

**Transition Metals Corp.**  
**Management Discussion & Analysis**  
**For the Year Ended August 31, 2020**

This Management's Discussion and Analysis ("MD&A") has been prepared based on information available to Transition Metals Corp. ("we", "our", "us", "Transition Metals", "TMC", "Transition" or the "Company") as of August 31, 2020 unless otherwise noted. The MD&A provides a detailed analysis of the Company's operations for the year ended August 31, 2020 and should be read in conjunction with the audited financial statements and related notes for Transition Metals as at and for the year ended August 31, 2020. This MD&A was prepared as of December 18, 2020.

The financial statements and related notes of Transition Metals have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company's reporting currency is the Canadian dollar, and all monetary amounts in this MD&A are expressed in Canadian dollars unless otherwise stated.

Transition Metals is a publicly traded mineral exploration company. The Company's projects and their history are disclosed in press releases, technical reports and other continuous disclosure filings which may be viewed on the internet on the System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.transitionmetalscorp.com](http://www.transitionmetalscorp.com).

Transition Metals Corp. is engaged in the acquisition and exploration of mineral exploration properties in Canada and the United States. The Company's registered office is 100 King Street West, 1 First Canadian Place, Suite 6200, Toronto, Ontario, M5X 1B8.

## **INTERNAL QUALIFIED PERSON AND QUALITY CONTROL/QUALITY ASSURANCE**

Greg Collins, P.Geo., Chief Operating Officer of the Company, is a Qualified Person as defined under National Instrument 43-101 and has reviewed and approved the technical information contained in this MD&A.

## **OVERVIEW OF THE COMPANY**

Transition Metals (XTM-TSX.V) is a multi-commodity exploration company using the project-generator business model. This approach maximizes shareholder exposure to discoveries and capital gain while minimizing shareholder equity dilution by selling interest in the projects rather than ownership in the Company. The Company has established funding partnerships with a number of companies that are earning an interest in a Transition Metals property by providing a blend of cash, shares and royalties, and committing exploration expenditures to advance the projects. The Company has developed a portfolio of base and precious metals projects in Ontario, British Columbia, New Brunswick, Nova Scotia, Newfoundland & Labrador and Saskatchewan with direct property ownership interest in approximately 963 km<sup>2</sup> mining land and share ownership interests in partner companies.

Key projects for the Company include: the Sunday Lake PGM discovery near Thunder Bay now being advanced through a Joint Venture with Impala Platinum Holdings Limited and Impala Canada Limited and Janice Lake copper project in Saskatchewan. Key investments for the Company include the Company's shareholdings in: Canadian Gold Miner Corp. (CGM) a private company which is focused on advancing the South Kirkland gold project, and Sudbury Platinum Corporation (SPC) a private company which is focused on advancing the Aer-Kidd Ni-Cu-PGM project in Sudbury. In addition, the Company holds shares of a publicly traded, company, Forum Energy Metals Corp.

The business of exploration and mining involves a high degree of risk and there can be no assurance that the Company's exploration programs will result in profitable mining operations. The Company's business is dependent upon the discovery of economically recoverable mineral deposits, securing and maintaining

title and beneficial interest in the properties, the ability to obtain the necessary financing to complete exploration, development and construction of a mine and processing facilities, obtaining certain government approvals to monetize its assets or generate profitable revenue from mining production. There can be no assurance that the Company will be able to raise sufficient funds as and when required.

The Company's consolidated financial statements are prepared on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of the Company's business. The application of the going concern concept is dependent on the Company's ability to obtain financing to continue its operations.

The Company presently has no known quantifiable mineral deposits that justify exploitation, and activities completed by the Company constitute exploratory searches for economic mineral deposits.

## **MINERAL PROPERTIES, ACTIVITY AND PLANS**

### **CORPORATE ACTIVITIES**

During the reporting period the Company was actively engaged in project generative research, property acquisitions and sourcing partners for its projects.

On November 14, 2019, the Company announced that it had acquired a 100% interest in the Fostung property located near the town of Espanola approximately 70 kilometres southwest of Sudbury, Ontario subject to regulatory approval. The property hosts an historical tungsten trioxide (WO<sub>3</sub>) skarn resource that in 2007 was stated to contain an Inferred Mineral Resource of 12.4 million tonnes (Mt) grading 0.213 weight percent ("wt %") WO<sub>3</sub> (the company does not consider the resource to be compliant with National Instrument 43-101). The property was acquired by staking and 2 separate purchase and sale agreements, the CJP Purchase, consisting of a 100% interest in 16 staked mining claims for 356 hectares was secured by issuing \$25,000 in cash and \$25,000 in shares to the Vendor. The Vendor retains a 1% Net Smelter Return royalty (NSR) on the property with Transition retaining the right to buy back 0.5% NSR for \$500,000. The Daxl purchase of a 100% interest was achieved by issuing \$5,000 in cash to the Vendor.

On December 20, 2019 the Company announced the closing of a private placement consisting of the issuance of 1,932,667 units at a price of \$0.15 per unit consisting of a common share and a common share purchase warrant exercisable for a period of 24 months from closing at a price of \$0.25 as well as 994,500 flow-through common shares at a price of \$0.18 per share, for combined proceeds of \$468,910.05.

On December 23, 2019 the Company announced that it had entered into option agreements to acquire an interest in the Aylmer IOCG property, located north of Lake Wanapitei near Sudbury Ontario. The property, consisting of 43 mining claims for 1,455 hectares covers occurrences of copper-bearing quartz veins associated with widespread soda alteration. Grab samples collected by the Company at outcropping exposures of quartz veining, quartz and or carbonate breccia's hosting variable amounts of disseminated sulphides returned copper values ranging from <0.05 ppm Cu to 5.93% Cu representing an average of 0.4% Cu from 19 samples. On May 11, 2020 the Company announced that it had entered into a revised agreement to earn a 100% interest in the Aylmer IOCG property by making aggregate cash payments of \$102,000; issuing an aggregate total of 625,000 common shares; and incurring exploration work expenditures totaling \$900,000 by May 4, 2024. If the Company exercises its option the vendors will retain a 2.0% Net Smelter Return Royalty (NSR) from any Commercial Production from the property for which Transition may purchase 1.0% of the NSR for \$1,000,000 at any time.

On June 3, 2020 the Company announced that it closed a private placement consisting of 7,910,331 units (the "Units") at a price of \$0.15 per Unit, each Unit consisting of a common share and a common share purchase warrant exercisable for a 24 month period at \$0.22 per share and 1,061,188 flow-through common shares (the "FT Shares") at a price of \$0.18 per FT Share, for combined proceeds \$1,377,563.

On August 10, 2020 the Company announced that it had executed an arms length Option and Joint Venture Agreement with 1930153 ON Ltd. ("1930153 ON") whereby 1930153 ON can earn up to an 100% interest in the Fostung Property located 8 kilometres southeast of Espanola, Ontario (see Company news release dated November 14, 2019). To earn a 50% interest, 1930153 ON must provide option payments totaling \$110,000 over 4 years that includes a \$15,000 payment upon execution of the Agreement. All option payments will be doubled if the project attracts at least \$2,000,000 of financing during the 5 year Option Period. Additionally, 1930153 ON must complete \$500,000 of exploration expenditures over 5 years. 1930153 ON may increase its interest in the Fostung Property to 80% by providing Transition with a further \$500,000 cash and completing an additional \$1,500,000 work over 2 years and further increase its interest to 100% by making an additional cash payment of \$4,500,000 to the Company. If a Joint Venture is formed and a party subsequently dilutes to 10% its interest will be converted to a 2% NSR royalty of which 1% NSR can be purchased by the other party for \$2,500,000. If 1930153 exercises its right to earn a 100% interest in the option, the Company will retain a 2.0% NSR of which 1% NSR can be purchased by 1930153 ON for \$2,500,000.

## **EXPLORATION HIGHLIGHTS**

On September 18, 2019, the Company released results from drilling completed in June at the Highland Gold project in Cape Breton Nova Scotia confirming strike and dip extensions to mineralization identified at Zone 6A and intersecting significant grades and thicknesses of gold at Zone 6B (located approximately 250 metres southwest of Zone 6A. Testing Zone 6B, hole 19-TMC-RC-11 intersected 9.0 metres grading 6.14 g/t Au including 2.0 metres grading 25.46 g/t Au. Zones 6A and 6B are respectively located approximately 2 kilometres east of the Main Zone where RAB drilling completed by the Company in late 2018 returned a 9.14 metre interval grading 23.22 g/t Au. Table 1 presents highlight length weighted averages compiled from one metre intervals submitted for assay from drilling completed as part of the summer 2019 RC drilling program.

Table 1.

Hole	From (m)	To (m)	Length (m)	Au (g/t)	Zone
<b>19-TMC-RC-01</b>	<b>10.00</b>	<b>19.00</b>	<b>9.00</b>	<b>6.88</b>	<b>6A</b>
<b>including</b>	<b>10.00</b>	<b>14.00</b>	<b>4.00</b>	<b>16.44</b>	<b>6A</b>
19-TMC-RC-02	3.00	4.00	1.00	0.80	6A
<b>and</b>	<b>11.00</b>	<b>15.00</b>	<b>4.00</b>	<b>2.03</b>	<b>6A</b>
<b>including</b>	<b>12.00</b>	<b>14.00</b>	<b>2.00</b>	<b>3.57</b>	<b>6A</b>
19-TMC-RC-03	5.00	7.00	2.00	1.54	6A
19-TMC-RC-04	1.00	6.00	5.00	1.61	6A
<b>including</b>	<b>2.00</b>	<b>4.00</b>	<b>2.00</b>	<b>3.75</b>	<b>6A</b>
19-TMC-RC-05		No sig. results			
<b>19-TMC-RC-06</b>	<b>18.00</b>	<b>23.00</b>	<b>5.00</b>	<b>2.61</b>	<b>6A</b>
<b>including</b>	<b>22.00</b>	<b>23.00</b>	<b>1.00</b>	<b>7.39</b>	<b>6A</b>
19-TMC-RC-07	16.00	24.00	8.00	1.31	6A
<b>including</b>	<b>18.00</b>	<b>19.00</b>	<b>1.00</b>	<b>4.92</b>	<b>6A</b>
19-TMC-RC-08		No sig. results			
19-TMC-RC-09	3.00	4.00	1.00	1.09	6A
19-TMC-RC-10	0.00	6.50	6.50	1.01	6B
including	0.00	1.50	1.50	3.32	6B
<b>19-TMC-RC-11</b>	<b>0.00</b>	<b>9.00</b>	<b>9.00</b>	<b>6.14</b>	<b>6B</b>
<b>including</b>	<b>0.00</b>	<b>2.00</b>	<b>2.00</b>	<b>25.46</b>	<b>6B</b>
19-TMC-RC-12		No sig. results			
19-TMC-RC-13	6.00	9.00	3.00	0.90	6B

