

# **Transition Metals Corp.**

## **Management Discussion & Analysis**

### **For the Quarter Ended May 31, 2021**

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 May 31, 2021 unless otherwise noted. The MD&A provides a detailed analysis of the Company's operations for the quarter ended May 31, 2021 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 July 30, 2021.

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, 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 the Wollaston 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 SPC Nickel Corp (SPC-TSX.V) a public company which is focused on advancing the Aer-Kidd Ni-Cu-PGM project in Sudbury. In addition, the Company holds shares of publicly traded companies including: Forum Energy Metals Corp., Nova Royalty Corp. and Class 1 Nickel and Technologies Limited.

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 February 24, 2021 the company announced that its board of directors had declared a special dividend-in-kind of a portion of the common shares of SPC Nickel Corp. ("SPC Nickel") held by the Company to the Company's shareholders of record as at March 3, 2021 (the "Record Date"). Each holder of the Company's common shares on the Record Date would receive 0.1 of an SPC Nickel share (each whole SPC Nickel share, a "SPC Nickel Share") for each one Transition share held by the Transition shareholders.

On March 9, 2021 the Company announced that spinout company SPC Nickel Corp., a battery metals company focused on nickel and copper exploration in the Sudbury Basin, commenced trading on the TSX Venture Exchange under the ticker SPC.

On March 24, 2021 the Company announced that it had amended its Option and Joint Venture Agreement with Battery Minerals Resources Corp (BMR – TSX.V) ("Battery") to allow Battery to earn an interest in the Company's Gowganda Gold project. The amendment allows for BMR to focus its earn-in efforts on portions of the property considered to be more favourable for hosting silver and cobalt mineralization while facilitating the return of portions of the property considered more favourable for hosting gold to Transition. Under the amended agreement, the Company waived the expenditure requirement for the second-year option and removed the requirement for Battery to fund gold exploration on the property moving forward. The consideration received by Transition included a \$300,000 cash payment (paid), the return of its Gowganda Gold property totaling 968 hectares with two years of good standing. In addition Battery assigned additional contiguous claims totaling 4,011 hectares with one-year good standing. The assigned Battery claims include a 1% net smelter return royalty held by Battery.

On March 29, the Company announced that it had executed a binding letter of intent with Underhill Exploration Ltd ("Underhill" or "Optionor") to option its property and that it had staked an additional 4,300 hectares of adjacent mineral claims to secure an underexplored gold opportunity near the eastern margin of the prolific Quesnel Trough, close to Vernon, British Columbia. The Underhill property covers the Blackhawk Prospect which encompasses the historic East Showing (historic channel sample: 11.3 g/t gold and 12.1 g/t silver across 2.2 metres), the West Showing (historic chip sample; 16.0 g/t gold across 1.2 metres) and the Quartz Showing (historic channel sample: 4.6 g/t gold over 2 metres)<sup>1</sup>.

<sup>1</sup> - MINFILE Detail Report 082LSW007, BC Geological Survey

On May 11, 2021 the Company announced that it has secured a 100% interest in the Cryderman property located in southwest Macmurchy Township, Larder Lake Mining District, Ontario. The property consists of six mining and surface rights leases, totaling approximately 106 hectares which host a system of quartz veining partially exposed around a 40 foot (12.2m) deep historical shaft sunk in 1917 to explore the Queen Elizabeth vein. In 2019 Transition entered into an option agreement with a Vendor to earn a 100% interest in the property by issuing \$60,000 in cash (\$20,000 paid) and up to 650,000 in shares (100,000 issued) to

the Vendor and by completing \$300,000 (approximately \$150,000 completed) in work over a 3 year period subject to a 2% Net Smelter Return royalty (NSR) with Transition retaining the right to buy back 1% of the NSR for \$1.0 million. In April 2021, the Company negotiated an accelerated earn-in with the Vendor to fully vest a 100% interest in the property in exchange for a lump sum payment of \$25,000 in cash and the issuance of 250,000 shares. In addition the parties amended the terms of the NSR agreement such that the maximum NSR encumbrance is reduced from 2.0% to 1.5% with Transition retaining the right to buy down 0.5% for \$1.0 million at any time.

### **EXPLORATION HIGHLIGHTS**

On February 22, 2021 the Company provided a corporate update and announced that it had commenced drilling on its Sawmill Property, Sudbury Area, Ontario stating that it had mobilized a drill to the Sawmill property to undertake a preliminary 500 metres of drilling in a series of short holes to test targets highlighted in the vicinity of the Galena Vein and Pyrite Hill showing areas. The showing areas tested occurred within a 4 kilometre trend of brecciated and altered Proterozoic rock sequences interpreted to be prospective for hosting high-grade, lode gold and hydrothermal-style gold deposits.

On April 8, 2021 the Company announced that it had initiated a 1,066 line kilometer high-resolution airborne magnetic survey over its newly acquired Jolly Gold project located approximately 75 kilometres north of Thunder Bay, Ontario. The close line spacing of the survey was intended to help to delineate geological trends, and cross-cutting structural relationships that are pertinent to potential gold and base metal mineralization in preparation for summer field programs.

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

On December 22, 2020 Canadian Gold Miner Corp (CGM) completed a \$2.2 million private placement through the sale of 10,978,750 common shares for proceeds of \$878,300 as well as 14,361,700 flow through eligible common shares for proceeds of \$1,412,424. In March, CGM entered into 2 transformational deals with Skead Holdings allowing it to secure a 100% interest in the Company's flagship Lincoln Nipissing property and to expand its land holdings by more than 70% to control a 100% interest in more than 204 square kilometres in the heart of the Kirkland Lake Mining Camp. Transition owns 15,000,001 shares of CGM representing to 18.5% of the outstanding shares.

#### **SPC Nickel Corp. (formerly Sudbury Platinum Corporation).**

On December 15, 2020 the Company announced that spinout company SPC Nickel ("SPC") had closed an over-subscribed non-brokered private placement which resulted in gross proceeds of \$7,823,158 and filed a preliminary prospectus with the securities regulatory authorities in Ontario, Alberta and British Columbia in connection with an application to list its common shares (the "Common Shares") on the TSX Venture Exchange. Transition owns 15,000,000 shares of SPC, representing approximately 15% of the outstanding shares.

