

The following Management Discussion & Analysis, prepared as of March 18, 2016, should be read in conjunction with:

1. the audited financial statements for the year ended April 30, 2015 and related notes attached thereto which are prepared in accordance with International Financial Reporting Standards; and
2. the unaudited financial statements for the nine month period ended January 31, 2016 and related notes attached thereto, which are prepared in accordance with International Financial Reporting Standards.

All amounts are stated in Canadian dollars unless otherwise indicated.

Additional information related to Fort St. James Nickel Corp is available for view on SEDAR at [www.sedar.com](http://www.sedar.com) <<http://www.sedar.com>>.

## **Nature of Operations and Overall Performance**

### **Description of the Business and Summary of Activities**

Fort St. James Nickel Corp. (the “Company”) is incorporated under the Canada Business Corporations Act and its common shares are listed on the TSX Venture Exchange (“TSX-V”).

The Company is a junior mineral exploration company engaged in the acquisition, evaluation and exploration, if warranted, of mineral properties in North America. Currently the Company has a 100% ownership interest in a 12,479 hectare claim group located in the Fort St. James area of central British Columbia. To date the Company has not earned any production revenues, has not found any proven reserves and is considered to be in the exploration stage.

Effective May 1, 2012, as a result of minimal availability of financing, the Company has been in a care and maintenance mode. During the past six months management has continued discussions with potential investors to fund a private placement of a quantum to fund an exploration program. Those discussions continue. There is no certainty that these discussions will be concluded positively.

In addition, due to the current financial and commodities markets, management is reviewing a number of alternative investments that could contribute to an increase in shareholder value.

### Shares Issued

On July 20, 2015 the Company closed a non-brokered private placement whereby 4,000,000 Units were issued at \$0.01 per Unit for total proceeds of \$40,000 (which included \$20,000 share subscriptions received prior to April 30, 2015). Each Unit consists of one common share in the capital of the Company and one non-transferable share purchase warrant entitling the holder to purchase one additional common share at a price of \$0.05 until July 20, 2020.

### Trading Halt, Review of Company by TSX Venture Exchange and Listing on NEX Exchange

On September 10, 2015, trading in the Company’s shares was halted by the BC Securities Commission and the TSX Venture Exchange for failure to file its financial statements and management analysis and discussion on SEDAR on or before 120 after the Company’s fiscal year end.

On September 28, 2015 the Company files the required documents on SEDAR and on September 29, 2015 the BC Securities Commission issued a revocation order thereby allowing the Company to commence trading of its shares, subject to approval by the TSX-V. During the period the stock was halted the TSX-V undertook a review of the Company’s operations. The result of the review was the TSX-V determined the Company was inactive and therefore, the Company’s listing was moved a Tier 2 Venture Issuer to inactive status on the NEX Exchange. On November 16, 2015 the TSX-V removed the cease trade order and the Company commenced trading on the NEX Exchange under the symbol FTJ.H.

## Resource Properties

### Kilometre 26 – Central British Columbia

There has been no exploration activities on the Kilometre 26 Project during the nine months ended January 31, 2016 and up to the date of this report, March 18, 2016. Following is a description of the property and results of past exploration activities.

The Company owns a 100% interest in the Kilometre 26 Project, a group of mineral claims located approximately 50 kilometers northwest of Fort St. James in central British Columbia. On September 28, 2009 the Company entered into a three year Option Agreement with Eastfield Resources Ltd. (“Eastfield”) to acquire a 60% interest in the claims. On September 9, 2011 the Company entered into an agreement with Eastfield to acquire a 100% interest in the Property and to terminate the Option Agreement in consideration for the issuance of 20,000,000 common shares. The fair value of the property was determined to be \$775,000. On December 1, 2011 the Company issued the 20,000,000 common shares.

Since April 30, 2013 there has been no exploration activity on the Company’s property. Management has assured the Company’s rights to all mineral claims in the Kilometre 26 area are secure. Assessment work has been filed on all the claims in the Kilometer 26 property such that current expiry dates range to December 2017.

Approximately \$1,000,000 has been spent on exploring the property to date. Eastfield Resources Ltd. completed an initial rock sampling program in 2009 while the Company completed more extensive programs consisting of grid establishment, rock and soil geochemical surveying and ground based induced polarization and magnetometer surveying in 2010 and 2011 and a six hole (813 metre) diamond drilling program in 2011.