<b>19-TMC-RC-14</b>	<b>13.00</b>	<b>19.00</b>	<b>6.00</b>	<b>6.17</b>	<b>6B</b>
<b>including</b>	<b>13.00</b>	<b>15.00</b>	<b>2.00</b>	<b>11.53</b>	<b>6B</b>
<b>19-TMC-RC-15</b>	<b>7.00</b>	<b>12.00</b>	<b>5.00</b>	<b>2.62</b>	<b>6B</b>
<b>including</b>	<b>11.00</b>	<b>12.00</b>	<b>1.00</b>	<b>4.30</b>	<b>6B</b>
<b>19-TMC-RC-16</b>	<b>17.00</b>	<b>27.00</b>	<b>10.00</b>	<b>2.58</b>	<b>6B</b>
<b>including</b>	<b>17.00</b>	<b>20.00</b>	<b>3.00</b>	<b>5.67</b>	<b>6B</b>
19-TMC-RC-17		No sig. results			Other
19-TMC-RC-18		No sig. results			Other
19-TMC-RC-19		No sig. results			Other
19-TMC-RC-20		Did not reach target depth			Main
19-TMC-RC-21	14.00	15.00	1.00	1.97	Main
19-TMC-RC-22		Did not reach target depth			Main
19-TMC-RC-23		Did not reach target depth			Main
19-TMC-RC-24		No sig. results			Other
19-TMC-RC-25		No sig. results			6C
19-TMC-RC-26		No sig. results			6C
19-TMC-RC-27		No sig. results			Other
19-TMC-RC-28		No sig. results			Other

*\*Note: length represents downhole interval. Insufficient information exists to estimate true thickness*

The Company completed a program of stripping and channel sampling on the Cryderman Gold property located near Shining Tree, Ontario. The property consists of mining leases covering a historical high-grade lode gold showing where grab samples collected by the Company in 2018 returned values from trace up to 34.5 g Au/t. On November 27, 2019 the Company disclosed assay results from channel sampling completed on veining exposed by trenching completed on the Cryderman Gold property near Shining Tree, Ontario. Samples of quartz vein returned up to 15.70 g/t Au over 0.5 metres along 100 metres of the newly-exposed Queen Elizabeth Vein. Sampling of peripheral zones of alteration and quartz stringers returned up to 3.44 g/t Au over 1.63 metres and two additional undocumented veins located to the north of a historical shaft were identified returning up to 3.05 g/t Au over 0.88 metres and 4.11 g/t Au over 0.61 metres.

Throughout the reporting period, the Company reported various drilling results from its Janice Lake project that was under option to Forum Energy Metals Corp. (TSX.V: FMC) ("Forum") at the time and operated by Rio Tinto Exploration Canada ("RTEC") on behalf of Fourm were reported. Highlights included: JANL0002 - 0.38% Cu and 2.1g/t Ag over 44.78 metres from 45.22 m to 90 m, including 0.71% Cu and 4.2g/t Ag over 18 metres from 72 m to 90 m; JANL0001 – 0.18% Cu over 63 metres from 19 m to 82 m; JANL0005 - 13 metres of 0.95% Cu and 9.7g/t Ag within a broader 57.1 m mineralized zone grading 0.41% Cu and 4.2 g/t Ag ; Subsequent to the reporting period, Forum has secured it 100% interest in the Janice Lake project

On October 15, 2019, the Company disclosed channel sample assay results at its 100% owned Maude Lake Ni-Cu-Co-PGM property located near Schreiber, Ontario. Results included: 2.09 % Ni, 0.64 % Cu and 0.32 g/t PGM (Pt+Pd+Au) over 4.0 metres, 2.11 % Ni, 1.30% Cu and 0.45 g/t PGM over 1.4 metres and 1.15 % Ni, 0.93% Cu and 0.49 g/t PGM over 2.0 metres.

On November 27, 2019 the Company disclosed assay results from channel sampling completed on veining exposed by trenching completed on the Cryderman Gold property near Shining Tree, Ontario. Samples of quartz vein returned up to 15.70 g/t Au over 0.5 metres along 100 metres of the newly-exposed Queen Elizabeth Vein. Sampling of peripheral zones of alteration and quartz stringers returned up to 3.44 g/t Au over 1.63 metres and two additional undocumented veins located to the north of a historical shaft were identified returning up to 3.05 g/t Au over 0.88 metres and 4.11 g/t Au over 0.61 metres.

On January 20, 2020 the Company announced that Impala Canada Ltd. (Impala Canada) has resumed drilling at the Sunday Lake Platinum-Palladium (PGM) Property. Impala Platinum Holdings Limited (Implats) and Impala Canada Ltd. control a 75% interest in the Property and Transition holds a 25% free carried interest through to the completion of a Feasibility Study. On May 5, 2020 the Company disclosed results from drilling targeting the “Big Red” Magnetotellurics (MT) anomaly conducted by Impala Canada on the Sunday Lake PGM Property located 25 km north of Thunder Bay, Ontario consisting of four holes, all of which intersected high grade PGM (Pt+Pd+Au) mineralization. Drilling highlights included:

- 23.00m @ 2.42 g/t PGM (1.29 g/t Pt, 1.03 g/t Pd and 0.09 g/t Au) including 9.20m @ 4.28 g/t PGM (2.27 g/t Pt, 1.85 g/t Pd and 0.17 g/t Au) in hole SL-20-032-W1.
- 26.00m @ 2.55 g/t PGM (1.38 g/t Pt, 1.05 g/t Pd and 0.12 g/t Au) including 8.00m @ 3.89 g/t PGM (2.15 g/t Pt, 1.57 g/t Pd and 0.17 g/t Au) in hole SL-20-033.
- Both SL-20-033 and SL-20-032-W1 intersected the outer edge of the ‘Big Red’ MT anomaly and still returned a thick interval of PGM mineralization as well as internal high grade sections.

The mineralized zone, as defined by the current drilling, ranges in thickness from 20.0m to 60.0m with PGM grades from 2.2 g/t to 5.51 g/t (1.20-3.22 g/t Pt, 0.80-2.08 g/t Pd and 0.09-0.21 g/t Au) combined Pt+Pd+Au. Importantly, this broader zone also includes a high-grade section that ranges in thickness from 4.0m to 15.8m with PGM grades greater than 5 g/t combined Pt+Pd+Au.

On February 4, 2020 the announce that it has staked 91 mining claims covering approximately 1,900 hectares, located east of Lake Nipigon in northwest Ontario. The property covers most of the Eva Kitto Intrusion, an early rift, mafic ultramafic body similar to those that host the Sunday Lake (Ontario), Thunder Bay North (Ontario), Tamarack (Minnesota) and Eagle (Michigan) nickel copper and platinum group (Ni-Cu-PGM) deposits. The Company formerly held claims over portions of the Eva Kitto intrusion and restaked them in response to a perceived increase in interest in PGM projects.

### **Canadian Gold Miner Corp.**

No material exploration activity occurred during the reporting period

### **SPC Metals (a division of Sudbury Platinum Corporation).**

On December 12, 2019 the Company announced that SPC had entered into a definitive arms length amalgamation agreement dated November 18, 2019 (the "Agreement") with Edison Cobalt Corp (TSXV: "EDDY"). On May 21, 2020 the Company disclosed that SPC Metals (~30% owned by the Company) would not be proceeding with the previously announced merger transaction between Edison Cobalt Corp. (EDDY) and Sudbury Platinum Corporation (SPC) that would have resulted in a reverse takeover of EDDY by SPC (see Company news release of 09-09-2019 and SPC Metals news release of 12-12-2019).

On August 25, 2020 SPC Metals announced the completion of a private placement by SPC Metals and the development of an strategic relationship with Dundee Goodman Merchant Partners (“DGMP”). SPC announced that it has completed a private placement totaling \$2,174,000 consisting of 9,837,500 common shares (“Shares”) at a price of \$0.16 per share, for proceeds of \$1,574,000 and 3,750,000 flow-through common shares (the “FT Shares”) at a price of \$0.16 per FT Share, for proceeds of \$600,000 (see SPC news release dated August 25, 2020). After completing the financing, SPC has 64,361,515 outstanding and XTM’s interest in SPC Metals has been reduced from 29.55% to 23.31%. DGMP has aligned with SPC to provide strategic direction, help complete a public listing and grow SPC.

### **Transition Property Holdings**

The Company owns properties in several jurisdictions in Canada and is currently registered to conduct business in Ontario, New Brunswick, Newfoundland and Labrador, Nova Scotia, British Columbia, Saskatchewan, Nunavut, and Northwest Territories. As of August 31, 2020, Company owned or held under option an ownership interest in mining properties totaling approximately 108,496 hectares (ha)

(1,085 km<sup>2</sup>) for purposes of conducting exploration and development activities. Individual projects expenditures for the period are summarized in the table at the end of this section.

