METAMATERIAL INC. (FORMERLY CONTINENTAL PRECIOUS MINERALS INC.)

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

FOR THREE AND NINE MONTHS ENDED FEBRUARY 29, 2020

Introduction

The following Interim management's discussion and analysis ("Interim MD&A") of the financial condition and results of the operations of Metamaterial Inc. (formerly Continental Precious Minerals Inc.) (the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and nine months ended February 29, 2020. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited consolidated financial statements of the Company for the years ended May 31, 2019 and 2018, together with the notes thereto and the unaudited condensed interim consolidated financial statements of the Company for the three and nine months ended February 29, 2020, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included in this MD&A. Information contained herein is presented as at April 28, 2020, unless otherwise indicated.

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The unaudited condensed interim consolidated financial statements for the three and nine months ended February 29, 2020 have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from the offices of the Company or on SEDAR at **www.sedar.com**.

Cautionary Note Regarding Forward-Looking Information

This Interim MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this Interim MD&A speak only as of the date of this Interim MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this Interim 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 statement	Assumptions	Risk factors
The Company will be able to carry out anticipated business plans.	The operating activities of the Company for the twelve months ending February 28, 2021, will be consistent with the Company's current expectations.	Sufficient funds not being available; increases in costs; the Company may be unable to retain key personnel.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risks and Uncertainties" section below. 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 developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause 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 this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise 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.

Description of Business

As at February 29, 2020, immediately prior to the amalgamation described herein, Continental Precious Minerals Inc. (the "Company") was a reporting issuer that traded on the NEX under the Symbol "CZQ.H". The primary office was located at 82 Richmond Street East, Toronto, Ontario, M5C 1P1.

Pursuant to the RTO, explained below in the "Overall Performance" section, the Company's name was changed to Metamaterial Inc. and the Company's Common Shares commenced trading on the Canadian Securities Exchange under the symbol "MMAT".

Overall Performance

On March 5, 2020, the Company announced that it has completed its previously announced business combination with Metamaterial Technologies Inc. ("MTI") by way of a three-cornered amalgamation. MTI amalgamated with Continental Precious Minerals Subco Inc. ("Subco"), a wholly owned subsidiary of the Company, to form an amalgamated entity named Metacontinental Inc. ("Metacontinental"), and the securities of MTI were exchanged for securities of the Company (the "RTO"). The RTO was completed pursuant to the terms and conditions of an amalgamation agreement dated August 16, 2019 between META, MTI and the Subco, as amended pursuant to an amending agreement dated March 4, 2020 (the "Amalgamation Agreement").

Pursuant to the RTO, the common shares and Class A-1 preferred shares of MTI were exchanged for common shares of the Company ("META Common Shares") at a ratio of 2.75 META Common Shares for each MTI common share or Class A-1 preferred shares held by a holder. The Class A-2 preferred shares of MTI were exchanged at a ratio of 4.125 META Common Shares for each MTI Class A-2 preferred share held.

All convertible securities of MTI were also exchanged for convertible securities of META in accordance with the exchange ratios set forth in the Amalgamation Agreement.

Prior to the closing of the RTO, the Company changed its name from "Continental Precious Minerals Inc." to "Metamaterial Inc." The Company and Metacontinental are now both headquartered in the Halifax Regional Municipality, Nova Scotia.

The Company's Common Shares were delisted from the NEX Board of the TSX Venture Exchange effective March 4, 2020. The Company's Common Shares commenced trading on the Canadian Securities Exchange on Monday, March 9, 2020 under the symbol "MMAT".

Off-Balance-Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Proposed Material Transactions

As of the date of this MD&A, the Company does not have any proposed material transactions.

Capital Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of acquisitions; and
- to maximize shareholder return.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the board of directors on an ongoing basis. The Company considers its capital to be total shareholders' equity, comprising share capital, reserves and deficit which at February 29, 2020, totalled $4,190,638 (May 31, 2019 - $4,812,106).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Information is provided to the Board of Directors of the Company. The Company's capital management objectives, polices and processes have remained unchanged during the period ended February 29, 2020.

Selected Quarterly Information

The Company's quarterly information in the table below is prepared in accordance with IFRS.

