



NICKEL NORTH EXPLORATION CORP.

(the “Company” or “Nickel North”)

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022

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Management Discussion and Analysis
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The following Management Discussion and Analysis (“MD&A”) has been prepared by management as of May 1, 2023, and should be read in conjunction with the audited financial statements of the Company together with the related notes thereto for the year ended December 31, 2022. The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). All amounts are stated in Canadian dollars unless otherwise indicated.

FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking information and statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions as at the date of this MD&A and may include statements regarding exploration results and budgets, mineral resource estimates, work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not statement of fact. The words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential”, “interprets”, “represent”, “may”, “will”, “should”, “might” and similar expressions identify forward-looking statements. Information concerning the interpretation of drill results may be considered a forward-looking statement; as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. This MD&A contains information on mineral resources, which are not mineral reserves, do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. The quantity and grade of reported Inferred Resources in the estimation contained in the MD&A are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category. The MD&A also indicated that the Hawk Ridge Property contains an exploration target with a potential range of certain number of tonnes at certain average grade ranges. The exploration target is based on the estimated strike length, depth and width of the known mineralization which is supported by intermittent drill holes, geophysics and observations of mineralized surface exposures. The potential quantities and grades of this exploration target are conceptual in nature. There has been insufficient work done by a Qualified Person to define these estimates as mineral resources. The Company is not treating these estimates as mineral resources, and readers should not place undue reliance on these estimates. Even with additional work, there is no guarantee that these estimates will be classified as mineral resources. In addition, there is no guarantee that these estimates will prove to be economically recoverable.

The forward-looking statements are based on reasonable assumptions that have been made by the Company as at the date of such information and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: risks associated with mineral exploration and development; metal and mineral prices; availability of capital; accuracy of the Company’s projections and estimates; realization of mineral resource estimates, interest and exchange rates; competition; stock price fluctuations; availability of drilling equipment and access; actual results of current exploration activities; government regulation; political or economic developments; environmental risks; insurance risks; capital expenditures; operating or technical difficulties in connection with development activities; personnel relations; the speculative nature of strategic metal exploration and development including the risks of diminishing quantities of grades of resources; contests over title to properties; and changes in project parameters as plans continue to be refined. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues. The quantity and grade of reported inferred mineral resources as the estimation is uncertain in nature and there has been insufficient exploration to define these inferred mineral resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading inferred mineral resources to an indicated or measured mineral resource category.

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The forward-looking statements are based on assumptions management believes to be reasonable, including but not limited to the price of copper, nickel, platinum, palladium or gold; the demand for these metals; the ability to carry on exploration and development activities; the timely receipt of any required approvals; the ability to obtain qualified personnel, equipment and services in a timely and cost-efficient manner; the ability to operate in a safe, efficient and effective manner; and the regulatory framework regarding environmental matters, and such other assumptions and factors as set out herein. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. The Company does not update or revise forward looking information even if new information becomes available unless legislation requires the Company do so. Accordingly, readers should not place undue reliance on forward-looking information contained herein, except in accordance with applicable securities laws.

OVERVIEW

The Company was incorporated under the laws of British Columbia, Canada on February 27, 2007 as Orient Ventures Capital Inc. and changed its name to Nickel North Exploration Corp. on July 30, 2012.

The Company is currently engaged in acquisition, exploration and evaluation of mineral property interests in Canada. The Company's common shares are listed on the TSX Venture Exchange (TSX-V) under the symbol "NNX".

As an exploration company, the Company is focused on creating shareholder value through the acquisition, exploration and evaluation of mineral property interests. Currently, the Board of Directors, together with the management of the Company, are analyzing several projects and seeking potential acquisitions. The Company is 100% owner of the Hawk Ridge Property located in Northern Quebec.

