STRATEGIC MINERALS EUROPE CORP.

MANAGEMENT´S DISCUSSION AND ANALYSIS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022

The following management's discussion and analysis of the results of operations and financial condition ("MD&A") for Strategic Minerals Europe Corp. (the "Company" or "Strategic Minerals"), is prepared as of November 14, 2022, and should be read in conjunction with the unaudited condensed interim consolidated financial statements and related notes thereto for the quarter ended September 30, 2022 (the "Financial Statements"), which are available on the Company's web site at www.strategicminerals.com and on www.sedar.com. Readers are encouraged to read the Cautionary Note Regarding Forward-Looking Information included on pages 18 and 19 of this MD&A. The financial information in this MD&A is derived from the Financial Statements prepared in accordance with International Financial Reporting Standards ("IFRS"). Reference should also be made to pages 14 and 15 of this MD&A for information about non-IFRS measures referred to in this MD&A. ***All figures contained herein are expressed in United States dollars ("US" or "$"), except for production or as otherwise stated.***

THIRD QUARTER AND NINE MONTHS 2022 HIGHLIGHTS

Some of the most significant achievements of the Company during the third quarter and first nine months of 2022 are as follows:

- Production has increased every quarter so far in 2022 and, despite adverse weather conditions, primary concentrate production reached 206 tonnes during the third quarter, which is 14% higher than the second quarter and is 18% greater than the third quarter of 2021. September's production of primary concentrate reached 80.2 tonnes, the largest volume for a single month. Production of primary concentrate for the first nine months of the year totaled 436 tonnes, an increase of 47% from the same period of 2021.

- Quality of concentrate continued to improve. Production in the third quarter consisted of 174 tonnes of cassiterite concentrate with 70.5% tin content (131 tonnes with 68.0% tin concentrate in 2021), and 32 tonnes of tantalite/columbite concentrate with 24.3% tantalite content and 25.2% columbite content (44 tonnes with 16.4% tantalite and 16.9% columbite content in 2021). For the first nine months of the year, cassiterite concentrate production reached 368 tonnes with 70.6% tin content (222 tonnes with 66.2% tin content in 2021), and tantalite/columbite concentrate production reached 68 tonnes with 22.9% tantalite content and 24.4% columbite content (75 tonnes with 15.9% tantalite and 16.7% columbite content a year before).

- Sales during the third quarter reached 191 tonnes of concentrates and 128 tonnes of contained minerals, the largest volume for a single quarter so far and an increase of 23% and 37% respectively over the same period of 2021. Sales for the first nine months of the year reached 402 tonnes of concentrates and 270 tonnes of contained minerals, higher by 43% and 66% respectively from the year before. Cassiterite contributed 84% of the mix of sales for the third quarter and 85% for the first nine months of 2022.

- Revenues for the third quarter of the year were $3.687 million, a decrease of 11% from the same period the year before, primarily driven by a reduction in international prices of metals, offsetting the higher volume sold and higher content of tin, tantalite and columbite in produced concentrates. During the first nine months of the year, revenues totaled $9.459 million, an increase of 54% from the same period of 2021.

- Adjusted EBITDA reached $0.746 million or 20.2% as a percentage of sales for the third quarter of 2022 offsetting the accumulated loss of the first half of the year when open pit activities were commencing. For the first nine months of the year, Adjusted EBITDA reached $0.657 million or 6.9% as a percentage of sales.

- The combination of lower sales prices driven by international prices of minerals, inflationary trends, higher costs of utilities at the same time the Company is growing its operations, increasing depreciation of assets, and the hiring more qualified employees, has resulted in net income for the third quarter of $0.175 million ($0.001 per share) compared to $1.972 million ($0.009 per share) from the third quarter of 2021. Net loss for the first nine months of the year amounted to $0.623 million (loss of $0.003 per share) compared to a net income of $0.653 million ($0.004 per share) during the same period of 2021.

- After the end of the reporting period, on October 13, 2022, the Company closed the first tranche of a non-brokered private placement offering (the "Offering") for aggregate gross proceeds of approximately $0.740 million (CA$1.017 million). The net proceeds from the Offering will be used to pay an installment of the financial guarantee required in connection with the exploitation concession underlying Section C of the Penouta Project and for general working capital purposes.

SELECTED FINANCIAL INFORMATION

Operating information	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Mill feed (thousand tonnes)	226	158	525	349
Cassiterite concentrate production (tonnes)	174	131	368	222
Tantalite and columbite concentrate production (tonnes)	32	44	68	75
Total concentrate production (tonnes)	**206**	**175**	**436**	**297**
Cassiterite concentrate sold (tonnes)	161	121	343	211
Tantalite and columbite concentrate sold (tonnes)	30	34	59	70
Total sales (tonnes)	**191**	**155**	**402**	**281**
Grade Tin (%)	70.5	68.0	70.6	66.2
Grade Ta2O5 (%)	24.3	16.4	22.9	15.9
Grade Nb2O5 (%)	25.2	16.9	24.4	16.7
Financial data ($ thousands, except per share amounts)				
Revenue	**3,687**	**4,155**	**9,459**	**6,158**
Changes in inventories of finished goods & work in progress	606	204	662	52
Raw materials and consumables used	(291)	(222)	(1,075)	(439)
Supplies	(966)	(235)	(2,172)	(580)
Profit before expenses and other	**3,036**	**3,902**	**6,874**	**5,191**
Total operating expenses	(2,888)	(1,935)	(7,667)	(4,545)
Adjusted EBITDA [1]	**746**	**2,382**	**657**	**2,135**
Total other income (expense)	27	5	170	7
Net income (loss)	175	1,972	(623)	653
Net income (loss) per share - Basic and diluted	0.001	0.009	(0.003)	0.004