Three Months Ended	Total Revenue ($)	Income (loss)		Total Assets ($)
		Total ($)	Per Share (9) (10) ($)	
February 29, 2020	-	(214,224) (1)	(0.02)	4,418,518
November 30, 2019	-	(300,673) (2)	(0.03)	4,652,029
August 31, 2019	-	(106,571) (3)	(0.00)	4,739,758
May 31, 2019	-	(48,035) (4)	(0.00)	4,837,028
February 28, 2019	-	(306,598) (5)	(0.03)	4,900,529
November 30, 2018	-	(126,767) (6)	(0.01)	5,224,257
August 31, 2018	-	(24,063) (7)	(0.00)	5,276,600
May 31, 2018	-	(395,235) (8)	(0.03)	5,300,105

Notes:

(1) Net loss of $214,224 principally relates to professional fees of $205,895, director fees of $9,807, office and general of $3,594, shareholder relations of $941 offset by interest income of $6,013.

(2) Net loss of $300,673 principally relates to professional fees of $275,134, director fees of $9,803, office and general of $2,711, shareholder relations of $18,443 and travel and business development of $448 offset by interest income of $5,866.

(3) Net loss of $106,571 principally relates to professional fees of $58,983, director fees of $39,803, office and general of $9,380, stock exchange fees of $1,250, shareholder relations of $728 and travel and business development of $2,273 offset by interest income of $5,846.

(4) Net loss of $48,035 principally relates to professional fees and office and general of $41,323, director fees of $15,027 offset by interest income of $12,619.

(5) Net loss of $306,598 principally relates to professional fees of $98,919, office and general of $194,363 which includes $180,229 foreign exchange loss and director fees of $18,487 offset by interest income of $6,912.

(6) Net loss of $126,767 principally relates to professional fees of $43,179, office and general of $9,318, director fees of $15,618 and share-based compensation of $56,500, offset by interest income of $16,931.

(7) Net loss of $24,063 principally relates to professional fees of $15,149, office and general of $6,335 and director fees of $15,645 off set by interest income of $14,316.

(8) Net loss of $395,235 principally relates to professional fees of $44,570, director fees of $13,250, office and general of $9,367, shareholder relations of $196, stock exchange fees of $5,000, loss on settlement of litigation of $300,000, and write off of reclamation bond of $37,000 offset by interest income of $14,148.

(9) Basic and diluted.

(10) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

Discussion of Operations

Three months ended February 29, 2020, compared with three months ended February 28, 2019

The Company's net loss totalled $214,224 for the three months ended February 29, 2020, with basic and diluted loss per share of $0.02. This compares with a net loss of $306,598 with basic and diluted loss per share of $0.03 for the three months ended February 28, 2019. The decrease in loss of $92,374 was principally because:

- Professional fees increased by $106,976 for the three months ended February 28, 2020 compared to the three months ended February 28, 2019 on account of RTO discussed above.
- Office and general decreased by $190,769 for the three months ended February 29, 2020 compared to three months ended February 28, 2019.
- Director fees decreased by $8,680 for the three months ended February 29, 2020 compared to the three months ended February 28, 2019.
- All other expenses related to general working capital purposes.

Nine months ended February 29, 2020, compared with nine months ended February 28, 2019

The Company's net loss totalled $621,468 for the nine months ended February 29, 2020, with basic and diluted loss per share of $0.05. This compares with a net loss of $457,428 with basic and diluted loss per share of $0.04 for the nine months ended February 28, 2019. The increase in loss of $164,040 was principally because:

- Office and general decreased by $194,331 for the nine months ended February 29, 2020 compared to nine months ended February 28, 2019.
- Share-based compensation decreased by $56,500 for the nine months ended February 29, 2020 compared to nine months ended February 28, 2019.
- Shareholder relations increased by $5,965 for the nine months ended February 29, 2020 compared to nine months ended February 28, 2019.
- Professional fees increased by $382,765 for the nine months ended February 29, 2020 compared to the nine months ended February 28, 2019. The increase in professional fees was mainly due to the RTO discussed above.
- Director fees increased by $9,663 for the nine months ended February 29, 2020 compared to nine months ended February 28, 2019.
- All other expenses related to general working capital purposes.

