("Turmalina" or "the Company")

FORM 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Introduction

This Management's Discussion and Analysis ("MD&A") of Turmalina Metals Corp. (formerly Turmalina Copper Corp., and formerly 1112002 B.C. Ltd.). including its subsidiaries, Aurora Mining S.A (Argentina) and Aurora Copper Peru S.A.C (Peru) and is the responsibility of management and covers the year ended December 31, 2019. The MD&A takes into account information available up to and including April 17, 2020 and should be read together with the audited consolidated financial statements for the year ended December 31, 2019.

The Company's shares commended trading on the TSX Venture Exchange on December 3, 2019, under the symbol TBX.

Throughout this document the terms *we, us, our, the Company* and *Turmalina* refer to Turmalina Metals Corp. All financial information in this document is prepared in accordance with International Financial Reporting Standards ("IFRS") and is presented in Canadian dollars unless otherwise indicated.

This document contains forward-looking statements. Please refer to "Note Regarding Forward-Looking Statements."

Description of Business

The Company is a mineral resource company engaged in the business of acquiring and exploring mineral resource properties in South America. The Company's principal property is the San Francisco Project, located in San Juan Province, Argentina, which the Company has an option to acquire up to a 100% interest. In addition, the Company has an option agreement to acquire up to a 100% interest on the Chanchaque Project, located in Peru. Please refer to the *"Exploration Projects"* section below for the acquisition and project details.

Performance Summary and Subsequent Events

During the year ended December 31, 2019, the Company:

- Entered into an option agreement, with third parties, to acquire a 100% interest in certain claims located in Peru, comprising the Canchaque Project. Please refer to the Exploration Project section below for a description of the project and the key acquisition terms.

- Completed a non-brokered private placement consisting of 9,925,000 common shares at a price of $0.125 per share for gross proceeds of $1,240,625, of which $12,500 was received in fiscal 2018.

- Completed a non-brokered private placement consisting of 1,000,000 common shares at a price of $0.25 for gross proceeds of $250,000.

- Completed a non-brokered private placement in two tranches consisting of 5,345,000 common shares at a price of $0.25 per share for gross proceeds of $1,336,250;

- Settled debt of $260,000 via the issuance of 2,080,000 common shares;

- Completed a non-brokered private placement consisting of 14,000,000 subscription receipts at a price of $0.50 per subscription receipt for aggregate gross proceeds of $7,000,000. Each Subscription Receipt converted into one common share upon the satisfaction of the Escrow Release Conditions.

- Strengthened the management of the Company and appointed Dr. Rohan Wolfe - CEO, Mr. Bryan Slusarchuk - President, Mr, Francisco ("Chico") Azevedo – VP Business Development, and Mr. Jonathan Richards – CFO and Corporate Secretary.

- Strengthened the Board of the Company and appointed Dr. Rohan Wolfe, Mr. Bryan Slusarchuk, Francisco Azevedo, at the AGM and subsequently appointed Mr. Mark Eaton and Mr. Miguel Inchaustehui. The Company also appointed Mr. John Lewins as an advisor to the Company. Ms. Latika Prasad resigned from the Board, the Company thanks Ms. Prasad for her contributions as a director of the Company.

- Granted 4,225,000 stock options exercisable at a price of $0.50 per common share for a period of 5 years to directors, officers and consultants.

- Amended the Canchaque Project option payments, such that:

  a) The September 9, 2019 payment of US$100,000 is due as follows:
     i. US$$60,000 due September 9, 2019 (paid);
     ii. US$40,000 due November 9, 2019 (paid)

  b) In the event the Company does not have a drill permit it can utilize by February 15, 2020, the Company can extend all payments by 6 months by paying USD$50,000 on March 5, 2020 (paid subsequent to December 31, 2019. In the event the Company pays the US$50,000, the final payment due September 9, 2023 will be decreased by US$50,000 to US$2,450,000.

- The Company's shares commended trading on the TSX Venture Exchange on December 3, 2019, under the symbol TBX.

- The Company announced it had completed first-stage drilling at the San Francisco Project, with drill holes intersecting high-grade gold-silver-copper mineralisation hosted in a tourmaline breccia pipe. Significant drill hole intersection include:
    - 36.95m @ 6.31 g/t Au, 122 g/t Ag & 0.88% Cu (8.7 g/t AuEq) from 34.5m (SFDH-001)
    - 85.30m @ 4.43 g/t Au, 109 g/t Ag & 0.79% Cu (6.6 g/t AuEq) from 27.7m (SFDH-002)
    - 50.75m @ 3.62 g/t Au, 82 g/t Ag & 1.90% Cu (6.7 g/t AuEq) from 44.25m (SFDH-003)
    - 85.00m @ 2.65 g/t Au, 88 g/t Ag & 0.57% Cu (4.32 g/t AuEq) from 33m (SFDH-005)

  Please refer to the news release dated December 2, 2019 for addition information.