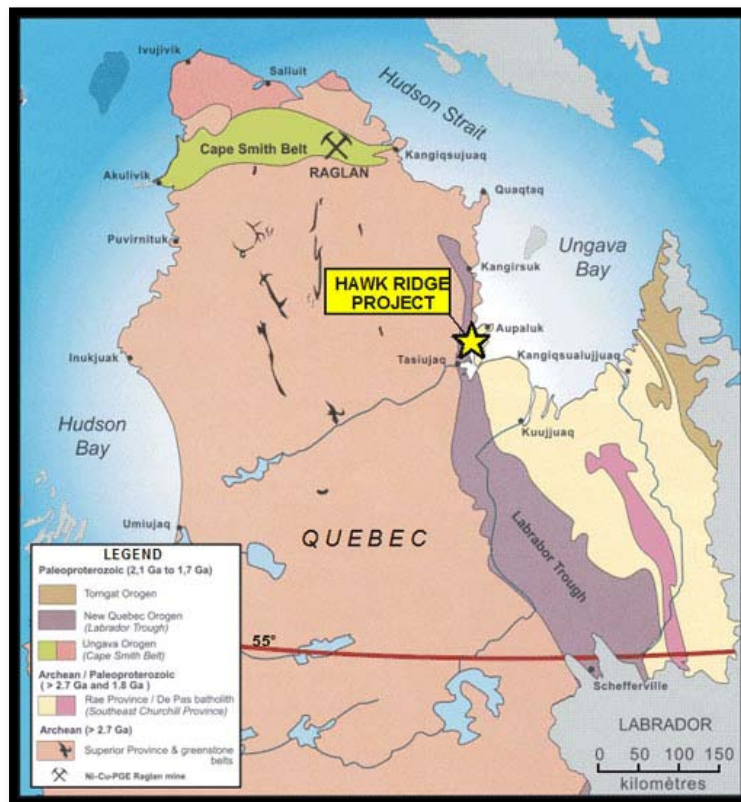
During the year of 2020 and 2021, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. In 2022 with safety conditions permitting, the Company resumed exploration operation.

Hawk Ridge Property

The Hawk Ridge Property (the "Property") is strategically situated on tidewater in Ungava Bay, Northern Quebec and is located near the northern end of the Labrador Trough (New Quebec Orogen). The 411 contiguous mineral claims cover 17,967 hectares along a 48.7 km belt of mafic to ultramafic intrusive, volcanic and sedimentary rocks. The Property hosts numerous magmatic nickel-copper sulphide zones along its length. The geology is composed of Early to Middle Proterozoic folded volcanic-sedimentary sequences intruded by gabbro, pyroxenite and peridotite bodies, including sills and plugs. The property lies within the prolific Circum Superior Nickel-Copper Belt, which hosts the world-class Raglan and Thompson mining districts.

The Company owns 100% ownership of the Hawk Ridge Property. The Property is subject to a 3% net smelter returns royalty ("NSR") and the Company has the option to purchase one-third of the NSR (1%) for \$1,000,000.

Figure 1. Hawk Ridge Property locality map.



The Property has an extensive exploration history dating back to 1961 (with a total of 27,155 meters of historical drilling in 345 holes (totalling approximately \$20 million in expenditure) by companies including Esso, SOGEM, Phelps Dodge, Troymine and Falconbridge. Prior to the Nickel North exploration program in 2012, the most recent on-ground exploration was during 1996 and 1997 when an airborne magnetic and frequency domain EM (Electromagnetic) survey was conducted, followed by 15,763 meters of drilling in 117 diamond drill holes. Of the 29 historical nickel, copper and platinum group mineral (PGE) occurrences identified on the Property, exploration during this period was concentrated on four zones including; Pio Lake, Gamma, Hopes Advance Main and Hopes Advance North.

The Pio Lake Target contains two main mineralized lenses that dip steeply to the east. An adit and four raises were extended into the mineralization in 1973-74 by Lone Star Mining and a 6,437 tonne high grade bulk sample was mined. Lone Star Mining (1974) also reported that high grade material still remains, including 7,260 tonnes grading 6.9% Cu and 0.3% Ni in the East Vein, and 9,662 tonnes grading 6.6% Cu and 3.2% Ni in the West Vein. The West Vein has been interpreted as being of magmatic origin and the East Vein may be remobilized. This historical resource estimate is for a small zone of mineralization on the Hawk Ridge Property but the calculation is not compliant with the NI-43-101 regulations. The qualified person of the Company has not done sufficient work to date, to classify these historical estimates as current mineral reserves and or resources. The Company is not treating these historical estimates as current and the historical estimates should not be relied upon.

At Hopes Advance Main, historical resource estimates (non 43-101 compliant) are 48.4 million tonnes grading 0.51% Cu and 0.18% Ni over a strike length of 800 meters (based on the airborne EM response) and an average width of approximately 30 meters. The Company is not treating these historical estimates as current and the historical estimates should not be relied upon.

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At Hopes Advance North, historical drilling intersected massive and disseminated sulphides over a strike length of at least 250 meters within a highly folded intrusive and sedimentary sequence including porphyritic gabbro, schist and peridotite. Drilling intersected massive sulphides grading 6.81% Cu and 1.92% Ni over 3.0 meters and 1.24% Cu and 0.84% Ni over 3.95 meters in HR 96-35. Drill hole HR 97-112, located 250 meters south, returned 2.45% Cu and 3.39% Ni over 3.5 meters.

Historical drilling at Gamma intersected grades of 4.34% Cu and 1.57% Ni over 3.78 meters in magmatic sulphides at the contact between porphyritic gabbro and graphitic schist (HR 96-54). Drilling at Gamma-Schindler, 450m south, intersected sulphide within gabbro, with results of 10.85 metres averaging 3.28% Cu and 1.31% Ni (62-07). Disseminated sulphides in the gabbro reported average grades of 0.52% Cu and 0.19% Ni over 16.2 meters from HR96-53.