Liquidity and Financial Position

There is no assurance that equity capital will be available to the Company in the future in the amounts or at the times desired or on terms that are acceptable to the Company to pursue other business opportunities. See "Risks and Uncertainties" below.

Cash used in operating activities was $400,214 for the nine months ended February 29, 2020. Operating activities were affected by the net change in non-cash working capital balances of $46,017 because of an increase in accounts payable and accrued liabilities of $202,958, a decrease in prepaid expenses of $6,324 and a decrease in accounts receivable of $11,972.

There were no cash flows from investing activities or financing activities during the nine months ended February 29, 2020.

At February 29, 2020, the Company had $4,391,504 in cash and cash equivalents (May 31, 2019 - $4,791,718).

Accounts payable and accrued liabilities increased to $227,880 at February 29, 2020, compared to $24,922 at May 31, 2019. The Company's cash balance as at February 29 2020 is sufficient to pay these liabilities.

The Company has no operating revenues and therefore must utilize its income from marketable securities, funds obtained from the exercise of stock options and other financing transactions to maintain its capacity to meet ongoing operating activities.

As of February 29, 2020, and to the date of this MD&A, the cash resources of the Company were held with financial institutions with high creditworthiness.

The Company has no debt and its credit and interest rate risk is minimal. Accounts payable and accrued liabilities are short-term and non-interest-bearing.

The available funds were used to pay for MTI outstanding liability of $3,480,000 as of March 5, 2020 and upon completion of secured debenture financing of $5 million by META, the Company has adequate funds to continue operations for six to eight months depending on its capital spend.

Related Party Transactions

Related parties include the Board of Directors, officers, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions. In accordance with International Accounting Standards 24 Related Party Disclosure, 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 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.

During the three and nine months ended February 29, 2020, Marrelli Support Services Inc. ("Marrelli Support") and DSA Corporate Services Inc., together known as the "Marrelli Group" charged the Company $9,162 and

$34,275, respectively, (three and nine months ended February 28, 2019 - $8,346 and $32,685, respectively) in professional fees for the following services:

- Mr. Peng, employee of Marrelli Support, to act as Chief Financial Officer ("CFO") of the Company.
- Bookkeeping and office support services:
- Regulatory filing services; and
- Corporate secretarial services.

The Marrelli Group is also reimbursed for out of pocket expenses. As of February 29, 2020, the Marrelli Group was owed $6,304 (May 31, 2019 - $4,854). These amounts were included in accounts payable and accrued liabilities. These amounts are unsecured, non-interest bearing and due on demand.

Other than the consulting fees and professional fees discussed in the above, remuneration of Directors and key management personnel of the Company was as follows:

Salaries:

	Three months ended February 29, 2020 $	Three months ended February 29, 2019 $	Nine months ended February 29, 2020 $	Nine months ended February 28, 2019 $
Martin Bernholtz, Director	nil	3,750	nil	11,250
Norman Brewster, interim CEO and Director	3,250	3,250	24,750	19,750
Gordon Ashworth, Director	3,250	3,250	19,000	9,750
Ram Ramkumar, Director	3,000	3,000	14,750	9,000
Total	**9,500**	**13,250**	**58,500**	**49,750**

Share-based compensation:

	Three months ended February 29, 2020 $	Three months ended February 29, 2019 $	Nine months ended February 29, 2020 $	Nine months ended February 28, 2019 $
Martin Bernholtz, Director	nil	nil	nil	14,125
Norman Brewster, interim CEO and Director	nil	nil	nil	14,125
Gordon Ashworth, Director	nil	nil	nil	14,125
Ram Ramkumar, Director	nil	nil	nil	14,125
Total	**nil**	**nil**	**nil**	**56,500**

Members of the Board of Directors do not have employment or service contracts with the Company. They are entitled to director fees and stock options for their services.

Disclosure Controls

Disclosure controls and processes have been designed to ensure that information required to be disclosed by the Company is compiled and reported to Company management as appropriate to allow timely decisions regarding required disclosure. The Company's CEO and CFO have concluded, based on their evaluation as of February 29, 2020, that the Company's disclosure controls and procedures are effective to provide reasonable assurance that material information related to the Company is made known to them by employees and third party consultants working for the Company. There have been no significant changes in the Company's disclosure controls and processes during the nine months ended February 29. 2020.