On February 24, 2021 the board of directors declared a special dividend-in-kind of a portion of the common shares of SPC held by the Company to the Company's shareholders of record as at March 3, 2021. Each holder of the Company's common shares on the Record Date would receive 0.1 of an SPC Nickel share for each one Transition share held. As a result, a total of 5,678,132 shares of SPC were distributed by way of the share dividend and the Company retained 9,321,868 shares representing approximately 9% of SPC shares outstanding.

On March 9, 2021, SPC commenced trading on the TSX Venture Exchange. Post dividend-in-kind distribution, Transition Metals retained approximately 9.3 million SPC shares, representing about 9.1% of the outstanding shares of SPC.

## **TRANSITION PROPERTY HOLDINGS**

The Company owns properties in several jurisdictions in Canada and is currently registered to conduct business in Ontario, Newfoundland and Labrador, Nova Scotia, British Columbia, and Saskatchewan. As of May 31, 2021, the Company owned or held under option an ownership interest in mining properties totaling approximately 86,609 hectares (ha) (86.6 square kilometres) 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.

Property Summary Table

<u>XTM Properties</u>								
Projects	Properties May 31, 2021	Hectares May 31, 2021	Properties Feb 28, 2021	Hectares Feb 28, 2021	Properties Nov 30, 2020	Hectares Nov 30, 2020	Properties as of Aug 31, 2020	Hectares Aug 31, 2020
Thunder Bay - Ni-Cu-PGM's	593	11,448	593	11,453	593	11,453	593	11,453
Saskatchewan Copper	19	18,969	12	16,658	12	16,658	35	54,908
Abitibi Gold - Ontario	763	12,053	530	7,820	530	7,820	530	7,820
Sudbury Cu-Gold - Ontario	458	9,786	461	9,793	461	9,793		
Other	607	34,353	520	31,042	520	31,042	564	34,315
<b>Totals</b>	<b>2,440</b>	<b>86,609</b>	<b>2,130</b>	<b>77,994</b>	<b>2,116</b>	<b>76,766</b>	<b>1,722</b>	<b>108,496</b>

The number of properties listed in the tables above refers to the number of discrete mining titles that the Company holds an 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 866 km<sup>2</sup> of property interest in 4 main focus areas as defined by region or commodity focus structure. These include: Thunder Bay (Ni-Cu-PGM's), Saskatchewan (Copper), Abitibi (Gold) and Sudbury Area (Copper/Gold). The Company seeks to advance exploration work in these focus areas 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.

#### **THUNDER BAY NI-CU-PGM PROJECTS**

The Company maintains an interest in 8 property groupings totaling 11,448 hectares consisting of the Sunday Lake (25% carried), Saturday Night (100%), Owl Lake (100%), Fraser Lake (100%), Revell (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 platinum, palladium discovery is the successful outcome of a strategic alliance partnership between Transition and Impala Platinum Holdings Limited (Implats) that concluded in 2014. The 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) and 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.

The Sunday Lake Project is currently subject to a Joint Venture agreement between the Company and Implats and Implats Canada Limited. Under the terms of the agreement, Implats and Implats Canada collectively 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 to 10% its interest would be converted to a 1.5% net smelter return royalty.

To date a total of 37,018 metres of drilling have been completed on the property targeting sulphide mineralization associated with the basal Marginal Zone. Recent drilling has returned values of up to 41.2 metres grading 5.11 g/t combined PGM's (Pt+Pd+Au) including 15.8 metres grading 9.11 g/t PGMs representing some of the best grades and thickness for a deposit of this type in the world. During the reporting period no activity was reported.

### **SATURDAY NIGHT**

In 2015, the Company staked a magnetic target comparable to the magnetic signatures of other 'Early Rift' intrusions in this area located approximately 16 kilometres west of its Sunday Lake discovery near Thunder Bay, Ontario. This 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 has covered the property with an AMT/MT ground geophysical survey, similar to the approach taken by Implats Canada (formerly North American Palladium) 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. In October of 2020, the Company assigned 1% NSR on the project to Nova Royalties Corp. During the reporting period the Company applied for permits to resume drilling on the property.

### **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 120 by 180 metres 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.

In October of 2020, the Company assigned 1% NSR on the project to Nova Royalties Corp. The Company is considering completing additional sampling and conducting geophysical surveys on the property.

### **EVA KITTO**

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, consisting of 90 staked claims totaling 1,896 hectares owned 100% by Transition Metals. The property is located on the eastern shore of Lake Nipigon, approximately 12 kilometres west of Beardmore Ontario. 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 a 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 3.0m @ 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 1.28 g/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.

## **SEDIMENTARY COPPER - SASKATCHEWAN**

### **WOLLASTON COPPER**

On May 22, 2019, the Company announced that it had staked a 100% interest in 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 Janice Lake Property currently being explored by Forum Energy Metals and Rio Tinto Exploration Canada (RTEC). The Company holds a 1% net smelter return royalty on the Janice Lake Property. The Wollaston Copper 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.

On August 17, 2020 the Company reported initiating field work on the Wollaston Copper project.

In October, the Company assigned 1% NSR on the project to Nova Royalties Corp.