Table 2. Property Summary

Projects	Properties as of Aug 31, 2020	Hectares Aug 31, 2020	Properties as of May 30, 2020	Hectares May 30, 2020	Properties as of Feb 29, 2020	Hectares Feb 29, 2020	Properties as of Nov 30, 2019	Hectares Nov 30, 2019	Properties as of Aug 31, 2019	Hectares Aug 31, 2019
Thunder Bay - Ni-Cu-PGM's	593	11,453	595	11,528	750	16,991	660	15,095	664	15,181
Saskatchewan Copper	35	54,908	33	53,395	33	53,395	33	53,395	33	53,395
Abitibi Gold - Ontario	530	7,820	530	7,820	562	8,489	562	8,478	561	8,467
Other	564	34,315	549	23,546	497	25,677	497	24,790	359	21,233
<b>Totals</b>	<b>1,722</b>	<b>108,496</b>	<b>1,707</b>	<b>96,289</b>	<b>1,842</b>	<b>104,552</b>	<b>1,752</b>	<b>101,757</b>	<b>1,617</b>	<b>98,275</b>

The number of properties listed in the tables above refers to the number of discrete mining titles that the company holds and interest in and consists of a mix of individual mining claims, leases and patents. The Company's properties have been grouped into the following major project categories based on a number of factors including geographic location, commodity focus and partnership agreements. An overview of the projects is presented below.

## **OVERVIEW OF PROJECTS**

The Company has developed a portfolio of gold, copper, nickel and PGM projects with ownership interest in approximately 1,085 km<sup>2</sup> of property interest in 3 main focus areas as defined by region or partnership structure. These include: Thunder Bay Ni-Cu-PGM's, Saskatchewan Copper and Abitibi Gold. The Company seeks to advance exploration work in these projects by attracting funding partners through the sale of project ownership, as opposed to share capital. The Company has been successful in attracting and creating a number of key partnerships through which the Company continues to advance its interests, some of which are highlighted below.

### **ABITIBI GOLD, ONTARIO**

Transition Metals directly holds interest in mining lands in the Abitibi Greenstone belt of Ontario totaling approximately 7,820 hectares that are considered prospective for hosting deposits of gold. Projects include: 1) Gowganda Gold (optioned to Battery Metals), 2) Pipestone (60% Gowest and 40% Transition Joint Venture), and 3) Cryderman (available for option). During the reporting period the Sunrise Lake project was allowed to lapse. Details of each project area are provided below.

### **GOWGANDA GOLD PROJECT**

The Gowganda Gold Project is located adjacent to the town of Gowganda, Ontario in Nicol, Haultain, and Van Hise townships, in the Larder Lake Mining District. The center of the project is located approximately 34 kms west of Elk Lake (population 350) and 33 kms southwest of Matachewan (population 450). Following conversion from historical mining claims to new map-based mining claims under the modernized mining act in Ontario, the project now consists of 286 mining tenures totaling an estimated 4,341 hectares.

Since acquiring the property in 2010 and the subsequent discovery of multiple high grade gold occurrences over a 2 km long structural corridor, work on the property has included the completion of Induced Polarization (IP) geophysical surveys, Soil surveying, geological mapping, 10 mechanically stripped trenches and channel sampling leading to the completion of 21 shallow diamond drill holes for a total of 2,258m.

The claims host widespread visible gold mineralization within stockwork quartz veining in altered syenite. Significant drill intercepts from work by Transition include 2.37 g/t Au over 7.06 metres, up to 82.5 g/t Au over 0.4 metres (see Transition Metals news release of December 1, 2011) and 1.63 g/t Au over 11.52 m (see Transition Metals news release of April 6, 2017).

In addition to the prospective gold mineralization, cobalt-silver mineralization occurs across the property within the overlying Cobalt Embayment rocks. The Big Four showing includes a series of trenches, pits, and a 7.6 m deep shaft located on the Property. Grab samples collected by the Company from the waste

dump included cobaltite-rich carbonate material that returned up to 3.04% Co and 31.6 g/t Ag (see Transition Metals news release of August 21, 2018).

On March 12, 2019, the Company announced that it had executed an option and joint venture agreement with Battery Minerals Resources Limited ("Battery") whereby Battery can earn a up to an 80% interest in the Gowganda Gold project located 75 kms southwest of Kirkland Lake. To earn a 60% interest, Battery must provide option payments totaling \$600,000 over 3 years that includes a \$75,000 payment upon execution of the Agreement and \$25,000 that was received earlier by the Company upon execution of a binding term sheet. In addition, Battery must complete \$3.4 million of exploration expenditures over 3 years including a commitment of \$400,000 during the first year. Upon vesting a 60% interest, Battery may increase its interest to 80% by delivering a Feasibility Study within three years subject to certain time extension provisions. After earning its 60% or 80% interest in the Property as the case may be, a Joint Venture would be formed, with each party funding its proportionate share of future work programs or suffering dilution of interest.

#### **CRYDERMAN**

On April 18, 2019, the Company entered into an option agreement to acquire a 100% interest in the Cryderman Gold property located near Shining Tree, Ontario. Pursuant to the terms of the option agreement, Transition retains the right and option to earn a 100% interest in the property by issuing \$10,000 in cash on signing (paid) and paying an additional \$50,000 in cash, incurring work commitments of 445,000 and issuing \$110,000 in shares to the Vendor over a 3-year period. If the Company vests its interest, the Vendor would retain a 2% Net Smelter Return royalty (NSR) with Transition retaining the right to buy back 1.0% NSR for \$1.0 million. The property consists of 6 contiguous mining leases covering a historical high-grade lode gold showing where grab samples collected by the Company in 2018 returned values from trace up to 34.5 g Au/t.

On November 27, 2019 the Company disclosed assay results from channel sampling completed on veining exposed by trenching completed on the Cryderman Gold property near Shining Tree, Ontario. Samples of quartz vein returned up to 15.70 g/t Au over 0.5 metres along 100 metres of the newly-exposed Queen Elizabeth Vein. Sampling of peripheral zones of alteration and quartz stringers returned up to 3.44 g/t Au over 1.63 metres and two additional undocumented veins located to the north of a historical shaft were identified returning up to 3.05 g/t Au over 0.88 metres and 4.11 g/t Au over 0.61 metres.

#### **PIPESTONE PROJECT – (40% TRANSITION METALS CORP)**

The Pipestone Project consists of 237 converted map-based mining claims (approximately 3,363 ha) located in Wark, Prosser, Gowan, Little and Evelyn townships, Porcupine Mining District, near Timmins, Ontario. The claims were acquired to cover approximately 13 km of the interpreted strike extension of the Pipestone structure. The Pipestone structure is an under-explored gold-bearing regional fault in the Timmins Gold camp that runs sub-parallel to the Destor-Porcupine fault (*>60 million oz of historic production – Ontario Geological Survey - Gold production in the Timmins Regional Resident Geologist's District to the end of 2006*). The Destor-Porcupine fault bounds the Porcupine sedimentary basin to the south while the Pipestone fault bounds the basin to the north. Previous work has identified gold mineralization in basal till samples in the section of the fault covered by the Company's claims as well as in core samples located in close proximity to the property.

On April 27, 2011, the Company entered into an option and joint venture agreement ("JV") with Gowest Gold Ltd. ("Gowest") (TSX Venture: GWA). The terms of the agreement provided an option for Gowest to acquire a 60% or 75% interest in the claims owned by the Company, collectively referred to as the Pipestone Property. Gowest earned a 60% in the Pipestone Property by making cash payments of \$100,000 (received), issuing 1,000,000 (1,000,000 received) common shares of Gowest and incurring exploration expenditures of \$1,000,000 by the 36-month anniversary of the agreement. Furthermore, Gowest retained a one-time option upon vesting its 60% interest to increase its ownership to 75% by issuing an additional 150,000 common shares and incurring an additional \$2,000,000 in exploration expenditures within 2 years which it declined to trigger. The Company disposed of all Gowest shares during the year ended August 31, 2016.

A joint venture on the project was formed on a 60% Gowest, 40% Transition ownership basis, effective May 25, 2016. On December 19, 2016 Gowest proposed a \$500,000 exploration program to the joint venture which Transition declined to participate in. Gowest has proposed an approximate \$500,000 exploration program which includes diamond drilling in 2020. Transition has also declined its right to participate in this program and as such, its interest may be diluted to approximately 30% if the programs are fully executed by Gowest.

## **THUNDER BAY – PGM'S – SUNDAY LAKE JV**

### **THUNDER BAY PGM PROJECTS**

During the reporting period, drilling continued on the Sunday Lake project funded by palladium producer Impala Canada Limited (Implats Canada) to further define the extent of high-grade sulphide PGM enriched mineralization identified on the property with a focus on further evaluating the "Big Red" Magnetotelluric (MT) anomaly defined in 2019.

Also during the reporting period some claims associated with the Empire Lake, Revell, Garden Lake, and Fraser Lake properties were allowed to lapse. As at the end of the reporting period, the Company maintains an interest in 9 property groupings totaling 11,528 hectares consisting of the Sunday Lake (25% carried), Saturday Night (100%), Owl Lake (100%), Fraser Lake (100%), Revell (100%), Garden Lake (100%), Nabish Lake (100%), Wagner (100%) and Maude Lake (100%). The Owl Lake and Hele projects are subject to a 1.5% NSR held by Impala Platinum Holdings Ltd. (Implats).

### **SUNDAY LAKE**

The Sunday Lake property is located in northwestern Ontario, 25 km northeast of Thunder Bay and 25 km to the west of Clean Air Metals Inc., Thunder Bay North project (formerly known as Current Lake). The property consists of 177 converted map-based claims and leased property totaling 3,042 ha covering a 3.5 km diameter circular magnetic anomaly associated with a large layered mafic-ultramafic intrusion. The intrusion is considered prospective for hosting platinum group metals or PGM's (platinum, palladium, and gold) as well as nickel and copper.

A Joint Venture on the Sunday Lake Property was initially struck between Impala Platinum Holdings Limited (Implats) and the Company on February 1, 2014 whereby Implats held a 75% interest and Transition held a 25% free carried interest until the completion of a Feasibility Study. Subsequently Implats optioned its interest in the project to North American Palladium (NAP) on June 20, 2017. On August 19, 2019 the Company announced that NAP had vested a 51% interest in the project and that a 3 way Joint Venture had been formed. On December 13, 2019, NAP announced that they had completed a plan of arrangement with Implats. Pursuant to the arrangement, Implats acquired 100% of the outstanding common shares of NAP for a total cash consideration of approximately C\$1.0 billion. Upon completion of the arrangement, NAP became a wholly-owned subsidiary of Implats and has been renamed Impala Canada limited (Impala Canada). Impala Canada has assumed all rights and operating agreements held by NAP including its option on the Sunday Lake project.

