FPX NICKEL CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS
FORM 51-102F1 for the three and six months ended June 30, 2023

This Management's Discussion and Analysis ("**MD&A**") has been prepared as of August 29, 2023 (the "**Report Date**") with reference to National Instrument 51-102 – "*Continuous Disclosure Obligations"* of the Canadian Securities Administrators and contains information up to and including the Report Date. It should be read in conjunction with the condensed consolidated interim financial statements for the three and six months ended June 30, 2023 together with the audited consolidated financial statements of FPX Nickel Corp. ("**FPX Nickel**", or "**the Company**") for the year ended December 31, 2022 and the related notes thereto.

Certain dollar amounts in this MD&A have been rounded for ease of reading. All amounts are expressed in Canadian dollars unless otherwise noted.

The condensed consolidated interim financial statements for the three and six months ended June 30, 2023 were prepared in accordance with International Accounting Standard ("**IAS**") 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board ("**IASB**") on a basis consistent with those followed in the most recent annual consolidated financial statements.

Additional information relating to the Company is available for viewing under the Company's profile on the SEDAR website at www.sedar.com.

1. Overview

The Company was incorporated as a junior capital pool company in the province of Alberta on February 2, 1995 and established itself as a mineral exploration company in June 1996. The Company's shares are listed on the TSX Venture Exchange ("**TSX-V**"), trading under the symbol "**FPX**". The Company has one wholly-owned subsidiary, First Point Mexico S.A. de C.V., incorporated in Mexico, and a majority-owned subsidiary, CO2 Lock Corp, incorporated in British Columbia.

FPX Nickel explores primarily for nickel deposits, none of which have been advanced to the point where a production decision can be made. As a consequence, the Company has no producing properties, and no sales or revenues.

The Company's exploration efforts are focused on the exploration and development of properties containing **awaruite,** a naturally occurring **nickel-iron alloy**. The alloy typically contains approximately 77% nickel, is widely disseminated and represents a bulk tonnage target that would potentially be mineable by open pit methods should a mineral reserve be delineated. FPX Nickel holds a 100% interest in five awaruite properties: four in British Columbia, and one in the Yukon Territory. During the six months ended June 30, 2023, FPX Nickel incurred costs of approximately $3,744,000 (2022 - $2,815,000) in exploring and developing its nickel properties in Canada. For summaries of exploration expenditures by property and by material component, see Section 2 of this MD&A.

FPX Nickel holds a 100% interest in its flagship Decar Nickel District in British Columbia ("**Decar**" or the "**Project**") as of the Report Date.

On September 9, 2020, the Company announced the positive results of a Preliminary Economic Assessment ("**PEA**") for the Baptiste Project at the Decar Nickel District. The PEA was prepared by BBA Inc. of Montreal, Canada with work on mine planning and tailings by Stantec Inc. of Vancouver, Canada. The PEA results and assumptions are as follows:

Table 1 – Baptiste Project PEA Results and Assumptions (all in US$)

Results	
Estimate Date	Fourth Quarter of 2020
Pre-tax NPV (8% discount rate)	$2.93 billion
Pre-tax IRR	22.5%
Payback period (pre-tax)	3.5 years
After-tax NPV (8% discount rate)	$1.72 billion
After-tax IRR	18.3%
Payback period (after-tax)	4.0 years
Net cash flows (after-tax, undiscounted)	$8.73 billion
C1 operating costs [1,3]	$2.74/lb nickel
AISC costs [2,3]	$3.12/lb nickel
Assumptions	
Processing throughput	120,000 tonnes per day
Mine life	35 years
Life-of-mine stripping ratio (tonnes:tonnes)	0.40:1
Life-of-mine average annual nickel production	99 million lbs.
Nickel price [4]	$7.75/lb
Baptiste product payability (% of nickel price)	98%
Pre-production capital expenditures	$1.67 billion
Sustaining capital expenditures	$1.11 billion
Exchange rate	0.76 US$/C$

1. *C1 operating costs are the costs of mining, milling and concentrating, on-site administration and general expenses, metal product treatment charges, and freight and marketing costs less the net value of by-product credits, if any. These are expressed on the basis of per unit nickel content of the sold product.*
2. *AISC or all-in sustaining costs comprise the sum of C1 costs, sustaining capital, royalties and closure expenses. These are expressed on the basis of per unit nickel content of the sold product.*
3. *The PEA includes certain performance measures that do not have any standardized meaning prescribed by international financial reporting standards (**"IFRS"**) including C1 operating costs and all-in sustaining costs. The presentation of these non-IFRS measures is intended to provide an improved ability to evaluate the underlying performance of the Baptiste Nickel Project and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Other companies may calculate these non-IFRS measures differently. Note these figures have not been audited and are subject to change.*
4. *Nickel price based on the average of six long-term analyst forecast prices.*

Cautionary Statement: The PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. Furthermore, there is no certainty that the conclusions or results as reported in the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

In January 2023, the Company announced that it commenced a preliminary feasibility study ("**PFS**") for the Baptiste Nickel Project; the PFS is expected to be completed in the third quarter of 2023.

