Report Date: September 28, 2021

The following discussion is management's assessment and analysis of the results and financial condition of operations Fort St. James Nickel Corp. ("the Company") and should be read in conjunction with the accompanying unaudited financial statements for the period ended July 31, 2021 and the audited financial statements for the year ended April 30, 2021 and related notes. These financial statements have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standards Board ("IASB").

All monetary amounts are in Canadian dollars unless otherwise specified. Additional information relating to the Company is available on SEDAR at 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 under the symbol FTJ.V. The Company is a junior mineral exploration company engaged in the acquisition, evaluation and exploration, if warranted, of mineral properties in North America.

As at July 31, 2021, the Company has a net working capital deficit of $35,546, has an accumulated deficit of $15,158,265, and has incurred a loss of $78,555. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances, asset sales or a combination thereof. There is no assurance that such financing will be sufficient to sustain operations in the foreseeable future.

Shares Issued

In July 2021, the Company completed a non-brokered private placement of 1,502,221 non-flow-through units at a price of $0.18 per unit for gross proceeds of $270,400. Each non-flow-through unit consists of one common share and one common share purchase warrant. Each non-flow-through warrant entitles the holder to purchase one additional share of the Company at a price of $0.30 per warrant share for a period of 12 months after closing. The Company also issued 400,000 flow-through units at a price of $0.25 for gross proceeds of $100,000. Each flow-through unit consists of one flow-through common share and one-half common share purchase warrant. Each whole flow-through warrant entitles the holder to purchase one additional share which is not a flow-through share at a price of $0.30 for 12 months after closing. The Company paid a cash commission of $7,200 and issued 40,000 broker warrants with the same terms as the private placement warrants.

Resource Properties

Cumulative acquisition and exploration costs incurred and expensed by the Company to date on its mineral properties are summarized below.

	Kilometer 26 $	Porcupine $	Nespisiguit $	Total $
April 30, 2020	2,027,593	408,515	-	2,436,108
Acquisition Costs	-	-	-	-
Exploration Costs	-	-	-	-
Balance, July 31, 2020	2,027,593	408,515	-	2,436,108
April 30, 2021	2,027,593	482,765	-	2,510,358
Exploration Costs	-	431	9,773	10,204
Balance, July 31, 2021	2,027,593	483,196	9,773	2,520,562

Management has determined that due to uncertainty on future recoverability of its mineral exploration and evaluation assets, acquisition and exploration costs are expensed as incurred.

Kilometre 26 – Central British Columbia

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 2,000,000 common shares. The fair value of the property was determined to be $775,000. On December 1, 2011 the Company issued the 2,000,000 common shares.

During the year ended April 30, 2015, after consideration of the continued depressed market for junior resource company securities and the Company's very low stock price, and their impact upon the Company's ability to raise funding for further exploration costs, management determined that uncertainty on future recoverability of its mineral property asset indicated that the exploration and evaluation assets were impaired. Therefore, an impairment charge of $1,879,403 was recognized in respect of the Company's mineral property assets. Future expenditures will be regularly assessed for impairment based on conditions then existing.

The highlight of the 2018 rock sampling program is sample 116001. This sample was collected in an area that to the author's knowledge has not been previously documented. The sample was collected from two large boulders subangular to angular possible subcrop of serpententite, next to an outcrop of limestone. The showing was made possible by recent logging activity. Sample 116001 returned assays of 2030ppm Ni. Another high Nickel value came from sample 116022 of Serpentenite boulders/subcrop near a 2011 drill pad.

Approximately $1,000,000 has been spent on exploring the property to date. Eastfield 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.

Porcupine Property-New Brunswick, Canada

In August 2017, the Company signed an option agreement with Great Atlantic Resources Corp. ("GR") to acquire GR's Porcupine property located in the province of New Brunswick. Under the terms of the option agreement, the Company is required to make the following cash and share payments to earn a 100% interest in the property:

- Pay $15,000 in cash (paid) and issue 500,000 common shares (issued) within five days of the TSX Venture approval of the transaction (the "Approval Date");
- Pay $20,000 in cash (paid) and issue $75,000 in common shares on or before October 6, 2018. The Company issued 234,375 common shares with a fair value of $43,359 on February 12, 2019.
- Pay $20,000 in cash and issue $75,000 in common shares on or before October 6, 2019. The Company issued 500,000 common shares with a fair value of $50,000 on October 17, 2019.
- Pay $20,000 in cash and issue $75,000 in common shares on or before October 6, 2020. The Company issued 375,000 common shares with a fair value of $93,750 on February 5, 2021.
- Pay $75,000 in cash and issue $200,000 in common shares on or before October 6, 2021.

The Company is also required to spend $1,000,000 in exploration expenditures on the property over a four-year period with a minimum of $150,000 each year.