The entire claim area occurs within a gentle to undulating landscape all of which occurs on government land. The predominant target of interest on the Kilometre 26 property is ophiolite hosted disseminated nickel. Motherlode style (ophiolite gold) mineralization constitutes a secondary objective.

### Selected Annual Information

The following table provides a brief summary of the Company’s financial operations for each of the last three completed fiscal years prepared using International Financial Reporting Standards. For more detailed information refer to the Company’s audited financial statements for the specific periods.

	Year ended April 30, 2015 \$	Year ended April 30, 2014 \$	Year ended April 30, 2013 \$
Total revenue	NIL	NIL	NIL
Loss from operations	(210,711)	(390,536)	(369,990)
Income (Loss) for the year	319,259	(2,266,803)	(366,787)
Basic and diluted earnings (loss) per share	0.00	(0.12)	(0.02)
Total assets	14,763	56,644	1,986,688
Total long-term liabilities	NIL	NIL	NIL
Cash dividends declared	NIL	NIL	NIL

## **Results of Operations**

### **Nine Month Period Ending January 31, 2016**

During the period, and for the comparative period, the Company has continued to be in care and maintenance mode whereby its sole activity has been to maintain its ownership in its Kilometre 26 property at the least possible cost. Significant expenditures and variations of expenditures incurred during the nine months ended January 31, 2016, as compared to the period ended January 31, 2015 include:

- **Employee Costs - 2016: \$Nil / 2015: \$45,163;** During the year ended April 30, 2015, which includes the period ended October 31, 2014, the Company had one employee who was terminated in October 2014.
- **Management fees – 2016: \$15,000 / 2015: \$75,000;** In the current period ended January 31, 2016 the Company has been invoiced or accrued \$2,500 per month for services provided by the former CEO / CFO.

In the period ended October 31, 2014 the Company accrued management fees pursuant to a Management Consulting Agreement with Argentum Capital Ltd (“Argentum”) and Sandy MacDougall (“MacDougall”), whereby Argentum will provide MacDougall to perform the services of President and Chief Executive Officer of the Company for monthly compensation of \$10,000. As at January 31, 2016 the agreement was terminated.

- **Other expenses – 2016: \$31,797 / 2014: \$73,439;** Other expenses are comprised of general administration (2016 – \$9,474 / 2015 - \$8,311), occupancy (2016 - \$9,000 / 2015 - \$20,896), professional fees (2016 – recovery of \$6,650 / 2015 - \$28,953), shareholder communication (2016 - \$7,616 / 2015 - \$1,049), transfer agent and filing fees (2016 - \$11,875 / 2015 - \$11,148) and travel and meetings (2016 - \$482 / 2015 - \$3,082). Following is commentary on the major costs components.
  - **General and administration – 2016: \$9,474 / 2015: \$8,311;** G&A costs in the current period are comprised of administration, telephone and office supplies and in the 2015 period are comprised of bank charges, insurance, telephone and general office supplies and services. In the current period there were minor general office supplies and a recovery of over accrual for telephone;
  - **Professional Fees - 2015: recovery \$6,650 / 2014: \$28,953;** during the nine months ended January 31, 2016 the Company recovered \$6,650 (2015 - \$21,254) related to for accounting and audit fees, including: \$6,000 (2014 - \$2,254) for bookkeeping and preparation of preliminary quarterly financial information; \$Nil (2014 - \$7,000) accrued to a company related to the Chief Financial Officer (“CFO”) for his services, and \$7,950 (2014 - \$12,000) for audit fees related to the annual year-end audit less \$13,950 over accrued for the fiscal year ended April 30, 2015.

During the nine months ended January 31, 2016 the Company recovered \$452 for legal fees related to over accrual of legal fees in the preceding period.

- **Termination of investment in subsidiaries – 2016: \$Nil / 2015: \$13,346;** During the period ended October 31, 2014 management determined the Company’s subsidiaries, one incorporated in each of Ecuador and Colombia, were not in good standing with the respective company’s registers. The Company does not plan any future activities in either of those jurisdictions and therefore management has determined there is no benefit to the Company to incur the costs required to reinstate those companies. The Company has realized a gain on \$13,346 on disposal of the two subsidiaries resulting from the writing off of accrued liabilities recorded on the books of those companies.

