, the Company granted 2,200,000 incentive stock options to Directors, Officers, employees and consultants of the Company. The stock options are exercisable for up to five years, expiring on August 24, 2022, and each stock option allows the holder to purchase one common share of the Company at a price of $0.30 per share;

- In September 2017, the Company acquired a number of additional properties totalling 53.5 km^2 in the Keno Hill Silver District. These properties are adjacent to, or contiguous with, Metallic's Keno Silver Project and Alexco's Keno Hill properties;

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

- In October 2017, the Company announced results from its summer/fall 2017 McKay Hill Project field exploration programs which included follow up rock and soil sampling, reconnaissance and detailed mapping; and

- In November 2017, the Company received its first gold production royalty from test mining activities at Dominion Creek, in the Klondike Gold District.

MINERAL PROPERTY ACQUISITIONS

<u>YUKON SILVER PROJECTS</u>

JANUARY 2017

In January 2017, the Company acquired three new properties in the Keno Hill District in Canada's Yukon Territory, which are included as part of its Keno Silver Project.

a) ***Silver Queen and Keno Summit Properties*** – The Company acquired a 100% interest in 27 claims and two mining leases, of which seven claims and the two mining leases are part of the Keno Summit Property, from an arm's length private party. In consideration, the Company made cash payments totalling $75,000 and issued 100,000 common shares of the Company to the seller.

The property is subject to a 2% Net Smelter Royalty ("**NSR**") and the Company has the option to buy back the full NSR.

MINERAL PROPERTY ACQUISITIONS (continued)

YUKON SILVER PROJECTS (continued)

b) ***Keno Summit and Gram Properties*** – The Company acquired 9 claims on the Keno Summit Property and an 8.7 square kilometre ("**km^2**") area (42 claims) on the Gram Property, which is contiguous with the east side of the Keno-Lighting Property, from Strategic Metals Ltd. ("**Strategic**"). In consideration, the Company agreed to issue units to Strategic, in two tranches.

In January 2017 the first tranche was completed with the Company issuing 50,000 units which were comprised of one common share and one non-transferable common share purchase warrant, with each warrant entitling Strategic to acquire one common share of the Company at a price of $0.65 for a period of two years. The value of the common shares was $22,500 and the fair value of the warrants was $7,418 using the Black-Scholes option pricing model.

In February 2017 the Company completed the acquisition by issuing 187,500 units comprised of one common share and one non-transferable common share purchase warrant, with each warrant entitling Strategic to acquire one common share of the Company at a price of $0.52 for a period of two years. The total value of the units was determined to be $75,000 with the entire amount allocated to the common shares based on the residual value method.

The Keno Summit and Gram Properties are subject to a 2% NSR for precious metals and a 1% NSR for base metals and the Company has the option to buy back the full NSR.

c) ***Duncan Creek Property*** - In January 2017, the Company staked 30.2 km^2 of new claims in the Keno Hill District, including an area called Duncan Creek. Total staking costs were $36,254 which were capitalized as exploration and evaluation assets.

SEPTEMBER 2017

In September 2017, the Company acquired a number of additional properties totalling 53.5 km^2 in the Keno Hill Silver District. These properties are adjacent to, or contiguous with, Metallic's Keno Silver Project and Alexco's Keno Hill properties.

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

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

MINERAL PROPERTY ACQUISITIONS (continued)

YUKON SILVER PROJECTS (continued)

e) ***McKay Hill and Keno Summit Properties*** - The Company acquired a 100% interest in four mining claims on the McKay Hill Property and one mining claim on the Keno Summit Property from an arms-length private party in exchange for 55,000 common shares of the Company (issued on September 27, 2017).