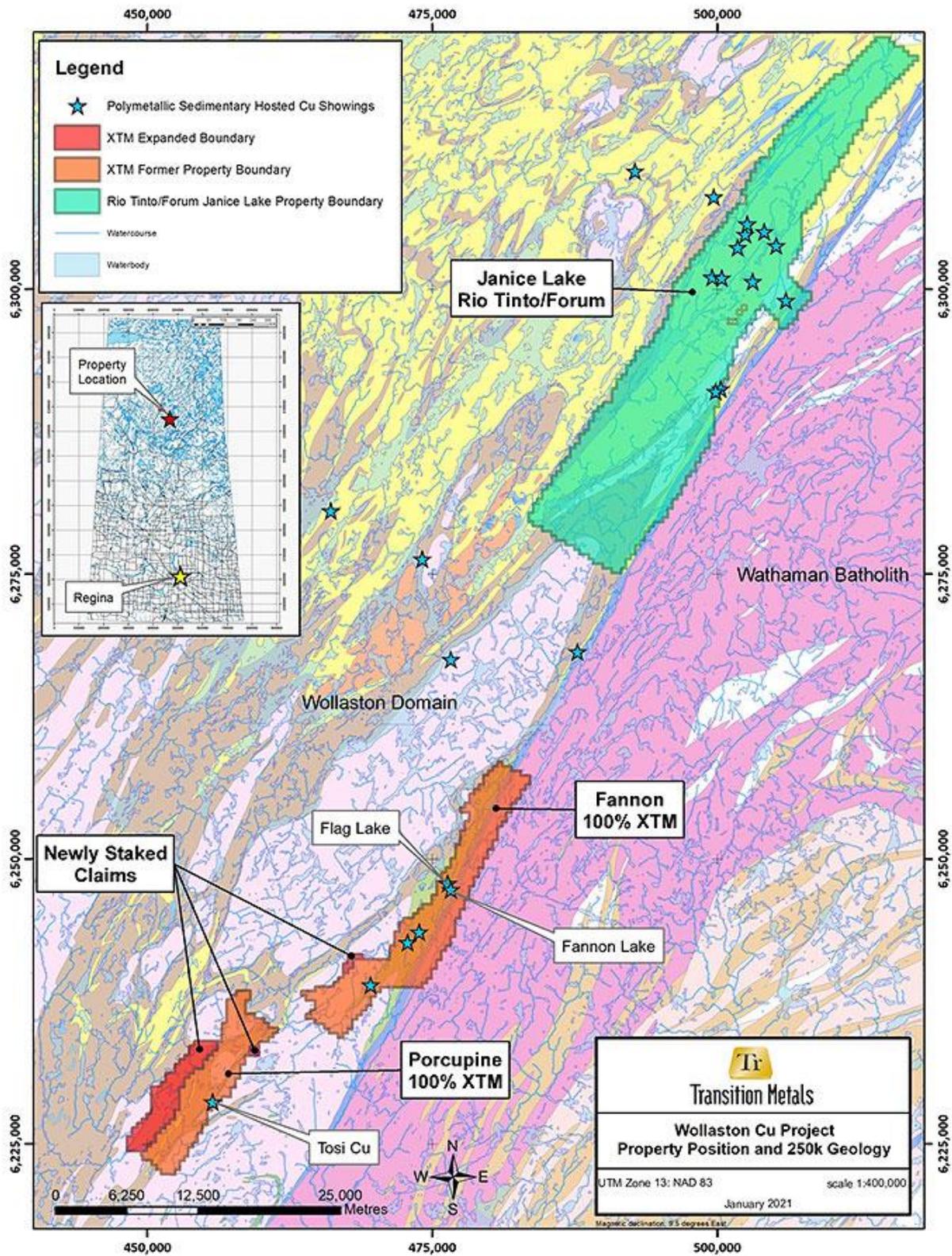
On November 17, 2020 the Company reported results from grab samples collected from 4 of 9 known showings including:

- 0.47% at the Fannon Lake showing and 0.43% Cu at the Flag Lake showing 1.5 km north of Fannon
- 0.44% Cu at the Tosi showing located 25 km southwest of Fannon Lake
- 0.93% Zn from the Fable Lake showing located 5 km southwest of Tosi.

In January 18, 2021 the company disclosed results from a property-wide, helicopter-supported, tree-top, biogeochemical survey which outlined several large and continuous zones exhibiting enriched copper signatures in vegetation on both the Fannon and Porcupine blocks associated with favourable rock types and structures for sediment hosted copper.

On the Fannon block tree-top vegetation samples defined trends around known showings, including an approximate 500 metres by 2 kilometres long trend of highly anomalous copper around the only drilled showing (the Flag Lake Showing) on the block, which was reported to have returned 10.82 metres grading 0.24% Cu and 7.4 metres grading 0.49% Cu. Additional copper anomalies were identified approximately 5 kilometres southwest of the Flag Lake Showing over an area approximately 5 by 3 kilometres.

On the Porcupine block, anomalous copper was returned from vegetation sampling in the vicinity of the Tosi showing. In addition, the vegetation sampling on the Porcupine block highlighted elevated copper signatures, coincident with historical MMI<sup>3</sup> Cu anomalies, associated with previously unexplored sedimentary horizons along an approximately 6 kilometre strike length inside the southwest boundary of the property. The identification of these anomalies led to the decision to stake an additional 23 square kilometres to expand the western boundary of the property (see figure below).



## **BONNEVILLE COPPER**

The Company staked 2 claim blocks for 1,513 hectares to secure ground around copper boulder showings reported in the government of Saskatchewan assessment files. The claims are located approximately 40 kilometres northwest of the Fannon block. Preliminary sampling on the property conducted on the property during the summer of 2020 failed to identify the location of the showings.

## **ABITIBI GOLD, ONTARIO**

Transition Metals directly holds interest in mining lands in the Abitibi Greenstone belt of Ontario totaling approximately 12,053 hectares that are considered prospective for hosting deposits of gold. These projects include: 1) Gowganda Gold, 2) Pipestone (60% Gowest and 40% Transition Joint Venture), and 3) Cryderman. Details of each project area are provided below.