Nespisiguit, New Brunswick, Canada

In May 2021, the Company announced it has entered into a letter of intent agreement with a private company to acquire 100% interest in the Nepisiguit Base Metal – Precious Metal Property located within the Bathurst Mining Camp of northern New Brunswick. The term of the agreement grants the Company the exclusive right for 30 days to receive the results of the core assay from the 2020 drill program and to conduct due diligence on certain areas of the Nepisiguit Property. A definitive agreement is expected to be negotiated upon review of the results and due diligence.

During the three-month period ended July 31, 2021, the Company incurred acquisition and exploration expenditures totaling $Nil (2020 - $Nil) with respect to its Kilometer 26 Property, $431 (2020 - $Nil) on the Porcupine Property and $9,773 (2020 - $Nil) on the Nespisiguit Property.

Loan Payable

	July 31, 2021 $	April 30, 2021 $
Promissory Note Payable	20,350	33,000
Loan Payable	119,819	215,000
	140,169	248,000

The loan payable of $19,500, received in 2016, unsecured, non-interest bearing and with no terms of repayment was written off during the year ended April 30, 2021.

During the year ended April 30, 2020, the Company entered into two loan agreements, one for $50,000 and the other for $90,000. In May 2020, the Company received an additional $75,000 in loan funding, all loans are unsecured, non-interest bearing and have no terms of repayment.

During the year ended April 30, 2021, the Company received $33,000 (2020 - $2,200) in promissory notes, all notes are unsecured, non-interest bearing and have no terms of repayment.

During the period ended July 31, 2021, the Company paid down loans by a total of $107,831.

RESULTS OF OPERATIONS

Net Gain/Loss and Operating Expenses

During the three-month period ended July 31, 2021, the Company recorded a loss of $78,555 or 0.00 basic and diluted loss per share, compared to $26,906 or $0.00 basic and diluted loss per share for the same period in the prior year. the Company had increased spending in advertising, consulting, office and admin as well as exploration. The Company continuing to explore their Kilometer 26 and Porcupine Properties as well as the Nespisiguit Property. Due to the uncertainty in the market and the COVID-19 pandemic, the Company is taking a conservative approach to operations.

For the Three Months Period Ended July 31, 2021	July 31, 2021 $	July 31, 2020 $
Financial results:		
Net loss for the period	(78,555)	(26,906)
Basic and diluted gain per share	(0.00)	(0.00)
Balance sheet date		
Cash and cash equivalent	12,103	1,950
Total assets	159,264	4,208
Shareholders’ Deficiency	(35,545)	(375,764)

Variation of expenditures incurred during the period ended July 31, 2021 and 2020 include:

Expenses

	Three Months Ended July 31 2021 $	2020 $
Advertising and Marketing	15,068	-
Consulting Fees	19,000	-
Exploration and Evaluation Assets Expenditures	10,204	-
Insurance	7,402	7,000
Office and Administration	41,571	4,641
Professional Fees	4,000	4,000
Rent	10,500	10,500
Transfer Agent and Filing Fees	810	765
	(108,555)	(26,906)
Grant Funding Received	30,000	-
	(78,555)	(26,906)

- Advertising and Marketing – 2021: $15,068 / 2020: $Nil; was paid for advertising as well as investor relation services.
- Consulting Fees – 2021: $19,000 / 2020: $Nil; was paid for strategic planning, as well as corporate and administrative services including project evaluation.
- Insurance - 2021: $7,402 / 2020: $7,000; comprise of Director's and Officer's insurance.
- Office and Administration – 2021: $41,571 / 2020: $4,641; G&A costs in the current period are comprised of administration, telephone, and office supplies.
- Professional Fees - 2021: $4,000 / 2020: $4,000; comprise of accrued audit fees.
- Regulatory and Transfer Agent Fees - 2021: $810 / 2020: $765; consisted of fees paid to regulatory bodies in Canada in connection with routine filings and filing fees for private placements.
- Exploration and Evaluation Assets Expenditures - 2021: $10,204 / - 2020: $Nil; paid for exploration on the Kilometer 26, Porcupine property and Nespisiguit.

SUMMARY OF QUARTERLY RESULTS

The following quarterly operating results have been prepared using IFRS:

	July 31, 2021 $	April 30, 2021 $	January 31, 2021 $	October 31, 2020 $
Total Revenue	-	-	-	-
Net Income (Loss)	(78,555)	(68,459)	(26,781)	(22,906)
Total comprehensive income (loss)	(78,555)	(68,459)	(26,781)	(22,906)
Basic and diluted loss per share	(0.00)	(0.01)	(0.00)	(0.00)

	July 31, 2020 $	April 30, 2020 $	January 31, 2020 $	October 31, 2019 $
Total Revenue	-	-	-	-
Net Income (Loss)	(26,906)	(34,769)	(32,285)	(92,100)
Total comprehensive income (loss)	(26,906)	(34,769)	(32,285)	(92,100)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.01)

LIQUIDITY AND CAPITAL RESOURCES

At July 31, 2021 the Company had cash of $12,103 and working capital deficiency of $35,546. All cash are deposited in interest accruing accounts.