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

KLONDIKE GOLD DISTRICT – ROYALTY PORTFOLIO

SEPTEMBER 2017

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

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

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

- Upon regulatory approval, a total of $50,000 is to be paid to the Sellers for partial reimbursement of accrued expenditures (paid in advance);
- In December 2017, a total of $25,000 is to be paid to the Sellers for carrying out consulting and supervision activities in 2017;
- In December 2017, the Company is to issue 250,000 common shares to the Sellers, based on a program of drilling, geophysics and test pitting, provided at least $75,000 has been spent on the ground by the Company or the alluvial mining operator of Lower Australia Creek;

MINERAL PROPERTY ACQUISITIONS (continued)

KLONDIKE GOLD DISTRICT – ROYALTY PORTFOLIO (continued)

SEPTEMBER 2017 (continued)

a) ***Australia Creek Property*** (continued)

- In December 2018, a further $50,000 is to be paid to the Sellers;
- In December 2018, the Company is to issue 250,000 common shares to the Sellers, based on follow-up exploration and test mining programs producing gold and a minimum $100,000 having been spent on the ground by the Company or the alluvial mining operator of Lower Australia Creek;
- In December 2019, a final payment of $50,000 is to be paid to the Sellers; and
- In December 2019, the Company is to issue 400,000 common shares to the Sellers, based on continued mining on the Australia Creek Property with gold royalty production or a new mining lease agreement with anther operator on additional claims.

Under the Australia Creek option agreement, the Sellers will receive a 4% royalty on all alluvial gold production from the Company. The Company has the ability to buy back the full royalty.

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

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

MINERAL PROPERTY ACQUISITIONS (continued)

CAPITALIZED ACQUISITION COSTS

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

	Keno Silver	McKay Hill	Australia Creek	Dominion Creek	Total
	$	$	$	$	$
Balance, July 31, 2015	-	-	-	-	-
Cash payments	23,500	6,000	-	-	29,500
Claim staking	4,350	-	-	-	4,350
Balance, July 31, 2016	27,850	6,000	-	-	33,850
Cash payments	96,500	-	-	30,000	126,500
Licensing costs	7,781	-	-	-	7,781
Legal and other	-	-	39,950	-	39,950
Shares issued	160,815	-	-	-	160,815
Staking costs	80,539	-	22,088	-	102,627
Warrants issued	7,418	-	-	-	7,418
Balance, July 31, 2017	380,903	6,000	62,038	30,000	478,941