Balance sheet ($ thousands)	*Sep 30, 2022*	*Dec 31, 2021*
Cash and cash equivalents	486	2,236
Total assets	26,124	29,948
Total non-current liabilities	4,465	4,941

[1] See "Non-IFRS Measures" for full detail on Adjusted EBITDA

BUSINESS DESCRIPTION

Strategic Minerals Europe Corp. ("Strategic Minerals" or the "Company"), formerly Buccaneer Gold Corp., is a company existing under the laws of Ontario, Canada. The address of the Company's registered and records office is 365 Bay Street, Suite 800, Toronto, Ontario, M5H 2V1. The Company's common shares and share purchase warrants ("Warrants") trade on the Neo Exchange Inc. ("NEO") under the symbols "SNTA" and "SNTA.WT" respectively. Strategic Minerals is also listed on the FSE open market under the symbol "26K0" and on the OTCQB marketplace under the symbol "SNTAF."

The Company completed a reverse takeover transaction ("Transaction") with Strategic Minerals Europe Inc. ("SMEI") by way of share exchange on December 6, 2021. Pursuant to the Transaction, Buccaneer and SMEI entered into a share exchange agreement dated effective August 24, 2021, as amended effective November 3, 2021 (the "Share Exchange Agreement"). Pursuant to the Share Exchange Agreement, among other things, Buccaneer changed its name to Strategic Minerals Europe Corp. and began carrying on the business of SMEI.

SMEI acquired all of the issued and outstanding shares of Strategic Minerals Spain, S.L. ("SMS") on July 14, 2021, whereby 200,000,000 common shares and 1,252,395 share purchase warrants were issued to the shareholders of SMS in exchange for all of the shares of SMS pursuant to the acquisition agreement with the shareholders of SMS. The acquisition was considered a restructuring of SMS as there was no substantive change in ownership of SMS. SMEI was incorporated on June 17, 2021, under the laws of Ontario, Canada.

The Company, through its ownership of SMS, is engaged in the production, development and exploration of properties with tin, tantalum, niobium and other minerals content, and holds mining rights in two mining properties, the Penuota tantalum-tin deposit (the "Penouta Project"), located in the northwestern Spanish province of Ourense, and the Alberta II Project, located in the Galicia region of northwestern Spain. The Company has applied for investigation permits related to two other mining properties in northwest Spain – Carlota and Macarena.

The Penouta Project was operational during the 1970s and focused on exploiting kaolinized leucogranite. Mining operations ceased in 1985 without proper habitat rehabilitation. In 2018, SMS reopened the mine as an advocate for modern, responsible and sustainable mining after building a new processing plant commissioned to work with tailings from previous operations.

In 2020, SMS was granted the permit to produce 1.2 million tonnes in the open pit, and on May 23, 2022, the Company was granted the definitive concession on Section C of the Penouta Project, referred to as “Penouta Mine No. 4880.1” which consists of 16 mining squares with an area of 155.8 hectares. The mining concession allows the Company to exploit the mineral resources certified by SRK in the Penouta Project Technical Report (as defined herein) for a term of 30 years. The definitive concession is renewable for up to 75 years, thereby allowing the Company to fully develop the open pit mine to exploit cassiterite (tin), tantalum and niobium, and to exploit the industrial minerals that exist in the mine, such as quartz, feldspars and micas.

The Company, through SMS, is the largest producer of cassiterite concentrate and tantalite and columbite concentrate in the European Union and is dedicated to the exploration, research, industrial processing and commercialization of all kinds of minerals and metals; the constitution, acquisition and sale of mining concessions; the acquisition and sale of shares and mining rights in general; rendering services to other companies or institutions directly or indirectly related to mining; and the incorporation of companies or associations with similar purposes.

OUTLOOK

The Company is focused on: (i) increasing production; (ii) reducing unitary costs; (iii) reinvesting profits to achieve organic and sustainable growth; and (iv) looking to expand production and improve recovery levels, as well as to initiate downstream projects.

The Company described the three phases of its strategic plan in the Company's MD&A for the year ended December 31, 2021 and in its Annual Information Form (the "AIF") dated March 29, 2022, both of which are available on the Company's website and its profile on SEDAR at www.sedar.com. The following are the most significant developments related to the current Phase 1 - "Development of the Penouta Project":

- The Company has continued to advance its open pit mining operations on Section C of the Penouta Mine after being granted the definitive concession allowing the Company to exploit cassiterite (tin), tantalum and niobium, and also allowing the exploitation of the industrial minerals that exist in the mine, such as quartz, feldspars and micas.
- Production has consistently increased every quarter thus far in 2022.
- Quality of concentrate improved as production for the third quarter consisted of 174 tonnes of cassiterite concentrate with 70.5% tin content, and 32 tonnes of tantalite/columbite concentrate with 24.3% tantalite content and 25.2% columbite content. The Company's goal is to continue this trend of improvement throughout the last quarter of the year.
- Average sales prices followed the reduction in international prices of metals, offsetting the higher content of tin, tantalite and columbite in its concentrates. As of the date of this MD&A, international prices of minerals have continued to decrease due to fears of a global recession, inflation pressure on the main economies and the continuation of the military conflict between Russia and Ukraine.

There have been no changes in the advancement of Phases 2 (Expand exploration work on the Alberta II Project) and 3 (Finalize the process of exploration on the properties in Macarena and Carlota) of the Company's strategic plan, due to the Company's focus on Phase 1.