On March 30, 2022, the Company announced that it has established a new subsidiary company, CO2 Lock Corp. ("**CLC**"), to pursue opportunities in carbon capture and storage. The Company holds 17 million shares of CLC. As of June 30, 2023, CLC has raised $1.7 million from third party investors, issuing 2,286,344 shares at $0.75 per share, leaving the Company with an approximately 88.2% ownership interest in CLC on an issued and outstanding basis. Given its majority ownership position, the Company controls and consolidates CLC in its consolidated financial statements.

2. Exploration Projects

Nickel Projects:

FPX Nickel's exploration program involves a search for disseminated nickel-iron alloy targets that occur in a very specific geological environment found within ultramafic rocks. Awaruite, the nickel-iron alloy of interest, contains approximately 77% nickel, the rest being iron with occasional minor cobalt and copper (which appear to substitute for nickel in awaruite). Awaruite is strongly magnetic and very dense, two properties which allow for its efficient physical separation, along with magnetite, into a magnetics concentrate via two stages of comminution and magnetic separation. Conventional froth flotation is then used to separate the awaruite from magnetite, resulting a very high-grade nickel concentrate (60-65% nickel). There is virtually no sulphur in the resource, which eliminates a number of typical environmental issues typically associated with mining, processing, and waste management for nickel sulphide deposits. Furthermore, because of the virtual absence of sulphur, the nickel concentrate produced does not require intermediate smelting or primary refining ahead of feed to either the stainless steel industry or secondary refining to produce battery-grade materials.

The following table provides a summary of exploration expenditures on a property-by-property basis for the year ended December 31, 2022:

	Balance, December 31, 2021	Acquisition Costs	Exploration Costs	Recoveries	Costs Written Off	Balance December 31, 2022
Canada						
Decar	$ 13,355,358	$ -	$ 8,091,075	$ (861,485)	$ -	$ 20,584,948
Wale/Polar	1	-	-	-	-	1
Orca	1	-	-	-	-	1
Klow	1	-	-	-	-	1
Mich	874,602	10,080	-	-	-	884,682
Total	**14,229,963**	**10,080**	**8,091,075**	**(861,485)**	**-**	**21,469,633**

The following table provides a summary of the material components of exploration expenditures for the year ended December 31, 2022:

	Decar	Mich	General Exploration	Total
Drilling	$ -	$ -	$ -	$ -
Helicopters	-	-	-	-
Field Expenses	366,019	-	-	366,019
Metallurgical Testing	1,322,858	-	49,507	1,372,365
Assay Testing	17,385	-	-	17,385
Wages and Benefits	-	-	-	-
Geological and Contract Services	735,648	-	351,461	1,087,109
Environment Baseline Studies	2,252,312	-	3,686	2,255,998
Engineering	786,662	-	-	786,662
Owner's Team	1,395,362	-	-	1,395,362
Other	1,214,828	10,080	38,778	1,263,686
Total	$ 8,091,075	$ 10,080	$ 443,432	$ 8,544,586

The following table provides a summary of exploration expenditures on a property-by-property basis for the six months ended June 30, 2023:

	Balance, December 31, 2022	Acquisition Costs	Exploration Costs	Recoveries	Costs Written Off	Balance June 30, 2023
Canada						
Decar	$ 20,584,948	$ -	$ 3,743,903	$ -	$ -	$ 24,328,851
Wale/Polar	1	-	-	-	-	1
Orca	1	-	-	-	-	1
Klow	1	-	-	-	-	1
Mich	884,682	-	-	-	-	884,682
Total	**21,469,633**	**-**	**3,743,903**	**-**	**-**	**25,213,536**

The following table provides a summary of the material components of exploration expenditures for the six months ended June 30, 2023:

	Decar	Mich	General Exploration	Total
Field Expenses	$ 26,060	-	-	26,060
Metallurgical Testing	57,885	-	171,282	207,042
Assay Testing	10,800	-	-	10,800
Geological and Contract Services	13,020	-	19,660	30,316
Environment Baseline Studies	2,817,346	-	46,811	2,354,751
Engineering	111,165	-	-	135,655
Owner's Team	672,943	-	-	672,943
Other	34,684	-	1,600	545,690
Total	$ 3,743,903	$ -	$ 239,353	$ 3,983,256

Decar Nickel District, British Columbia:

The Company's Decar Nickel District claims cover 245 square kilometres of the Mount Sidney Williams ultramafic/ophiolite complex, located 90 km northwest of Fort St. James in central British Columbia. The Decar Nickel District is a two-hour drive from Fort St. James on a high-speed logging road.