### Three Month Period Ending January 31, 2016

Significant expenditures and variations of expenditures incurred during the three months ended January 31, 2016, as compared to the period ended January 31, 2015 include:

- **Management fees – 2016: \$Nil / 2015: \$75,000;** In the current period ended January 31, 2016 the Company has been invoiced or accrued \$2,500 per month for services provided by the former CEO / CFO.
- **Other expenses – 2016: \$22,075 / 2015: \$19,563;** Other expenses are comprised of general administration (2016 – \$8,786 / 2015 - \$1,992), occupancy (2016 - \$9,000 / 2015 - \$6,986), professional fees (2016 – recovery of \$5,650 / 2015 - \$8,150), shareholder communication (2016 - \$7,616 / 2015 - \$459) and transfer agent and filing fees (2016 - \$2,323 / 2015 - \$1,976). Following is commentary on the major costs components.
  - **General and administration – 2016: \$8,786 / 2015: \$1,992;** G&A costs in the current period are comprised of administration, telephone and office supplies and in the 2015 period are comprised of bank charges, insurance, telephone and general office supplies and services. In the current period there were minor general office supplies and a recovery of over accrual for telephone;
  - **Professional Fees - 2015: recovery \$5,650 / 2014: \$8,150;** during the three months ended January 31, 2016 the Company recovered \$5,650 (2015 - \$8,150) related to for accounting and audit fees.

### Summary of Quarterly Results

The following quarterly operating results have been prepared using IFRS:

	January 31, 2016 \$	October 31, 2015 \$	July 31, 2015 \$	April 30, 2015 \$
Total Revenue	-	-	-	-
Net Income (Loss)	(23,238)	(21,012)	(7,292)	(31,526)
Total comprehensive loss	(23,238)	(21,012)	(7,292)	(31,256)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

	January 31, 2015 \$	October 31, 2014 \$	July 31, 2014 \$	April 30, 2014 \$
Total Revenue	-	-	-	-
Net loss	497,754	(77,193)	(69,776)	(2,036,496)
Total comprehensive loss	497,754	(77,193)	(69,776)	(2,036,496)
Basic and diluted loss per share	0.02	(0.00)	(0.00)	(0.12)

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## Liquidity

The Company's historical capital needs have been met by issuance of shares. As at January 31, 2016, the Company's working capital deficit was \$271,478 (April 30, 2015 – working capital deficit \$238,986). The Company proposes to meet any additional financing requirements through equity financing. Raising additional capital may be difficult or not possible. The Company is in the business of exploring its mineral property interests and does not generate any cash from operations. Without the ability to attract additional equity funding the Company:

- Does not have the working capital necessary to fund current operations for the 2016 fiscal year;
- Will not have sufficient funds to complete planned exploration activities;
- Has additional liquidity risks associated with financial instruments where trading volumes have declined; and
- Has a working capital deficiency, which may result in the Company's inability to meet obligations as they come due.

The Company's cash position as at January 31, 2016 was \$355 (April 30, 2015 - \$7,535). The net change in cash position compared to April 30, 2015 was increase of cash of \$19,050 from private placement proceeds (net of share issue costs of \$950) and \$49,500 of loan proceeds less net cash outflows of \$75,730 from operations.

The Company has no long-term debt.

Future cash requirements will depend primarily on the extent of future exploration programs. Subsequent phases will depend, both on cost and duration, and on results from previous phases, and it is therefore extremely difficult to predict future cash requirements. In order to meet its option payment costs and expenditure requirements on its current properties the Company will need to raise additional financing, loans or proceeds from sale or joint venture of properties.

The Company is dependent on raising funds by the issuance of shares or disposing of interests in its unproven mineral interests (by options, joint ventures or outright sales) in order to finance further acquisitions, undertake exploration and development of mineral interests and meet general and administrative expenses beyond one year in the future. There can be no assurance that the Company will be successful in raising their required financing.