MINERAL RESOURCES

Unless otherwise indicated, the technical information included in this MD&A is based upon information included in the updated Mineral Resource Estimate ("MRE") for the Penouta Project prepared by SRK Consulting (UK) Limited ("SRK") consultant Martin Pittuck (Resource Geology) titled

"An Updated Mineral Resource Estimate and NI 43-101 Technical Report on the Penouta Tin Deposit, Ourense, Galicia, Spain" with an effective date of March 5, 2021 (the "Penouta Project Technical Report").

The following table summarizes the MRE for the Penouta Plant dated effective as of March 5, 2021:

Category	Tonnes (Mt)	Grade				Metal	
		Ta2O5 Eq (ppm)	Sn (ppm)	Ta (ppm)	Ta2O5 (ppm)	Sn (kt)	Ta (kt)
Measured	7.6	184	600	85	103	4.6	0.6
Indicated	68.6	145	426	72	88	29.2	4.9
Total Measured and Indicated	**76.3**	**149**	**443**	**73**	**89**	**33.8**	**5.6**
Inferred	57	129	389	62	76	22	4

1) Mineral resources are not mineral reserves and do not have demonstrated economic viability.

2) All figures are rounded to reflect the relative accuracy of the estimate, numbers may not add up due to rounding.

3) The standard adopted in respect of the reporting of Mineral Resources for the Project is in accordance with the terminology, definitions and guidelines given in the Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Mineral Reserves (CIM Code)

4) SRK reasonably expects portions of the Penouta deposit to be amenable to open pit mining methods. Open pit Mineral Resources are constrained to within a Whittle optimized pit and reported based on a Ta2O5Eq Resource cut-off which considers processing costs and G&A costs totalling 7.79 USD/t. Pit slope angles were set to 45°

5) Resources are reported at an open pit cut-off grade of 60 ppm Ta2O5Eq.

6) Cut-off grades are based on a price of USD178/kg and recoveries of 75% for Ta2O5, and USD24/kg and recoveries of 75% for tin.

7) It is reasonably expected, but not guaranteed, that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration

8) Inferred Resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves.

As of the date of this MD&A, SRK has been engaged to evaluate the Company's metallurgical processing and make recommendations to further expand production in the future.

Please see the "Cautionary Note on Forward-Looking Information" at the end of this MD&A for full disclosure on the limitations related to the MRE.

RESULTS OF OPERATIONS AND OVERALL PERFORMANCE

Production and Sales

Production and sales	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Mill feed (thousand tonnes)	226	158	525	349
Cassiterite concentrate				
Production (tonnes)	174	131	368	222
Sales (tonnes)	161	121	343	211
Grade Tin (%)	70.5	68.0	70.6	66.2
Tantalite and columbite concentrate				
Production (tonnes)	32	44	68	75
Sales (tonnes)	30	34	59	70
Grade Ta_2O_5 (%)	24.3	16.4	22.9	15.9
Grade Nb_2O_5 (%)	25.2	16.9	24.4	16.7
Total Revenue ($ thousands)	3,687	4,155	9,459	6,158

The Company continued to strengthen its open pit mining efforts during the third quarter of 2022, increasing production and quality. September's production of primary concentrate reached 80.2 tonnes, the largest volume for a single month. By comparison, September's production is 2.9 times the average monthly production of 2021.

Total production of primary concentrate reached 436 tonnes for the first nine months of the year, increasing 47% from the same period of last year driven by the increase in production of cassiterite concentrate. Production during the third quarter of 2022 reached 206 tonnes of primary concentrate, an increase of 18% year over year, consisting of production of 174 tonnes of cassiterite concentrate with 70.5% tin content (131 tonnes with 68.0% tin concentrate in 2021), and 32 tonnes of tantalite and columbite concentrate with 24.3% tantalite content and 25.2% columbite content (44 tonnes with 16.4% tantalite and 16.9% columbite content a year before).

Sales of contained cassiterite (cassiterite concentrate multiplied by tin grade percentage) for the first nine months of the year reached 242 tonnes and 114 tonnes for the third quarter of the year, an increase of 73% and 38% respectively from the corresponding period of 2021. Sales of contained tantalite and columbite (tantalite and columbite concentrate multiplied by the corresponding grade percentage) were 28 tonnes for the first nine months and 15 tonnes for the third quarter of 2022, an increase of 22% and 31% respectively from the year before due to higher quality of concentrates.

International prices of metals have continued to decrease as a consequence of, among other things: (i) intensified fears of a global recession which could affect demand; (ii) inflation pressure driving tighter monetary policies on the main economies; (iii) extended coronavirus related lockdowns in China; and (iv) the continuation of the military conflict between Russia and Ukraine. International prices of tin as of the date of this MD&A have continued to decrease and are close to pre-pandemic levels, while international prices of tantalum concentrate have returned to the level of a year ago.

Revenues for the first nine months of the year reached $9.459 million, an increase of 54% from the same period of 2021 consistent with the increase in production in 2022. Revenues for the third quarter reached $3.687 million, a decrease of 11% from the same period of 2021 driven by the reduction of international prices of metals, offsetting the higher volume sold and higher content of tin, tantalite and columbite in produced concentrates.