In 1996, the Company entered into an option agreement with a third party to acquire mineral claims in this area. The Company examined the property, collecting several samples for petrographic study and confirming the presence of observed grains of awaruite in serpentine by microprobe analysis. Upon completion of preliminary investigations, the Company dropped the option. In 2007, the Company conducted renewed investigations of nickel mineralization in this region; the Company has held a continuous ownership interest in Decar since first staking claims in the area in 2007.

Decar hosts a greenfield discovery of nickel mineralization in the form of a naturally occurring nickel-iron alloy called awaruite (Ni_3Fe), which is amenable to bulk-tonnage, open-pit mining. Awaruite mineralization has been identified in four target areas within this ophiolite complex, being the Baptiste Deposit, and the B, Sid and Van targets, as confirmed by drilling, petrographic examination, electron probe analyses and outcrop sampling on all four. Since 2010, approximately US$33 million has been spent on the exploration and development of Decar.

Of the four targets in the Decar Nickel District, the Baptiste Deposit, which was initially the most accessible and had the biggest known surface footprint, has been the focus of diamond drilling since 2010, with a total of 99 holes and 33,700 m of drilling completed. The Sid target was tested with two holes in 2010 and the B target had a single hole drilled in 2011; all three holes intersected nickel-iron alloy mineralization over wide intervals with DTR nickel grades comparable to the Baptiste Deposit. In 2021, the Company executed a maiden drilling program at Van, which has returned promising results comparable with the strongest results at Baptiste. In 2022, the Company executed a step-out drilling program at Van, which demonstrated a tangible increase in the mineralized footprint.

FPX Nickel is actively engaged in the community with all stakeholders to provide social and economic benefits from responsible mineral exploration and mining in a way that also safeguards the health of people and the local environment.

The Decar Nickel District is located on provincial Crown land, in the Stuart-Trembleur Lake area, within the boundaries of four *Keyohs*. A Keyoh is a traditional land holding led by a *Keyohwudachun* or "Keyoh holder" and is a significant aspect of the Dakelh people of the Stuart-Trembleur Lake area Indigenous traditional governance system.

In acknowledgement of the significance of the keyoh governance system, FPX has engaged directly with four Keyoh holders and their families, in addition to the First Nations to which they belong. Collaboration and support for the exploration activities has been captured in a Memorandum of Understanding ("**MoU**") exploration agreement established in 2012 between FPX, the four Keyoh holders, and Tl'azt'en Nation.

In March 2019, Binche Whut'en First Nation was constituted as a newly recognized First Nation by Crown-Indigenous Relations and Northern Affairs, officially separating from Tl'azt'en Nation. FPX negotiated the terms of a new exploration and development Memorandum of Agreement ("**MoA**") with the Binche Whut'en First Nation through their traditional governance entity the Binche Keyoh Bu Society (Society). The MoA was signed at a ceremony in the community of Binche in June 2022.

Baptiste Nickel Project – 2020 PEA

The 2020 Baptiste PEA demonstrates the potential for establishing a greenfield open-pit mine and an on-site mineral concentrator using conventional magnetic separation and froth flotation technology. At a throughput rate of 120,000 tonnes per day (43.8 million tonnes per year), annual production is projected to average 99 million pounds nickel contained in a nickel concentrate at C1 operating costs of US$2.74 per pound of nickel.

Table 2 – Baptiste Project PEA Results and Assumptions (all in US$)

Results	
Estimate Date	Fourth quarter of 2020
Pre-tax NPV (8% discount rate)	$2.93 billion
Pre-tax IRR	22.5%
Payback period (pre-tax)	3.5 years
After-tax NPV (8% discount rate)	$1.72 billion
After-tax IRR	18.3%
Payback period (after-tax)	4.0 years
Net cash flows (after-tax, undiscounted)	$8.73 billion
C1 operating costs [1,3]	$2.74/lb nickel
AISC costs [2,3]	$3.12/lb nickel
Assumptions	
Processing throughput	120,000 tonnes per day
Mine life	35 years
Life-of-mine stripping ratio (tonnes:tonnes)	0.40:1
Life-of-mine average annual nickel production	99 million lbs.
Nickel price [4]	$7.75/lb
Baptiste product payability (% of nickel price)	98%
Pre-production capital expenditures	$1.67 billion
Sustaining capital expenditures	$1.11 billion
Exchange rate	0.76S$/C$

1. *C1 operating costs are the costs of mining, milling and concentrating, on-site administration and general expenses, metal product treatment charges, and freight and marketing costs less the net value of by-product credits, if any. These are expressed on the basis of per unit nickel content of the sold product.*
2. *AISC or all-in sustaining costs comprise the sum of C1 costs, sustaining capital, royalties and closure expenses. These are expressed on the basis of per unit nickel content of the sold product.*
3. *The PEA includes certain performance measures that do not have any standardized meaning prescribed by international financial reporting standards (**"IFRS"**) including C1 operating costs and all-in sustaining costs. The presentation of these non-IFRS measures is intended to provide an improved ability to evaluate the underlying performance of the Baptiste Nickel Project and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Other companies may calculate these non-IFRS measures differently. Note these figures have not been audited and are subject to change.*
4. *Nickel price based on the average of six long-term analyst forecast prices.*

Cautionary Statement: The PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. Furthermore, there is no certainty that the conclusions or results as reported in the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

For further discussion of the PEA results, see the Company's news release dated September 9, 2020.