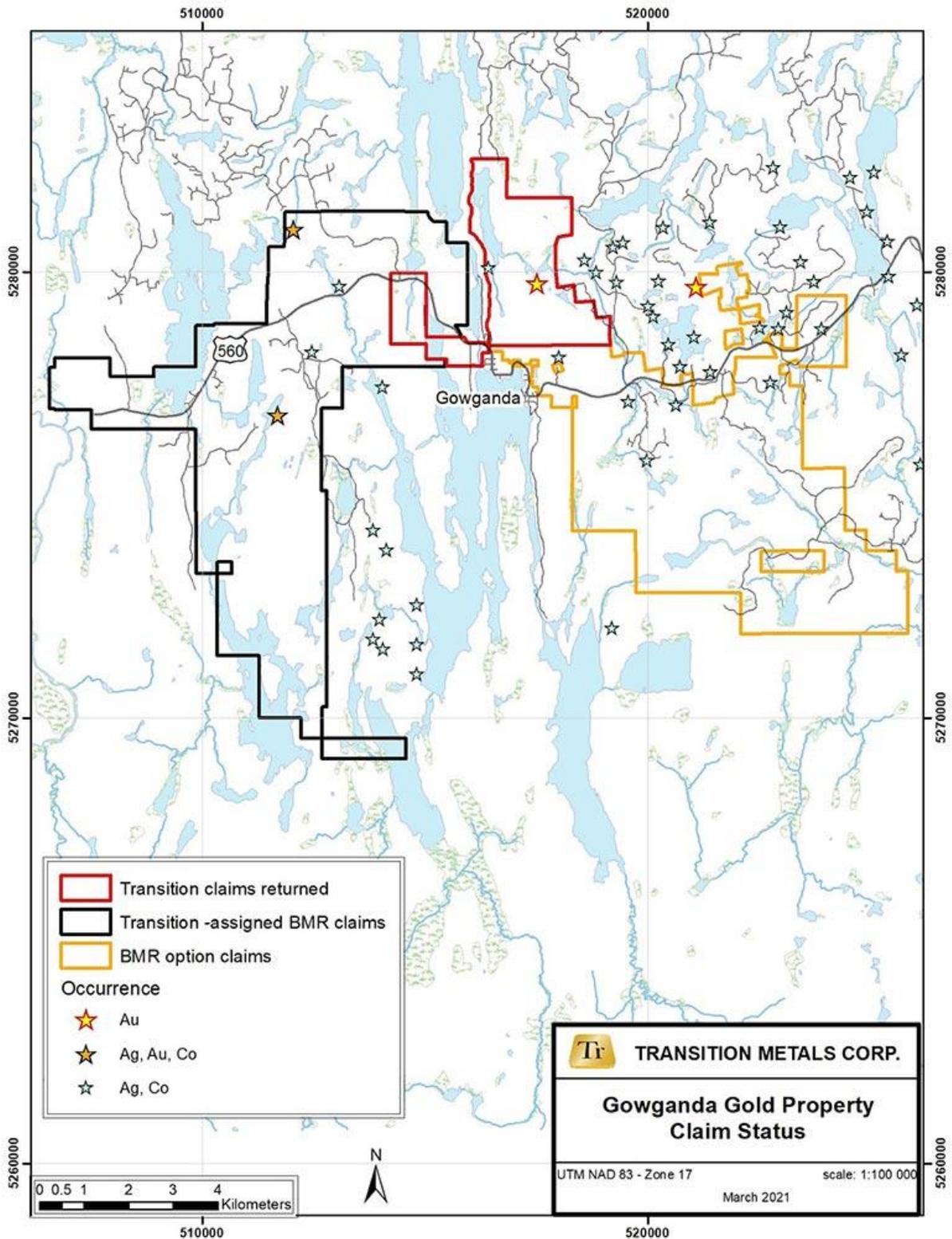
## **GOWGANDA GOLD PROJECT**

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 4,558 hectares.

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

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 km southwest of Kirkland Lake. To earn a 60% interest, Battery was to provide option payments totaling \$600,000 over 3 years that included 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 was to complete \$3.4 million of exploration expenditures over 3 years including a commitment of \$400,000 during the first year to vest a 60% Interest. Upon vesting a 60% interest, Battery had the right to 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.

On March 24, 2021 the Company announced that it had amended its agreement with Battery such that BMR could focus its earn-in efforts on portions of the property under option from Transition considered to be more favourable for hosting silver and cobalt mineralization, while facilitating the return of portions of the property considered more favourable for hosting gold to Transition. Under the amended agreement, the Company has waived the expenditure requirement for the second-year option and removed the requirement for Battery to expend funds on gold exploration going forward. The consideration received by Transition includes a \$300,000 cash payment (paid), the return of its Gowganda Gold property totaling 968 hectares with two years of good standing and the assignment of the additional contiguous Battery claims totaling 4,011 hectares with one-year good standing (see figure below). The assigned Battery claims include a 1% net smelter return royalty held by Battery.



**CRYDERMAN GOLD**

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.

On October 27, 2020 Transition announced that it had entered into an agreement with Platinex Inc. (Platinex") respecting sharing of data and conceptual knowledge for conducting collaborative exploration work on their adjoining properties in the Shining Tree area of Ontario. The intent of the relationship is to focus on developing a greater understanding of the controls on mineralization to optimally target drilling within the Cryderman property and Shining Tree area.

On May 11, 2021 the Company announced that it had negotiated an accelerated earn-in with the Vendor to fully vest a 100% interest in the property in exchange for a lump sum payment of \$25,000 in cash and the issuance of 250,000 shares. In addition the parties amended the terms of the NSR agreement such that the maximum NSR encumbrance is reduced from 2.0% to 1.5% with Transition retaining the right to buy down 0.5% for \$1.0 million at any time.

#### **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. A joint venture on the project was formed on a 60% Gowest, 40% Transition ownership basis, effective May 25, 2016.

#### **SUDBURY AREA (COPPER-GOLD)**

##### **AYLMER IOCG**

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 (\$22,000 paid); issuing an aggregate total of 625,000 common shares (75,000 issued); 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.

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. 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.

On November 2, 2020 the Company announced it was undertaking a high resolution, deep seeking airborne magnetotelluric (MT) survey over an approximate 35 square kilometre portion of the project with the intention of highlighting focused systems of alteration and mineralization at depth in connection with the hydrothermal breccia zones exposed at surface. The survey outlined zones of reduced resistivity, interpreted to be associated with hydrothermal breccia zones exposed at surface, which appear to extend to depths greater than 1 kilometre. Work initiated during the quarter includes trenching, mapping, and geochemical sampling to further qualify the structural and alteration characteristics of these breccia zones to further assess the potential of these targets in preparation for drilling.