Operating results

($ thousands)	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Revenue	3,687	4,155	9,459	6,158
Profit before expenses and other	*3,036*	*3,902*	*6,874*	*5,191*
Depreciation and amortization expense	(530)	(436)	(1,251)	(1,279)
Employee expenses	(617)	(460)	(1,822)	(1,281)
Share-based payments	-	-	(19)	-
Other operating expenses	(1,741)	(1,039)	(4,575)	(1,985)
Results from operations before other expenses	*148*	*1,967*	*(793)*	*646*
Adjusted EBITDA [1]	***746***	***2,382***	***657***	***2,135***

[1] **See "Non-IFRS Measures" for full detail on Adjusted EBITDA**

Operations have continued to improve every month throughout 2022 and despite adverse weather conditions during July and August (when severe electric storms caused electricity interruptions at the mine), production during the third quarter was above the average for the first half of 2022 and uptime reached 91% in the plant. Without the seasonal issues, production of primary concentrate reached 80.2 tonnes in September, the largest volume for a single month.

Higher primary concentrate production and quality of the concentrate amid increased cost of supplies led profit before expenses and other to reach $6.874 million or 72.7% as a percentage of sales for the first nine months of 2022, an increase of 32% from the same period of 2021 ($5.191 million or 84.3% as a percentage of sales). Profit before expenses and other for the third quarter reached $3.036 million or 82.3% as a percentage of sales, a decrease of 22% from the same period of 2021 ($3.902 million or 93.9% as a percentage of sales).

Additional employees with higher qualifications and salaries have been hired to support the growth in production, increasing overall headcount to 72 employees at the end of September. Total employee expenses amounted $1.822 million for the first nine months of the year and $0.617 million for the third quarter of 2022, increasing 42% and 34% respectively from the corresponding period of 2021.

Macroeconomic inflationary trends and the continuation of the military conflict between Russia and Ukraine have negatively affected international prices of utilities and other operating costs. Other operating expenses totaled $4.575 million during the first nine months of the year and $1.741 million in the third quarter of 2022, 131% and 68% greater than those in the corresponding periods of 2021. The details regarding these expenses can be found in the tables below:

Other Operating Expenses ($ thousands)	Q3 2022	Q3 2021	Variance	%Var.
Leases and Royalties	90	26	64	246%
Repairs and Maintenance	226	59	167	283%
Professional services	476	429	47	11%
Transportation	3	5	(2)	-40%
Insurance premiums	16	6	10	167%
Banking and similar services	62	2	60	3000%
Advertising, publicity and public relations	14	5	9	180%
Supplies (electricity / diesel)	756	471	285	61%
Admin & Insurance	2	-	2	100%
Other Services	88	22	66	300%
Other Taxes	8	14	(6)	100%
Total Other Operating Expenses	**1,741**	**1,039**	**702**	**68%**

Electricity and diesel expenses increased in the third quarter by 61% from the same period in 2021, driven by the increased cost of utilities worldwide. During the third quarter, electricity costs in Spain have increased 138% from 2021. Although consumption increased with higher production, consumption per tonne feed during the third quarter remained at 8.89 kWh/t, below the average of the first half of the year (8.92 kWh/t). Consumption of diesel has increased as it is required for the operation of the crushing plant and its cost increased from $0.710/lt. to $1.006/lt for the same periods.

Other Operating Expenses ($ thousands)	YTD 2022	YTD 2021	Variance	%Var.
Leases and Royalties	322	161	161	100%
Repairs and Maintenance	467	96	371	386%
Professional services	1,383	767	616	80%
Transportation	3	9	(6)	-67%
Insurance premiums	38	33	5	15%
Banking and similar services	72	9	63	700%
Advertising, publicity and public relations	31	5	26	520%
Supplies (electricity / diesel)	1,896	840	1,056	126%
Admin & Insurance	25	-	25	100%
Other Services	322	33	289	876%
Other Taxes	17	32	(15)	-47%
Total Other Operating Expenses	**4,576**	**1,985**	**2,591**	**131%**

The focus on keeping operating expenses under control while increasing the production and quality of the concentrates drove adjusted EBITDA to $0.657 million during the first nine months of 2022, offsetting the accumulated loss of the first half of the year when open pit activities were just starting. Adjusted EBITDA for the third quarter reached $0.746 million despite the adverse macroeconomic trends affecting sales price and cost of utilities described above.

SOCIALLY RESPONSIBLE, SUSTAINABLE AND SCALABLE

Sustainability is integrated within the organization as a critical concept in each and every activity and the Company has established an environmental policy (the "Environmental Policy") to address its responsibility to avoid environmental damage and to protect and rehabilitate the environment in areas where the Company conducts exploration.

In this regard, following its commitment to rehabilitate the affected areas as exploitation advances, the Company initiated restoration of the first tailing pond at the end of September, planting endemic trees to protect the local ecosystem. The Company has continuously monitored the following environmental factors associated with its operations:

- waste management;
- water quality control;
- fauna and flora monitoring;
- atmospheric emissions control;
- soil monitoring;
- environmental management with contractors; and
- environmental training for workers.

Certification process: The Company promotes a modern, responsible and sustainable mining industry focused on social, environmental and occupational safety. Therefore, it is committed to implement the

UNE-EN ISO 14001[1] Environmental Management Systems Standard, as well as the UNE 22470[2] and UNE 22480[3] Standards on Sustainable Mining Management Systems during 2022.

The certification process for the three standards was initiated in May 2022, and the final implementation audit is expected to be completed during the last quarter of 2022.