Subsequent to the year ended December 31, 2019, the Company:

- Announced it closed a short-form prospectus offering and issued an aggregate of 13,964,450 units, including 1,821,450 units issued pursuant to the full exercise of the underwriters' overallotment option, at a price of $0.70 per unit for gross proceeds of $9,775,115.

  Each unit comprised one common share in the capital of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the company at an exercise price of $0.90 per common share for a period of two years expiring on February 28, 2022.

  The Company also issued 884,435 agents' warrants. Each agent's warrant entitles the agent to acquire one common shares at a price of $0.70 for a period of two years.

- Announced it had completed the project-wide mapping and sampling program at the San Francisco Project, resulting in multiple new targets. Highlights included:
    - The program included 4,494 soil samples, 1,240 rock chip samples and mapping of 60 breccias.
    - Rock chip samples from one of the high-priority exploration targets included 79 grams per tonne gold, 385 grams per tonne silver and 7.7 per cent copper.
    - Drill program ready to commence, targeting both expansion of initial breccia drilled in 2019 and new discoveries

  Please refer to the news release dated March 5, 2020 for additional information.

- Announced it has completed the summer field program at San Francisco and that exploration staff were demobilized from site at the end of that program. This program mapped the entire Project area and identified several high priority exploration targets.

  Based on the information obtained from the past three months of field work, Turmalina geologists are now planning the upcoming drill program which will be a concurrent blend of testing for vertical and lateral extensions of the SFLD breccia.

  The Company also provided a COVID-19 update. The Company is now in a planning phase for drilling which primarily occurs offsite. The current compilation, analysis and modeling of recently collected data is being done on a physically decentralized basis from these individual home offices as the Company prepares for drilling. While work is ongoing by the technical and management team, in preparation for drilling, the decision to commence drilling will be made once planning is complete, in consultation with local authorities and only when we believe we can ensure the health and safety of our team and all concerned

- entered into an option agreement, with third parties, to acquire a 100% interest in certain claims located in Peru, comprising the Chanape Project. The Company can acquire a 100% interest in the property by making total cash payments of US$3,410,000 and by incurring exploration expenditures of US$2,000,000 as follows:

	Cash Payment (USD $)	Minimum Exploration Expenditures (USD $)
Upon signing LOI (paid)	10,000	-
February 22, 2020 (paid)	18,727	-
Execution of definitive agreement (paid)	22,000	-
April 30, 2020	9,273	-
September 13, 2020	40,000	-
March 13, 2021	50,000	250,000
September 13, 2021	60,000	
March 13, 2022	100,000	500,000
September 13, 2022	120,000	-
March 13, 2023	180,000	500,000
September 13, 2023	250,000	-
March 13, 2024	350,000	750,000
March13, 2025	2,200,000	-
	3,410,000	2,000,000

The third parties retain a 2% Net Smelter Returns royalty, of which the Company may purchase 1%,(50%) of the NSR for a payment of USD$1,200,000.

Unless described elsewhere in this report, there were no other significant events or transactions during or subsequent to the period to the date of this report.

Outlook

COVID-19 - In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

The Company has entered into four option agreements on exploration projects in South America during the last 24 months, has secured financing to fund initial exploration programs and has listed on the TSX-Venture exchange under the symbol TBX. The Company is funded to meet Phase I and II on the San Francisco projects as described in the Company's 43-101.

As the Company has no source of revenue at this time, it will continue to require additional capital to fund future office and administrative expenditures and to advance the Company's projects and complete project investigation activities.

EXPLORATION PROJECTS

Below is a description of the acquisition terms of the El Tapau Project and the Cerro Negro Project, together the San Francisco Project.

El Tapau Project, Argentina

On September 24, 2018, the Company entered into an option agreement with third parties to acquire a 100% interest in certain claims known as the El Tapau Project, Argentina. The Company can acquire a 100% interest in the property by making payments and incurring exploration expenditures and drilling as follows:

	Cash Payment (USD $)	Minimum Exploration Expenditures (USD $)	Minimum Drilling (Meters)
September 24, 2018 (paid)	40,000	-	-
September 24, 2019 (paid and incurred)	70,000	300,000	-
September 24, 2020	100,000	-	3,000
September 24, 2021	250,000	-	4,000
September 24, 2022	1,000,000	750,000	-
	1,460,000	1,050,000	7,000

The third parties retain a 2.5% Net Smelter Returns royalty, which the Company may purchase for a payment of USD$2,500,000.