It should be noted that while the Company's CEO and CFO believe that the Company's disclosure controls and processes will provide a reasonable level of assurance and that they are effective, they do not expect that the disclosure controls and processes will prevent all errors and frauds. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that its objectives are met.

Internal Control Over Financial Reporting ("ICFR")

Management is responsible for certifying the design of the Company's ICFR as required by National Instrument 52-109 – "Certification of Disclosure in Issuers' Annual and Interim Filings". ICFR is intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of condensed interim consolidated financial statements for external purposes in accordance with IFRS. ICFR should include those policies and procedures that establish the following:

- maintenance of records in reasonable detail that accurately and fairly reflect the transactions and dispositions of assets;
- reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS;
- receipts and expenditures are only being made in accordance with authorizations of management and the Board of Directors; and
- reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the condensed interim consolidated financial statements.

Because of its inherent limitations, ICFR may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management, including the CEO and CFO, has evaluated the design of the Company's ICFR as of February 29, 2020 pursuant to the requirements of Multilateral Instrument 52-109. The Company has designed appropriate ICFR for the nature and size of the Company's business, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS except as noted herein.

There have been no changes in ICFR during the nine months ended February 29, 2020 that have materially affected, or are reasonably likely to materially affect the Company's ICFR.

Share Capital

As of February 29, 2020, the Company had 11,706,896 issued and outstanding common shares. As of the date of this MD&A the Company had 83,597,092 issued and outstanding common shares, 13,114,697 options, 1,872,750 deferred share units, 1,651,352 warrants, 52,861 broker warrants, and 9,571,428 common shares reserved to convert secured and unsecured convertible debenture into common shares.

Financial Instruments

The Company's financial instruments consist of:

Description	February 29, 2020 $	May 31, 2019 $
Cash and cash equivalents	4,391,504	4,791,718
Marketable securities	4,392	4,392
Accounts receivable	3,990	15,962
Accounts payable and accrued liabilities	227,880	24,922

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange risk and equity and commodity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and accounts receivable. Cash and cash equivalents consist of cash and investment-grade short-term guaranteed investment certificates, which have been invested with the Company's banking institution, from which management believes the risk of loss to be minimal.

Accounts receivable consists of sales taxes receivable from government authorities in Canada. Accounts receivable are in good standing as of February 29, 2020. Management believes that the credit risk concentration with respect to financial instruments included in accounts receivable is minimal.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they come due. As at February 29, 2020, the Company had a cash and cash equivalents balance of $4,391,504 (May 31, 2019 - $4,791,718) to settle current liabilities of $227,880 (May 31, 2019 - $24,922).

All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company believes it has sufficient funds to meet its liabilities when they become due.

Market Risk

Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by the Company's Canadian chartered bank. Management believes that the Company's exposure to interest rate risk is minimal.

Sensitivity analysis

As of February 29, 2020, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve-month period:

(i) Cash and cash equivalents are subject to floating interest rates. As at February 29, 2020, if interest rates had decreased/increased by 1% with all other variables held constant, the loss for the three and nine months ended February 29, 2020 would have been approximately $33,000 (February 28, 2019 - $42,000) higher/lower as a result of lower/higher interest income from cash and cash equivalents and short-term investments. Similarly, as at February 29, 2020, reported Shareholder's Equity would have been approximately $33,000 (February 28, 2019 - $42,000) lower/higher as a result of lower/higher interest income from cash and cash equivalents and short-term investment due to a 1% decrease/increase in interest rates.

(ii) The Company does not hold significant balances in foreign currencies to give rise to exposure to foreign exchange risk.

Commitments

The Company's contractual obligations as at February 29, 2020 include:

Contractual Obligations	Total	Up to 1 year	1 - 3 years	4 - 5 years	After 5 years
Accounts payable and accrued liabilities	$227,880	$227,880	$nil	$nil	$nil
Total	**$227,880**	**$227,880**	**$nil**	**$nil**	**$nil**