SUMMARY OF QUARTERLY RESULTS

	2022			2021				2020
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Operating information								
Mill feed (thousand tonnes)	226	214	85	57	158	149	42	153
Cassiterite concentrate production (tonnes)	174	153	41	25	131	80	11	76
Tantalite and columbite concentrate production (tonnes)	32	28	8	8	44	27	4	32
Total concentrate production (tonnes)	*206*	*181*	*49*	*33*	*175*	*107*	*15*	*108*
Cassiterite concentrate sold (tonnes)	161	141	41	42	121	80	10	70
Tantalite and columbite concentrate sold (tonnes)	30	24	5	22	34	28	8	43
Total sales (tonnes)	*191*	*165*	*46*	*64*	*155*	*108*	*18*	*113*
Grade Tin (%)	70.5	71.2	68.9	68.2	68.0	63.7	64.1	55.4
Grade Ta2O5 (%)	24.3	23.0	16.7	19.9	16.4	15.5	15.1	13.1
Grade Nb2O5 (%)	25.2	25.0	19.4	20.4	16.9	16.7	16.1	13.6
Financials ($ thousands, except per share amounts)								
Revenue	**3,687**	**4,688**	**1,084**	**1,391**	**4,155**	**1,700**	**303**	**1,151**
Changes in inventories of finished goods & work in progress	606	(25)	81	(77)	204	(152)	-	97
Raw materials and consumables used	(291)	(575)	(209)	(221)	(222)	(168)	(49)	(192)
Supplies	(966)	(930)	(276)	(202)	(235)	(246)	(99)	(234)
Profit before expenses and other	*3,036*	*3,158*	*680*	*891*	*3,902*	*1,134*	*155*	*822*
Depreciation and amortization expense	(530)	(321)	(400)	(429)	(436)	(428)	(415)	(437)
Employee expenses	(617)	(614)	(591)	(400)	(460)	(424)	(397)	(393)
Share-based payments	-	-	(19)	(1,305)	-	-	-	-
Other operating expenses	(1,741)	(1,433)	(1,401)	(1,397)	(1,039)	(571)	(375)	(477)
Adjusted EBITDA [1]	***746***	***1,207***	***(1,296)***	***(954)***	***2,382***	***345***	***(592)***	***(217)***
Finance income	3	39	136	(37)	43	6	1	47
Finance costs	(44)	(112)	(32)	(58)	(17)	(100)	(136)	(203)
RTO Transaction cost	-	-	-	(836)	-	-	-	-
Other income (expense)	68	96	16	(47)	(21)	207	24	(169)
Total other income (expense)	*27*	*23*	*120*	*(978)*	*5*	*113*	*(111)*	*(325)*
Net income (loss)	175	813	(1,611)	(3,619)	1,972	(177)	(1,142)	(810)
Net Income (loss) per share - Basic and diluted	0.001	0.003	(0.007)	(0.016)	0.009	(0.001)	(0.011)	(0.008)

[1] See "Non-IFRS Measures" for full detail on Adjusted EBITDA

Management believes that taken together, the consistent increase in tonnes feed, concentrate production and tonnes sold during the last four quarters, as well as the record high results obtained during the third quarter of 2022 exemplify the positive impact that both the transition to open pit mining at the Penouta Project and the setup of the new primary crushing plant have had.

Quality of concentrate is a priority for the Company and has constantly improved every quarter since 2020. Tin content of cassiterite concentrate has improved from 55.4% to 70.5% during the period shown while the tantalite/columbite concentrate has increased tantalite content from 13.1% to 24.3% and columbite content from 13.6% to 25.2%.

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[1] ISO 14001 provides organizations with a framework to protect the environment and respond to changing environmental conditions, in balance with socio-economic needs, by specifying the requirements for an efficient environmental management system.

[2] UNE 22470 Standard aims to establish economic, social and environmental indicators to evaluate the implementation of a sustainable mining-mineral-metallurgical management system. It applies to mining, mineral concentration or transformation and extractive metallurgical industries.

[3] UNE 22480 Standard specifies the requirements for a sustainable mining-mineral-metallurgical management system, aimed at enabling an organization to develop a system for continuous improvement in the performance of sustainability criteria, considering legal requirements and significant sustainability aspects to which the organization subscribes, regardless of the type of mining activity carried out.

SUMMARY OF FINANCIAL CONDITION AND LIQUIDITY

($ thousands) Financial Position as at,	Balances as at, Sep 30, 2022	Dec 31, 2021	Variance	%Var.
Assets				
Current assets:				
Cash and cash equivalents	486	2,236	(1,750)	(78%)
Trade and other receivables	1,067	1,501	(434)	(29%)
Inventories	855	218	637	292%
Other current assets	68	94	(26)	(28%)
Total current assets	**2,476**	**4,049**	**(1,573)**	**(39%)**
Non-current assets:				
Property, plant and equipment	21,343	22,513	(1,170)	(5%)
Exploration and evaluation	1,026	2,788	(1,762)	(63%)
Other assets	1,108	375	733	195%
Right-of-use assets	171	223	(52)	(23%)
Total assets	**26,124**	**29,948**	**(3,824)**	**(13%)**
Liabilities and shareholder's equity				
Current liabilities:				
Trade and other payables	2,527	2,483	44	2%
Current portion of long term liabilities	992	925	67	7%
Total current liabilities	**3,519**	**3,408**	**111**	**3%**
Non-current liabilities:				
Long term liabilities	2,686	4,147	(1,461)	(35%)
Decommissioning liabilities	1,779	794	985	124%
Total labilities	**7,984**	**8,349**	**(365)**	**(4%)**
Shareholders' equity:				
Share capital	40,829	40,818	11	0%
Other reserves	3,820	3,801	19	0%
Accumulated other comprehensive loss	(5,476)	(2,611)	(2,865)	110%
Deficit	(21,033)	(20,409)	(624)	3%
Total shareholders' equity	**18,140**	**21,599**	**(3,458)**	**(16%)**
Total liabilities and shareholders' equity	**26,124**	**29,948**	**(3,824)**	**(13%)**

As at September 30, 2022, the Company had a deficiency in working capital of $1.043 million compared to working capital surplus of $0.641 million at the end of 2021. During the first nine months of 2022, working capital was used to transition to open pit mining, the commissioning of the primary crushing plant and to fulfil financial commitments, resulting in a decrease in the cash position at the end of the period.