The Property runs along a north-south corridor of 411 mineral claims surrounded by restricted lands to the east, west and south. Category I lands administered by the Aupaluk Inuit Village are adjacent to the northern third of the Property. Lands surrounding the southern two thirds of the Property are currently withdrawn in order to study the potential of a provincial park (Baie-aux-feuilles). Also immediately to the southwest at the southern end of the property Category I lands are administered by the Tasiujaq Inuit Village.

Nickel North Exploration Program

Since the Company acquired the Hawk Ridge Property in 2012, the exploration program has led to the discovery of additional Ni-Cu-PGE mineral occurrences, a 43-101 compliant mineral resource, and to a better understanding of the property geology, especially with respect to the mafic-ultramafic Montagnais Group sills and their associated Ni-Cu-PGE mineralization.

2012-2013 Exploration Programs

In 2012, a property-wide VTEM Plus airborne survey identified over 500 near-surface high-conductivity anomalies, many coincident with magnetic anomalies. Mapping and drilling at Hopes Advance North and Main, Gamma and the Gabbro Zone (near Pio Lake) expanded the known Ni-Cu-PGE sulphide mineralization in each area and proved the critical association with the mafic-ultramafic sills. Significantly, HR-2012-03 drilled at Gamma-Schindler intersected 1.86 metres grading 2.84% Ni, 4.67% Cu and 1.31 grams PGE's per tonne (see release dated December 4, 2012) at the contact between pyroxenite and porphyritic gabbro, indicating magmatic sulphide potential.

In 2013, a multifaceted exploration program covering 11 targets throughout the property led to the discovery of a kilometre-scale zone of magmatic Ni-Cu-PGE sulphide mineralization at Falco 7, and significantly expanded the Ni-Cu-PGE sulphide mineralization in four of the other targeted areas. An initial NI 43-101 in-pit inferred mineral resource estimate (company press release dated March 12th, 2014) for the Hopes Advance, Gamma and Falco 7

Total In-Pit Inferred Mineral Resources at a \$25/tonne net smelter return cut-off are estimated at 19,636,000 tonnes at average grades of 0.577% Cu, 0.215% Ni, 0.011% Co, 0.051 g/t Pt, 0.207 g/t Pd and 0.105 g/t Au (which equates to a 1.029% Cu Equivalent grade basis). The mineral resource estimates were completed by P&E Mining Consultants Inc. ("P&E") of Brampton, Ontario, to current NI 43-101 reporting standards for mineral resource disclosure.

Total In-Pit Inferred Resources at Various NSR Cut-Offs (1-8)

Cut-Off	Tonnes	Cu Eq	Cu	Ni	Co	Pt	Pd	Au	Bulk Density
NSR \$/t	(000)	%	%	%	%	g/t	g/t	g/t	t/m3
\$50	9,816	1.283	0.695	0.262	0.012	0.057	0.231	0.107	3.29
\$40	16,299	1.108	0.617	0.228	0.012	0.053	0.216	0.106	3.26

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\$30	19,147	1.042	0.583	0.218	0.012	0.052	0.209	0.105	3.25
\$25	19,636	1.029	0.577	0.215	0.011	0.051	0.207	0.105	3.24
\$20	19,758	1.025	0.575	0.215	0.011	0.051	0.207	0.105	3.24
\$15	19,777	1.024	0.575	0.215	0.011	0.051	0.206	0.105	3.24

Notes:

1. CIM definitions were followed for Mineral Resources.
2. Mineral Resources are estimated by conventional 3D block modelling based on wireframing at a \$25/tonne NSR cut-off and inverse distance squared grade interpolation.
3. Metal prices for the estimate are: US\$3.67/lb Cu, US\$8.51/lb Ni, US\$1,596/oz Pt, US\$702/oz Pd, US\$1,554/oz Au and US\$15.00/lb Co based on a three-year trailing average as of November 30, 2013.
4. A variable bulk density of 3.01 tonnes/m³ or higher based on density weighting has been applied for volume to tonnes conversion.
5. Open pit Mineral Resources are estimated from surface to pit floor depths of 90 m to 160 m.
6. Mineral Resources are classified Inferred based on drill hole spacing, geologic continuity and quality of data.
7. Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. There is no certainty that all or any part of the Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration.
8. P&E recommends reporting open pit resources at the \$25/tonne NSR cut-off.

The results of the 2013 program provided insight into the understanding of the mineralization on the Hawk Ridge property and confirmed several major features of the property and mineralization are directly comparable to the Ni-Cu- PGE mining districts of Raglan and Thompson within the Circum-Superior Ni-Cu Mafic-Ultramafic Igneous Province.