Currently the Sunday Lake Project is subject to a Joint Venture agreement between the Company and Implats and Implats Canada. Under the terms of the agreement, Implats and Implats Canada hold a 75% interest in the project and Transition holds a 25% free carried interest until the completion of a Feasibility Study at which time it will hold a 25% participating interest. Once a participating Joint Venture is formed, a party's interest would be diluted for non-participation in any program. If either party dilutes 10% its interest would be converted to a 1.5% net smelter return royalty. During the reporting period options to purchase 2 patented properties were allowed to lapse by Implats.

Highlights from recent drilling include:

**Table 3: Selected assay results for the 2019 Sunday Lake exploration drilling program.**

Hole #	From (m)	To (m)	Length (m)	Pt+Pd+Au (g/t)	Pt (g/t)	Pd (g/t)	Au (g/t)	Cu (wt.%)	Ni (wt.%)
<b>SL-19-026</b>	<b>1392.00</b>	<b>1433.20</b>	<b>41.20</b>	<b>5.51</b>	<b>3.22</b>	<b>2.08</b>	<b>0.21</b>	<b>0.57</b>	<b>0.19</b>
including	1417.40	1433.20	15.80	9.11	5.42	3.35	0.34	0.88	0.24
with	1418.85	1427.15	8.30	13.06	7.67	4.97	0.42	1.23	0.32
and	1425.24	1427.15	1.91	16.98	9.29	7.12	0.58	1.56	0.36
and	1425.24	1425.90	0.66	19.80	9.90	9.30	0.63	1.66	0.42
<b>SL-19-029</b>	<b>1405.00</b>	<b>1466.00</b>	<b>61.00</b>	<b>2.20</b>	<b>1.20</b>	<b>0.80</b>	<b>0.15</b>	<b>0.22</b>	<b>0.15</b>
including	1433.00	1465.00	32.00	3.35	1.90	1.20	0.23	0.33	0.18
including	1443.00	1449.00	6.00	5.15	2.90	1.90	0.34	0.55	0.28
and	1454.00	1465.00	11.00	4.75	2.70	1.70	0.30	0.46	0.18
including	1455.46	1463.63	8.17	5.44	3.20	2.00	0.33	0.51	0.20
and	1461.00	1463.00	2.00	5.97	3.50	2.20	0.35	0.64	0.19

Note: Reported interval length are estimated as being between 80% and 90% of true width of the intersected sulphide mineralization

For the period spanning January to March 2020, Impala Canada completed a total of 4,295 metres of diamond drilling in three holes on the Sunday Lake Property. Holes SL-20-032-W1 and SL-20-033 directly targeted the 'Big Red' anomaly while hole SL-20-031 targeted a section of a conductive MT trend within the central portion of the property. Results from the three holes are presented in Table 4. To date a total of 37,018 metres have been completed on the property targeting sulphide mineralization associated with the basal Marginal Zone.

**Table 4: Assay results for the 2020 Sunday Lake exploration drilling program.**

Hole #	From (m)	To (m)	Length (m)	Pt+Pd+Au (g/t)	Pt (g/t)	Pd (g/t)	Au (g/t)	Cu (wt.%)	Ni (wt.%)
<b>SL-20-031</b>	<b>910.00</b>	<b>931.00</b>	<b>21.00</b>	<b>1.02</b>	<b>0.60</b>	<b>0.37</b>	<b>0.05</b>	<b>0.15</b>	<b>0.08</b>
including	911.00	912.00	1.00	3.05	1.67	1.28	0.10	0.40	0.17
including	924.20	926.10	1.90	2.50	1.45	0.96	0.10	0.34	0.13
<b>SL-20-032-W1</b>	<b>1263.00</b>	<b>1286.00</b>	<b>23.00</b>	<b>2.42</b>	<b>1.29</b>	<b>1.03</b>	<b>0.09</b>	<b>0.33</b>	<b>0.13</b>
Including	1270.80	1280.00	9.20	4.28	2.27	1.85	0.17	0.57	0.18
With	1270.80	1277.00	6.20	5.58	2.95	2.42	0.21	0.74	0.21
And	1272.00	1273.00	1.00	7.43	3.93	3.24	0.26	0.96	0.29
<b>SL-20-033</b>	<b>1435.00</b>	<b>1461.00</b>	<b>26.00</b>	<b>2.55</b>	<b>1.38</b>	<b>1.05</b>	<b>0.12</b>	<b>0.25</b>	<b>0.13</b>

Including	1442.00	1450.00	8.0	3.89	2.15	1.57	0.17	0.40	0.15
with	1442.00	1446.00	4.0	5.53	3.12	2.18	0.23	0.56	0.19

Note: Reported interval lengths are estimated as being between 80% and 90% of true width of the intersected sulphide mineralization.

### **SATURDAY NIGHT**

In April 2015, the Company staked a magnetic target comparable to other 'Early Rift' intrusions in this area located approximately 16 km west of its Sunday Lake discovery near Thunder Bay, Ontario. A new target, named "Saturday Night", was highlighted by an airborne survey recently flown by the Ontario Geological Survey (OGS).

In November 2016, the Company completed one drill hole to test targets defined by the summer geophysical program. On January 23, 2017, the Company announced that it had intersected a platinum group element enriched mid-continental rift intrusion. Assays returned 6.25 metres averaging 1.07 g/t PGM's including a higher-grade section of 4.0 g/t PGM and 0.56% Cu over a core length of 0.30 metres near the interpreted base of a greater than 200 metre thick sequence of early-rift intrusive rocks.

The Company covered the property with an AMT/MT ground geophysical survey, similar to the approach taken by NAP at the nearby Sunday Lake project, to better define the extent and morphology of the Saturday Night intrusion which indicates that the extent of the prospective intrusion is extensive. On May 6, 2019, the Company announced the staking of an additional 235 hectares expanding its 100% owned land holdings to 1,414 hectares.

### **MAUDE LAKE**

On December 3, 2018, the Company entered into an option agreement to acquire a 100% interest in the Maude Lake Ni-Cu-Co-PGM property located near Schreiber, Ontario. The property, approximately 15 km<sup>2</sup> in size covers a known high-grade magmatic Ni-Cu-Co-PGM showing where grab samples collected by Novawest Resources Inc. in 2002 were reported to have returned values of up to 6.23 % Ni and up to 2.48 % Cu. Base metal sulphides occur as massive to vein-like and net-textured aggregates along the contact between a mafic-ultramafic intrusion to the south and granite to the north. The property also hosts a Cu-Zn-Ag surface showing measuring 120m by 180 m that returned historic assays including 14.3 m @ 1.06% Cu (channel sample).

Pursuant to the terms of the option agreement, Transition earned a 100% interest in the property by issuing \$25,000 in cash (paid) and \$25,000 in shares (issued) to the Vendor over a 6-month period. The Vendor retains a 2.0% Net Smelter Return royalty (NSR) with Transition retaining the right to buy back 1.5% NSR for \$2.0 million.

The Company is considering completing additional sampling and conducting geophysical surveys on the property.

### **EVA KITTO**

During the reporting period, a large portion of the Eva Kitto mid-continental rift intrusion was re-staked. The property covers most of the Eva Kitto Intrusion, an early rift, mafic ultramafic body similar to those that host the Sunday Lake (Ontario), Thunder Bay North (Ontario), Tamarack (Minnesota) and Eagle (Michigan) nickel copper and platinum group (Ni-Cu-PGM), consisting of 90 staked claims totaling 1,896 hectares located on the eastern shore of Lake Nipigon, approximately 12 kilometres west of Beardmore Ontario owned 100% by Transition Metals. At Eva Kitto, compilation of historical work including airborne geophysics, drilling and geochemistry have led to the identification of targets considered prospective for hosted Ni-Cu-PGM mineralization. Surface Grab samples from the property have returned values up to ~1.0 g/t Pt+Pd.

### **REVELL (Ni-Cu-PGM)**

The Revell property consists of 42 map staked cells for approximately 870 hectares located in Revell and Hyndman townships of the Kenora Mining District to cover series of historic Ni-Cu-PGM showings around the margin of the Revell Batholith. Mineralization occurs as Ni-Cu-PGM bearing disseminated sulphides hosted within a marginal dioritic phase of the Revell Batholith. Historic drilling completed on the Pidgeon

showing in 1967 encountered two shallow zones of Ni-Cu mineralization returning values of 10 feet @ 0.64% Ni, 0.77% Cu and 12 feet @ 0.68% Ni, 0.90% Cu all above 100 feet (30.48 m) vertical. No PGM or Co values were reported with the drilling, although a grab sample collected by Inco at the Pidgeon showing was reported to contain 1.28g/t Pt+Pd+Au. Assay values from prospecting samples collected on the Revell property obtained during the reporting period while locating and re-sampling historical showings returned up to 0.64% Cu, 0.11% Ni and 1.0 g/t Pt+Pd+Au at the Tache West showing and up to 0.29% Cu, 0.14% Ni and 0.44 g/t Pt+Pd+Au from grab samples at the Tache East showing.

#### **GARDEN LAKE (Ni-Cu-PGM)**

The Garden Lake property consisted of 9 map staked cells for approximately 188 hectares located in the Garden Lake Area of the Thunder Bay Mining District to cover an isolated mafic-ultramafic intrusion within the Garden Lake greenstone belt that may be related to Proterozoic Midcontinental Rift (MCR) event and therefore prospective for PGM-Cu-Ni mineralization. During the reporting period, this property was allowed to lapse.

### **SEDIMENTARY COPPER - SASKATCHEWAN**

#### **JANICE LAKE PROPERTY**

The property is located approximately 50 kilometers southeast of Key Lake and 190 kilometers north of La Ronge, in north-central Saskatchewan. During the reporting period, the property was under option to Forum which and was operated by RTEC under a separate option agreement between Forum and RTEC. Subsequent to the reporting period Forum fulfilled the option and secured its 100% interest in the property.

