CONTINENTAL PRECIOUS MINERALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR YEAR ENDED MAY 31, 2019

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Continental Precious Minerals Inc. ("Continental" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended May 31, 2019. 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. 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 September 10, 2019, unless otherwise indicated.

The Company's financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

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 Continental'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 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 MD&A speak only as of the date of this MD&A or as of the date specified in such statement. 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 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 May 31, 2020, 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 Continental'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 MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Continental'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

Continental was a reporting issuer listed on the Toronto Stock Exchange ("TSX") under the symbol "CZQ". The Company was amalgamated with Fin Resources Inc., under the laws of the Province of Ontario, Canada by Articles of Amalgamation dated July 7, 1987. Historically Continental's business focus has been in the natural resources industry. Current management is actively seeking new business opportunities.

Overall Performance

On June 26, 2017, the Company's application to voluntarily delist its shares from trading on the TSX and transition to the NEX has been approved. Accordingly, the Company's shares commenced trading on the NEX at market open on July 4, 2017 under the new symbol "CZQ.H".

On April 3, 2018, the Company agreed to settle the action and counterclaim involving Edward Godin, the Company's former President and Chief Executive Officer by paying $125,000 towards Mr. Godin's legal costs and $175,000 minus withholding for taxes of $52,000 to Mr. Godin for a total payment of $300,000.

Management and directors are currently reviewing opportunities outside the extraction industry that have developed as a result of present market conditions and the Company's strong cash position.

On February 15, 2019, the Company terminated an agreement with respect to a potential reverse takeover transaction involving High Speed Interconnects, Inc. ("HSI"), a company headquartered in Scottsdale, Arizona, which extrudes and assembles high-performance RF microwave coaxial cable.

The parties had entered into a letter of intent in December 2018, which was binding on HSI and its principals but not binding on Continental. The parties subsequently entered into a definitive binding agreement on

January 24, 2018. Prior to Continental issuing a press release announcing the transaction, which had been approved by all parties, HSI and its principals communicated to Continental that they wanted to change certain terms of the transaction. As a result of HSI breaching the terms of the agreements between the parties, Continental has terminated the definitive agreement.

On February 28, 2019, the Company issued a statement of claim in the Ontario Superior Court of Justice (the "Statement of Claim") against HSI and related parties (the "Vendors") in connection with the terminated transaction described in the Company's press release issued on February 19, 2019. The Statement of Claim concerns, among other causes of action, the alleged breach by the Vendors of certain representations, warranties and covenants in the securities exchange agreement entered into between the Company and the Vendors on January 24, 2019. Pursuant to the Statement of Claim, the Company is seeking various damages.

On February 27, 2019, HSI filed suit against the Company in the United States District Court in and for the District of Arizona, the same day the Company issued a statement of claim against HSI in Ontario. On June 10, 2019, both the Arizona lawsuit and Ontario statement of claim were dismissed. Stipulated dismissal papers were submitted to each court on the same day, and orders approving the dismissal stipulations were expected from the courts in due course. Each party would bear its own fees and litigation costs. No money changed hands between the parties in connection with these settlements.

On August 16, 2019, the Company entered into an amalgamation agreement (the "Amalgamation Agreement") with Metamaterial Technologies Inc. ("Metamaterial"), a Nova Scotia-based developer of smart materials and photonics, and Continental Precious Minerals Subco Inc. ("Subco"), a wholly-owned subsidiary of the Company (the "Transaction"). Subject to the conditions set forth in the Amalgamation Agreement, the Transaction will take the form of a three-cornered amalgamation, which will result in Metamaterial becoming a wholly-owned subsidiary of the Company by amalgamating with Subco and the shareholders of Metamaterial becoming shareholders of the Company.

It is expected that approximately 67,004,266 the Company's common shares will be issued to the shareholders of Metamaterial as consideration for 100% of the issued and outstanding shares of Metamaterial. Upon completion of the Transaction, the shareholders of Metamaterial are expected to own approximately 86% of the Company's common shares.

Pursuant to the Amalgamation Agreement, Metamaterial may issue convertible promissory notes for aggregate gross proceeds of up to $600,000 per month, equity under a private placement for aggregate gross proceeds of up to $6,000,000 and a senior secured convertible debenture from a leading Canadian bank for aggregate gross proceeds of up to $5,000,000.

Upon the closing of the Transaction, and subject to receipt of all required approvals, the Company intends to change its name to "Metamaterial Inc."