MINERAL PROPERTIES

YUKON SILVER PROJECTS

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

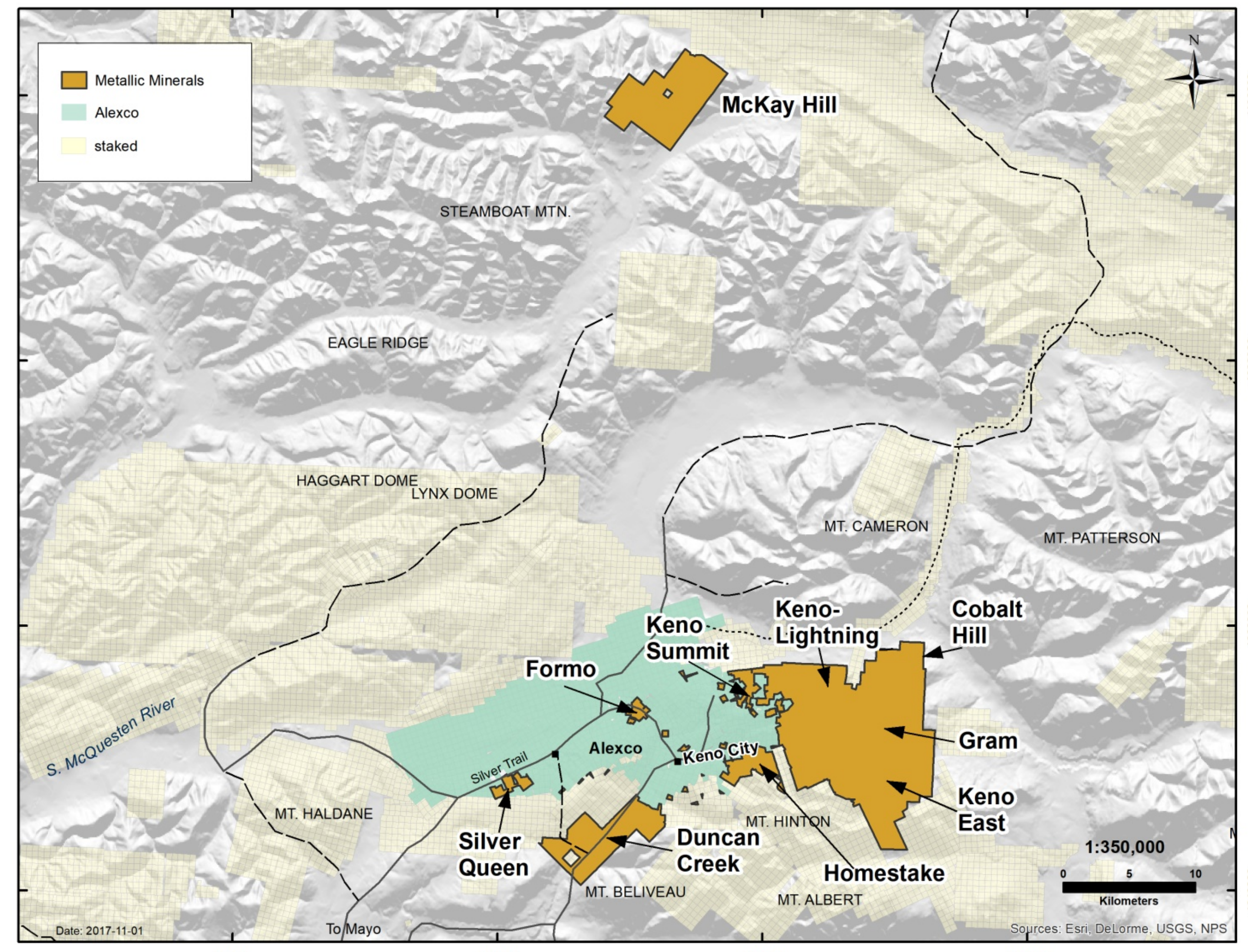

Figure 1. The Company's properties consisting of the Keno Silver Project and McKay Hill Project located in central Yukon Territory of Canada. The Keno Silver Project comprises the Keno-Lightning (which includes Homestake), Silver Queen, Keno Summit, Gram, Duncan Creek, Cobalt Hill, Formo and Keno-East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

MINERAL PROPERTIES (continued)

YUKON SILVER PROJECTS (continued)

KENO SILVER PROJECT

Metallic's 100% owned Keno Silver Project ("**Keno**") covers 165.5 km^2 within the Keno Hill Silver District located in Canada's Yukon Territory. Keno is a brownfields exploration project within one of the world's highest grade silver districts, which has produced over 200 million ounces ("**ozs**") of high-grade silver over the past 100 years at an average grade exceeding 1,300 grams/tonne ("**g/t**"). The Keno Silver Project, which is located near the communities of Keno City and Mayo, has excellent existing infrastructure with highway and road access, grid power and access to existing deep sea ports.

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

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

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

1) ***Keno-Lightning Property***

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

2) ***Silver Queen Property***

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

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

3) ***Keno Summit Property***

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

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

MINERAL PROPERTIES (continued)

YUKON SILVER PROJECTS (continued)

KENO SILVER PROJECT (continued)

4) Gram Property

The 100% owned Gram Property consists of 42 claims covering approximately 8.7 km^2 on the east side of the Keno Hill Silver District.

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

5) Duncan Creek Property

The Duncan Creek Property was staked by the Company in January 2017 along with other claims totaling approximately 30.2 km^2. The Company owns 100% of the Duncan Creek claims and they are not subject to any underlying royalties.

6) Cobalt Hill Property

The Company owns a 100% interest in the Cobalt Hill property (“**Cobalt Hill**”) covering 4.2 km^2 that are contiguous with the eastern end of the Keno-Lightning property in the Keno Hill Silver District.

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

Cobalt Hill is being explored as part of the Company’s overall programs on the Keno Silver Project.

7) Formo Property

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

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

8) Keno-East Property

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

MINERAL PROPERTIES (continued)

YUKON SILVER PROJECTS (continued)

KENO SILVER PROJECT 2017 WORK PROGRAM

The Company conducted field exploration programs on its Keno Silver Project during the summer and fall months of 2017. Through a comprehensive review of modern and historic data, Metallic identified more than a dozen priority target areas for evaluation. The first phase of drilling focused on four initial target areas. Metallic also completed detailed geophysical and geochemical surveys, geologic mapping, and trenching during the 2017 field program which has resulted in several of the planned soil grids and trenches being expanded to cover open anomalies identified in the field using a Niton XRF to provide rapid analysis ahead of final assay lab results. All relevant materials from the surface sampling, trenching and drill programs have been sent for analysis. Results are expected to be released over the next couple of months.