The Company has limited financial resources and there is no assurance that additional funding will be available to allow the Company to fully explore its existing properties. Failure to obtain financing could result in delays or indefinite postponement of further exploration and the possible, partial or total loss of the Company's interest in certain properties. The Company may, in the future, be unable to meet its obligations under agreements to which it is a party and the Company may consequently have its interest in the properties subject to such agreements jeopardized. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the costs required to complete recommended programs.

The Company's financial statements have been prepared on the basis of a going concern which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Should the Company be unable to continue as a going concern, the realization of assets may be at amounts significantly less than carrying values. The continuation of the Company as a going concern is dependent on its ability to obtain additional equity capital to finance existing operations, attaining commercial production from its mineral properties, and attaining future profitable operations. The Company's financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

### **Capital Resources**

The Company's ability to raise additional funds from the equity markets will largely depend upon general market conditions, the Company's ability to achieve certain exploration milestones and its ability to acquire new properties. Current market conditions do limit the potential to raise additional funding.

Authorized Share Capital consists of:

- an unlimited number of common shares without par value; and
- an unlimited number of preferred shares without par value, issuable in series and having special rights and restrictions.

Issued and outstanding common shares as at March 18, 2016 and January 31, 2016 is 29,334,181, April 30, 2015 was 25,334,181.

On June 27, 2015, the Company closed a non-brokered private placement whereby 4,000,000 Units were issued at \$0.01 per Unit for total proceeds of \$40,000 (which included \$20,000 share subscriptions received prior to April 30, 2015). Each Unit consists of one common share in the capital of the Company and one non-transferable share purchase warrant entitling the holder to purchase one additional common share at a price of \$0.05 until July 20, 2020.

### **Share Purchase Warrants**

The following table summarizes information relating to share purchase warrants outstanding and exercisable at January 31, 2016 and December 21, 2015:

Number of Warrants Outstanding	Expiry	Exercise Price per share \$	Weighted Average Remaining Contractual Life (Years)
1,625,820	June 27, 2018	0.10	2.4
4,820,000	March 28, 2019	0.05	3.2
2,169,700	May 20, 2019	0.05	3.3
4,000,000	July 20, 2020	0.05	4.4
<b>12,615,520</b>			<b>3.5</b>

### **Share Purchase Options**

The following table summarizes information relating to stock options outstanding and exercisable at January 31, 2016 and December 21, 2015:

Exercise Price per share	Number Outstanding	Expiry	Weighted Average Remaining Contractual Life (Years)	Number unvested - not exercisable	Number Vested - exercisable
\$0.05	1,000,000	February 18, 2019	3.0	-	1,000,000

While there can be no guarantee that option and warrant holders will exercise their options and warrants, any such exercises that do occur would provide additional funding to the Company.



**Off-Balance Sheet Arrangements**

The Company had no off-balance sheet arrangements.

**Transactions with Related Parties**

The following table summarizes the Company's related party transactions for the nine month periods ended January 31, 2016 and 2015:

	January 31, 2016 \$	January 31, 2015 \$
<b>Goods or services rendered:</b>		
Management fees accrued to a company controlled by the family of the former CEO for his services	15,000	5,000
Management fees paid to a company controlled by the former CEO for his services	-	70,000
Accounting fees paid to a company controlled by the family of the CFO for his services	-	12,000
Interest paid or accrued to a company controlled by two former directors/officers		677
Debt forgiveness by the former CEO, former employee and CFO		563,495
		563,495

Amounts due to related parties are summarized below:

	January 31, 2016 \$	April 30, 2015 \$
<b>Amounts due to related parties recorded in accounts payable and accrued liabilities</b>		
Due to director	14,000	14,000
Due to companies which a former director is a shareholder	57,395	57,395
Due to company controlled by the family of an officer	25,000	10,000
Loan payable to a former director and officer	20,000	20,000
		20,000

Transactions and balances with related parties conducted in the normal course of operations are recorded at the exchange value.

**Proposed Transactions**

The Company has no specific proposed transactions. However, consistent with the nature of the Company's operations, the Company is continuously reviewing potential mineral property acquisitions and may acquire additional mineral properties in the future.