Cerro Negro Project, Argentina

On September 25, 2018, the Company entered into an option agreement with third parties to acquire a 100% interest in certain claims known as the Cerro Negro Project, Argentina. The Company can acquire a 100% interest in the property by making payments and incurring exploration expenditures as follows:

	Cash Payment (USD $)	Minimum Exploration Expenditures (USD $)
Upon signing LOI (paid)	5,000	-
September 25, 2018 (paid)	15,000	-
Upon receiving drilling permits (paid)	30,000	-
September 25, 2019 (paid and incurred)	50,000	300,000
September 25, 2020	100,000	500,000
September 25, 2021	250,000	500,000
September 25, 2022	1,000,000	750,000
	1,450,000	2,050,000

Canchaque Project, Peru

On March 9, 2019, and as amended on September 6, 2019, the Company entered into an option agreement, with third parties, to acquire a 100% interest in certain claims located in Peru, comprising the Canchaque Project. The Company can acquire a 100% interest in the property by making the following amended payments and incurring exploration expenditures as follows:

	Cash Payment (USD $)	Cash payment Portion Optional to issue in Shares	Minimum Exploration Expenditures (USD $)	Minimum Drilling (Meters)
March 9, 2019 (paid)	50,000	0%	-	-
September 9, 2019 (paid)	60,000	0%	-	-
November 8, 2019 (paid)	40,000	0%	-	-
March 9, 2020	100,000	0%	-	-
September 9, 2020	250,000	50%	500,000	2,000
March 9, 2021	300,000	50%	-	-
September 9, 2021	300,000	50%	500,000	2,500
March 9, 2022	400,000	50%	-	-
September 9, 2022	400,000	50%	750,000	3,000
March 9, 2023	500,000	50%	-	-
September 9, 2023	2,500,000	25%	750,000	4,000
	4,900,000		2,500,000	11,500

*Subsequent to year end, the Company exercised an option within the agreement to extend all payments by six months by paying USD$50,000. As the Company paid the USD$50,000, the final payment due will be decreased by USD$50,000 to USD$2,450,000.

In addition to the items listed above, the Company will issue 500,000 common shares to the owners of the property provided that two conditions are met: the completion of the listing of the Common Shares of the Company on a stock exchange, and the Company obtaining all necessary permits to commence drilling on the property.

The third parties will retain a 2% Net Smelter Returns royalty, which will be converted into a payment of USD $2,500,000 in the event of: (i) commencement of commercial projection; or (ii) the sale of the project to a party no affiliated with the Company; or (iii) an outright sale of or a change of control of the Company. Certain mining concessions are subject to Net Smelter Returns royalties of 1.5% which the Company can acquire for USD $750,000. The USD$ 750,000 will be deducted from the payment noted above.

San Francisco Project

The Project is located in the Calingasta Department in the west-central San Juan Province of Argentina, approximately 130 km northwest from the capital of San Juan. The Project is a 3,399-hectare property located within the Frontal Cordillera mountain chain. The San Francisco Project is comprised of two separate sets of tenements, comprising of six mining claims, that have been farmed in to by Turmalina. The smaller group of tenements comprised of 24 hectares and covers the old San Francisco de los Andes mine and the surrounding regional tenements of 3375 hectares owned by the Petra Gold Group

The geology at San Francisco consists of Late Permian diorite, granodiorite and quartz monzonite intrusives emplaced into Carboniferous sediments of the Agua Negra Formation. The intrusive rocks are part of a regional magmatic suite that are known to host porphyry-style copper and tourmaline breccia polymetallic base and precious metal type mineralization. Gold-silver-copper mineralization at the San Francisco project is hosted within tourmaline breccias, with minor gold-silver-copper mineralization hosted in quartz veins that appear to be synchronous with the tourmaline breccias.

The exploration concept at San Francisco is to test the multiple breccia pipes present within the project, which may create sufficient ores for a central processing facility.

To date five companies have conducted small scale mining or exploration at the San Francisco project, collecting over 2000 rock chip and soil samples. Two independent ground geophysical surveys have been completed with IP geophysics over various target areas and four limited drilling campaigns have occurred within the project, all with encouraging results for a total of 32 holes. Seventeen holes have been drilled at the San Francisco copper-gold mine (10 of which were drilled by the Company in 2019) and the remaining holes have been drilled by previous companies as scout holes on various prospects.