MCKAY HILL PROJECT

The Company owns a 100% interest in the McKay Hill property ("**McKay Hill**"), which covers 35 km^2 of claims located approximately 50 kms north of the Keno Hill Silver District in the Yukon Territory. McKay Hill is an historic high-grade silver producer and occurs within a belt of silver-lead-zinc related deposits that stretch from the Alaska border to the southern part of the Yukon and includes the famous Keno Hill silver district. McKay Hill shows potential to host a significant district scale vein system similar to Keno Hill, with at least 16 identified vein structures that have seen very limited modern exploration. McKay Hill occurs at the western end of ATAC Resources Ltd.'s Rackla Gold project, an area that is emerging as a new significant district for silver, gold and associated base metals. Geophysical surveys on McKay Hill have highlighted extensions of the known mineralization and several new areas with similar geophysical properties to those of areas of historic production and focus.

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

MCKAY HILL PROJECT 2017 WORK PROGRAM

The Company conducted field exploration programs on McKay Hill during the summer and fall months of 2017. Exploration work included follow-up rock and soil sampling, reconnaissance and detailed mapping of veins in the Central Zone and Independence Ridge areas. In addition, high resolution satellite photography was collected over the entire McKay Hill property to provide mapping and topographic ground control for use in future programs. Soil sampling extended the existing soil grid in the Central Zone to cover open anomalies and a new soil grid was established at the Independence Ridge area. Mapping and prospecting noted some distinctive hydrothermal and structural characteristics to the mineralization, which suggests the potential for a large mineralized system. Sample results from the 2017 sampling program, as well as historic sampling results, were highlighted in Metallic's press release dated October 23, 2017, which can be found on the Company's website.

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

MINERAL PROPERTIES (continued)

KLONDIKE GOLD DISTRICT – ROYALTY PORTFOLIO

As shown in Figure 2 below, Metallic's Alluvial properties consist of Australia Creek and Dominion Creek, which are tributaries of the Indian River, in the Klondike Gold District near Dawson City, Yukon. Australia Creek and Dominion Creek are part of the historic Klondike Gold District that is estimated to have produced over 20 million ounces of gold since its discovery in 1898. Australia Creek and its benches are now recognized by Yukon Geological Survey as an eastern continuation of the highly-productive Indian River drainage system, which is the largest placer gold producing area in the Yukon. Mining on the Indian River began in the late 1970's and has produced about 250,000 ounces, or more than 40% of all placer gold production in the Yukon through 2015.[1]