Baptiste Nickel Project – Mineral Resource Estimate

In November 2022, the Company reported an updated mineral resource estimate for the Baptiste Nickel Project. The 2022 mineral resource estimate incorporates results from 2021's in-fill drilling program and is based on a new geological modelling approach and newly improved dike model, all of which contribute to improved DTR nickel grades.

As seen in Table 3, along with updated tonnage and DTR nickel grades, the 2022 mineral resource estimate now includes total nickel, DTR cobalt, and DTR iron, which may provide new value sources for Baptiste. In addition, the reporting of total nickel grade facilitates more accurate benchmarking with other large-scale nickel projects.

Table 3: 2022 Baptiste Deposit Pit-constrained Mineral Resource Estimate*

Category	Tonnes (Mt)	Grade				Contained Metal			
		DTR Ni (%)	Total Ni (%)	DTR Co (%)	DTR Fe (%)	DTR Ni (kt)	Total Ni (kt)	DTR Co (kt)	DTR Fe (Mt)
Indicated	**1,815**	**0.129**	**0.211**	**0.0035**	**2.40**	**2,435**	**3,828**	**64.4**	**43.5**
Inferred	**339**	**0.131**	**0.212**	**0.0037**	**2.55**	**444**	**720**	**12.5**	**8.6**

**Notes for Table 3:*

1. *Mineral Resource estimate prepared by Richard Flynn, P.Geo of NMC using ordinary kriging within grade shell domains and inverse distance squared in dike domains.*
2. *Resources are reported using the 2014 CIM Definition Standards and were estimated in accordance with the CIM 2019 Best Practices Guidelines.*
3. *Davis Tube magnetically-recovered ("DTR") nickel is the nickel content recovered by magnetic separation using a Davis Tube, followed by fusion XRF to determine the nickel content of the magnetic fraction; in effect a mini-scale metallurgical test. The Davis Tube method is the global, industry standard metallurgical testing apparatus for recovery of magnetic minerals.*

4. *Indicated resources are drilled on approximate 200 x 200 metre drill spacing and confined to mineralized lithologic domains. Inferred resources are drilled on approximate 300 x 300 metre drill spacing.*
5. *A cut-off grade of 0.06% DTR Ni was applied.*
6. *An optimized pit shell was generated using the following assumptions: US \$8.50 per pound nickel price; pit slopes between 42-44°; nickel payability of 96%; mining recovery of 97% DTR Ni; process recovery of 85% DTR Ni; exchange rate of US\$1.00 = C\$0.77; and total operating cost and minimum profit of US\$9.37 per tonne.*
7. *Totals may not sum due to rounding.*
8. *Mineral resources are not mineral reserves and do not have demonstrated economic viability.*

Mineral resources are not mineral reserves and do not have demonstrated economic viability. The Baptiste deposit remains open at depth over the entire system, which provides future potential to significantly increase the size of the resource in the future.

<u>Baptiste Nickel Project – Preliminary Feasibility Study</u>

In January 2023, the Company announced the commencement of a preliminary feasibility study ("**PFS**") for the Baptiste Project. The PFS will mark the culmination of the extensive de-risking and optimization program that has been undertaken since the issuance of the 2020 PEA.

The PFS will present two strategic options, including:

- Base Case – production of a high-grade awaruite concentrate (50-65% Ni) for direct feed to the stainless steel market, utilizing a simple and robust concentrator flowsheet that is only possible due to Baptiste's awaruite mineralization.
- Option – further upgrading of the high-grade awaruite concentrate to produce battery-grade nickel sulphate and cobalt-rich products for the electric vehicle battery supply chain, utilizing moderate leaching conditions and standard hydrometallurgical unit operations.

The PFS will be prepared by a team of industry-leading consultants, all of whom have meaningfully contributed to the Project's de-risking and optimization program since the 2020 PEA, thus maintaining strong continuity in the ongoing development of Baptiste. The PFS is expected to be completed in September 2023.

<u>Van Target</u>

The limited amount of exploration drilling elsewhere within the Decar Nickel District clearly indicates there is substantial potential for additional discoveries. On January 15, 2018, the Company announced new assay results of bedrock samples from the Van Target, which is located 6 kilometres north of Baptiste at similar elevations, and is also accessible via logging roads.