For a summary on the projects please refer to the Prospectus or to the NI 43-101 Technical Report titled "NI 43-101 Technical Report, San Francisco Copper Gold Project, San Juan Province, Argentina" dated August 1, 2019 prepared by Neil Motton of Flitegold (Australia) Pty Ltd., released by the Company on August 9, 2019. Readers are encouraged to consult the Technical Report for additional information.

Future Exploration Plans

The Company intends to use the proceeds raised during the listing process to continue the first phase work program, which is detailed in 43-101 Technical Report (the "Technical Report") dated November 13, 2019. The recommended work program included a drill program to evaluate the resource potential at the San Francisco Project, with ten holes drilled during 2019 to test to 170m below the surface within the primary ore zone. It is anticipated that the full phase one exploration program would take place over a 12-month period, and would cost an estimated $1,977,582 (US$1,498,168), which is inclusive of a contingency for cost-overruns.

Subject to the results of the first phase work program, it is the intention of the Company to begin a second phase exploration program to meet the contractual commitments and requirements of the Option Agreements, which would include drilling on the breccia targets identified by the Technical Report, a nine month field mapping and sampling program, and further geophysics. The completion of this second work program is anticipated to complete at least 15 months following the completion of the first work program and cost an estimated $1,328,671 (US$1,006,568). The recommended second phase work program is contingent on the completion and results from the first phase.

Below is a summary of our cumulative acquisition costs incurred by project as at December 31, 2019:

Acquisition Costs	El Tapau Project	Cerro Negro Project	Canchaque Project	Total
Opening balance, December 31, 2017	$ -	$ -	$ -	$ -
Additions	52,259	26,047	-	78,306
Closing balance, December 31, 2018	52,259	26,047	-	78,306
Additions	95,571	108,263	255,104	458,938
Closing balance, December 31, 2019	$ 147,830	$ 134,310	$ 255,104	$ 537,244

Dr. Rohan Wolfe, (MAIG, B.Sc. (Hon), PhD.), a Qualified Person under the meaning of Canadian National Instrument 43-101 and an officer of Turmalina, is responsible for the technical content of this Management's Discussion and Analysis.

Results of Operations

The audited consolidated financial statements reflect the financial condition of the Company's business for the year ended December 31, 2019. The significant events during the year which impact the financial results of the Company, some of which are discussed above in the performance summary, are:

- Entering into the Canchaque Project agreement, Peru.
- The Commencement of drilling and active exploration on the San Francisco Project
- The completion of a series of financings and the debt settlement
- The commencement of the listing process
- An initial grant of stock options to directors, officers and consultants

During the year ended December 31, 2019, the Company incurred a net loss of $5,214,883 as compared to a net loss of $927,140 for the year ended December 31, 2018.

Significant expenditures / movements included:

- Exploration expenditures on the Argentina and Peru projects of $1,929,772 (2018 - $124,511).
- Property investigation expenditures of $182,684 (2018 - $245,219). During 2018 and 2019 the primary activity of the Company was the identification of projects of merit for the Company to acquire.
- Directors fees of $42,000 (2018 - $18,000)
- Professional fees of $473,123 (2018 - $94,676). The increase was due to the increased activity, including entering into the option agreements on the exploration projects.
- Management fees of $301,406 (2018 - $258,025). This increase related to the increase in key management
- Share based payments of $1,537,784 (2018 - $Nil). The Company did not record any share-based payment expenditure during 2018.

Selected Annual Information

The following table provides a brief summary of the Company's financial operations. For more detailed information, refer to the Financial Statements.

	December 31, 2019	December 31, 2018	December* 31, 2017
Total income	$ 35,394	$ -	$ -
Exploration Activities	1,929,772	124,511	-
Net loss before income taxes	5,214,883	927,140	1,501,136
Net loss	5,214,883	927,140	1,501,136
Basic and diluted loss per share	0.16	0.07	0.19
Total assets	6,223,064	101,750	79,291
Working capital (deficiency)	5,202,028	(295,330)	(51,136)
Total long-term liabilities	-	-	-
Cash dividends	-	-	-

* For the period from incorporation on March 21, 2017 to December 31, 2017.