In connection with the Transaction, and subject to the receipt of all necessary shareholder and regulatory approvals, the Company intends to voluntarily de-list the common shares of Continental from the facilities of the NEX board of the TSX Venture Exchange ("TSXV") prior to the completion of the Transaction. It is a condition of closing that the Resulting Issuer obtain a listing of Resulting Issuer Common Shares on the facilities of the Canadian Securities Exchange ("CSE"). As a result, it is anticipated that the Transaction will be governed by the policies of the CSE.

Exploration and Evaluation Assets

DOK PROPERTY

During the year ended May 31, 2016, the Company decided not to pursue the option agreement and has fully impaired the property. During the year ended May 31, 2018, the Company incurred $nil and wrote off $37,000 in reclamation bond deposit in connection with the property.

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 other than the Amalgamation discussed above.

Environmental Contingency

The Company's historical mining and exploration activities were subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and generally becoming more restrictive. As of the date of this MD&A, the Company does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future.

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 May 31, 2019, totalled $4,812,106 (May 31, 2018 - $5,262,769).

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 year ended May 31, 2019.

Selected Annual Financial Information

The following is selected financial data derived from the audited consolidated financial statements of the Company at May 31, 2019, 2018 and 2017.

	Year ended May 31, 2019	Year ended May 31, 2018	Year ended May 31, 2017
Net loss	$(505,463)	$(488,938)	$(56,154)
Net loss per share (basic)	$(0.04)	$(0.04)	$(0.00)
Net loss per share (diluted)	$(0.04)	$(0.04)	$(0.00)
	As at May 31, 2019	**As at May 31, 2018**	**As at May 31, 2017**
Total assets	$4,837,028	$5,300,105	$5,807,528

- The net loss for the year ended May 31, 2019 consisted primarily of (i) professional fees of $316,582; (ii) share-based compensation of $56,500; (iii) director fees of $64,777 and (iv) office and general of $92,004 and offset by (iv) interest and other income of $50,778;

- The net loss for the year ended May 31, 2018 consisted primarily of (i) professional fees of $92,464; (ii) director fees of $53,000; and (iii) loss on settlement of litigation of $300,000 offset by interest income of $49,972.

- The net loss for the year ended May 31, 2017 consisted primarily of (i) professional fees of $137,397; (ii) share-based compensation of $66,872 and director fees of $80,000 and offset by gain on sale of Sweden Uranium Project of $249,999 and interest income of $40,745;

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 ($)	Per Share (9) (10) ($)	
May 31, 2019	-	(48,035) (1)	(0.00)	4,837,028
February 28, 2019	-	(306,598) (2)	(0.03)	4,900,529
November 30, 2018	-	(126,767) (3)	(0.01)	5,224,257
August 31, 2018	-	(24,063) (4)	(0.00)	5,276,600
May 31, 2018	-	(395,235) (5)	(0.03)	5,300,105
February 28, 2018	-	(18,714) (6)	(0.00)	5,701,477
November 30, 2017	-	(41,354) (7)	(0.00)	5,711,959
August 31, 2017	-	(33,635) (8)	(0.00)	5,762,863

Notes:

(1) 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.

(2) 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.

(3) 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.

(4) 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.

(5) 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.

(6) Net loss of $18,714 principally relates to professional fees of $10,787, director fees of $13,250, office and general of $7,744 and shareholder relations of $114 offset by interest income of $13,181.

(7) Net loss of $41,354 principally relates to professional fees of $25,865, director fees of $13,250, office and general of $7,081 and shareholder relations of $7,409 offset by interest income of $12,251.

(8) Net loss of $33,635 principally relates to professional fees of $11,242, director fees of $13,250, office and general of $14,325 and shareholder relations of $5,210 offset by interest income of $10,392.

(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

Year ended May 31, 2019, compared with year ended May 31, 2018

The Company's net loss totalled $505,463 for the year ended May 31, 2019, with basic and diluted loss per share of $0.04. This compares with a net loss of $488,938 with basic and diluted loss per share of $0.04 for the year ended May 31, 2018. The increase in loss of $16,525 was principally because:

- Professional fees increased by $224,118 for the year ended May 31, 2019 compared to the year ended May 31, 2018. The increase in professional fees was mainly due to the terminated transaction discussed above and the proposed amalgamation.
- Share-based compensation increased by $56,500 for the year ended May 31, 2019 compared to the year ended May 31, 2018.
- Director fees increased by $11,777 for the year ended May 31, 2019 compared to the year ended May 31, 2018.
- Travel and business development increased by $6,210 for the year ended May 31, 2019 compared to year ended May 31, 2018.
- Loss on settlement of litigation was $300,000 for the year ended May 31, 2018 as compared to $nil for the year ended May 31, 2019.
- Write-off of reclamation bond deposit was $37,000 for the year ended May 31, 2018 as compared to $nil for the year ended May 31, 2019.
- All other expenses related to general working capital purposes.