#### **WOLLASTON COPPER**

On May 22, 2019, the Company announced that it had staked approximately 15,144 hectares in the Wollaston Basin Copper Belt, northern Saskatchewan. The Fannon and Porcupine properties (now collectively referred to as the Wollaston Copper project) are located approximately 100 kilometres south of Key Lake and about 30 kilometres southwest along trend with the company's Janice Lake Property currently under option from the Company to Forum Energy Metals and to Rio Tinto Exploration Canada (RTEC). The new claims were staked to cover known copper showings and on-strike equivalents that are interpreted to have potential to host sedimentary-hosted copper mineralization similar to that at Janice Lake. The property is located within the Wollaston Domain, a Proterozoic-aged, northeast trending package of tightly folded amphibolite grade metasediments.

The Fannon occurrence area is reported to host mineralization consisting of chalcocite in fractures and parallel to the foliations, minor chalcopyrite in fractures, pyrite and pyrrhotite as minor disseminations, and locally minor molybdenite. malachite, chalcocite, covellite, chrysocolla, and azurite are common in fractures. Grab samples collected by the Saskatchewan Geological Survey from trench 2 averaged 0.24% Cu over 12.8 metres, and historical drill assays from FN-94-1 returned between 0.33% Cu and 0.74% Cu over widths of 0.5 to 1.5 m.. The Tosi Cu Showing mineralization consists of shear-hosted disseminations, blebs, stringers, and veinlets of up to 5% pyrite-chalcopyrite-bornite (or chalcocite) within graphitic quartzite and intercalated garnetiferous graphitic pelitic gneisses over a 1 to 2 meters wide by 12 metre long area. Grab samples reported by the Saskatchewan Geological Survey returned from 1.73 to 4.52 % Cu, 0.17 to 0.42 oz Ag/t, and 0.01 to 0.03 oz Au/t.

On August 17, 2020 the Company reported initiating field work on the Wollaston Copper project in north central Saskatchewan, approximately 60 kilometres southwest along strike from the Janice Lake project being advanced by option partner Forum Energy Metals and Rio Tinto Exploration Canada. The planned field work consisted of property scale geochemical sampling, geological mapping and sampling with an objective of mineralizing environments to that occurring along strike at Janice Lake. Results from this work remain pending.

## **GOLD – NOVA SCOTIA**

### **HIGHLAND GOLD - GOLD – CAPE BRETON, NOVA SCOTIA**

On August 20, 2018, the Company announced that it had entered into an option agreement to acquire a 100% interest in the >45 km<sup>2</sup> Highland Gold property located in the Cape Breton Highlands. Under the terms of the option agreement, Transition retains the right and option to earn a 100% interest in the property by completing \$1.5 million of expenditures and issuing \$170,000 in cash and \$175,000 in shares to the Vendor over a 5-year period. If the Company vests its interest, the Vendor would retain a 2% Net Smelter Return royalty (NSR) with Transition retaining the right to buy back 1% NSR for \$1.25 million.

On September 27, 2018, the Company announced that it had staked additional claims and initiated a high resolution airborne geophysical survey over its Highland Gold property located in the Cape Breton Highlands of Nova Scotia to assist with targeting in preparation for a program of reverse circulation (RC) drilling.

On January 14, 2019, the Company announced that this drilling had intersected 9.14 metres grading 23.22 g/t au including 3.05 metres grading 49.54 g/t Au.

On June 5, 2019 the Company announced that it had resumed exploration drilling on the property with plans to complete approximate 1,000 metres of percussion Reverse Circulation (RC) drilling to test a cluster of high-grade showings within a roughly 5 square kilometer portion of the property to follow up on targets highlighted by previous work. Results from this program confirmed strike and dip extensions to mineralization identified at Zone 6A and indicate significant grades and thicknesses of gold at Zone 6B which is located approximately 250 metres southwest of Zone 6A. Testing Zone 6B, hole 19-TMC-RC-11 intersected 9.0 metres grading 6.14 g/t Au including 2.0 metres grading 25.46 g/t Au. Zones 6A and 6B are respectively located approximately 2 kilometres east of Main Zone where RAB drilling completed by the Company in late 2018 returned a 9.14 metre interval grading 23.22 g/t Au. In total 28 holes for 568 metres were completed in May and June of 2019 the results of which are summarized in Table 1 below.

Table 5: Highlight Results from Drilling at Highland Gold

Hole	From (m)	To (m)	Length (m)	Au (g/t)	Zone
<b>19-TMC-RC-01</b>	<b>10.00</b>	<b>19.00</b>	<b>9.00</b>	<b>6.88</b>	<b>6A</b>
<b>including</b>	<b>10.00</b>	<b>14.00</b>	<b>4.00</b>	<b>16.44</b>	<b>6A</b>
19-TMC-RC-02	3.00	4.00	1.00	0.80	6A
<b>and</b>	<b>11.00</b>	<b>15.00</b>	<b>4.00</b>	<b>2.03</b>	<b>6A</b>
<b>including</b>	<b>12.00</b>	<b>14.00</b>	<b>2.00</b>	<b>3.57</b>	<b>6A</b>
19-TMC-RC-03	5.00	7.00	2.00	1.54	6A
19-TMC-RC-04	1.00	6.00	5.00	1.61	6A
<b>including</b>	<b>2.00</b>	<b>4.00</b>	<b>2.00</b>	<b>3.75</b>	<b>6A</b>
19-TMC-RC-05		No sig. results			
<b>19-TMC-RC-06</b>	<b>18.00</b>	<b>23.00</b>	<b>5.00</b>	<b>2.61</b>	<b>6A</b>
<b>including</b>	<b>22.00</b>	<b>23.00</b>	<b>1.00</b>	<b>7.39</b>	<b>6A</b>
19-TMC-RC-07	16.00	24.00	8.00	1.31	6A
<b>including</b>	<b>18.00</b>	<b>19.00</b>	<b>1.00</b>	<b>4.92</b>	<b>6A</b>
19-TMC-RC-08		No sig. results			
19-TMC-RC-09	3.00	4.00	1.00	1.09	6A
19-TMC-RC-10	0.00	6.50	6.50	1.01	6B
<b>including</b>	<b>0.00</b>	<b>1.50</b>	<b>1.50</b>	<b>3.32</b>	<b>6B</b>
<b>19-TMC-RC-11</b>	<b>0.00</b>	<b>9.00</b>	<b>9.00</b>	<b>6.14</b>	<b>6B</b>
<b>including</b>	<b>0.00</b>	<b>2.00</b>	<b>2.00</b>	<b>25.46</b>	<b>6B</b>
19-TMC-RC-12		No sig. results			
19-TMC-RC-13	6.00	9.00	3.00	0.90	6B
<b>19-TMC-RC-14</b>	<b>13.00</b>	<b>19.00</b>	<b>6.00</b>	<b>6.17</b>	<b>6B</b>
<b>including</b>	<b>13.00</b>	<b>15.00</b>	<b>2.00</b>	<b>11.53</b>	<b>6B</b>
<b>19-TMC-RC-15</b>	<b>7.00</b>	<b>12.00</b>	<b>5.00</b>	<b>2.62</b>	<b>6B</b>
<b>including</b>	<b>11.00</b>	<b>12.00</b>	<b>1.00</b>	<b>4.30</b>	<b>6B</b>
<b>19-TMC-RC-16</b>	<b>17.00</b>	<b>27.00</b>	<b>10.00</b>	<b>2.58</b>	<b>6B</b>
<b>including</b>	<b>17.00</b>	<b>20.00</b>	<b>3.00</b>	<b>5.67</b>	<b>6B</b>
19-TMC-RC-17		No sig. results			Other
19-TMC-RC-18		No sig. results			Other
19-TMC-RC-19		No sig. results			Other
19-TMC-RC-20		Did not reach target depth			Main
19-TMC-RC-21	14.00	15.00	1.00	1.97	Main
19-TMC-RC-22		Did not reach target depth			Main
19-TMC-RC-23		Did not reach target depth			Main
19-TMC-RC-24		No sig. results			Other
19-TMC-RC-25		No sig. results			6C
19-TMC-RC-26		No sig. results			6C
19-TMC-RC-27		No sig. results			Other
19-TMC-RC-28		No sig. results			Other

On February 28, 2020, the Company was informed by the Department of Energy and Mines Nova Scotia that it had initiated a process in response to concerns raised by the Mi'kmaq Assembly of Chiefs regarding the issuance of mining and exploration permits in the Cape Breton Highlands. The government of Nova Scotia has indicated that it must discharge its Duty to Consult with the Mi'kmaq of Nova Scotia before approvals granting access to Crown Land and authorizations for drilling and excavation to carry out exploration activities in the Highlands will be issued. The Company continues to engage with the Department of Mines and Energy towards clarity and updates regarding this process.

## **OTHER PROJECTS**

### **AYLMER IOCG (NI-CU-PGM's and CU-ZN)**

On May 4, 2020 the Company entered into an agreement to option the Aylmer IOCG property from a group of Sudbury area vendors. Under the terms of the agreement, Transition has the right to earn a 100% interest in the Aylmer IOCG property by making aggregate cash payments of \$102,000; issuing an aggregate total of 625,000 common shares; and incurring exploration work expenditures totalling \$900,000 by May 4, 2024. If the Company exercises its option the vendors will retain a 2.0% Net Smelter Return Royalty (NSR) from any Commercial Production from the property for which Transition may purchase 1.0% of the NSR for \$1,000,000 at any time.

With some additional staking the property now consists of 119 mining claims covering 3,131 hectares, located north of Lake Wanapitei near Sudbury Ontario. The property lies within a north-trending, regional

structural zone interpreted to be 14 to 15 kilometres wide associated with widespread soda-altered rocks and occurrences of copper-bearing quartz veins<sup>1</sup>. Grab samples collected at outcropping exposures of quartz veining, quartz and or carbonate breccia's hosting variable amounts of disseminated sulphides returned copper values ranging from <0.05 ppm Cu to 5.93% Cu representing an average of 0.4% Cu from 19 samples.

The Company is planning a program of field work and coverage of breccia trends identified on the property by a deep seeking airborne Magnetotelluric (MT) survey for fall of 2020.

### **BANCROFT (NI-CU-PGM's)**

The Bancroft project is a greenfield exploration project that has seen the benefit of approximately \$5.0 million in exploration expenditures. The property consists of approximately 3,833 hectares of mining claims located in the Southern Mining district near Bancroft, Ontario. In 2009, First Nickel announced the discovery of a new zone of PGM mineralization called ML North located in north eastern Raglan Township upon intersecting 5.05 metres grading 0.762 g/t Pt and 1.216 g/t Pd. During the reporting period an orientation biochem survey was completed over the ML-North PGM showing and other areas with similar magnetic features.