Summary of Quarterly Results

	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Working capital (deficiency)	$ 5,202,028	$ 34,157	$ 1,346,039	$ 511,007
Exploration expenditures	706,519	947,615	177,433	98,205
Net loss	(1,551,113)	(2,892,937)	(372,182)	(398,651)
Net loss per share - basic	(0.04)	(0.01)	(0.01)	(0.02)
	December 31, 2018	**September 30, 2018**	**June 30, 2018**	**March 31, 2018**
Working capital (deficiency)	$ (295,330)	$ (481,585)	$ (259,364)	$ (263,139)
Exploration expenditures	124,511	-	-	-
Net loss	(239,996)	(210,500)	(254,641)	(222,003)
Net loss per share - basic	(0.02)	(0.01)	(0.02)	(0.02)

Discussion of Quarterly Results

The significant items impacting Turmalina's net loss are primarily from the changing levels of financing available, our project investigation and exploration activities, share-based compensation, and office and administrative expenses. Changing levels in exploration program and general and administrative costs fluctuate independently according to field activities at our properties or general corporate activities.

During the quarters previous quarters since incorporation the Company has completed various financings, completed significant project investigation, culminating in the Company entering into three separate project option agreements.

Fourth Quarter Results

During the three-month period ended December 31, 2019:

- Net loss increased by $1,311,117 to $1,551,113 (2018 - $239,996). The increase was due to the significant increase in activity over the past 12 months, including the completion of various financings, acquisition of new exploration projects, commencement of drilling in Argentina, listing on the TSXV and strengthening of the Company's management and Board.

- Exploration expenditures increased by $582,008 to $706,519 (2018 - $124,511). The increase was due to the new acquisitions and the commencement and completion of the first drill program by the Company during the third and fourth quarter of 2019.

Liquidity

Turmalina's mineral exploration and development activities do not provide a source of income and we therefore have a history of losses, working capital deficiencies and an accumulated deficit. However, given the nature of our business, the results of operations as reflected in the net losses and losses per share do not provide a complete interpretation of our valuation.

As at December 31, 2019, the Company had a working capital of $5,202,028. This balance included a cash balance of $5,360,725 (December 31, 2018 - $22,965) to settle current liabilities of $483,792 (December 31, 2018 - $318,774). During the year ended December 31, 2019 the Company completed various financings (as described in the Performance Summary and Subsequent Event Section, including a $7,000,000 Subscription Receipts financing). These financings have put the Company in a positive working capital position with sufficient funds to finance the next phase of exploration.

To maintain liquidity in the future, the Company continues to investigate additional project and financing opportunities and would consider raising capital via share issuances, debt facilities, joint venture arrangements, or a combination of these options. The Company has financed its operations to date primarily through the issuance of common shares.

Operating Activities: The Company does not generate cash from operating activities. Net cash used in the Company for operating activities, which includes exploration activities, for the year ended December 31, 2019 was $3,540,697 compared to $573,996 used for the period ended December 31, 2018.

Investing Activities: During the year ended December 31, 2019 the Company paid $458,938 as option payments on the San Francisco, Canchaque and El Tapau projects. During the year ended December 31, 2018 the Company paid $78,306 (US$60,000) as option payments on the El Tapau and Cerro Negro projects, Argentina.

Financing Activities: During the year ended December 31, 2019, the Company issued shares for net proceeds of $9,337,395 (2018 - $596,252).

The consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company's continuing operations rely on the ability of the Company to continue to raise capital.

Related Party Transactions

The consolidated financial statements include the financial statements of the Company and its subsidiaries Aurora Mining S.A (Argentina) and Aurora Copper Peru S.A.C (Peru):

Key management personnel includes 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 consists of members of the Board and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

During the year ended December 31, 2019, the Company entered into the following transactions with related parties, not disclosed elsewhere in these consolidated financial statements:

a) Fees of $199,111 (2018 - $156,050) to Rohan Wolfe, an officer and director of the Company, of which $99,501 (2018 - $78,025) is recorded in management fees, $16,650 (2018 $39,013) is recorded in property investigation and $82,960 (2018 - $39,013) is recorded in exploration expenditures.

b) Fees of $194,021 (2018 - $156,050) to Francisco (Chico) Azevedo, an officer and director of the Company, of which $59,811 (2018 - $78,025) is recorded in property investigation, $134,210 (2018 $78,025) is recorded in exploration expenditures and $nil (2018 $50,000) is recorded in consulting fees.

c) Corporate social responsibility fees of $28,212 (2018 - $nil) paid to Miguel Inchaustegui, a director of the Company.

d) Management fees of $155,000 (2018 - $180,000) to Bryan Slusarchuk, a director and officer of the Company.

e) Professional fees of $85,000 (2018 - $nil) to Red Fern Consulting Ltd., a company controlled by Jonathan Richards, an officer of the Company.

f) Directors fees of $42,000 (2018 - $18,000) to Latika Prasad, a former director of the Company.

g) Share based compensation of $977,795 (2018 - $nil) on shares issued to Directors and officers of the company.