Three months ended May 31, 2019, compared with three months ended May 31, 2018

The Company's net loss totalled $48,035 for the three months ended May 31, 2019, with basic and diluted loss per share of $0.00. This compares with a net loss of $395,235 with basic and diluted loss per share of $0.03 for the three months ended May 31, 2018. The decrease in loss of $347,200 was principally because:

- Professional fees and office and general decreased by $12,614 for the three months ended May 31, 2019 compared to the three months ended May 31, 2018.
- Loss on settlement of litigation was $300,000 for the three months ended May 31, 2018 as compared to $nil for the three months ended May 31, 2019.
- Write-off of reclamation bond deposit was $37,000 for the three months ended May 31, 2018 as compared to $nil for the three months ended May 31, 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 $483,776 for the year ended May 31, 2019. Operating activities were affected by share-based compensation of $56,500 and the net change in non-cash working capital balances of $34,813 because of a decrease in accounts payable and accrued liabilities of $12,414, an increase in prepaid expenses of $13,573 and a decrease in accounts receivable of $8,826.

Cash provided by investing activities was $2,600 for the year ended May 31, 2019 from the proceeds from return of capital of marketable securities.

There were no cash flows from financing activities during the year ended May 31, 2019.

At May 31, 2019, the Company had $4,791,718 in cash and cash equivalents (May 31, 2018 - $5,272,894).

Accounts payable and accrued liabilities decreased to $24,922 at May 31, 2019, compared to $37,336 at May 31, 2018. The Company's cash balance as at May 31, 2019 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 May 31, 2019, 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.

Regardless of how the Company's business develops, its working capital of $4,812,106 at May 31, 2019, is believed to be adequate for it to continue operations for the twelve-month period ending May 31, 2020.

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 year ended May 31, 2019, Marrelli Support Services Inc. ("Marrelli Support") and DSA Corporate Services Inc., together known as the "Marrelli Group" charged the Company $40,881 (year ended May 31, 2018 - $44,155) 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 May 31, 2019, the Marrelli Group was owed $3,172 (May 31, 2018 - $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:

Year Ended May 31, 2019

	Salaries and benefits $	Share based payments $	Total $
Martin Bernholtz, Director	14,424	14,125	28,549
Norman Brewster, interim CEO and Director	24,128	14,125	38,253
Gordon Ashworth, Director	13,637	14,125	27,762
Ram Ramkumar, Director	12,588	14,125	26,713
Total	**64,777**	**56,500**	**121,277**

Year Ended May 31, 2018

	Salaries and benefits $	Share based payments $	Total $
Martin Bernholtz, Director	15,000	nil	15,000
Norman Brewster, interim CEO and Director	13,000	nil	13,000
Gordon Ashworth, Director	13,000	nil	13,000
Ram Ramkumar, Director	12,000	nil	12,000
Total	**53,000**	**nil**	**53,000**

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 May 31, 2019, 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 year ended May 31, 2019.

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 May 31, 2019 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 year ended May 31, 2019 that have materially affected, or are reasonably likely to materially affect the Company's ICFR.

Share Capital

As of the date of this MD&A, the Company had 11,706,896 issued and outstanding common shares.

Financial Instruments

The Company's financial instruments consist of:

Description	May 31, 2019 $	May 31, 2018 $
Cash and cash equivalents	4,791,718	5,272,894
Marketable securities	4,392	8,692
Accounts receivable	15,962	7,136
Accounts payable and accrued liabilities	24,922	37,336

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 May 31, 2019. 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 May 31, 2019, the Company had a cash and cash equivalents balance of $4,791,718 (May 31, 2018 - $5,272,894) to settle current liabilities of $24,922 (May 31, 2018 - $37,336). 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 May 31, 2019, 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 May 31, 2019, if interest rates had decreased/increased by 1% with all other variables held constant, the loss for the year ended May 31, 2019 would have been approximately $48,000 (May 31, 2018 - $57,000) higher/lower as a result of lower/higher interest income from cash and cash equivalents and short-term investments. Similarly, as at May 31, 2019, reported Shareholder's Equity would have been approximately $48,000 (May 31, 2018 - $57,000) 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.