From October 2021 to January 2022, the Company released the results of the maiden 2021 drilling program at the Van Target. The results of these holes confirm a significant new nickel discovery at Van, highlighted by hole 21VAN-001, which intersected 101 m grading 0.150% DTR nickel (0.207% total nickel), starting at an approximate vertical depth of 27 m below surface, among the 8 highest-grading, near-surface intervals in the history of Decar.

In December 2022 and January 2023, the Company announced drill results from a follow-up drilling program in 2022 confirming the significant lateral extension of the new nickel discovery at the Van Target. The 2022 drill results expanded nickel mineralization approximately 1 km to the west of previous drilling, bringing the mineralized footprint at Van to approximately 2 km in strike length by 1 km in width. Based on the first two drilling campaigns completed to-date, the scale of nickel mineralization at Van is trending toward being comparable to the Baptiste Deposit, which has a strike length of approximately 3 km with an average width of approximately 1 km.

Other North American Nickel Projects:

In the Yukon, the **Mich** property is located 50 km southeast of Whitehorse and covers an area 11.5 sq km in size. The property lies 15 km off the Alaska Highway and is accessible by an all-terrain vehicle trail. The Company staked the Mich property after discovering a large anomalous zone of disseminated awaruite mineralization based on a first pass of wide-spaced reconnaissance sampling during the summer 2011 regional exploration program. The Mich claims cover 1,932 hectares and are underlain by serpentinized ultramafic rocks of the Cache Creek Terrane, the same belt of rocks that host the awaruite mineralization at the Company's Orca, Wale and Decar properties in B.C.

On November 13, 2014, the Company announced the results of its first diamond drilling campaign at Mich, which tested the central portion of the key target area with two angled holes drilled at minus 50 degrees in opposite directions from the same set-up, for a total of 873 metres of drilling. Results include 156 metres averaging a grade of 0.096% DTR nickel from 3.0 to 159.1 metres in hole 1, and the entire 453.6-metre length of hole 2 averaging 0.087% DTR nickel from 2.7 to 456.3 metres. The results from this first drill program at Mich provide encouraging confirmation of the project's potential to host a significant nickel-iron alloy mineralized system. The drilling intersected a disseminated nickel-iron alloy mineralized zone hosted in ultramafic rocks. Using a cut-off grade of 0.06% DTR nickel, the zone measures 345 metres vertically from surface, is an estimated 463 metres wide on the drill section and remains open to the northeast, beyond the end of the second drill hole, which bottomed in 32.2 metres of 0.123% DTR nickel.

Geological mapping and rock sampling have defined a 2-kilometre-long, northwest-southeast trending zone of disseminated awaruite mineralization marked by a number of strong rock anomalies grading better than 0.08% DTR nickel. The key target is located on the southeastern end of a low ridge and measures 540 metres long and 290 to 570 metres wide. It remains open to the southeast towards the valley floor where overburden covers the bedrock.

Investors are cautioned that each of the Company's exploration targets is an early-stage exploration prospect, conceptual in nature, defined by surface rock sampling and ground-based geophysical surveys. With the exception of the Decar Property, there has been insufficient exploration to define a mineral resource on any of the Company's other exploration properties and it is uncertain if further exploration will result in any target being delineated as a mineral resource.

All technical information included in this MD&A was prepared under the supervision of the Company's Vice-President, Projects, Andrew Osterloh, P. Eng., a qualified person under NI 43-101.

3. Results of Operations

For the six months ended June 30, 2023

The Company recorded a net loss and comprehensive loss of $3,117,590 (2022 – $1,365,739) during the six months ended June 30, 2023.

The following table provides a summary of general and administrative expenses for the six months ended June 30, 2023 and 2022:

	2023	2022
Accounting, legal and audit	$ 115,442	$ 13,858
Insurance	18,920	11,676
Interest expense	5,240	8,277
Management fees and salaries	597,824	389,166
Office and administration	49,365	44,027
Share-based compensation	1,906,518	387,782
Travel, promotion & communications	465,151	368,966
Trust and filing fees	80,034	65,746
Total General & Administrative	**3,238,594**	**1,289,498**
General exploration	239,353	99,623
Depreciation	57,373	42,036
Foreign exchange (gain) loss	1,671	(49)
Total Expenses	**$ 3,536,991**	**$ 1,431,108**

Expenses in the first six months of 2023 of $3,536,991 were $2,105,883 higher than the $1,431,108 incurred in the 2022 period, with the year-over-year change largely attributable as follows:

- A $139,730 increase in general exploration expenditures reflecting greater activities of the Company's subsidiary, CO2 Lock Corp.
- A $208,658 increase in management fees and salaries reflecting an increased number of staff members compensation increases to the Company's officers and employees;
- A $1,518,736 increase in stock-based compensation reflecting a higher number of stock options issued to management and directors; and
- A $96,185 increase in travel, promotion and communications reflecting a higher level of investor relations activities.