### **SAWMILL GOLD**

On October 13, 2020 the Company entered into an agreement to option the Sawmill Gold property from a Sudbury area vendor. The property consists of 106 contiguous mining claims, two mining leases and five patents totaling approximately 825 hectares. Under the terms of the agreement, Transition has the right to earn a 100% interest in the property by issuing \$300,000 in cash (\$25,000 on signing) and 1,000,000 shares (100,000 on signing) to the Vendor and completing an aggregate of \$1,000,000 in work over a 4-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 \$1.0 million and a further 0.5% NSR for an additional \$1,000,000.

The Property is underlain primarily by mafic and felsic volcanics of the eastern Archean Benny greenstone belt that are unconformably overlain to the northeast by sediments of the Proterozoic Huronian Supergroup. Mineralization hosted within the Archean rocks is associated with quartz-carbonate veins in fractures and shears with biotite-chlorite-silica alteration. Mineralization hosted within the Proterozoic rocks is associated with stockwork quartz veins, brecciation of the sediments, and intense carbonatization. The property encompasses historic high-grade polymetallic gold (Au), copper (Cu), and silver (Ag) showings. Sampling by the Company in 2017 returned high-grade assays of 25.1 g/t Au and 158 g/t Ag at the A1 zone as well as 3.42 g/t Au, 1,295 g/t Ag and 4.81% Cu at the Galena showing.

On January 14, 2021 the Company announced the discovery of a new high-grade gold occurrence (the JBM Showing) on its Sawmill property. Grab samples collected by Transition in late November, 2020 at the JBM showing returned high-grade assays of 38.7 g/t Au and 30.7 g/t Au. On February 22, the Company announced that it had mobilized a drill to the property to test shallow drill targets associated with the Galena showing area. In May the Company disclosed results from this program reporting that drilling intersected comparable structures to those hosting mineralization in outcrop and returned anomalous gold, silver and base metals ranging from nil to 2.19 g/t Au, nil to 7.8 g/t Ag, and trace to 0.78% Pb over narrow intervals. Work initiated during the quarter at Sawmill has shifted to evaluate other high priority target areas on the property such as the A Zone, the Calcite Showing, and the newly discovered JBM Showing where grab samples recovered in the Fall of 2020 returned assays of up to 38.7 g/t Au and 30.7 g/t Au.

### **FOSTUNG (TUNGSTEN – CU-AU-AG)**

On November 14, 2019 the Company announced that it has acquired a 100% interest in the Fostung Property located near the town of Espanola, approximately 70 kilometres southwest of Sudbury, Ontario.

The Fostung property hosts an historic tungsten trioxide (WO<sub>3</sub>) skarn resource completed by Golden Predator Mine Inc. in 2007 which was stated to contain an Inferred Mineral Resource of 12.4 million tonnes (Mt) grading 0.213 wt. % WO<sub>3</sub> (Tungsten Trioxide) based on information from 44 drillholes totaling 9,185 metres completed from 1966 to 1986. The Company informs that a qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves, and that the Company is not treating the historical estimate as current mineral resources or mineral reserve.

In June of 2019 Transition staked 690 hectares of crownland that covered a portion of the former Fostung leases. Two additional groups of claims (the CJP Exploration claims and the Daxl claims), representing the remaining Fostung leases, were acquired via two purchase agreements summarized below.

**CJP Exploration Purchase** – 16 mining claims for 356 hectares

Transition has purchased a 100% interest in the property 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.

**Daxl Purchase** – 3 mining claims for 67 hectares

Transition has purchased a 100% interest in the property by issuing \$5,000 in cash to the Vendor.

On August 10, 2020 the Company announced that it had entered into an Option and Joint Venture Agreement with 1930153 ON Ltd. (“1930153 ON”) whereby 1930153 ON can earn up to a 100% interest in the Fostung Property. 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 (Paid). 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 in cash and completing an additional \$1,500,000 worth of work over 2 years. 1930153 ON may further increase its interest to 100% by making an additional cash payment of \$4,500,000 to the Company, subject to a 2.0% NSR royalty.

The Company has been working with the Optionor to operate programs of work including a diamond drill program with objectives towards updating the resource at Fostung and to obtain material to facilitate metallurgical testing. As of the effective date of this report the agreement with 1930153 ON remains in good standing.

## **MONGOWIN GOLD**

The Mongowin property consists of 112 staked and 10 purchased mining claims for a total of 2,560 hectares located in Mongowin Township approximately 20 kilometres south of Espanola Ontario. The purchased mining claims are subject to a 1% NSR to the vendors of which Transition retains the right to purchase 50% or 0.5% of the NSR at any time for \$600,000. The property covers prospective exposures of altered Huronian group sediments and gold bearing structures as well as a number of mineralized occurrences and surrounds the past producing McMillan gold mine which produced approximately 60,000 tonnes grading 0.18 oz per tonne between 1934 and 1937.

On June 14, 2021 the Company announced that it had entered into a binding Letter of Intent (LOI) with McFarlane Lake Mining Incorporated (“MFM”) whereby MFM can purchase a 100% interest in 122 mining claims and 3 patents covering 2,605 hectares in Mongowin Township Under the terms of the LOI, MFM paid XTM \$15,000 upon signing for a 5 month period of exclusivity to assign the Property to a public vehicle (“Pubco”) and complete due diligence. Upon completion of the period of exclusivity, Transition will receive an additional payment of \$85,000 and \$500,000 worth of common stock in Pubco prior to transferring the Property. In addition, Transition will be granted a 1.5% net smelter return royalty from commercial production from the Property, a \$2,500,000 milestone payment upon commencement of commercial production and non-refundable, advanced royalty payments of \$25,000 per year following the 5th year of the execution of a Definitive Agreement for up to 10 years following the date of the agreement.