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

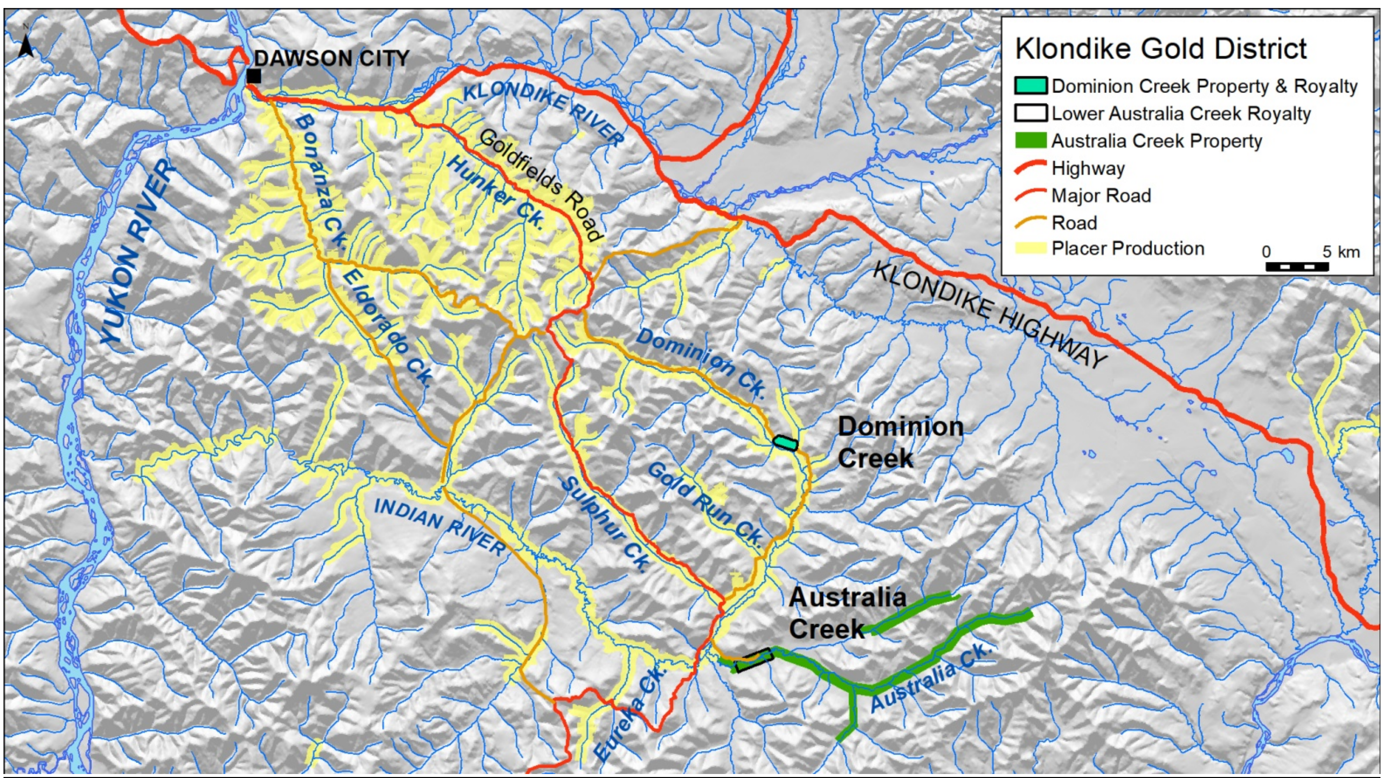

Figure 2. The Company's Alluvial properties located in the Klondike Gold District, Yukon, consisting of Australia Creek and Dominion Creek.

MINERAL PROPERTIES (continued)

KLONDIKE GOLD DISTRICT – ROYALTY PORTFOLIO (continued)

AUSTRALIA CREEK PROPERTY

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

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

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

Under the Australia Creek option agreement, the Sellers will receive a 4% royalty on all alluvial gold production from the Company. The Company has the ability to buy back the full royalty.

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

MINERAL PROPERTIES (continued)

KLONDIKE GOLD DISTRICT – ROYALTY PORTFOLIO (continued)

AUSTRALIA CREEK PROPERTY (continued)

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

AUSTRALIA CREEK 2017 WORK PROGRAM

In the summer and fall of 2017, the operator of Australia Creek mobilized to site and conducted test work. Additional ground preparation was completed to facilitate an early start to work in 2018. The operator is expected to make a decision regarding full-scale production with respect to Lower Australia Creek in early 2018.

DOMINION CREEK PROPERTY

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

DOMINION CREEK 2017 WORK PROGRAM

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

QUALIFIED PERSON

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

MINERAL PROPERTIES (continued)

2017 PROPERTY EXPENDITURES

A summary of the exploration and evaluation expenditures incurred for the year ended July 31, 2017 is presented below:

	Keno Silver	McKay Hill	Australia Creek	Dominion Creek	Total
	$	$	$	$	$
Analysis	6,030	-	-	-	6,030
Camp costs	22,535	2,030	91,231	-	115,796
Community consultation and permitting	930	3,300	-	-	4,230
Consulting - geological	125,919	3,131	10,737	-	139,787
Consulting - other	89,190	16,705	32,800	-	138,695
Equipment and communication	38,468	-	150	-	38,618
Fuel	3,994	-	44	-	4,038
Geophysics	42,081	-	38,565	-	80,646
Overhead and administration	2,629	-	-	-	2,629
Prospecting and mapping	22,451	250	9,870	-	32,571
Road work	14,502	-	-	-	14,502
Salaries and benefits	61,771	9,253	-	-	71,024
Transportation and travel	27,663	27,897	4,166	-	59,726
	458,163	62,566	187,563	-	708,292

In previous years, the Company separately presented the Cobalt Hill Property expenditures. Starting with the quarter ended January 31, 2017, the Company is now including Cobalt Hill Property expenditures with those of the Keno Silver Project.