4. Summary of Quarterly Results

The following table summarizes information derived from the Company's financial statements for each of the eight most recently completed quarters.

Quarter Ended: / Year:	Jun. 30 2023	Mar. 31 2023	Dec. 31 2022	Sep. 30 2022	Jun. 30 2022	Mar. 31 2022	Dec. 31 2021	Sep. 30 2021
Net sales or total revenue ($000s)	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Income (loss) from continuing operations:								
(i) in total (000s)	$(2,294)	$(823)	$(761)	$(1,584)	$(664)	$(702)	$(639)	$(477)
(ii) per share(1)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Net income (loss):								
(i) in total (000s)	$(2,294)	$(823)	$(761)	$(1,584)	$(664)	$(702)	$(639)	$(477)
(ii) per share(1)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

(1) Fully diluted loss per share amounts have not been calculated as they would be anti-dilutive.

Quarterly results can vary significantly depending on whether the Company realized a gain or loss on sale of its investments, abandoned any properties, incurred exploration expenditures funded by flow through monies, or granted stock options in a particular quarter. See "Results of Operations".

5. Liquidity and Capital Resources

The Company manages its cash, cash equivalents and common shares as capital. The Company's objectives in managing its capital are to:

- Maintain sufficient cash and cash equivalents to last a minimum of one year;
- Have the flexibility to achieve its on-going business objectives, including but not limited to funding work programs on its exploration and evaluation assets and pursuing new business opportunities as they arise, and
- Minimize dilution to existing shareholders.

The Directors have not specified a quantitative return on capital criteria for management, but rather rely on the expertise of management to sustain future development of the business.

The Company's exploration and evaluation assets are in the development stage and the Company does not generate a positive cash flow. As a consequence, the Company relies on accessing the capital markets to obtain the funds needed to carry on its business. It is the Company's intention to utilize its existing working capital and to raise additional funds as needed. The additional funds will be raised primarily through the issuance of its securities in private placements.

Cash and Financial Conditions

The Company's cash position was $32,313,103 at June 30, 2023 (December 31, 2022 - $18,016,082) while its working capital was $33,031,667 (December 31, 2022 - $19,837,914).

Financing Activities

During the six months ended June 30, 2023, the Company received $18,383,210 (2022 – $300,000) from the issuance of shares. During the six months ended June 30, 2023, the Company received nil from the issuance of shares of its partially-owned subsidiary CO2 Lock Corp. (2022 – $1,714,758). During the six months ended June 30, 2023, the Company paid $44,223 (2022 – $41,037) of its lease liability.

Investing Activities

During the six months ended June 30, 2023, the Company incurred acquisition and deferred exploration cash costs of $3,447,988 (2022 - $2,457,167) on its exploration and evaluation assets.

Outlook

The Company's working capital position at June 30, 2023 was $33,031,667.

It is anticipated that the Company will have sufficient working capital to fund its anticipated activities over the July to December 2023 period, currently budgeted at approximately $6,000,000. Nevertheless, if an opportunity arises that would allow FPX Nickel to raise additional equity on reasonable terms, the Company would be prepared to complete a financing. It will also consider entering into joint venture arrangements with third parties to advance the exploration and evaluation of one or more of its 100% owned nickel properties.

Outstanding share data as at the Report Date

As of the Report Date, the Company has 273,881,246 common shares outstanding (292,026,246 shares fully diluted). There are 18,145,000 stock options outstanding under the Company's incentive stock option plan. The stock options are exercisable at prices ranging from $0.20 to $0.80 per share, with expiry dates ranging to June 19, 2028. If the Company were to issue the 18,145,000 shares issuable upon exercise of all incentive stock options outstanding, it would receive $8,583,000.

6. Transactions with related parties

At June 30, 2023, liabilities included $60,519 (December 31, 2022 – $22,669) due to related parties. Amounts due to related parties are unsecured and non-interest bearing.

During the six months ended June 30, 2023, the Company entered into the following related party transactions:

- paid or accrued $185,000 (2022 - $155,000) in fees to Martin Turenne Consulting Ltd., a private company controlled by Martin Turenne, the Company's President and Chief Executive Officer, for management and administrative services.

- paid or accrued $57,500 (2022 - $79,363) in fees to Adera Company Management Inc., a private company controlled by J. Christopher Mitchell, the Company's Chief Financial Officer and Corporate Secretary, for management and administrative services.

- paid or accrued $166,800 (2022 – $136,500) in salary to Andrew Osterloh, the Company's Vice-President, Projects.