### **HOMATHKO PROPERTY – GOLD – BRITISH COLUMBIA**

The Homathko Property consists of 3 claims totaling 202 hectares located in the Caribou Regional District, British Columbia, approximately 200 km west of Williams Lake in the western portion of the Chilcotin region. The properties were staked to secure a land package around a high grade gold showing discovered by Falconbridge in the 1960's which returned assays up to 342 g/t Au.

### **DOHERTY LAKE PROPERTY – GOLD AND BASE METALS - ONTARIO**

The Doherty Lake Property consists of 46 converted map-based mining claims for 1,012 hectares located in central Demorest Township, Sudbury Mining District, Ontario. The property is located approximately 65 km northeast of the town of Capreol. The property hosts occurrences of elevated Au-Ag-Cu-Pb mineralization associated with a flat lying shear zone occurring within a Nipissing Gabbro sill. The Company owns a 100% interest in the property subject to a 1% NSR, which can be purchased at any time for \$500,000. During the reporting period 2 claims were allowed to lapse.

### **BASS LAKE – GOLD - ONTARIO**

The mining rights only of three patents located on the south shore of Bass Lake totaling 48 hectares are 100% owned by Transition Metals. The property is known to host a gold occurrence described as gold mineralization in a quartz carbonate stockwork developed in brecciated and albitized Huronian sediments located approximately 4 kms north of the past producing McMillan gold mine in Mongowin Township.

### **PORTERVILLE AND LEWISPORTE – GOLD – NEWFOUNDLAND**

The Porterville Property consists of 19 staked claims (475 hectares) in the Exploits Subzone of the Dunnage Zone along the south shore of the Bay of Exploits, Newfoundland. The property is underlain by phases of the Thwart Island Gabbro and Porterville Gabbro which intruded the Dunnage Melange. To the south, the gabbros are in contact with mafic volcanics with minor chert and sandstone intervals. The Porterville occurrence is hosted by pyrite and arsenopyrite in strongly carbonated shears within the Porterville Gabbro where channel sampling by Inco Gold returned 0.35 metres grading 17.3 g/t Au in 1990. The Red Cliff occurrence, located 1.0 km to the south, consists of carbonated shears hosting quartz veins where grab samples by Cornerstone Resources in 2005 returned up to 2.26 g/t Au from grab sampling.

The Lewisporte Property consists of 37 staked claims (925 hectares) located to the east of the Porterville Property extending from the Bay of Exploits south to Burnt Bay. The Crooked Line occurrence within the Lewisporte Property consists of semi-massive to massive arsenopyrite hosted by silicified fractures and shears in leucogabbro. Sampling by Cornerstone Resources in 2005 returned 6.02 g/t Au from grab samples. The Burnt Bay occurrence is hosted by sheared gabbro containing quartz veins with associated arsenopyrite and pyrite which returned up to 8.06 g/t Au.

**DUNGARVON – TIN – NEW BRUNSWICK**

The Dungarvon Property consists of 37 map staked units covering approximately 819 hectares located in central New Brunswick approximately 15 km northwest of the Burnthill Tungsten Mine. The property is underlain by the Dungarvon granite which is part of the Burnthill suite of high-level peraluminous, A-type post-orogenic granites. More than 10 mineralized vein sets have been identified and diamond drilling by Kidd Creek Mines in 1985 and 1989 returned 0.324% Sn over 2.38 metres (including 1.62% Sn over 0.16 metres) and 0.114% Sn over 1.15 metres in DUN89-8 from Vein 6.

**DUNTARA COPPER - NEWFOUNDLAND**

On May 28, 2019, the Company announced that it had staked a new copper property known as the Duntara Copper Property covering 2,440 hectares along the northwestern tip of the Bonavista Peninsula in Eastern Newfoundland. The new claims were staked to cover a series of known copper showings including the Blue Point Prospect where shallow drilling completed by Noranda Inc. in 2001 returned 1.0 % Cu and 12.1 g/t Ag over 14.25 metres including 1.98 % Cu and 23.10 g/t Ag over 6.0 metres. The showings occur within the Crown Hill Formation of the Neoproterozoic Musgravetown Group that has been shown to have excellent potential to host sedimentary-hosted copper mineralization.

The following table lists detailed company project expenditures during the reporting year

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<b>Interest in Exploration and Evaluation Properties</b>																		
	Project Generation Expenditures	Gowganda	Janice Lake	Saturday Night	Sunday Lake	Hele	Eva Kitto	Highland Gold	Maude Lake	Cryderman	Duntara	Foster	Aylmer	Dundonald	Wolleston	Other	Former Projects	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Acquisition costs</b>																		
Balance August 31, 2018	149,231	65,268	5,236	5,176	739,319	101,880	24,873	13,000	-	-	-	-	-	25,948	-	142,399	2,638,047	3,858,481
Additions for the period	22,387	-	-	1,400	-	-	-	73,711	50,000	10,000	-	-	-	-	-	17,972	-	175,470
Write down of mineral exploration property acquisition costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recovery of acquisition costs	-	-	-	-	(61,000)	-	-	-	-	-	-	-	-	-	-	-	5,056	(66,056)
Balance May 31, 2019	171,618	65,268	5,236	6,576	678,319	101,880	24,873	86,711	50,000	10,000	-	-	-	25,948	-	160,371	2,632,991	3,967,895
Balance August 31, 2019	171,618	65,268	5,236	6,576	678,319	101,880	24,873	86,711	50,000	10,000	-	-	-	25,948	-	160,371	2,632,991	3,967,895
Additions for the period	17,808	-	-	-	-	-	4,500	8,080	-	11,123	-	46,500	13,800	-	4,950	832	-	107,593
Write down of mineral exploration property acquisition costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recovery of acquisition costs	-	-	-	-	-	-	-	-	-	-	-	15,000	-	-	-	-	-	(15,000)
<b>Balance August 31, 2020</b>	<b>189,426</b>	<b>65,268</b>	<b>5,236</b>	<b>6,576</b>	<b>678,319</b>	<b>101,880</b>	<b>29,373</b>	<b>94,791</b>	<b>50,000</b>	<b>21,123</b>	<b>-</b>	<b>31,500</b>	<b>13,800</b>	<b>25,948</b>	<b>4,950</b>	<b>161,203</b>	<b>2,632,991</b>	<b>4,060,488</b>
<b>Exploration Costs</b>																		
Balance August 31, 2018	3,217,081	485,489	348,909	132,739	1,810,141	1,080,118	48,031	24,821	-	-	-	-	-	11,663	-	234,550	4,220,879	11,614,421
Assays, core logging and sampling	25,457	-	-	-	-	-	-	16,085	-	0	5,205	-	-	-	-	569	-	47,316
Camps, accommodations, meals, travel	16,221	80	1,916	-	-	-	-	46,492	116	0	7,025	-	-	-	-	4,009	2,324	78,183
Drilling and Trenching	-	-	-	-	-	-	-	137,374	-	0	-	-	-	-	-	-	-	137,374
Geophysical, geochemical and geological	146,181	4,125	-	16,016	5,151	151	151	154,737	4,152	3,986	6,347	-	-	-	-	8,715	1,431	351,143
General and Administrative	620	-	-	48	-	-	47	-	-	0	-	-	-	135	-	2,931	-	3,781
Recovery of exploration costs	-	(100,000)	(170,000)	-	-	-	-	(131,409)	-	-	-	-	-	98,360	-	-	-	(499,769)
Additions for the period	188,479	95,795	168,084	16,064	5,151	151	198	223,279	4,268	3,986	18,577	-	-	98,225	-	16,224	3,755	118,028
Balance August 31, 2019	3,405,560	389,694	180,825	148,803	1,815,292	1,080,269	48,229	248,100	4,268	3,986	18,577	-	-	86,562	-	250,774	4,224,634	11,732,449
Balance August 31, 2019	3,405,560	389,694	180,825	148,803	1,815,292	1,080,269	48,229	248,100	4,268	3,986	18,577	-	-	86,562	-	250,774	4,224,634	11,732,449
Assays, core logging and sampling	1,942	-	-	-	-	-	-	3,103	-	12,929	-	-	-	-	-	5,543	-	23,517
Camps, accommodations, meals, travel	12,361	-	-	-	-	-	-	4,013	269	6,893	-	558	474	-	32,370	2,197	-	59,135
Drilling and Trenching	-	-	-	-	-	-	-	-	-	20,000	-	-	-	-	-	-	-	20,000
Geophysical, geochemical and geological	179,251	963	1,512	2,158	6,062	-	550	111,323	40	14,590	16,037	22,687	13,262	-	132,218	14,985	-	515,638
General and Administrative	2,346	80	-	908	-	355	626	1,824	1,004	1,522	458	1,370	821	891	1,185	10,280	-	23,670
Recovery of exploration costs	-	(100,000)	(310,000)	-	-	-	-	(37,273)	-	-	-	-	-	-	-	-	-	(447,273)
Additions for the period	195,900	(98,957)	(308,488)	3,066	6,062	355	1,176	82,990	1,313	55,934	16,495	24,615	14,557	891	165,773	33,005	-	194,687
<b>Balance August 31, 2020</b>	<b>3,601,460</b>	<b>290,737</b>	<b>127,663</b>	<b>151,869</b>	<b>1,821,354</b>	<b>1,080,624</b>	<b>49,405</b>	<b>331,090</b>	<b>5,581</b>	<b>59,920</b>	<b>35,072</b>	<b>24,615</b>	<b>14,557</b>	<b>85,671</b>	<b>165,773</b>	<b>283,779</b>	<b>4,224,634</b>	<b>11,927,136</b>
Total additions for the year ended August 31, 2019	210,866	(95,795)	(168,084)	17,464	(55,849)	151	198	296,990	54,268	13,986	18,577	-	-	(98,225)	0	34,196	(1301)	227,442
<b>Total additions for the year ended August 31, 2020</b>	<b>213,708</b>	<b>(98,957)</b>	<b>(308,488)</b>	<b>3,066</b>	<b>6,062</b>	<b>355</b>	<b>5,676</b>	<b>91,070</b>	<b>1,313</b>	<b>67,057</b>	<b>16,495</b>	<b>56,115</b>	<b>28,357</b>	<b>891</b>	<b>170,723</b>	<b>33,837</b>	<b>-</b>	<b>287,280</b>

## **ASSOCIATE COMPANIES**

### **CANADIAN GOLD MINER CORP.:**

The Company owns 15,000,100 common shares in Canadian Gold Miner Corp. ("CGM") being approximately 37% of the issued and outstanding shares. CGM is a private corporation exploring for gold in the Larder Lake Mining District near Kirkland Lake. The Company has assembled an exceptional land position totaling approximately 229 km<sup>2</sup> around the Cadillac Larder, Lincoln-Nipissing and Ridout structures in the southwestern part of the prolific Abitibi Greenstone belt in Ontario and is planning to go public in 2020.