OVERALL PERFORMANCE

FINANCIAL CONDITION

The net assets of the Company increased from $685,047 at July 31, 2016 to $1,907,459 at July 31, 2017, an increase of $1,222,412. The most significant assets at July 31, 2017 were cash of $1,533,023 (July 31, 2016: $710,009) and exploration and evaluation assets of $478,941 (July 31, 2016: $33,850). The most significant liabilities at July 31, 2017 were accounts payable and accrued liabilities of $355,478 (July 31, 2016: $43,590) and a flow-through share premium liability of $141,992 (July 31, 2016: $Nil).

The increase in the assets and liabilities of the Company is a result of the Company increasing its activity pursuant to the appointment of a new management team and completing four private placements with total gross proceeds of $3.73 million.

The majority of the increase in exploration and evaluation assets of $445,091 consisted of a value of $160,815 for shares issued to vendors, $126,500 in cash payments and $102,627 in staking costs. The majority of acquisition costs were incurred on the Company's Keno Silver Project.

The flow-through share premium liability is an estimated premium that investors pay for the flow-through feature. Upon eligible exploration expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The original share premium liability was $222,500. As at July 31, 2017, the share premium liability was reduced to $141,992 as a result of the Company incurring eligible exploration expenditures.

RESULTS OF OPERATIONS

Year ended July 31, 2017

The net loss for the year ended July 31, 2017 was $2,571,232 (2016: $118,556).

The significant increase in the net loss year-over-year is a result of the Company recapitalizing, appointing a new management team, completing four private placements and becoming much more active than the past few years.

The most significant expenses for the year ended July 31, 2017 were exploration expenditures of $708,292 (2016: $25,344), consulting fees of $625,112 (2016: $49,925), share-based payment expense of $691,705 (2016: $Nil) and investor relations and corporate development of $200,438 (2016: $750). Other items consisted of other income of $80,508 (2016: $Nil) and interest income of $646 (2016: $Nil).

The Company conducted a number of summer 2017 field exploration programs which ran from June through to October. As noted in the table on Page 15, the majority of exploration expenditures consisted of geological consulting of $139,787, other consulting of $138,695, camp costs of $115,796, geophysics of $80,646 and salaries and benefits of field employees of $71,024. The majority of expenditures were incurred on Metallic's Keno Silver Project.

The consulting fees of $625,112 consisted of services provided by the Company's Officers, management team and third party consultants including the CEO, CFO, VP Exploration, VP Government & Community Relations, Corporate Secretary, Office Manager and public relations, corporate communications and geological consultants.

RESULTS OF OPERATIONS (continued)

Year ended July 31, 2017 (continued)

The share-based payment expense relates to stock options that were granted in September 2016. The Company granted 3,400,000 share purchase options to directors, officers and consultants. Each option grants the holder the right to acquire one common share of the Company at $0.44 per share for five years. The Company applies the fair value method of accounting for all awards of stock options by using the Black-Scholes Option Pricing Model. Variations in share-based expense are based on a number of factors including, but not limited to, the expected stock price volatility, the occurrence of grants during a particular period, the Company's share price at the time of an option grant and the timing of recording share-based payments expense based on vesting schedules. The fair value at grant date was $851,670, or $0.25 per option, with $691,705 recorded during the year ended July 31, 2017. The remaining balance will be expensed in future periods, consistent with vesting provisions.

The majority of investor relations and corporate development expenses of $200,438 consisted conferences of $63,765, corporate advisory services of $45,000 and advertising expenses of $46,570.

Other income of $80,508 consisted exclusively of the settlement of flow-through share premium liability as a result of incurring qualified expenditures.

CASH FLOWS

Year ended July 31, 2017

Cash increased by $823,014 during the year ended July 31, 2017, from $710,009 at July 31, 2016 to $1,533,023 at July 31, 2017. The increase was a result of cash of $3,156,206 provided by financing activities, partially offset by cash of $2,006,334 used in operating activities and cash of $326,858 used in investing activity.