**Critical Accounting Estimates**

The Company's discussion and analysis of its financial condition and results of operations, including the discussion on liquidity and capital resources, are based on its financial statements that have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The preparation of financial statements requires management to make estimates and judgments that affect reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, management re-evaluates its estimates and judgments, particularly those related to the determination of the impairment of long-lived assets. Management bases its estimates and judgments on historical experience, contractual arrangements and commitments and on various other assumptions that it believes are reasonable in the circumstances. Changes in these estimates and judgments will impact the amounts recognized in the financial statements, and the impact may be material. Management believes significant estimates and assumptions include those related to the recoverability of mineral



properties and deferred exploration expenditures, estimated useful lives of capital assets, stock-based compensation, determination as to whether costs are expensed or deferred and asset retirement obligations.

Critical accounting estimates used in the preparation of the financial statements include the assumption that the Company is a going concern, recoverable value of its mineral properties, asset retirement obligations, valuation of stock-based compensation and future income taxes. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

## **Going Concern**

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and discharge of liabilities in the normal course of business. The Company has not generated revenues from operations. The Company is considered to be in the exploration stage as it has not placed any of its mineral properties into production. The underlying value of the Company's mineral properties is dependent upon the existence and economic recovery of such reserves in the future and the ability of the Company to raise financing to complete the future exploration and development of the properties, including meeting option payment requirements as they fall due.

While the financial statements have been prepared on the assumption that the Company is a going concern and will be able to realize its assets and meet its obligations in the normal course of operations, there are conditions and events that cast doubt on the validity of that assumption. The Company has not generated revenue from operations. The Company has a loss from operations of \$51,542 for the nine months ended January 31, 2016, a history of prior year losses and, as of that date the Company's accumulated deficit was \$13,507,534. The Company is considered to be in the exploration stage as it has not placed any of its mineral properties into production. The financial statements have been prepared on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. While the financial statements have been prepared on the assumption that the Company is a going concern and will be able to realize its assets and meet its obligations in the normal course of operations, there are conditions and events that cast significant doubt on the validity of that assumption. The Company's ability to continue as a going concern is dependent on the ability of the Company to raise debt or equity financings and the attainment of profitable operations.

Management has taken steps to reduce cash expenditures to a level that will enable operations to continue and minimum mineral property commitments to be met for a minimum of twelve months from the date of these financial statements. There can be no assurance that management's plans will be successful. The financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

## **Exploration and Evaluation Expenditure**

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit (loss) in the year the new information becomes available.

## **Title to Mineral Property Interests**

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

### **Provision for Site Restoration**

Provision for site restoration has been created based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market condition at the time the rehabilitation cost is actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher than currently provided for. The Company currently has no rehabilitation provisions.

### **Functional Currency**

Management has concluded the functional currency of the Company, being the currency of the primary economic environment in which the Company operates, is the Canadian dollar. In determining the functional currency management considered the currency that revenue will primarily be derived in and the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates.

### **Income Taxes**

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same year as the expected reversal of the deductible temporary difference. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

### **Share-based Payment and Warrant Valuation Transactions**

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the stock option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 9 of the April 30, 2015 audited financial statements.

The Company measures the cost of equity-settled transactions with non-employees at the fair value of the goods or services received unless that fair value cannot be estimated reasonably. Estimating fair value for share-based payment transactions with non-employees requires determining the most reasonable estimate of value. The best determination of value will be established by previous cash transactions for similar goods or services provided by the non-employee and as agreed to between the parties. In the absence of such agreement the Company will determine a reasonable estimate of fair value by reference to similar transactions in a similar market place. If the parties do not agree on a fair value or the Company cannot otherwise reasonably estimate the fair value the Company measures the goods or services by reference to the fair value of the equity instruments granted.

The Company measures the fair value of warrants determined to be financial instruments at the date they are issued.

Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the warrant, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 8 of the January 31, 2016 unaudited interim financial statements.

### **Changes in Accounting Policies, Including Initial Adoption**

#### **Significant Accounting Policies Adopted during the period.**

Certain pronouncements were issued by the IASB of the IFRS Interpretations Committee that are mandatory for accounting periods beginning after January 1, 2015 or later years.

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements. The following new standards, interpretations and amendments, which have not been applied in these financial statements, will or may have an effect on the Company's future financial statements:

IFRS 9 *Financial Instruments: Classification and Measurement* is part of the IASB's wider project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized costs and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2015. The Company is in the process of evaluating the impact of the new standard.