The Company continues to provide shared technical and management services to CGM under a memorandum of understanding and service agreement. Subject to accounting and disclosure regulations, Transition no longer controls CGM and no longer consolidates CGM's financial information. Additional information regarding Canadian Gold Miner Corp. can be obtained at [www.canadiangoldminer.com](http://www.canadiangoldminer.com)

### **SPC METALS (A DIVISION OF SUDBURY PLATINUM CORP):**

The Company owns 15,000,000 common shares in Sudbury Platinum Corporation ("SPC"). Transition's ownership interest is 20%. SPC is an associated private company founded in 2013 to advance the Aer-Kidd project. The Company continues to provide shared technical and management services to SPC under a memorandum of understanding and service agreement. Subject to accounting and disclosure regulations, Transition no longer controls SPC and no longer consolidates SPC's financial information. Additional financial information regarding Sudbury Platinum Corporation. can be obtained at [www.sudburyplatinum.com](http://www.sudburyplatinum.com).

On December 12, 2019 the Company announced that SPC had entered into a definitive arms length amalgamation agreement dated November 18, 2019 (the "Agreement") with Edison Cobalt Corp (TSXV: "EDDY"). On May 21, 2020 the Company disclosed that SPC Metals (~30% owned by the Company) would not be proceeding with the previously announced merger transaction between Edison Cobalt Corp. (EDDY) and Sudbury Platinum Corporation (SPC) that would have resulted in a reverse takeover of EDDY by SPC (see Company news release of 09-09-2019 and SPC Metals news release of 12-12-2019). SPC will continue to advance its AER-Kidd, Lockerby East and Janes projects as a private company with a vision of completing a public transaction in the future.

## **DISCUSSION OF OPERATIONS**

### **SELECTED ANNUAL FINANCIAL INFORMATION**

Operating expenses for year ended August 31, 2020 were \$903,177 compared to \$1,079,188 for the year ended August 31, 2019. The difference is mainly due to a change in share based compensation of \$136,500 in the prior year and nil this year. Exploration and evaluation receipts totalling \$462,273 (August 31, 2019 – \$430,983) were slightly higher than the comparative period. The Company received option payments for \$310,000 on the Janice Lake Property and \$100,000 on the Haultin property and \$15,000 on the Fostung property. Further government grants of \$37,273 on the Highland Gold Property were realized in the year. During the year \$213,708 was spent on new project generation, \$170,723 on the Wollaston Copper project and \$91,070 was spent on the Highland Gold property. Exploration and evaluation work was curtailed during the H2 due to COVID-19 travel restrictions. A breakdown of all exploration expenditures incurred by property is presented in the table above. Consulting fees were slightly higher at \$196,003 for the year compared to \$164,596 in 2019 due to reduced activities in the second half of the year. Investor relations expense decreased to \$45,941 for the year as compared to \$144,692 in 2019. This decrease is due to trade shows and events being cancelled in the year in response to the COVID -19 pandemic. There was no share based compensation incurred in the year. All other operating expenses remained materially unchanged from the prior year.

A summary of selected unaudited financial information for the past eight quarters is presented below:

Three Months Ending (Unaudited)	August 31, 2020 \$	May 31, 2020 \$	February 28, 2020 \$	November 30, 2019 \$
Operating Expenses	(216,770)	(150,496)	(194,043)	(341,868)
Income (Loss) from Operations	1,318,122	(217,671)	(145,933)	(495,846)
Net Income (Loss) for the period	1,318,122	(217,671)	(145,933)	(495,846)
Income (Loss) per share – basic and fully diluted	0.03	(0.00)	(0.00)	(0.01)
Total Assets	7,657,061	5,273,335	5,437,810	5,143,160
Total Liabilities	346,693	378,793	334,597	361,002

Three Months Ending (Unaudited)	August 31, 2019 \$	May 31, 2019 \$	February 28, 2019 \$	November 30, 2018 \$
Operating Expenses	(272,288)	(97,803)	(403,974)	(305,123)
Income (Loss) from Operations	(254,878)	(189,564)	(547,250)	(730,031)
Net Income (Loss) for the year	(254,878)	(189,564)	(547,250)	(730,031)
Income (Loss) per share – basic and fully diluted	(0.00)	(0.00)	(0.01)	(0.02)
Total Assets	5,505,973	5,752,429	5,955,041	6,283,249
Total Liabilities	227,969	269,547	282,595	337,869

## LIQUIDITY AND CAPITAL RESOURCES

As at August 31, 2020, the Company had cash balances of \$1,544,170 compared with \$594,104 as at August 31, 2019. The Company had working capital of \$3,489,894, which management believes is sufficient to satisfy current liabilities of \$346,693 as at August 31, 2020. The following financing activities were completed as follows:

(i) Year ended August 31, 2020.

On December 19, 2019 the Company closed a private placement resulting in the Issuance of 1,932,667 units at a price of \$0.15 per unit, for proceeds of \$289,900 and 994,500 flow-through common shares at a price of \$0.18 per flow-through share, for proceeds of \$179,010. Each unit consisted of one common share of the Corporation and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share for a period of 24 months from closing at a price of \$0.25. A finder's fee that consisted of a cash fee in the aggregate amount of \$21,388, representing an aggregate commission of 6% of the units and flow-through shares sold to investors introduced by finders. All securities issued in connection with the private placement are subject to a four month restricted resale period that expires on April 21, 2020.

On February 28, 2020 the Company issued 117,647 shares at \$0.17 per share based on the quoted market price (total value of \$20,000) in satisfaction of an exploration property option payment.

On May 15, 2020 the Company issued 50,000 shares at \$0.18 per share based on the quoted market price (total value of \$9,000) in satisfaction of an exploration property option payment.

On June 6, 2020, the Company completed a private placement financing consisting of 1,061,188 flow-through common shares for gross proceeds of \$191,014 and 7,910,331 units for gross proceeds of \$1,186,550. Each unit consist of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share for a period of two years, at a price of \$0.22. The grant date fair value of \$0.05 per warrant was estimated using the Black-Scholes option pricing model based on the following assumptions: expected life of 2 years, expected volatility of 100% based on comparative companies for an equivalent period, a risk free interest rate of 0.02%, and an expected dividend yield of 0%. Agents were paid a cash fee of \$21,388 and received 508,026 share purchase warrants valued at

\$0.05 using the same grant date value as the unit warrants issued. Management purchased 134,000 units valued at \$24,130.

(ii) Year ended August 31, 2019.

On October 15, 2018 the Company issued 108,775 shares at \$0.138 per share (total value of \$15,000) in satisfaction of an exploration property option payment see Note 11(h) to the May 31, 2020 financial statements.

On December 28, 2018, the Company completed a flow through private placement for gross proceeds of \$199,985. The Company issued 1,739,000 common shares at \$0.12 Share issue costs related to the offering were \$10,010.

On June 28, 2019 the Company issued 127,600 shares at \$0.196 per share (total value of \$25,000) in satisfaction of an exploration property option payment see Note 11(j) to the May 31, 2020 financial statements.

On August 14, 2019 the Company issued 132,550 shares at \$0.189 per share (total value of \$25,000) in satisfaction of an exploration property option payment see Note 11(h) to the May 31, 2020 financial statements.

## **DISCLOSURE OF OUTSTANDING SHARE DATA (AS AT DECEMBER 18, 2020)**

The capital structure of Transition Metals is as follows:

Common Shares Issued	55,881,389
Options	2,880,000
Warrants	10,351,024
Fully diluted	69,112,413

## **FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

### Cash and Cash Equivalents

The Company considers all highly liquid short-term investments with maturity of three months or less to be cash equivalents. As at August 31, 2020 the Company had \$1,544,170 in cash and cash equivalents (August 31, 2019 - \$594,104)

### Financial Instruments

As at August 31, 2020 the Company held no common shares (August 31, 2019: 416,667) of YSS Corp. (formerly Solo Growth Corp.). The YSS shares have been valued at \$0.335 at August 31, 2019 based on their quoted market price. The Company holds 7,000,000 common shares (August 31, 2019: 5,400,000) of Forum Energy Metals Corp. ("Forum"). The Forum shares have been valued at \$0.145 per share as at August 31, 2020 (August 31, 2019 – \$0.065) based on their quoted market price. The Company holds 1,529,720 common shares (August 31, 2019 – 1,529,720) of Class 1 Nickel &Tech Ltd. ("Class 1") pursuant to an option agreement (Note 11(o)). The Forum shares have been valued at \$0.75 per share as at August 31, 2020 (August 31, 2019 – \$Nil) based on their quoted market price.

Unrealized gains or losses are recorded in the statement of comprehensive loss. All financial instruments are initially recognized at fair value on the balance sheet. The Company has classified each financial instrument into one of the following categories: (1) financial assets or liabilities at fair value through profit or loss ("FVTPL"), (2) loans and receivables, (3) financial assets available-for-sale, (4) financial assets held-to-maturity, and (5) other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Financial assets and liabilities at FVTPL are subsequently measured at fair value with changes in those fair values recognized in net earnings. Financial assets “available-for-sale” are subsequently measured at fair value with changes in fair value recognized in other comprehensive income (loss), net of tax.

Financial assets “held-to-maturity”, “loans and receivables”, and “other financial liabilities” are subsequently measured at amortized cost using the effective interest method.