As at December 31, 2019, $34,514 (2018 - $251,542) was included in accounts payable and accrued liabilities owing to officers and directors of the Company in relation to professional fees and reimbursement of expenses.

Accounts payable to officers and directors are as follows:

	December 31, 2019 **$**	**December 31, 2018** **$**
Bryan Slusarchuk	-	225,000
Francisco Azevedo	25,459	10,000
Latika Prasad	-	6,542
Red Fern Consulting Ltd (controlled by Jonathan Richards)	6,055	-
Miguel Inchaustegui	3,000	-
Rohan Wolfe	-	10,000
	34,514	251,542

Outstanding Share Data

<u>Common Shares:</u>

As at the date of this report the Company had 62,914,450 common shares issued and outstanding.

<u>Stock Options:</u>

As at the date of this report the Company has 4,225,000 stock options outstanding. Each stock option is exercisable at a price of $0.50 per common share, expiring August 9, 2024.

<u>Warrants:</u>

At the date of this report, the Company had:

- 6,982,225 warrants outstanding, exercisable at a price of $0.90 for a period of two years, expiring February 28, 2022; and
- 884,435 agents' warrants outstanding, exercisable at a price of $0.70 for a period for two years, expiring February 28, 2022.

Contractual Obligations

Except as described herein or in the Company's consolidated financial statements at December 31, 2019, the Company had no material contractual obligations.

Off-Balance Sheet Arrangements

At December 31, 2019, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

Proposed Transactions

Except as elsewhere disclosed in this document, there are no other proposed transactions under consideration.

Capital Resources

The Company has no commitments for capital expenditures at the date of this report.

The Company will continue to seek capital. In the past the Company has raised capital through the issuance of common shares pursuant to private placement. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements. barter

Risk Factors

Companies in the exploration stage face a variety of risks and, while unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible. The Company faces a variety of risk factors such as project feasibility and practically, risks related to determining the validity of mineral property title claims, commodities prices, changes in laws and environmental laws and regulations. Management monitors its activities and those factors that could impact them in order to manage risk and make timely decisions. Risks and uncertainties the Company considers material in assessing its financial statements are described below.

Turmalina will require additional funding.

At December 31, 2019, the Company held cash of $5,360,725 and accounts payable and accrued liabilities of $483,792. In addition, subsequent to period end the Company completed a short-form prospectus financing and raised gross proceeds of $9,775,115. While the Company is well financing to complete the next two phases of the exploration program in the 43-101, the Company does not have any source of revenue and will require additional funding. The Company has relied upon equity subscriptions to satisfy its capital requirements and will likely continue to depend upon these sources to finance its activities. There can be no assurances that the Company will be successful in raising the desired level of financing on acceptable terms.

Turmalina is subject to government regulation.

The Company's mineral exploration is, and any development activities will be, subject to various laws governing exploration, development, production, taxes, labour standards and occupational health, mine safety, environmental protection, toxic substances, land use, water use and other matters. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory authorities curtailing the Company's operations or requiring corrective measures, any of which could result in the Company incurring substantial expenditures. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development.

Exploration, development and mining activities can be hazardous and involve a high degree of risk.

The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of base or precious metals, including, without limitation, unusual and unexpected geologic formations, seismic activity, rock bursts, pit-wall failures, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and legal liability. Milling operations, if any, are subject to various hazards, including, without limitation, equipment failure and failure of retaining dams around tailings disposal areas, which may result in environmental pollution and legal liability.

Turmalina may be adversely affected by fluctuations in metal prices.

The value and price of the Company's common shares, the Company's financial results, and exploration, development and mining activities of the Company, if any, may be significantly adversely affected by declines in the price of metals. Mineral prices fluctuate widely and are affected by numerous factors beyond the Company's control such as interest rates, exchange rates, inflation or deflation, global and regional supply and demand, and the political and economic conditions of mineral producing countries throughout the world.

Infrastructure

Exploration, development and ultimately mining and processing activities depend, to one degree or another, on the availability of adequate infrastructure. Reliable air service, roads, bridges, power sources and water supply are significant contributors in the determination of capital and operating costs. Inadequate infrastructure could significantly delay or prevent the Company exploring and developing its projects and could result in higher costs.