## **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.

## **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.

## **OTHER PROJECTS**

Transition has a number of other exploration projects in the Canadian provinces of Ontario, Nova Scotia, British Columbia, New Brunswick and Newfoundland and Labrador. Targets are mainly gold, but include: PGMs, tin, nickel and copper. Descriptions of these projects follow.

### **JOLLY GOLD – NORTHWEST ONTARIO**

On November 24, 2020, the Company announced that it has entered into an option agreement to acquire a 100% interest in 9 contiguous mining claims 75 kilometres north of Thunder Bay and has additionally staked new claims to consolidate 4,560 hectares covering a significantly underexplored extension of the Beardmore-Geraldton Greenstone Belt. The property, known as the Jolly Gold project encompasses a number of historic high-grade gold (Au) occurrences where grab samples collected by the Company in September 2020 returned assay values of 14.35 g/t Au with 0.7 g/t Ag at Trench 1, and 3.96 g/t Au, 7.9 g/t Ag and 0.64 % Cu at Trench 2. The two historic trenches lie along a northeast trend, approximately 1.3 km from each other.

The terms of the option agreement on the 9 claims grant the Company the option to earn a 100% interest in the optioned claims by issuing \$175,000 in cash to the vendors (\$25,000 on signing) and by completing an aggregate of \$250,000 in work expenditures over a 4-year period. If the Company vests its interest, the Vendors would retain a 2% Net Smelter Return royalty (NSR) with Transition retaining the right to buy back 1% NSR for \$500,000 and the remaining 1% NSR for an additional \$1.5 million.

On April 8, 2021 the Company announced that it had initiated a high-resolution airborne magnetic survey over its newly acquired Jolly Gold project. The results from this survey are under review in preparation for a planned program of prospecting, geological mapping, geochemical sampling, and trench mapping.

### **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 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 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; the results of which are summarized in the table below.

Table: 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
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

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.

### **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. In 2020 the Company completed an orientation biochemical survey over the ML-North PGM showing and other areas with similar magnetic features and completed a thorough review of the available geophysical results. This work has highlighted several prospective Ni-Cu-PGM targets. In October 2020, the Company assigned 1% NSR on the project to Nova Royalties Corp.

### **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.

On December 10, 2020 the Company entered into an agreement to grant an option of a 100% interest in the property to EnviroTek Remediation Inc. (EnviroTek), a company planning to restructure itself as a mining issuer focused in British Columbia under the name Homerun Resources. Under the terms of the agreement, EnviroTek can earn a 100% interest in the property by issuing 600,000 shares subject to exchange approval followed by additional share issuances totaling \$100,000 worth of common shares over 2 years and by completing \$550,000 worth of exploration expenditures by December 2022. Once vested, Transition would retain a 1.0% Net Smelter Royalty on all mineral production, 0.5% of which can be purchased by the Company for \$1,000,000. The Homathko property is subject to a pre-existing 1.0% royalty sold by the Company to Nova Royalty Corp.

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

The Porterville Property consists of 15 staked claims (375 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 4 staked claims (100 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**

During the Quarter this project was allowed to lapse.

### **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 Company is planning to complete a high resolution airborne mag/EM survey over this property. The objective of the survey is to highlight magnetic and conductivity features considered prospective indicators for targeting large deposits of sediment-hosted copper under cover.

The following table lists detailed company project expenditures during the current year to date.