During the year ended July 31, 2017, the Company received net proceeds of $2,597,806 pursuant to the completion of four private placements. As noted in "Highlights and Key Developments" on Page 2, in August 2016, the Company completed a private placement for gross proceeds of $1,305,000 pursuant to the issuance of 26,100,000 units. $1,022,400 of the private placement proceeds were received in July 2016 and were not included in the cash flows for the year ended July 31, 2017. Also noted in "Highlights and Key Developments" on Page 2, on October 31, 2016, the Company raised gross proceeds of $1,125,000 through the issuance of 2,250,000 flow-through shares at a price of $0.50 per share, another $750,000 on March 23, 2017 through the issuance of 1,666,666 units at a price of $0.45 per unit and another $550,000 on June 26, 2017 through the issuance of 1,375,000 flow-through shares at a price of $0.40 per share. The Company also received $558,400 pursuant to the exercise of 5,584,000 warrants.

The cash of $2,006,334 used in operating activities consisted of a net loss of $2,571,232 and a net change in non-cash working capital items of $46,299, reduced by non-cash items of $611,197.

Cash of $326,858 used in investing activity consisted of cash spent on the acquisition of exploration and evaluation assets. The majority of costs included cash payments of $96,500 on the Keno Silver Project, $50,000 on the Australia Creek Property, $30,000 on the Silver Queen Property and staking costs of $80,539 and $22,088 on the Keno Silver Project and Australia Creek, respectively.

SELECTED ANNUAL INFORMATION

	2017	2016	2015
	$	$	$
Interest income	646	-	-
Gain on debt forgiveness	-	19,018	-
Reversal of trade and other payables	-	-	45,905
Other income	80,508	-	-
Expenses	(2,652,386)	(137,574)	(48,137)
Write-off of exploration and evaluation assets	-	-	(12,000)
Net loss for the year	(2,571,232)	(118,556)	(12,378)
Basic and diluted loss per share	(0.07)	(0.04)	(0.00)
Total assets	2,426,929	760,637	21,639
Total long-term financial liabilities	-	-	-
Cash dividends declared	-	-	-

SUMMARY OF QUARTERLY RESULTS

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

	Q4, 2017	Q3, 2017	Q2, 2017	Q1, 2017
	$	$	$	$
Net loss for the period	(839,566)	(575,785)	(837,555)	(318,326)
Basic and diluted loss per share	(0.02)	(0.01)	(0.02)	(0.01)

	Q4, 2016	Q3, 2016	Q2, 2016	Q1, 2016
	$	$	$	$
Net loss for the period	(86,742)	(11,228)	(18,139)	(2,447)
Basic and diluted loss per share	(0.03)	(0.00)	(0.01)	(0.00)

SUMMARY OF QUARTERLY RESULTS (continued)

Over the last eight quarters, the Company's net loss has ranged from $2,447 in Q1, 2016 to a net loss of $839,566 in Q4, 2017.

The significant increase in activity in fiscal 2017 is a result of the Company's recapitalization and appointment of a new management team, as noted in "*Highlights and Key Developments*" above. The management team continues to seek ways to create shareholder value. During the last four quarters, the Company has raised gross proceeds of $3.63 million pursuant to four private placements including $2.425 million of flow-through dollars. Proceeds from these flow-through private placements will be used on qualifying exploration expenditures for purposes of the Canadian Income Tax Act. The Company conducted a number of field programs in the summer of 2017 and has released and will continue to release news on the programs in the coming months.

The most significant expenses in Q4, Q3 and Q2, 2017 were exploration expenditures of $609,991, $73,863 and $6,550, share-based payment expense of $119,108, $190,096 and $262,613 relating to the grant of 3,400,000 stock options in September 2016, consulting fees of $114,324, $169,171 and $215,639, bonuses of $Nil, $Nil and $147,500 and investor relations and corporate development expenses of $63,793, $80,187 and $48,319, respectively. See "*Results of Operations*" above for explanations of these expenses.

LIQUIDITY AND CAPITAL RESOURCES

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

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

As at July 31, 2017, the Company had $1,533,023 in cash, working capital of $1,428,518 and no long-term debt. While the Company has been successful in obtaining the necessary financing through the issuance of common shares and loans from related parties in the past, there is no assurance it will be able to raise funds in this manner in the future and there remain material uncertainties that may cast significant doubt as to the Company's ability to continue as a going concern. The Company's trade and other payables are due in the short term.

OFF BALANCE SHEET ARRANGEMENTS

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

CONTRACTUAL OBLIGATIONS

As a result of the issuance of FT Shares on October 31, 2016, March 23, 2017 and June 26, 2017, the Company has a commitment to incur $1,125,000 in qualifying Canadian exploration expenditures on or before December 31, 2017 and $1,300,000 on or before December 31, 2018. As at July 31, 2017, the Company had approximately $1,620,000 remaining to be spent.