Turmalina does not and likely will not insure against all risks.

The Company's insurance will not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to environmental liability or other hazards which may not be insured against or which we may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Turmalina to incur significant costs that could have a material adverse effect upon its financial condition and results of operations.

Turmalina may be subject to disputes.

The Company may be involved in disputes with other parties in the future, which may result in litigation or arbitration. The results of litigation or arbitration cannot be predicted with certainty. If the Company is unable to resolve these disputes favorably, it may have a material adverse impact on the Company.

All industries, including the mining industry, are subject to legal claims that are with and without merit. Due to the inherent uncertainty of the litigation process and dealings with regulatory bodies, there is no assurance that any legal or regulatory proceeding will be resolved in a manner that will not have a material and adverse effect on the Company.

Turmalina is dependent on key personnel.

The Company's success depends in part on its ability to recruit and retain qualified personnel. Due to its relatively small size, the loss of the services of one or more of such key management personnel could have a material adverse effect on the Company. In addition, despite its efforts to recruit and retain qualified personnel, even when those efforts are successful, people are fallible and human error could result in a significant uninsured loss to the Company.

Turmalina's officers and directors may have potential conflicts of interest.

Turmalina's directors and officers may serve as directors and/or officers of other public and private companies and devote a portion of their time to manage other business interests. This may result in certain conflicts of interest. To the extent that such other companies may participate in ventures in which the Company is also participating, such directors and officers may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each company's participation. However, applicable law requires the directors and officers to act honestly, in good faith, and in the best interests of the Company and its shareholders and in the case of directors, to refrain from participating in the relevant decision in certain circumstances.

Permits, licenses and approvals

In countries where we carry out exploration activities, the mineral rights or certain portions of them are owned by the relevant governments. These governments have entered into contracts with us, or granted permits or concessions that allow us to carry out operations or development and exploration activities there, but government policy could change. Any change that affects our rights to conduct these activities could have a material and adverse effect on the Company.

In addition, mineral exploration and mining activities can only be conducted by entities that have obtained or renewed exploration or mining permits and licenses in accordance with the relevant mining laws and regulations. The duration and success of each permitting effort are contingent upon many factors we do not control. In the case of foreign operations, governmental approvals, licenses and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. There may be delays in the review process. There is no guarantee that we will be granted the necessary permits and licenses, that they will be renewed, or that we will be in a position to comply with all conditions that are imposed.

All mining projects require a wide range of permits, licenses and government approvals and consents. It is not certain that we will be granted these at all, or in a timely manner. If we do not receive them for our mineral projects or are unable to maintain them, it could have a material and adverse effect on the Company.

Title to our mineral properties

We have investigated title to all of our mineral properties and, to the best of our knowledge we have or are entitled to title to all of our properties subject to the items described in the MD&A and in our financial statements dated December 31, 2019. Challenges may be made to the title to any of our properties and, if successful, they could impair development and/or operations at our mines or projects. There is no assurance that title to any of our properties will not be challenged.

New laws and regulations, or amendments to laws and regulations relating to mineral tenure and land title and usage, including expropriations and deprivations of contractual rights, if proposed and enacted, may affect our rights to our mineral properties. There is no assurance that we will be able to operate our properties as currently permitted or that we will be able to enforce our rights with respect to our properties.

Corruption and bribery

Our operations are governed by, and involve interactions with, many levels of government in foreign countries. We may not be able to complete some business transactions if we are subject to corruption or demands for bribes. Like most companies, we are required to comply with anti-corruption and anti-bribery laws, including the Canadian Corruption of Foreign Public Officials Act, as well as similar laws in the countries in which we conduct our business. In recent years, there has been a general increase in both the severity of penalties and frequency of enforcement under such laws, resulting in greater punishment and scrutiny to companies convicted of violating anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also any third party agents. If we find ourselves subject to an enforcement action or are found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions being imposed on us resulting in a material adverse effect on the Company.

Reputational risk

Damage to our reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. Although we believe that we operate in a manner that is respectful to all stakeholders and take care in protecting our image and reputation, we do not have control over how we are perceived by others. Any reputation loss could result in decreased investor confidence and increased challenges in developing and maintaining community relations which may have adverse effects on the Company and the price of the Company's securities.

Changes in Accounting Policies including Initial Adoption

The accounting policies applied in preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2019.