<b>Interest in Exploration and Evaluation Properties - May 31, 2021</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, 2019	194,005	65,268	5,236	6,576	678,319	101,880	24,873	86,711	50,000	10,000	-	-	-	-	-	134,423	2,632,991	3,990,282	
Additions for the period	-	-	-	-	-	-	4,500	580	-	11,123	-	45,000	13,800	-	-	832	-	75,835	
Write down of mineral exploration property acquisition costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Recovery of acquisition costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balance May 31, 2020	194,005	65,268	5,236	6,576	678,319	101,880	29,373	87,291	50,000	21,123	-	45,000	13,800	-	-	135,255	2,632,991	4,066,117	
Balance August 31, 2020	189,426	65,268	5,236	6,576	678,319	101,880	29,373	94,791	50,000	21,123	-	31,500	13,800	-	25,948	4,950	161,203	2,632,991	4,060,488
Additions for the period	(2,000)	-	-	-	-	-	-	3,000	-	49,439	7,289	-	10,000	-	-	1,578	104,462	-	167,768
Write down of mineral exploration property acquisition costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recovery of acquisition costs	-	(300,000)	(1,201,964)	(65,166)	-	-	-	-	(65,166)	-	-	-	-	-	(111,714)	(148,951)	(295,664)	-	(2,188,625)
<b>Balance May 31, 2021</b>	<b>187,426</b>	<b>234,732</b>	<b>(1,196,728)</b>	<b>(58,590)</b>	<b>678,319</b>	<b>101,880</b>	<b>29,373</b>	<b>91,791</b>	<b>(15,166)</b>	<b>70,562</b>	<b>7,289</b>	<b>31,500</b>	<b>23,800</b>	<b>(137,662)</b>	<b>(142,423)</b>	<b>(29,999)</b>	<b>2,632,991</b>	<b>2,039,631</b>	
<b>Exploration Costs</b>																			
Balance August 31, 2019	3,217,081	485,489	348,909	132,739	1,810,141	1,080,118	48,031	24,821	-	-	-	-	-	-	-	246,213	4,220,879	11,614,421	
Assays, core logging and sampling	1,774	-	-	-	-	-	-	3,103	-	12,929	-	-	-	-	-	-	-	17,806	
Camps, accommodations, meals, travel	4,603	-	-	-	-	-	-	5,339	269	6,893	-	558	463	-	-	1,129	-	19,254	
Drilling and Trenching	-	-	-	-	-	-	-	-	-	20,000	-	-	-	-	-	-	-	20,000	
Geophysical, geochemical and geological	112,690	963	1,512	-	3,333	-	550	109,624	-	12,144	16,038	13,522	10,219	-	-	9,593	-	290,188	
General and Administrative	2,061	80	-	-	-	355	578	200	636	1,153	137	1,186	821	-	-	9,877	-	17,084	
Recovery of exploration costs	-	100,000	150,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(287,273)	
Additions for the period	121,128	98,957	148,488	-	3,333	355	1,128	80,993	905	53,119	16,175	15,266	11,503	-	-	20,599	-	77,059	
Balance May 31, 2020	3,338,209	386,532	200,421	132,739	1,813,474	1,080,473	49,159	105,814	905	53,119	16,175	15,266	11,503	-	-	266,812	4,220,879	11,691,480	
Balance August 31, 2020	3,601,460	290,737	127,663	151,869	1,821,354	1,080,624	49,405	331,090	5,581	59,920	35,072	24,615	14,557	-	85,671	165,773	283,779	4,224,634	11,927,136
Assays, core logging and sampling	8,416	-	-	-	-	-	-	-	-	-	-	-	1,637	-	-	42,831	70,315	123,198	
Camps, accommodations, meals, travel	6,724	-	-	-	-	-	419	-	-	3,473	127	675	1,908	95	2,134	36,454	-	52,009	
Drilling and Trenching	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	105,416	-	105,416	
Geophysical, geochemical and geological	96,645	1,740	-	453	1,992	-	1,258	-	1,791	20,718	2,105	266	79,465	602	33,954	202,079	-	443,068	
General and Administrative	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Recovery of exploration costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Additions for the period	111,785	1,740	-	453	1,992	-	1,677	-	1,791	24,192	2,232	941	83,009	697	78,919	414,264	-	723,692	
<b>Balance May 31, 2021</b>	<b>3,713,245</b>	<b>292,477</b>	<b>127,663</b>	<b>152,322</b>	<b>1,823,346</b>	<b>1,080,624</b>	<b>51,082</b>	<b>331,090</b>	<b>7,372</b>	<b>84,112</b>	<b>37,304</b>	<b>25,556</b>	<b>97,566</b>	<b>84,974</b>	<b>244,692</b>	<b>698,043</b>	<b>4,224,634</b>	<b>12,650,828</b>	
Total additions for the period ended May 31, 2020	121,128	-98,957	148,488	-	3,333	355	5,628	81,573	905	64,242	16,175	60,266	25,303	-	-	21,431	-	152,894	
<b>Total additions for the period ended May 31, 2021</b>	<b>109,785</b>	<b>(298,260)</b>	<b>(1,201,964)</b>	<b>(64,713)</b>	<b>1,992</b>	<b>-</b>	<b>1,677</b>	<b>3,000</b>	<b>(63,375)</b>	<b>73,631</b>	<b>9,521</b>	<b>941</b>	<b>93,009</b>	<b>(111,017)</b>	<b>(68,454)</b>	<b>223,062</b>	<b>-</b>	<b>(1,297,165)</b>	

## **ASSOCIATE COMPANIES**

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

The Company owns 15,000,100 common shares in Canadian Gold Miner Corp. (“CGM”) being approximately 21% 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 320 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 2021. Additional information regarding Canadian Gold Miner Corp. can be obtained at [www.canadiangoldminer.com](http://www.canadiangoldminer.com)

### **SPC NICKEL CORP. (FORMERLY SUDBURY PLATINUM CORP)**

SPC Nickel Corp (“SPC”) is an associated company spun out by Transition that is focused on discovering Class 1 Nickel in the prolific Sudbury mining camp to discover new sources of metals in support of clean energy initiatives.

On December 7, 2020, the SPC filed a preliminary prospectus in order to qualify, for distribution, 29,785,093 common shares of the SPC issuable for no additional consideration upon the exercise or deemed exercise of 29,785,093 Special Warrants. Concurrently, SPC filed a listing application for the common shares of the Company to be publicly traded on the TSX Venture Exchange.

On February 24, 2021 Transition announced that its board of directors had declared a special dividend-in-kind of a portion of the common shares of SPC held by the Company to the Company’s shareholders of record as at March 3, 2021. Each holder of the Company’s common shares on the Record Date would receive 0.1 of an SPC share for each one Transition share held by the Transition shareholders to be paid on or about March 17, 2021. As a result, a total of 5,678,132 shares of SPC were distributed by way of the dividend.

The Company recognized a realized gain on disposition of marketable securities of \$1,424,345 upon the distribution of the special dividend-in-kind. The Company retained 9,321,868 shares representing approximately 9% of SPC shares outstanding.

On March 8, 2021 SPC commenced trading on the TSX Venture Exchange under the ticker symbol SPC.V. Additional information regarding SPC can be obtained at [www.spcnickel.com](http://www.spcnickel.com).

## **DISCUSSION OF OPERATIONS**

Operating expenses for the nine-month period ended May 31, 2021 were a recovery of \$415,883 compared to \$686,407 of expenditures for the nine months ended May 31, 2020. The difference is primarily due to the recovery of exploration expenditures during the current fiscal year upon the sale of royalties on certain of the properties of the Company. This was partially offset by increased stock based compensation during 2021, without a commensurate expense in the comparative 2020 year to date period.

A breakdown of all exploration expenditures incurred by property is presented in the table above.

Consulting fees were \$219,680 for the nine-month period, compared to \$151,518 for the comparative 2020 year to date period due to increased activities in the quarter related to Q3 exploration programs. All other operating expenses remained materially unchanged from the comparative quarter.