RELATED PARTY TRANSACTIONS

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

The remuneration of key management personnel for the years ended July 31 was as follows:

		2017	2016
		$	$
Consulting fees	1	448,863	32,500
Directors' fees		40,000	-
Exploration and evaluation assets	2	-	10,500
Exploration expenditures	3	36,750	27,500
Share-based payment expense	4	585,387	-
Bonuses	5	120,000	-
		1,231,000	70,500

[1] Consulting fees for the year ended July 31, 2017 consisted of fees earned by key management personnel including the CEO, CFO, VP Government & Community Relations, VP Exploration and Corporate Secretarial fees and fees earned by Midnight Mining Services Ltd., a private company controlled by Bill Harris, a director of the Company. Consulting fees for the year ended July 31, 2016 consisted of $20,000 for management activities provided by a director and $12,500 for accounting fees.

[2] This amount was incurred with a director of the Company with respect to the Keno Lightning and McKay Hill property option agreements.

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

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

[5] Bonuses consisted exclusively of signing bonuses paid to the CEO, CFO, VP Government & Community Relations, VP Exploration and Corporate Secretary.

Included in deposits at July 31, 2017 was an amount of $25,000 (July 31, 2016: $Nil) paid to Bill Harris, a director of the Company, in connection with the purchase of the Australia Creek Property.

Included in accounts payable and accrued liabilities at July 31, 2017 was an amount of $88,918 (July 31, 2016: $Nil) for CEO, CFO, VP Government & Community Relations, VP Exploration and Corporate Secretarial fees.

Included in accounts payable and accrued liabilities at July 31, 2017 were amounts of $12,000 and $28,350 owed to Midnight Mining Services Ltd. for consulting fees and equipment rentals, respectively.

Included in accounts payable and accrued liabilities at July 31, 2017 was $Nil (2016: $5,250) due to directors and former directors and companies controlled by former directors for various expenses, exploration and evaluation assets and geological exploration expenditures.

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

FOURTH QUARTER

The Company had a net loss of $839,566 in Q4, 2017. The most significant expenses were exploration expenditures of $609,991, share-based payment expense of $119,108 and consulting fees of $114,324. The exploration expenditures were a result of the Company conducting a number of summer 2017 field exploration programs which ran from June through to October.

PROPOSED TRANSACTIONS

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

i) Critical accounting estimates

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

Premium on Flow-Through Shares

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

Share-based payments

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

ii) Critical accounting judgments

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

Exploration and Evaluation Expenditures

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

ii) Critical accounting judgments (continued)

Title to Mineral Property Interests

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

Going Concern

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

FINANCIAL AND OTHER INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks which are discussed in detail in Note 11 of the Company's financial statements for the year ended July 31, 2017.

OTHER MD&A REQUIREMENTS

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

General and administration expenses for the year ended July 31 were as follows:

	2017	2016
	$	$
Consulting	625,112	49,925
Bonuses	147,500	-
Directors' fees	40,000	-
Depreciation	-	1,436
Exploration expenditures	708,292	25,344
Investor relations and corporate development	200,438	750
Office and administration	62,548	3,735
Professional fees	84,871	34,275
Property evaluation	21,485	-
Share-based payment expense	691,705	-
Transfer agent, regulatory and filing fees	52,880	22,109
Travel and accommodation	17,555	-
	2,652,386	137,574

DISCLOSURE OF OUTSTANDING SHARE DATA

As of the date of this report, there were 47,169,419 common shares, 25,947,666 share purchase warrants and 5,500,000 stock options outstanding.

RISKS AND UNCERTAINTIES

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

Exploration Stage Company

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

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

Operating History and Availability of Financial Resources

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

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

RISKS AND UNCERTAINTIES (continued)

Price Volatility and Lack of Active Market

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

Competition

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

Government Regulations and Environmental Risks and Hazards

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

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

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

Dependence on Key Personnel

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

Licenses and Permits

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

Title to Property

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

OTHER INFORMATION

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Directors and Officers

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

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Listings

TSX Venture Exchange Symbol: "MMG"
US OTC: "MMNGF"