The Company is addressing the working capital deficiency by negotiating more competitive prices for longer term contracts for electricity, mill balls and earth moving services among others, together with longer payment terms with most suppliers.

In addition to the measures to improve working capital, the Company closed the first tranche of the Offering (as defined herein) as described in the Subsequent Event – Private Placement section below.

A portion of the net proceeds from the Offering will be used to support working capital requirements. Moreover, the Company is actively looking for new lines of credit with local banks in the event further funds are required for the operations. Overall, the Company does not anticipate any liquidity problems with respect to maintaining its operations, fulfilling its financial commitments or continuing with its long-term plans.

Key components of working capital include:

- Cash at the end of September reached $0.486 million, down from $2.236 million at the end of 2021; cash was mainly used for operations, debt repayment and the commissioning of the equipment installed during the first quarter of 2022.

- Trade and other accounts receivable of $1.067 million at the end of the period, down from $1.501 million at December 31, 2021 mainly due to the collection from sales during the normal course of business with clients.

- Inventories at the end of the period were valued at $0.855 million, which is greater than the $0.218 million at the end of 2021 due to an increase on finished goods, containing concentrate of tin and tantalum in the amount of $0.421 million and $0.110 million respectively (December 31, 2021 - $0.155 million and $0.014 million) in addition to higher materials and supplies inventory in the amount of $0.324 million compared to $0.050 million on December 31, 2021.

- Trade accounts payable increased to $2.527 million from $2.483 million at the end of 2021, due to operations with suppliers in the normal course of business.

Operating activities

Net cash provided by operating activities during the first nine months of 2022 amounted to $0.072 million, a reduction from the $1.247 million obtained in the same period of 2021.

Investing activities

The required investments in exploration and evaluation, the commissioning of the primary crushing plant and installation of equipment required for the transition to the open pit was the primary use of funds during the first nine months of the year, amounting $0.965 million.

Financing activities

Throughout the first nine months of 2022, the Company has continued to fulfill its financial commitments, which include the: i) repayment of existing loans in the amount of $0.815 million; and ii) payment of the principal amount of leases equal to $0.078 million. The Company also received a new bank financing during the third quarter for $0.205 million (Payment at maturity on July 23 of 2023 and cost of Euribor (1yr) + 250bps), which resulted in a combined total of $0.688 million net payments towards financing activities.

As at September 30, 2022, all financial liabilities are related to the Company's operations and the Company does not foresee any liquidity problems with respect to maintaining its operations, fulfilling its financial commitments or continuing with its long-term plans.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company has the following securities outstanding:

(a) 236,533,833 common shares ("Common Shares").
(b) 37,138,478 warrants exercisable into 37,138,478 Common Shares in aggregate as follows:

Number of warrants	Exercise price	Expiry date
33,070,478	CA$0.40	July 16, 2026
4,068,000	CA$0.25	Oct 13, 2024

(c) 13,815,000 Stock Options to purchase an aggregate of 13,815,000 Common Shares.

On July 27, 2022, the Company issued 62,500 common shares to a consultant at the quoted closing market price at the date of issue (CA$0.24 per share).

CAPITAL MANAGEMENT

The Company considers its capital to consist of shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and evaluation of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain the future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no significant changes in the Company's approach to capital management during the quarter ended September 30, 2022.

The exploitation concession on Section C of the Penouta Mine requires the Company to provide a financial guarantee for a total amount of €3.243 million (equivalent to approximately $3.167 million at the September 30, 2022 exchange rate) to be established during the following five years, starting with a financial guarantee of €1.943 million (equivalent to approximately $1.897 million at the September 30, 2022 exchange rate) this year. The total amount consists of the sum of two items: i) €1.618 million (equivalent to approximately $1.580 million at the September 30, 2022 exchange rate) in compliance with the obligations of the financing and viability of the mining works (4% of the investment budget); and ii) €1.625 million (equivalent to approximately $1.587 million at the September 30, 2022 exchange rate) in compliance with the restoration plan.

In September 2022, the Company entered into an agreement with a financial institution to provide a bank guarantee in the amount of €1.943 million (equivalent to approximately $1.897 million at the September 30, 2022 exchange rate) on behalf of the Company to cover this year's repayment requirement. Per the agreement, the Company is required to provide a deposit to the financial institution for the amount of €2.000 million (equivalent to approximately $1.953 million at the

September 30, 2022 exchange rate) to be paid as follows:

- On September 16, 2022 – €0.800 million ($0.781 million) (paid).
- On or before November 15, 2022 – €0.300 million ($0.293 million).
- On or before December 15, 2022 – €0.400 million ($0.391 million).
- On or before January 15, 2023 – €0.500 million ($0.488 million).

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than that of the NEO Exchange which requires one of the following to be met: (i) shareholders' equity of at least $2.5 million, (ii) net income from continuing operations of at least $375,000, (iii) market value of listed securities of at least $25 million, or (iv) assets and revenue of at least $25 million each.