New standards adopted

Leases

On January 1, 2019, the Company adopted IFRS 16 – Leases ("IFRS 16") which replaced IAS 17 – Leases and IFRIC 4 – Determining Whether an Arrangement Contains a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applied in IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less) and leases of low-value assets.

The Company applied IFRS 16 using the modified retrospective method. Under this method, financial information will not be restated and will continue to be reported under the accounting standards in effect for those periods. The lease liabilities will be measured at the present value of the remaining lease payments, discounted using the Company's estimated incremental borrowing rate as at January 1, 2019, the date of initial application, resulting in no adjustment to the opening balance of deficit. The associated right-of-use assets will be measured at the lease liabilities amount, plus prepaid lease payments made by the Company. The Company has implemented the following accounting policies permitted under the new standard:

- leases of low dollar value will continue to be expensed as incurred; and
- the Company will not apply any grandfathering practical expedients.

Adoption of IFRS 16 on January 1, 2019, did not result in any adjustments.

Critical Accounting Policies and Estimates

Turmalina's accounting policies are described in Notes 2 and 3 of its annual audited consolidated financial statements for the year ended December 31, 2019. Management considers the following policies to be the most critical in understanding the judgments that are involved in the preparation of our consolidated financial statements and the uncertainties that could impact its results of operations, financial condition and cash flows:

Use of Estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation and judgment uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made.

The most significant estimates relate to the valuation of deferred income tax amounts, impairment testing and calculation of share-based payments. Share-based payments, as measured with respect to the fair value of common shares issued. The Company has reviewed its exploration and evaluation assets for indications of impairment and adjusted the carrying values of the exploration and evaluation assets to reflect management's decision to impair certain properties. The value of deferred tax assets is evaluated based on the probability of realization; the Company has assessed that it is improbable that such assets will be realized and has accordingly not recognized a value for deferred tax assets. The most significant judgments relate to the functional currency of the Company and its subsidiaries.

Exploration and evaluation assets

Exploration and evaluation assets include the costs of acquiring licenses (including option payments) and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. All costs related to the acquisition of mineral properties are capitalized by property as an intangible asset. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the profit and loss statement. The Company expenses costs related to the exploration and development of mineral properties and they are incurred.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial mining, or alternatively, sale of the respective areas of interest.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

If and when the stock options are exercised, the applicable amounts of contributed surplus are transferred to share capital. When vested options are forfeited or not exercised at the expiry date the amount previously recognized in share-based payments is revised from share-based payment reserve to deficit. Amounts recorded for forfeited or expired unexercised warrants are transferred to share capital.

Note Regarding Forward-Looking Statements

Except for historical information, this MD&A may contain forward-looking statements. These statements involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward-looking statements.

The factors that could cause actual results to differ materially include, but are not limited to, the following: Turmalina has no assurance that the licences will be issued nor if issued, that they will be issued in a timely manner, general economic conditions; changes in financial markets; the impact of exchange rates; political conditions and developments in countries in which the Company operates; changes in the supply, demand and pricing of the metal commodities which the Company hopes to find and successfully mine; changes in regulatory requirements impacting the Company's operations; the sufficiency of current working capital and the estimated cost and availability of funding for the continued exploration and development of the Company's exploration properties.

This list is not exhaustive and these and other factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements. As a result of the foregoing and other factors, no assurance can be given as to any such future results, levels of activity or achievements and neither the Company nor any other person assumes responsibility for the accuracy and completeness of these forward-looking statements.

This MD&A contains certain forward-looking statements. Although forward-looking statements and information contained in this MD&A are based on the beliefs of Turmalina management, which we consider to be reasonable, as well as assumptions made by and information currently available to Turmalina management, there is no assurance that the forward-looking statement or information will prove to be accurate. The forward-looking statements and information contained in this MD&A are subject to current risks, uncertainties and assumptions related to certain factors including, without limitations, obtaining all necessary approvals, feasibility of mine and plant development, exploration and development risks, expenditure and financing requirements, title matters, operating hazards, metal prices, political and economic factors, competitive factors, general economic conditions, relationships with vendors and strategic partners, governmental regulation and supervision, seasonality, technological change, industry practices, and one-time events as well as risks, uncertainties and other factors discussed in our quarterly and annual and interim management's discussion and analysis. Should any one or more of these risks or uncertainties materialize or change, or should any underlying assumptions prove incorrect, actual results and forward-looking statements and information may vary materially from those described herein. Accordingly, readers should not place undue reliance on forward-looking statements and information contained in this MD&A. We undertake no obligation to update forward-looking statements or information except as required by law.