	July 31, 2021 $	April 30, 2021 $
Current assets	159,264	3,443
Exploration and Evaluation Assets	1	1
Total Assets	159,265	3,444
Total Liabilities	194,810	403,004
Shareholders' Deficiency	(35,545)	(399,560)
Working Capital Deficiency	(35,546)	(399,561)

The Company does not generate sufficient cash flow from operations to fund its exploration activities, its acquisitions and its administration costs. The Company is reliant on equity financing to provide the necessary cash to continue its operations.

	July 31, 2021 $	July 31, 2020 $
Cash Used in Operating Activities	(324,119)	(2,783)
Cash Used in Investing Activities	-	-
Cash Provided by Financing Activities	334,739	-
Change in Cash	10,620	(2,783)

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 2022 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.

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.

TRANSACTIONS WITH RELATED PARTIES

Key management includes directors (executive and non-executive) and senior management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). There were no amounts paid nor payable for CEO or CFO services for the period ended July 31, 2021 and 2020.

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The details of the Company's accounting policies are presented in Note 2 of the financial statements ended April 30, 2021. These policies are considered by management to be essential to understanding the processes and reasoning that go into the preparation of the Company's financial statements and the uncertainties that could have a bearing on its financial results.

CHANGES IN ACCOUNTING POLICIES

In preparing these interim financial statements as at July 31, 2021, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended April 30, 2021.

RISK AND UNCERTAINTIES

There are no significant changes relating to the risk factors since the filing of the annual MD&A of April 30, 2021.

SUBSEQUENT EVENT AND THE CORONAVIRUS (COVID-19) PANDEMIC

The outbreak of the COVID-19 virus and the worldwide pandemic has impacted the Company's plans and activities. The Company may face disruption to operations, supply chain delays, travel and trade restrictions, and impacts on economic activity in affected countries or regions can be expected and are difficult to quantify. Regional disease outbreaks and pandemics represent a serious threat to hiring and maintaining a skilled workforce and could be a major health-care challenge for the Company. There can be no assurance that the Company's personnel will not be impacted by these regional disease outbreaks and pandemics and ultimately that the Company would see its workforce productivity reduced or incur increased medical costs and insurance premiums as a result of these health risks.

In addition, the pandemic has created a dramatic slowdown in the global economy. The duration of the outbreak and the resulting travel restrictions, social distancing recommendations, government response actions, business disruptions and business closures may have an impact on the Company's exploration operations and access to capital. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about by the pandemic's impact on global industrial and financial markets which may reduce metal prices, share prices and financial liquidity thereby severely limiting access to essential capital.

CAPITAL RISK MANAGEMENT

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 development of resource 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 future development of the business.

The Company manages its share capital as capital, which as at July 31, 2021, was $13,694,364 (April 30, 2021 – $13,478,588). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period ended July 31, 2021.

MANAGEMENT FINANCIAL RISKS

The fair value of the Company's loan receivable, accounts payable and accrued liabilities, convertible debentures, and amounts due to related parties approximate their carrying value, which is the amount recorded on the consolidated statement of financial position. The Company's other financial instruments, cash and marketable securities under the fair value hierarchy is recorded at fair value based on level one quoted prices in active markets for identical assets or liabilities.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Management believes that its credit risk is not significant.

b) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at July 31, 2021, the Company had a cash balance of $12,103 to settle current liabilities of $194,810. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. Management expects to fund those liabilities through equity financing and loans from related parties over the coming year.

c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's loans receivable and amounts due to related parties are non-interest bearing. Interest on the Company's debentures payable are based on fixed rates, and as such, the Company is not exposed to significant interest rate risk.

d) Foreign Currency Risk

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents and accounts payable and accrued liabilities that are denominated in U.S. Dollars. The Company's financial instruments denoted in U.S. Dollars are insignificant and any fluctuation in foreign currency exchange rates would have an insignificant impact on net loss for the year.

e) Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

FORWARD-LOOKING INFORMATION

This MD&A, which contains certain forward-looking statements, are intended to provide readers with a reasonable basis for assessing the financial performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

ADDITIONAL INFORMATION

Additional information relating to the Company is available:

(a) On SEDAR at www.sedar.com
(b) On the Company's website at www.fortstjamesnickel.com
(c) In the Company's annual audited financial statements for the year ended April 30, 2021.

OUTSTANDING SHARES

	Number	Exercise Price	Expiry Date
Common Shares (September 10, 2021)	22,648,262	n/a	n/a
Stock Options	450,000	$0.15	October 5, 2021
Stock Options	650,000	$0.50	April 5, 2023
Warrants	1,502,221	$0.30	July 7, 2022
Warrants	200,000	$0.30	July 7, 2022
Warrants	3,700,000	$0.12	October 28, 2024