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

Three Months Ending (Unaudited)	May 31, 2021	February 28 2021	November 30, 2020	August 31, 2020
Operating Expenses	320,299	(362,599)	1,098,782	(216,770)
Income (Loss) from Operations	1,496,408	2,487,110	1,382,468	1,318,122
Net Income (Loss) for the period	1,496,408	2,487,110	1,382,468	1,318,122
Income (Loss) per share – basic and fully diluted	0.02	0.05	0.02	0.03
Total Assets	11,197,168	11,752,124	8,994,011	7,657,061
Total Liabilities	318,536	248,429	256,725	346,693

Three Months Ending (Unaudited)	May 31, 2020 \$	February 28, 2020 \$	November 30, 2019 \$	August 31, 2019 \$
Operating Expenses	(150,496)	(194,043)	(341,868)	(272,288)
Income (Loss) from Operations	(217,671)	(145,933)	(495,846)	(254,878)
Net Income (Loss) for the year	(217,671)	(145,933)	(495,846)	(254,878)
Income (Loss) per share – basic and fully diluted	(0.00)	(0.00)	(0.01)	(0.00)
Total Assets	5,273,335	5,437,810	5,143,160	5,505,973
Total Liabilities	378,793	334,597	361,002	227,969

## INVESTMENTS

A continuity of investment balances, and the resultant income statement impact, for the three month period ended May 31, 2021 is as follows

### Continuity

Three Months Ending May 31, 2021	Equity Investment in SPC	Equity Investment in CGM	Marketable securities	Total
Balance as at Mar 1, 2021	2,084,646	1,053,125	5,867,406	9,005,177
Disposition on dividend-in-kind	(789,126)	-	-	(789,126)
Reclassification to marketable securities	(1,295,520)	-	1,295,520	-
Mark to market adjustments	-	-	221,947	221,947
Original cost on realized gains	-	-	(306,725)	(306,725)
Equity income (loss) pick up	-	(275,052)	-	(275,052)
<b>Balance as at May 31, 2021</b>	<b>-</b>	<b>778,073</b>	<b>7,078,148</b>	<b>7,856,221</b>

### Income statement impact

Three Months Ending May 31, 2021	Realized gain on disposition	Equity accounting pick up	Unrealized gain	Total
Per above				
Cost of dividend in kind	(789,126)			(789,126)
Equity income (loss) pick up		(275,052)		(275,052)
Mark to market adjustments			221,947	221,947
Original cost on realized gains	(306,725)			(306,725)
Adjusted for				
<b>Value of dividend-in-kind</b>	<b>2,214,471</b>			<b>2,214,471</b>
<b>Proceeds on realized gains</b>	<b>750,863</b>			<b>750,863</b>
<b>Net amount recognized</b>	<b>1,869,483</b>	<b>(275,052)</b>	<b>221,947</b>	<b>1,816,378</b>

## LIQUIDITY AND CAPITAL RESOURCES

As at May 31, 2021, the Company had cash of \$2,858,970 compared to \$1,544,170 as at August 31, 2020. The Company had current assets of \$9,967,030, which management believes is sufficient to satisfy current liabilities of \$318,536 as at May 31, 2021. The following financing activities were completed as follows:

(i) Period ended May 31, 2021

The Company issued 625,000 shares based on the quoted market price for a total value of \$44,450 in satisfaction of an exploration property option payments (see Note 11 of the Financial Statements). In addition, the Company issued a further 800,000 shares pursuant to the exercise of stock options at an average exercise price of \$0.12.

(ii) 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.

## DISCLOSURE OF OUTSTANDING SHARE DATA (AS AT JULY 30, 2021)

The capital structure of Transition Metals is as follows:

Common Shares Issued	57,106,389
Options	4,105,000
Warrants	10,351,024
Fully diluted	71,562,413

## 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 May 31, 2021, the Company had \$2,858,970 in cash and cash equivalents (August 31, 2020 - \$1,544,170)

### Financial Instruments

The Company holds 6,500,000 common shares (August 31, 2020 - 7,000,000) of Forum Energy Metals Corp. ("Forum") pursuant to an option agreement. The Forum shares have been valued at \$0.405 per share as at May 31, 2021 (August 31, 2020 – \$0.145) based on their quoted market price. The Company holds 1,179,600 common shares (August 31, 2020 – 1,529,720) of Class 1 Nickel & Tech Ltd. ("Class 1") pursuant to an option agreement. The Class 1 shares have been valued at \$0.57 per share as at May 31, 2021 (August 31, 2020 – \$0.75) based on their quoted market price. The Company holds 390,000 common shares (August 31, 2020 - Nil) of Nova Royalty Corp. ("Nova") pursuant to a sale of mineral property royalties. The Nova shares have been valued at \$3.85 per share as at May 31, 2021 (August 31, 2020 – N/A) based on their quoted market price. The Company holds 9,321,868 common shares (August 31, 2020 – 15,000,000) of SPC, which were previously accounted for using the equity method. The SPC shares have been valued at \$0.255 per share as at May 31, 2021 (August 31, 2020 – N/A) based on their quoted market price.

In connection with the disposition of securities of the above-noted companies, the Company realized a gain on sale of marketable securities of during the first nine months of the current fiscal year of \$2,089,000 (2019 - \$(7,611)).

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 May 31, 2021 and August 31, 2020 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	6,876,724	-	-
GIC's	-	49,730	-
<b>May 31, 2021 total</b>	<b>6,876,724</b>	<b>49,730</b>	<b>-</b>
Investment in marketable securities	2,162,290	-	-
GIC's	-	49,704	-
<b>August 31, 2020 total</b>	<b>2,162,290</b>	<b>49,704</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 periods ended November 30, 2020 and 2019 was as follows:

	2021	2020
	\$	\$
Short term benefits	196,980	222,566
Share based payments	228,000	-
	<u>424,980</u>	<u>222,566</u>

Short term benefits are included in: consultant fees and exploration and evaluation expenditures. Included in accounts payable and accrued liabilities as at May 31, 2021, is \$107,149 (August 31, 2020 - \$45,220) 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 May 31, 2021 is \$7,472 (August 31, 2020 - \$17,959) due from SPC and CGM in total. These amounts are unsecured, non-interest bearing and due on demand.

## 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 May 31, 2021, all flow-through funds had been spent.

## RISK FACTORS

The operations of the Company are speculative due to the high-risk nature of its business, which involves 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 period ended May 31, 2021, which have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

As at May 31, 2021, 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 Sunday Lake PGM-Cu-Ni joint venture with Implats and Implats Canada near Thunder Bay, Wollaston sedimentary copper project and the development of its investment interest in gold projects in the Sudbury Mining District. It is anticipated that CGM will complete a public transaction in 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.