The Company’s financial assets and liabilities are recorded and measured as follows:

<b>Asset or Liability</b>	<b>Category</b>	<b>Measurement</b>
Cash	Held for trading	Fair value
Investments	Held for trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Accounts payables & accrued liabilities	Other liabilities	Amortized cost
Due to related parties	Other liabilities	Amortized cost

The Company classifies the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The following table illustrates the classification of the Company’s financial instruments, measured at fair value in the statements of financial position as at August 31, 2020 and 2019 categorized into the levels of the fair value hierarchy.

	Level 1 (Quoted market price)	Level 2 (Valuation technique observable market inputs)	Level 3 (Valuation technique non-observable market inputs)
	\$	\$	\$
Investments	2,162,290	-	-
GIC's	-	49,704	-
<b>August 31, 2020</b>	<b>2,162,290</b>	<b>49,704</b>	<b>-</b>
Investment in marketable securities	490,583	-	-
GIC's	-	49,574	-
<b>August 31, 2019</b>	<b>490,583</b>	<b>49,574</b>	<b>-</b>

## **OFF-BALANCE SHEET ARRANGEMENTS**

The Company does not have any off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities or derivative financial obligations.

## RISKS AND UNCERTAINTIES

Exploration for mineral resources involves a high degree of risk. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. In addition to exploration risk, the Company is faced with a number of other risk factors. See "Risk Factors" below.

## TRANSACTIONS WITH RELATED PARTIES

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties). The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, to similar transactions to non-key management personnel related entities on an arm's length basis.

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The Company entered into the following transactions with related parties:

In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key management of the Company for the years ended August 31, 2020 and 2019 was as follows:

	2020	2019
	\$	\$
Short term benefits	249,911	350,812
Share based payments	-	121,800
	<u>472,612</u>	<u>435,720</u>

Short term benefits are included in: consultant fees and exploration and evaluation expenditures. Included in accounts payable and accrued liabilities as at August 31, 2020, is \$45,220 (2019 - \$41,111) owing to officers and management of TMC. The amounts are unsecured, non-interest bearing, and are due on demand.

Included in amounts receivable as at August 31, 2020 is \$45,681 (2019 - \$25,681) due from SPC and CGM in total. These amounts are unsecured, non-interest bearing and due on demand.

Additionally see Notes 6, 7 and 9.to the August 31, 2020 consolidated financial statements.

## COMMITMENTS AND CONTINGENCIES

### *Environmental Contingencies*

The Company's exploration activities are subject to various federal, state, provincial, and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

### *Flow-through Expenditures*

The Company has indemnified the subscribers for any tax related amounts that become payable by the subscriber as a result of the Companies not meeting their expenditure commitments. As at August 31, 2020 all flow-through funds had been spent.

## **RISKS FACTORS**

The operations of the Company are speculative due to the high-risk nature of its business, which are the acquisition, financing, exploration and development of mining properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking information relating to the Company.

### *Liquidity Concerns and Future Financings*

The Company will require significant capital and operating expenditures in connection with the development of its properties. There can be no assurance that the Company will be successful in obtaining required financing as and when needed. Volatile markets may make it difficult or impossible for the Company to obtain debt financing or equity financing on favorable terms, if at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone or slow down its development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its activities.

### *Nature of Mining, Mineral Exploration and Development Projects*

Mining operations generally involve a high degree of risk. The Company's operations are subject to the hazards and risks normally encountered in the mineral exploration, development and production, including environmental hazards, explosions, unusual or unexpected geological formations or pressures and periodic interruptions in both production and transportation due to inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

Development projects have no operating history upon which to base estimates of future cash operating costs. For development projects, reserve and resource estimates and estimates of cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the ore body, expected recovery rates of minerals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. Current market conditions are forcing many mining operations to increase capital and operating cost estimates. Indeed, there have been a number of mining operations that have ceased or been suspended or delayed because operation costs are estimated to be greater than projected prices of product. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production often can occur.

### *No Revenues*

To date the Company has recorded no revenues from exploration operations and the Company has not commenced commercial production or development on any property. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years in relation to the engagement of consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company's properties. The Company expects to continue to incur losses for the foreseeable future. The development of the Company's properties will

require the commitment of substantial resources to conduct time-consuming exploration. There can be no assurance that the Company will generate any revenues or achieve profitability.

#### *Licenses and Permits, Laws and Regulations*

The Company's exploration and development activities, including mine, mill, road, rail and other transportation facilities, require permits and approvals from various government authorities and are subject to extensive federal, provincial, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. In addition, the Company may be required to compensate those suffering loss or damage by reason of its activities. There can be no guarantee that Transition Metals will be able to maintain or obtain all necessary licenses, permits and approvals that may be required to explore and develop its properties, commence construction or operation of mining facilities.

#### *Mineral Commodity Prices*

The value of the Company's properties will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of mineral commodities and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of mineral commodities has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Company's business, financial condition and result of operations.

#### *Environmental*

The Company's activities are subject to extensive federal, provincial state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the value of its properties. Further, any failure by the Company to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations.

#### *Title to Properties*

The acquisition of title to resource properties is a very detailed and time-consuming process. The Company holds its interest in certain of its properties through mining claims. Title to, and the area of, the mining claims may be disputed. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the properties in which the Company may have an interest, which, if successful, could result in the loss or reduction of the Company's interest in the properties.

#### *Uninsured Risks*

The Company maintains insurance to cover normal business risks. In the course of exploration and development of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including explosions, rock bursts, cave-ins, fire and earthquakes may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could result in significant liabilities to the Company and increase costs of projects.

#### *Competition*

Transition Metals competes with many other mining companies that have substantially greater resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and

develop its properties. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operation and business.

#### *Dependence on Outside Parties*

Transition Metals has relied upon consultants, engineers and others and intends to rely on these parties for development, construction and operating expertise. Substantial expenditures are required to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop processes to extract the commodity from the ore. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on Transition Metals.

#### *Conflicts of Interest*

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of Transition Metals may have a conflict of interest in negotiating and concluding terms respecting such participation.

#### *Litigation*

Transition Metals has entered into legally binding agreements with various third parties on a consulting and partnership basis. The interpretation of the rights and obligations that arise from such agreements is open to interpretation and Transition Metals may disagree with the position taken by the various other parties resulting in a dispute that could potentially initiate litigation and cause Transition Metals to incur legal costs in the future. Given the speculative and unpredictable nature of litigation, the outcome of any such disputes could have a material adverse effect on Transition Metals.

#### *Covid - 19*

The global outbreak of COVID-19 (coronavirus), has had a significant impact on businesses through restrictions put in place by the Canadian government regarding travel, business operations and isolations/quarantine orders. At this time it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate that this outbreak may cause supply chain disruptions, staff shortages and increased government regulations, all of which may negatively impact the Company's business and financial condition.

### **CRITICAL ACCOUNTING ESTIMATES**

The preparation of the Company's financial statements in conformity with International Financial Reporting Standards (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 reported amounts of revenues and expenses during the reported period. Such estimates and assumptions affect the carrying value of assets, and impact decisions as to when exploration and development costs should be capitalized or expensed. The most significant estimates are the valuation of the interest in exploration properties and future income tax assets. The Company regularly reviews its estimates and assumption; however, actual results could differ from these estimates and these differences could be material.

## **DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING**

There were no changes to the Company's internal control over its financial reporting for the year ended August 31, 2020, which have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

As at August 31, 2020, the Company evaluated its disclosure controls and procedures and internal control over financial reporting. These evaluations were carried out under the supervision of the Company's Chief Executive Officer (CEO) and Chief Financial Officer (CFO). Based on these evaluations, the CEO and CFO concluded that the design and operation of these internal controls and procedures and internal control over financial reporting was effective.

## **CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION**

Except for statements of historical fact relating to Transition Metals certain information contained herein constitutes forward-looking information under Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the Company's proposed acquisitions and strategy, development potential and timetable of the Company's properties; the Company's ability to raise required funds; future mineral prices; mineralization projections; conclusions of economic evaluation; the timing and amount of estimated future exploration and development; costs of development; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of exploration activities are based on previous industry experience and regional political and economic stability. Capital and operating cost estimates are based on extensive research of the Company, recent estimates of exploration costs and other factors that are set out herein. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to risks related to: unexpected events and delays during exploration and development; acquisition risks; regulatory risks; revocation of government approvals; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of minerals; accidents, labour disputes and other risks of the mining industry. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.

Historical results of operations and trends that may be inferred from this MD&A may not necessarily indicate future results from current project properties. Please see Risk Factors section of this MD&A. In particular, the current state of the global securities markets may cause significant fluctuations and/or reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations.

## **Outlook**

The Company will continue to follow the Project Generator business model which involves the acquisition and sale of the projects identified and generated by the Company. The Company intends to continue to

develop and advance its portfolio projects with the objective of attracting new funding partners to further leverage the Company's exposure while retaining the upside value that can come from the discovery of new mineral deposits.

Partnered projects that the Company considers key to driving value into the next period include: the Highland Gold project in Nova Scotia (100% owned), the Sunday Lake PGM-Cu-Ni joint venture with Implats and Implats Canada near Thunder Bay, the Janice Lake sedimentary copper project which is under option to Forum Energy Metals Corp and being advanced by Rio Tinto Exploration Canada, and the development of its investment interest in gold projects in the Abitibi which are being advanced by CGM, and the Aer Kidd and Lockerby East projects being advanced by SPC in Sudbury. It is anticipated that Sudbury Platinum will complete a public transactions in the first quarter of 2021.

## **Responsibility for financial statements**

The information provided in this report, including information from the related audited consolidated financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properly reflected in the financial statements.

As part of the oversight role of the Board of Directors to ensure the Company's disclosures contain no misrepresentations, the Audit Committee reviews the interim and annual financial statements and MD&A prepared by management, and the preparation process. The Audit Committee, once satisfied, recommends the statements and MD&A to the Board of Directors for approval. The Board as a whole considers the financial statements and MD&A before approving them for filing in the prescribed manner.

## **Internal controls**

Management has established processes to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (a) the audited consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements and (b) the audited consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the years presented by the financial statements.

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

- i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.