- paid or accrued $10,000 (2022 – $nil) in salary to Keith Patterson, the Company's Vice President of Generative Exploration.

- paid or accrued $69,000 (2022 – $28,250) to independent directors for director's fees and services.

- Recorded share-based compensation of $634,144 (2022 – $152,808) for 1,490,000 (2022 – 250,000) stock options granted to independent directors.

The amounts charged to the Company for the services provided have been determined by negotiations between the parties and are covered by a signed agreement. These services were in the normal course of operations and management believes that they were incurred on a basis consistent with comparable transactions between other non-related parties.

The Company considers its Officers to be key management personnel. Amounts paid to the key management personnel during the six months ended June 30, 2023 and 2022 are shown in the following table:

		2023		2022
Management fees and salaries	$	419,300	$	370,863
Share-based payments		651,640		-
Total key management personnel	$	1,070,940	$	370,863

7. Standards, Amendments and Interpretations

There are no new IFRS standards, interpretations and amendments effective during the six months ended June 30, 2023, which are of potential significance to the Company.

8. Risk Factors Relating to the Company's Business

As a company active in the mineral resource exploration and development industry, FPX Nickel is exposed to a number of risks.

Exploration Stage Operations

The Company's operations are subject to all of the risks normally incident to the exploration for and the development and operation of mineral properties. The Company has implemented comprehensive safety and environmental protection measures designed to comply with government regulations and ensure safe, reliable and efficient operations in all phases of its operations. The Company maintains liability and property insurance, where reasonably available, in such amounts it considers prudent. The Company may become subject to liability for hazards against which it cannot insure or which it may elect not to insure against because of high premium costs or other reasons.

All of the Company's properties are still in the exploration stage. Mineral exploration and exploitation involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to avoid. The minerals business is characterized by long lead times from discovery to development, and few exploration projects successfully make the transition to development.

Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the material processed and to develop the mining and processing facilities and infrastructure at any site chosen for mining.

There is no assurance that commercial quantities of ore will be discovered. Even if commercial quantities of ore are discovered, there is no assurance that the properties will be brought into commercial production or that the funds required to exploit mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. The commercial viability of a mineral deposit once discovered is also dependent on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices. Most of the above factors are beyond the control of the Company.

There can be no assurance that the Company's mineral exploration activities will be successful. In the event that such commercial viability is never attained, the Company may seek to transfer its property interests or otherwise realize value or may even be required to abandon its business and fail as a "going concern".

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with other companies with greater technical and financing resources than itself with respect to acquisition of properties of merit, and the recruitment and retention of qualified individuals to carry out its mineral exploration activities. Competition in the mining industry could adversely affect the Company's prospects for mineral exploration in the future.

Financial Markets

The Company is dependent on the equity markets as its primary source of operating working capital and the Company's capital resources are largely determined by the strength of the junior resource markets, by the status of the Company's projects in relation to these markets, and by the Company's ability to attract investor support for its projects.

There is no assurance that funding will be accessible to FPX Nickel at the times and in the amounts required to fund the Company's activities, as there are many circumstances that are beyond the control of FPX Nickel. For example, the Company is dependent on investor sentiment being positive towards the mineral exploration business in general and FPX Nickel in particular. Many factors influence investor sentiment, including a positive climate for mineral exploration, the experience and caliber of a company's management and a company's track record in discovering or acquiring economically viable mineral deposits.

Environmental and Government Regulation

Mining and exploration activities are subject to various laws and regulations relating to the protection of the environment, historical and archaeological sites and endangered and protected species of plants and animals. Although the exploration activities of the Company are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development activities. Amendments to current laws and regulations governing the activities of the Company, or more stringent implementation thereof, could have a substantial adverse impact on the Company.

Uncertainty Related to Unsettled First Nations Rights and Title in British Columbia

The nature and extent of Aboriginal rights and title remains the subject of active debate, claims and litigation in British Columbia. Indigenous Nations in British Columbia have made claims of Aboriginal rights and title to substantial portions of land and water in the province, including areas where the Company's operations are situated, creating uncertainty as to the status of competing property rights. The Supreme Court of Canada has held that Indigenous groups may have a spectrum of Aboriginal rights over lands that have been traditionally used or occupied by their ancestors. Such Aboriginal rights and title are not absolute and may be infringed by government in furtherance of a legislative objective, subject to meeting a justification test. The effect of such claims on any particular area of land will not be determinable until the exact nature of historical use, occupancy and rights to such property have been clarified by a decision of the Courts or definition in a treaty. Indigenous Nations in the province are seeking settlements including compensation from governments with respect to these claims, and the effect of these claims cannot be estimated at this time. The federal and provincial governments have been seeking to negotiate settlements with Indigenous groups throughout British Columbia in order to resolve many of these claims. Any settlements that may result from these negotiations may involve a combination of cash, resources, grants of conditional rights to undertake traditional pursuits (like hunting, gathering, trapping and fishing) on public lands, and certain rights of self-government. The issues surrounding Aboriginal title and rights are not likely to be comprehensivley resolved in the near future.