### **Disclosure and Internal Controls and Risk Factors**

#### **Internal Controls and Procedures**

In contrast to the certificate required under National Instrument 52-109 *Certificate of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representation relating to the establishment and maintenance of:

- a. Controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- b. A process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting policies.

The Company's certifying officers are responsible for ensuring processes are in place to provide them with sufficient knowledge to support the representations they are making in their certification.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement, on a cost effective basis, DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filing and other reports provided under securities legislation.

#### **Risk Factors**

In conducting its business, the Company, like all development-stage mineral exploration companies, faces a variety of risks and uncertainties. While unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible.

*Exploration and Development* - Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, but not limited to, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. Few exploration projects successfully achieve development due to factors that cannot be predicted or anticipated, and even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed. The Company closely monitors its activities and those factors that could impact them, and employs experienced consultants to assist in its risk management and to make timely adequate decisions.

*Title Risks* - Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties.

*Fluctuating Metal Prices* - Factors beyond the control of the Company have a direct effect on global metal prices, which have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Company's exploration projects and the Company's ability to finance the development of its projects cannot be accurately predicted and may be adversely affected by fluctuations in metal prices.

*Environmental Regulations, Permits and Licenses* - Environmental laws and regulation could also impact the viability of a project. The Company has ensured that it has complied with these regulations, but there can be changes in legislation outside the Company's control that could also add a risk factor to a project.

*Competition* - The mineral exploration industry is intensely competitive in all its phases, and the Company competes with some companies that have greater financial and technical resources. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

*Future Financings* - The Company's continued operation will be dependent in part upon its ability to generate operating revenues and to procure additional financing. To date, the Company has done so through a combination of: (i) equity financing; (ii) cash payments received as property option payments from third parties; (iii) the sale of junior company shares received as property option payments; and, (iv) profits from the investment in and subsequent sale of junior company shares through its investment portfolio. The current state of global equity markets has had a direct effect on the ability of exploration companies, including the Company, to finance project acquisition and development through the equity markets. There can be no assurance that funds will be generated from the Company's current funding sources or that other forms of financing can be obtained at a future date. Failure to obtain additional financing on a timely basis may cause the Company to postpone development plans, forfeit rights in some or all of the properties or joint ventures, or reduce or terminate some or all of the operations.

*Price Volatility of Publicly Traded Securities* - In recent months global securities markets have experienced a high level of price and volume volatility and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur.

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**Caution on Forward-Looking Information**

This management discussion and analysis (“MD&A”) contains certain forward-looking statements and information relating to the Company that are based on the reasonable beliefs of its management as well as assumptions made by and information currently available to the Fort St. James Nickel Corp. (“Company”). If used in this document, the words “anticipate”, “believe”, “estimate”, “expect”, and similar expressions, used in relation to the Company or its management, are statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Important factors are identified in this MD&A. These statements are prepared as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this MD&A contains forward-looking statements pertaining to the following:

1. The Company’s business plans,
2. The impact of increasing competition,
3. Unpredictable changes to the market prices for minerals,
4. Anticipated results of exploration activities,
5. The Company’s ability to obtain additional financing on satisfactory terms, and
6. The Company’s future investments and allocation of capital resources.

With respect to forward-looking statements listed above and contained in the MD&A, the Company has made assumptions regarding, among other things:

1. Volatility in market prices for minerals,
2. Uncertainty associated with estimating resources,
3. Geological, technical, drilling and processing problems,
4. Incorrect assessments of the value of acquisitions,
5. Unanticipated results of exploration activities,
6. Unpredictable weather conditions, and
7. Unpredictable natural occurrences, such as landslides, volcanic activity, etc.

Any of which may cause our industry’s actual results, levels of activity performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward looking statements.

While these forward looking statements and any assumptions upon which they are based are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein.

**Approval**

The Board of Directors of Fort St. James Nickel Corp has approved the disclosures contained in the Management Discussion and Analysis for the nine months ended January 31, 2016 prepared as at March 18, 2016.

**Other Information**

Additional information relating to the Company can be found on the Canadian Securities Administrators’ System for Electronic Document Analysis and Retrieval (SEDAR) database at [www.sedar.com](http://www.sedar.com)