SUBSEQUENT EVENT – PRIVATE PLACEMENT

On October 13, 2022, the Company closed the first tranche of its non-brokered private placement offering (the "Offering") for aggregate gross proceeds of approximately CA$1.017 million ($0.74 million). In connection with the closing of the first tranche of the Offering, the Company issued approximately, 1,017 convertible debenture units (the "Units") at a price of CA$1,000 per Unit.

Each Unit consisted of (i) one 10% senior unsecured convertible debenture having a face value of CA$1,000, convertible into common shares of the Company (each, a "Common Share") at a conversion price of CA$0.25 per Common Share (the "Conversion Price") and maturing October 13, 2024; and (ii) 4,000 common share purchase warrants of the Company (each, a "Warrant"). Each Warrant entitles the holder thereof to purchase one Common Share at a price of CA$0.25 per share until October 13, 2024.

The Company paid a finder's fee of C$22,500 ($16,300) in Units to certain finders in connection with the closing of the first tranche of the Offering.

Certain related parties of the Company subscribed for approximately CA$730,000 worth of Units in the first tranche of the Offering.

RELATED PARTY TRANSACTIONS

Related parties include directors, officers, close family members, certain consultants and enterprises that are controlled by these individuals, as well as certain persons performing similar functions. Transactions with related companies, which are recorded under the corresponding headings in the consolidated statements of operations and comprehensive loss, are as follows:

The Company leases certain facilities to Sequoia Venture Capital S.L.[4], as at September 30, 2022 and December 31, 2021, the outstanding balance was $2,324 and $14,060, respectively. During the first

[4] Sequoia Venture Capital S.L. and Salamanca Ingenieros S.L. are beneficially owned by Francisco Garcia Polonio (Director of the Company).

half of 2022, a total of $18,095 was recorded as operating expenses.
As at September 30, 2022 the related party loans amounted to $nil (December 31, 2021- $207). Subsequent to September 30, 2022, certain directors and officers of the Company[5], participated in the Offering pursuant to which they purchased a collective amount of CA$730,000 worth of Units. The net proceeds from the Offering will be used to pay an installment of the financial guarantee required in connection with the exploitation concession underlying Section C of the Penouta Project and for general working capital purposes. For further information regarding the Offering and the Units, see the Subsequent Event – Private Placement section above.

In accordance with IAS 24, key management personnel are those persons 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. Remuneration of directors and key management personnel of the Company for the third quarter and first nine months of 2022 was:

Key Management Compensation ($)	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Management fees	106,932	69,930	339,565	160,481
Director fees	81,494	30,528	260,516	78,225
Total	**188,426**	**100,458**	**600,081**	**238,706**

NON-IFRS MEASURES

The non-IFRS measures included in this document, such as EBITDA and adjusted EBITDA, are intended to provide additional information for the reader as the Company believes certain investors could use this information to evaluate the Company's underlying performance of its core operations and its ability to generate cash flow and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to other issuers.

Non-IFRS measures referred to in this MD&A are defined as follows:

Adjusted EBITDA represents earnings before interest, income taxes, depreciation, and amortization ("EBITDA"), adjusted to exclude share-based payments and Transaction costs.

The following table provides a reconciliation of adjusted EBITDA to net loss as reported in the Financial Statements:

($ thousands)	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Net income (loss)	**175**	**1,972**	**(623)**	**653**
Finance income	(3)	(43)	(178)	(50)
Finance costs	44	17	188	253
Depreciation and amortization expense	530	436	1,251	1,279
EBITDA	**746**	**2,382**	**638**	**2,135**
RTO Transaction cost	-	-	-	-
Share-based payments	-	-	19	-
Adjusted EBITDA	**746**	**2,382**	**657**	**2,135**

5 Miguel de la Campa, Jaime Perez Branger and Campbell Becher.

The following table provides details of the primary components of adjusted EBITDA:

($ thousands)	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Revenue	3,687	4,155	9,459	6,158
Changes in inventories of finished goods & work in progress	606	204	662	52
Raw materials and consumables used	(291)	(222)	(1,075)	(439)
Supplies	(966)	(235)	(2,172)	(580)
Other operating expenses	(1,741)	(1,039)	(4,575)	(1,985)
Employee expenses	(617)	(460)	(1,822)	(1,281)
Other income (expense)	68	(21)	180	210
Adjusted EBITDA	**746**	**2,382**	**657**	**2,135**
RTO Transaction cost	-	-	-	-
Share-based payments	-	-	(19)	-
EBITDA	**746**	**2,382**	**638**	**2,135**

RISK OF FINANCIAL INSTRUMENTS

The Company's financial risk management is centralized in its finance department, which has established the necessary mechanisms to control exposure to interest rate fluctuations, as well as credit and liquidity risks. The main financial risks affecting the Company are indicated below:

Credit risk: In general, the Company maintains its cash and cash equivalents in financial institutions with high credit ratings.

Liquidity risk: In order to ensure liquidity and to be able to meet all payment commitments arising from its activity, the Company has the cash shown in its balance sheet.

Interest rate risk: The Company's treasury is exposed to interest rate risk, which could have an adverse effect on financial results and cash flows. Management of the Company does not consider the interest rate risk to be significant.

The Company has several loans granted in foreign currencies and could therefore be exposed to exchange rate risk.

Transactions in foreign currencies:

The Company's functional currencies are the Canadian dollar and Euro, and major purchases and sales are transacted in Canadian dollars and Euros. As at September 30, 2022, the Company has a foreign currency balance of $24,998 (December 31, 2021 – balance of $20,476) included in cash, which is subject to foreign currency risk.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

CHANGE IN REPORTING CURRENCY

Effective December 31, 2021, the Company changed its presentation currency from Euro to USD. The Company expects this change will facilitate comparison with other mining and resource companies. The change in presentation currency represents a voluntary change in accounting policy.