In a landmark decision in 2004, the Supreme Court of Canada determined that there is a duty on government to consult with and, where appropriate, accommodate Indigenous Nations where government decisions may impact on claimed, but as yet unproven, Aboriginal rights or title. This decision also provided much needed clarification of the duties of consultation and accommodation. This decision was reinforced in a 2010 decision of the Supreme Court of Canada, in which the Court reaffirmed and restated the test for determining when the duty to consult arises. The Court has made clear that third parties are not responsible for consultation or accommodation of Indigenous interests and that this responsibility lies with government. However, government permits which have the potential to impact asserted Aboriginal rights, including environmental and mine permits, will not be granted by provincial and federal agencies unless they are satisfied that the duty to consult and accommodate has been fully met. In 2005, the Supreme Court of Canada confirmed that this duty exists with respect to treaty rights.

Additional uncertainty has arisen due to the recent decision of the Supreme Court of Canada in *Tsilhqot'in Nation v. British Columbia* (2014 SCC 44), which recognized the Tsilhqot'in Nation as holding Aboriginal title to approximately 1,900 square kilometres of territory in the interior of British Columbia. This decision represents the first successful claim for Aboriginal title in Canada. The functional impact of this decision on natural resource development with the Tsilhqot'in Nation's Aboriginal title area is not yet fully known.

Our mineral claims lie within territory claimed by several IndigenousNations. Given the unsettled nature of land claims and treaty rights in British Columbia, there can be no guarantee that there will not be delays in any required approvals, unexpected interruptions in project progress, requirements for First Nations consent, cancellation of permits and licences, or additional costs to advance the Company's projects.

In addition, the provincial and federal governments have expressed a renewed commitment to implementing the United Nations Declaration of the Rights of Indigenous Peoples (**UNDRIP**). Both Canada and British Columbia have passed legislation to incorporate UNDRIP into the laws of British Columbia. Industry is seeing federal and provincial government agencies increasingly defer to Indigenous Nations concerns during permitting processes, which can add additional procedural steps, cost, and uncertainty to permitting.

In order to facilitate mine permitting, construction, commencement and/or expansion of mining activities, we may deem it prudent and necessary to build relationships with and try to obtain the cooperation and approval of the local Indigenous Nations. Such cooperation and approval may be predicated on our committing to take measures to limit the adverse impacts of our activities on the Aboriginal rights local Indigenous Nations and ensuring that some of the economic benefits of the construction and mining activity will be enjoyed by the local Indigenous Nations. There can be no guarantee that any of our efforts to secure such cooperation or approval would be successful or that the assertion of First Nations rights and title, or claims of insufficient consultation or accommodation, will not create delays in project approval or unexpected interruptions in project progress, cancellation of permits and licences, or result in additional costs to advance our project.

Foreign Currency

The Company' loan payable and a portion of the Company's expenses are denominated in foreign currencies. Fluctuations in the exchange rate between the Canadian dollar and such other currencies may have a material effect on our business, financial condition and results of operations. The Company does not hedge against foreign currency fluctuations.

Inflation

In the recent past, while inflation had not been a significant factor, the ongoing efforts of many governments to improve the availability of credit and stimulate domestic economic growth while incurring substantial deficits may result in substantial inflation and/or currency depreciation in the future.

Forward-Looking Statements

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the British Columbia Securities Act, the Alberta Securities Act and the Ontario Securities Act. This includes statements concerning the Company's plans at its mineral properties, which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, the ability of the Company to continue to be able to access the capital markets for the funding necessary to acquire and maintain exploration properties and to carry out its desired exploration programs; inability to fund the Company's share of costs incurred under joint venture agreements to which it is a party, and reduction or elimination of its joint venture interest as a result; competition within the minerals industry to acquire properties of merit, and competition from other companies possessing greater technical and financial resources; difficulties in executing exploration programs on the Company's proposed schedules and within its cost estimates, whether due to weather conditions in the areas where it operates, increasingly stringent environmental regulations and other permitting restrictions, or other factors related to exploring of its properties, such as the availability of essential supplies and services; factors beyond the capacity of the Company to anticipate and control, such as the marketability of mineral products produced from the Company's properties, government regulations relating to health, safety and the environment, and the scale and scope of royalties and taxes on production; the availability of experienced contractors and professional staff to perform work in a competitive environment and the resulting adverse impact on costs and performance and other risks and uncertainties, including those described in each management's discussion and analysis of financial condition and results of operations. In addition, forward-looking information is based on various assumptions including, without limitation, assumptions associated with exploration results and costs and the availability of materials and skilled labour. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or otherwise.