Trends

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. During the year ended May 31, 2019, equity markets in Canada have showed very encouraging signs of improvement, with stock prices increasing significantly during this period. Strong equity markets is a favourable condition for completing a public merger or acquisition transaction of the type being sought by the Company, and the Company is encouraged by these developments after a long period of extremely difficult equity markets. Apart from these and the risk factors noted under the heading "Risks and Uncertainties", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Risks and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the following risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position:

Uninsurable Risks

In the course of exploration of mineral properties, certain detrimental events and, in particular, unexpected or unusual geological conditions, including rock bursts, cave-ins, fires, flooding and earthquakes, may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise,

they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

No History of Revenues

The Company has no history of generating revenue or profits. There can be no assurance that it will generate revenues or profits in the future.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Management Team

The Company's management team is limited to a CEO and a part-time CFO. The Company, accordingly, relies extensively on the expertise and performance of consultants. The success of the Company will depend upon the performance of this group and may depend upon the Company's ability to recruit additional personnel.

Conflicts of Interest

Some of the directors and officers of the Company are also directors and officers of other companies that are similarly engaged in the business of acquiring, exploring and developing natural resource properties. Such associations may give rise to conflicts of interest from time to time. In particular, one of the consequences may be that corporate opportunities presented to a director or officer of the Company may be offered to another company or companies with which the director or officer is associated, and may not be presented or made available to the Company. The directors and officers of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company, to disclose any interest which they may have in any project or opportunity of the Company, and to abstain from voting on such matter. Conflicts of interest that arise will be subject to and governed by the procedures prescribed by the Business Corporations Act (Ontario).

Volatility in Financial Markets

Continental has identified extreme volatility occurring in the financial markets as a significant risk for the Company. As a result of the market turmoil, investors are moving away from assets they perceive as risky to those they perceive as less so. Companies like Continental are considered risk assets and as mentioned above are highly speculative. The volatility in the markets and investor sentiment may make it difficult for Continental to access the capital markets to raise the capital it will need to fund its current level of expenditures.

Commitments

The Company's contractual obligations as at May 31, 2019 include:

Contractual Obligations	Total	Up to 1 year	1 - 3 years	4 - 5 years	After 5 years
Accounts payable and accrued liabilities	$24,922	$24,922	$nil	$nil	$nil
Total	**$24,922**	**$24,922**	**$nil**	**$nil**	**$nil**

Terminated Transaction and Statement of Claim

On February 15, 2019, the Company terminated an agreement with respect to a potential reverse takeover transaction involving High Speed Interconnects, Inc. ("HSI"), a company headquartered in Scottsdale, Arizona, which extrudes and assembles high-performance RF microwave coaxial cable.

The parties had entered into a letter of intent in December 2018, which was binding on HSI and its principals but not binding on the Company. The parties subsequently entered into a definitive binding agreement on January 24, 2018. Prior to the Company issuing a press release announcing the transaction, which had been approved by all parties, HSI and its principals communicated to the Company that they wanted to change certain terms of the transaction. As a result of HSI breaching the terms of the agreements between the parties, the Company has terminated the definitive agreement.

On February 28, 2019, the Company issued a statement of claim in the Ontario Superior Court of Justice (the "Statement of Claim") against HSI and related parties (the "Vendors") in connection with the terminated transaction described in the Company's press release issued on February 19, 2019. The Statement of Claim concerns, among other causes of action, the alleged breach by the Vendors of certain representations, warranties and covenants in the securities exchange agreement entered into between the Company and the Vendors on January 24, 2019. Pursuant to the Statement of Claim, the Company is seeking various damages.

On February 27, 2019, HSI filed suit against the Company in the United States District Court in and for the District of Arizona, the same day the Company issued a statement of claim against HSI in Ontario. On June 10, 2019, both the Arizona lawsuit and Ontario statement of claim were dismissed. Stipulated dismissal papers were submitted to each court on the same day, and orders approving the dismissal stipulations were expected from the courts in due course. Each party would bear its own fees and litigation costs. No money changed hands between the parties in connection with these settlements.

Subsequent Event

On August 16, 2019, the Company entered into the "Amalgamation Agreement" with Metamaterial (see Overall Performance section above).