The Company has applied the presentation currency change retrospectively. All periods presented in the consolidated financial statements and in this MD&A have been translated into the new presentation currency in accordance with the guidance in IAS 21, The Effects of Changes in Foreign Exchange Rates. Refer to Note 3 in the Financial Statements for further details.

CRITICAL ACCOUNTING ESTIMATES

There have been no changes in the Company's accounting estimates during the three months ended September 30, 2022.

RISKS AND UNCERTAINTIES

Exploration, development and mining of precious metals involve numerous inherent risks resulting from the economic conditions of the various areas of operation. Therefore, the Company is subject to several financial, operational and political risks that could have a significant impact on its profitability and levels of operating cash flows.

Although the Company assesses and minimizes these risks by applying high operating standards, including careful management and planning of its facilities, hiring qualified personnel and developing their skills through training and development programs, these risks cannot be eliminated.

Such risks include, but are not limited to:

1. Market Price
2. Dilution
3. Payment of Dividends
4. Limited Operating History and Financial Resources
5. Dependence on the Penouta Project
6. Mineral Deposits May Not be Economical
7. Market Price of Metals
8. Mining Operations May Not Be Established or Profitable
9. Ability to Exploit Future Discoveries
10. Financing Risks
11. Mining is Inherently Dangerous
12. Operations and Exploration Subject to Governmental Regulations
13. Operation and Exploration Activities are Subject to Environmental and Endangered Species Laws and Regulations
14. Permits and Licenses
15. Additional Costs May Be Incurred by Mineral Property Operators as a Result of International Climate Change Initiatives
16. Community Relations
17. Competition
18. Defects in Title to Mineral Properties
19. Future Litigation Could Affect Title
20. Deficient Third Parties' Reviews, Reports and Projections

21. Directors and Officers May Have Conflicts of Interest
22. Global Financial Conditions May Be Volatile
23. The Ongoing Spread of COVID-19 May Negatively Impact Strategic's Business
24. Adequate Infrastructure May Not Be Available to Develop the Penouta Project and Alberta II Project
25. Future Acquisitions and Partnerships
26. Canada Revenue Agency's Recent Focus on Foreign Income Earned by Canadian Companies May Result in Adverse Tax Consequences
27. Anti-Bribery Laws (Such as the Corruption of Foreign Public Officials Act of Canada)
28. The Company Will Be Exposed to Foreign Exchange Risk
29. Equipment, Materials and Skilled Technical Workers
30. Risks Relating to Attracting and Retaining Qualified Management and Technical Personnel
31. Disruption from Non-Governmental Organizations
32. Strategic's Operations Are Subject to Human Error
33. Health & Safety
34. Nature and Climatic Conditions
35. Uninsured or Uninsurable Risks
36. Disruption in Strategic's Activities Due to Acts of God May Adversely Affect Strategic
37. Changes in Technology

Uncertainty Caused by the Ukraine Crisis

The global markets are experiencing volatility and disruption following the escalation of geopolitical tensions and the start of the military conflict between Russia and Ukraine. On February 24, 2022, Russia began a full-scale military invasion of Ukraine. Although the length and impact of the ongoing military conflict is highly unpredictable, the conflict in Ukraine could lead to market disruptions, including significant volatility in commodity prices, credit and capital markets and interest rates. These factors could negatively impact the Company's ability to access liquidity needed for the Company's business in the longer term. These factors may impact the Company's future ability to obtain equity, debt or bank financing on terms favourable to the Company, or at all. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. In addition, certain of the Company's customers could be unable to pay the Company in the event that they are unable to access the capital markets to fund their business operationsIf any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently aware or which it considers to be material in relation to the Company's business actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the prices of the Company's securities could decline and investors may lose all or part of their investment.

The foregoing is not an exhaustive list and readers are encouraged to read a more comprehensive list in the Annual Information Form dated March 29, 2022 available on the Company's web site at *www.strategicminerals.com* and on *www.sedar.com*.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures and internal controls over financial reporting have been designed to provide reasonable assurance that all material information related to the Company is identified and communicated on a timely basis. Management of the Company, under the supervision of the Chief Executive Officer and the Chief Financial Officer, is responsible for evaluating the disclosure controls and procedures and internal controls over financial reporting.

There have been no changes in the Company's internal controls over financial reporting during the three months ended September 30, 2022 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, believes that any disclosure controls and procedures and internal controls over financial reporting, no matter how well designed and operated, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements in this MD&A constitute forward-looking information. Often, but not always, forward-looking statements use words or phrases such as: "expects", "does not expect" or "is expected", "anticipates" or "does not anticipate", "plans" or "planned", "estimates" or "estimated", "projects" or "projected", "forecasts" or "forecasted", "believes", "intends", "likely", "possible", "probable", "scheduled", "positioned", "goal", "objective" or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved or any variations (including negative variations) of such words and phrases. Such forward-looking statements, including but not limited to statements with respect to anticipated business plans or strategies, total cash costs, the mineral resource estimate (MRE) and capital expenditures, involve known and unknown risks, uncertainties and other factors which may cause the actual actions, events and results to be materially different from estimated actions, events or results expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those anticipated in these forward-looking statements are described under the caption "Risk Factors" in the Company's Annual Information Form dated as of March 29, 2022, which is available for review on SEDAR at www.sedar.com.

The Company believes the expectations reflected in these forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws.