

BeMetals Corp. (formerly BQ Metals Corp.)

Management's Discussion and Analysis
of Financial Condition and Results of Operations
Three months ended March 31, 2018 and 2017

Management's Discussion and Analysis

The following discussion is management's assessment and analysis of the results and financial condition of BeMetals Corp. (the "Company"), and should be read in conjunction with the accompanying unaudited condensed interim consolidated financial statements and related notes. The preparation of financial data is in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") and all figures are reported in Canadian dollars unless otherwise indicated. The effective date of this report is May 29, 2018.

Description of Business and Corporate Highlights

The Company was incorporated on February 4, 2008 under the Business Corporations Act of the Province of British Columbia. In March 2010, the Company completed its initial public offering and commenced trading on Tier 2 of the TSX Venture Exchange ("TSX-V") as a Capital Pool Company ("CPC"). As a CPC, the Company has no material commercial operations and no material assets other than cash. The Company did not complete its Qualifying Transaction within 24 months as required by the TSX-V and was subsequently transferred to NEX, a separate board of the TSX-V, on July 3, 2012. The Company remains a CPC and the principal business is the identification and evaluation of assets and to negotiate an acquisition of or participation in a business (the "Qualifying Transaction").

In February 2018, the Company entered into an agreement to acquire up to a 72% interest in the Pangeni Project in the Zambian Copperbelt (the "Pangeni Project"), which the Company intends to file with the TSX-V as its Qualifying Transaction. The Company can acquire a 67.5% interest in the Pangeni Project over a five year period by expending US \$2.5 million on exploration, incurring cash payments of US \$1.45 million, and issuing 500,000 shares. Following acquisition of the initial 67.5% interest the Company can acquire an additional 4.5% interest by completing a feasibility study and making a further cash payment of US \$750,000.

The Pangeni Project is located on the western extension of the Zambian Copperbelt underlain by Katangan Supergroup metasediments which are covered by a thin veneer of Kalahari sands. The Sentinel, open pit, Copper Mine is operated by First Quantum Minerals some 130 kilometres to the northeast of the Pangeni Project. A number of other major international mining companies have identified this region of the Zambian Copperbelt to be prospective for the discovery of tier one copper mines and are conducting exploration field work. Limited historic work on the licence has included soil geochemistry, airborne magnetics and the core drilling of 5 holes totalling 1000 metres in two different initial geochemical anomalies approximately 20 kilometres apart.

The Central target was tested with 3 holes over 500 metres strike length with CT1 intersecting up to 6.1 meters containing 0.34 percent copper. In the South West target area, 2 holes tested 1200 metres of strike length and contained up to 0.48 percent copper over 5.5 metres in SW 1.

These mineralized zones remain open to additional drill testing and other areas of the licence largely unexplored. The encouraging initial drilling results provide significant proof of concept, of the exploration potential and indicate that further copper mineralization can be discovered under the extensive Kalahari sand cover within the license. The agreement and acquisition remains subject to approval by the TSX-V.

In February 2018, the Company appointed John Wilton as Chief Executive Officer and President and to the board of directors of the Company. Additionally, Harry Pokrandt resigned as a director of the Company. The Board of Directors is now comprised of John Wilton, Clive Johnson, Roger Richer and Tom Garagan.

In April 2018, the Company changed its name to BeMetals Corp. from BQ Metals Corp. (previously Miza Enterprises Inc.). In connection with the name change, the Company's trading symbol on the NEX board of the TSX Venture Exchange was changed to "BMET.H". The Company's head office address is 3123 – 595 Burrard Street, Vancouver, BC, V7X 1J1. The registered and records office address is 2500 – 700 W. Georgia Street, Vancouver BC, V7Y 1B3.

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Outlook

The Company intends to file the Pangeni Project as its Qualifying Transaction with the TSX-V and preparation of an independent 43-101 Technical Report is in advanced stages. The Company plans to commence exploration at the Pangeni Project in the first half of 2018, led by its new CEO and President John Wilton and in partnership with the other stakeholders in the Pangeni Project - Copper Cross Zambia Limited and Pangeni Mineral Resources Limited.

The Company continues to aggressively identify and evaluate other potential opportunities as part of its growth strategy with the goal of becoming a significant base metals company through the acquisition of quality exploration, development and production stage base metal projects. This strategy is directed by the Board, key members of which have an extensive, proven track record in delivering considerable value in the mining sector through the discovery and building of mines.

Overall Performance and Results of Operations

Total assets increased to \$153,873 at March 31, 2018, from \$148,999 at December 31, 2017. The most significant assets at March 31, 2018, were cash of \$21,669 (December 31, 2017: \$105,869), amounts receivable of \$43,130 (December 31, 2017: \$43,130), and exploration and evaluation assets of \$87,824 (December 31, 2017: \$nil). The decrease in cash was due to \$21,665 used in operating activities and \$62,535 used in investing activities.

During the three months ended March 31, 2018, the Company entered into an agreement to acquire up to a 72% interest in the Pangeni Project. During the year ended December 31, 2017, the Company entered into an agreement to acquire an operating mine with a development asset and subsequently a number of conditions to closing were not met and the Company elected to terminate the transaction (the "Europe Project").

Net loss and comprehensive loss for the three months ended March 31, 2018, decreased by \$336,066 from \$511,150 for the three months ended March 31, 2017, to \$175,084 for the three months ended March 31, 2018. The decrease in net loss and comprehensive loss is largely due to:

- A decrease of \$204,622 in consulting fees. Consulting fees were \$30,000 for the three months ended March 31, 2018, compared to \$234,622 for the three months ended March 31, 2017. This was due to higher consulting fees in the prior period, mainly relating to the Europe Project.
- A decrease of \$200,014 in professional fees. Professional fees were \$35,847 for the three months ended March 31, 2018, compared to \$235,861 for the three months ended March 31, 2017. This was due to higher professional fees in the prior period, mainly relating to the Europe Project.
- A decrease of \$27,995 in travel. Travel was \$nil for the three months ended March 31, 2018, compared to \$27,995 for the three months ended March 31, 2017. This was due to higher travel costs in the prior period, mainly relating to the Europe Project.

The decrease in net loss and comprehensive loss was partially offset by:

- An increase of \$62,144 in share-based compensation. Share-based compensation was \$62,144 for the three months ended March 31, 2018, compared to \$nil for the three months ended March 31, 2017. 2,250,000 share options were granted, of which 250,000 share options vested in the current period, whereas none vested in the prior period.

Liquidity and Capital Resources

As at March 31, 2018, the Company had a working capital deficit of \$231,725. The Company does not currently have a recurring source of revenue and does not currently have sufficient financial resources to cover its operating costs and undertake its currently planned programs for the next twelve months. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such

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financing will be on terms that are acceptable to the Company. The uncertainty of the Company's success in raising additional capital funding casts significant doubt on the Company's ability to continue as a going concern.

The Company has no bank debt or banking credit facilities in place.

Summary of Quarterly Results

	Three months ended March 31, 2018	Three months ended December 31, 2017	Three months ended September 30, 2017	Three months ended June 30, 2017
Revenue	\$ -	\$ -	\$ -	\$ -
Net loss and comprehensive loss	(175,084)	(81,099)	(38,118)	(1,157,423)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.02)

	Three months ended March 31, 2017	Two-month period ended December 31, 2016	Three months ended October 31, 2016	Three months ended July 31, 2016
Revenue	\$ -	\$ -	\$ -	\$ -
Net loss and comprehensive loss	(511,150)	(181,729)	(34,167)	(13,161)
Basic and diluted loss per share	(0.01)	(0.01)	(0.00)	(0.00)

The increase in net loss and comprehensive loss for the three months ended March 31, 2018, was primarily the result of share-based compensation. The increase in net loss and comprehensive loss for the three months ended June 30, 2017, and March 31, 2017, was primarily the result of increased consulting expenses and legal fees relating to the Europe Project.

Outstanding Share Data

As at the date of this report, there were 56,798,577 common shares issued and outstanding, of which 4,108,572 common shares remain in escrow.

In February 2018, the Company granted 2,250,000 share options to a director, exercisable at a price of \$0.24 per share until February 27, 2028, vesting over a period of three years.

As at the date of this report, there were 5,520,000 share options outstanding.

Related Party Transactions

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

During the three months ended March 31, 2018, key management personnel compensation, including directors and officers, was comprised of \$98,557 (three months ended March 31, 2017: \$nil), \$62,144 of which related to share options granted to an officer of the Company and \$36,413 of which was management fees to the Chief Executive Officer of the Company. As at March 31, 2018, \$18,266 was due to the Chief Executive Officer of the Company and is included in trade and other payables in the statement of financial position.

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Critical Accounting Policies and Estimates

The Company has prepared the accompanying financial statements in accordance with IFRS. Significant accounting policies are described in Note 3 of the Company's financial statements as at and for the year ended December 31, 2017.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

Adoption of new accounting policies

Effective January 1, 2018, the following standards were adopted but have had no material impact on the financial statements:

- IFRS 9: New standard that replaced IAS 39 for classification and measurement of financial assets, which is effective for annual periods beginning on or after January 1, 2018. The Company does not expect the adoption of this standard to have a significant measurement impact on its consolidated financial statements.

Exploration and Evaluation Assets

Exploration and evaluation expenditures are capitalized on a property by property basis once the legal right to explore a property has been acquired, and future economic benefits are more likely than not to be realized. These include the costs of acquiring, maintaining its interest in, and exploring and evaluating mineral properties until such time as the lease expires, it is abandoned, sold, or considered impaired in value. Costs incurred before the Company has obtained the legal right to explore, as well as indirect administrative costs, are expensed as incurred.

At each reporting date the carrying amounts of the Company's exploration and evaluation assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash generating units to which the exploration activity relates. Each of the Company's properties is considered to be a separate cash generating unit. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Risks and Uncertainties

The Company is engaged in the acquisition and exploration of natural resource properties, an inherently risky business, and there is no assurance that economically recoverable resources will ever be discovered and subsequently put into production. Most exploration projects do not result in the discovery of economically recoverable resources. Exploration activities require large amounts of capital. There is a risk that during the current difficult economic situation the Company will not be able to raise sufficient funds to finance its projects to a successful development and production stage.

While the Company's management and technical team carefully evaluate all potential projects prior to committing the Company's participation and funds, there is a high degree of risk that the Company's exploration efforts will not result in discovering economically recoverable resources.

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The Company depends on the business and technical expertise of its management team and there is little possibility that this dependence will decrease in the near term.

Financial Instruments and Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company's exposure to credit risk is on its cash and amounts receivable. The Company reduces its credit risk by maintaining its bank accounts at a large international financial institution. Amounts receivable is comprised of GST refundable from the Canadian Government. The maximum exposure to credit risk is equal to the fair value or carrying value of these financial assets.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company attempts to ensure there is sufficient access to funds to meet on-going business requirements, taking into account its current cash position and potential funding sources.

Historically, the Company's source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain and there can be no assurance of continued access to significant funding from these sources. Management has concluded that the Company does not have adequate financial resources to settle obligations as at March 31, 2018, and will require additional funding to continue operations for the next twelve months.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency. The Company's reporting currency is the Canadian dollar and major purchases are transacted in Canadian and US dollars.

The Company maintains Canadian and US dollar bank accounts in Canada. The Company is subject to gains and losses from fluctuations in the US dollar against the Canadian dollar.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. Changes in short term interest rates will not have a significant effect on the fair value of the Company's cash account.

Management's Report on Internal Control over Financial Reporting

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited condensed interim consolidated financial statements and the audited annual consolidated financial statements and respective accompanying Management's Discussion and Analysis.

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The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Additional information relating to the Company is available on SEDAR at www.sedar.com.

Caution Regarding Forward Looking Information

This Management Discussion and Analysis may contain certain "forward-looking statements" within the meaning of Canadian securities legislation. Forward-looking statements are statements that are not historical facts; they involve predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "aims", "potential", "goal", "objective", "prospective", and similar expressions, or that events or conditions "will", "would", "may", "can", "could" or "should" occur. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made and they include a number of known and unknown risks and uncertainties and other factors. Consequently, there can be no assurances that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward looking information	Assumptions	Risk Factors
The Company's anticipated plans, costs, timing and capital for future development of the Company's mineral exploration properties.	Financing will be available for future exploration and development of the Company's properties; the actual results of the Company's exploration and development activities will be favourable; exploration and development costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff, all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Company; the price of precious and base metals and applicable interest and exchange rates will be favourable to the Company; no title disputes exist with respect to the Company's properties.	Precious and base metals price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; availability of financing for and actual results of the Company's exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff.
The Company's ability to carry out anticipated exploration on its mineral exploration properties	The operating and exploration activities of the Company for the twelve months ending December 31, 2018, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions.

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Forward looking information	Assumptions	Risk Factors
Plans, costs, timing and capital for future exploration and development of the Company's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations	Financing will be available for the Company's exploration and development activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company' the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to the Company' the price of precious and base metals will be favourable to the Company; no title disputes exist with respect to the Company's properties.	Precious and base metals price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff.
Management's outlook regarding future trends	Financing will be available for the Company's exploration and operating activities; the price of precious and base metals will be favourable to the Company; required regulatory approvals for the acquisition of mineral properties will be received.	Precious and base metals price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions.

Inherent in forward looking statements are risks, uncertainties and other factors beyond the control of the Company's ability to predict or control. Please make reference to those risk factors referenced in the "risk factors" section above and as discussed in greater detail in the Company's various filings on SEDAR (www.sedar.com) with Canadian Securities Regulators. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and development are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements outlined in this MD&A.

Forward-looking statements include known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by the cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise review any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.