2014 Exploration Program

The 2014 exploration program on the Hawk Ridge Property built on previous successes by conducting a property-wide pXRF (Niton®) geochemical survey, focused geophysical Mag - VLF surveys and surface and drill-hole TDEM surveys, organic soil geochemical surveys, geological mapping and diamond drilling at Hopes Advance Main and North, Pingo-Seahorse, Gamma-, Bay-Fold area, Pio deposit area and the Lucille Sill.

The highlights of the 2014 exploration program were:

- The drill intersection of a 7.01 m thick massive Ni-Cu-PGE sulphide body in the Gamma-Schindler Zone, coincident with the mineralized mafic-ultramafic contact within the sill. This mineralized zone has a strike length of at least 850 m, and appears to contain other massive sulphide stratiform bodies. The 7.01 m intersection grades 2.11 % Ni, 2.73 % Cu, 0.62 g/t Pt+Pd. The massive sulphide body has modeled dimensions (based on BHEM) in the range of 70 m x 50 m x 5 m.
- The identification of numerous pXRF (Niton®) Ni-Cu anomalies throughout the property, many of which have not been previously explored. Further exploration of the 2014 pXRF anomalies will likely lead to the discovery of new zones of Ni-Cu-PGE sulphide mineralization. Ten of these pXRF anomalous Ni-Cu zones were identified adjacent to the Cu-Ni Pio deposit, all of which warrant further investigation. The pXRF survey extended the Pio deposit horizon at least 725 m further north.
- The discovery of a new style of magmatic Ni-Cu-PGE sulphide mineralization associated with ultramafic-dominated sills, exemplified by the newly-discovered mineralized Lucille sill.

Exploration Field Work

The exploration program was executed in two phases, with the initial fieldwork focused on ground-truthing targets generated through desk-top studies. Mutli-element geochemical pXRF analyses of bedrock mineralization, geological

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mapping and sampling of targeted prospects were employed to qualify potential target zones for follow-up work, including ground geophysical surveys and diamond drilling.

Phase I Results:

Work completed in the first phase of the 2014 exploration program consisted of systematic Niton® portable XRF (pXRF) prospecting, sampling and mapping to assess and define Ni-Cu-PGE prospects within the Hawk Ridge property. Approximately 4000 pXRF analyses were conducted on a number of VTEM conductors, gossan showings and layered intrusions, including previously unexplored portions of the property.

The highest grade nickel analyses from the pXRF survey were returned from mineralization associated with magmatic settings, confirming the exploration model that high-grade Ni-Cu-PGE deposit(s) with a metallogenic setting similar to Raglan and “Raglan South” are likely present on the property and should be the focus of further exploration.

This style of mineralization at Hawk Ridge has been identified as both disseminated and massive, varieties. These mineralized horizons display good lateral and down dip continuity and have significance as components of a magmatic system that potentially includes substantial accumulations and thicknesses of similar high-grade material.

Exploration identified a new Ni-Cu-PGE trend of importance. The Brad Zone, is a Ni-Cu-PGE rich zone with magmatic affinity, is spatially associated with the high-grade Pio Lake Ni-Cu-PGE deposit and is 2 km to the SSE of and directly along strike of the PGE-rich Fold and Bay showings. The trend is 500m east of the Pio deposit and is defined by a 1.6 km long zone of ultramafic rocks containing disseminated magmatic sulphides and anomalously high tenors of PGE (including 2.34g/t Pt+Pd+Au at the Brad Showing). The mineralized zone is characterized by areas of malachite staining containing extreme Ni and Cu concentrations as analyzed by pXRF. The northern portion of the Brad Zone is associated with VTEM conductors with high conductivities characteristic of nickel sulphide conductors. Ground pulse electromagnetic surveys (PEM) over this zone and the Pio deposit were completed in preparation for drilling.

The Lucille Sill is a previously unexplored 2.3 kilometre long, 400 metre thick north-trending peridotite-gabbro intrusive complex in the southwestern portion of the property. It is different than all other peridotite bodies on the property in its lithological, geochemical and geophysical character. Outcrops have a pronounced iron-stained fractured appearance, and anomalous disseminated magmatic sulphides. Regional reconnaissance style pXRF analyses on the Lucille Sill returned Ni and Cu concentrations several orders of magnitude greater than that found elsewhere (other than at known Ni-Cu-PGE deposits). Follow-up grid based pXRF analyses at 20 x 25m spacing's returned a pronounced Ni anomaly on the southernmost peridotite-gabbro body.

A detailed ground magnetic and VLF survey (50 m line spacing) was conducted at Lucille, defining coincident geophysical anomalies associated with areas of anomalous nickel. Ground-based Pulse EM surveys were completed over the complex.

Phase II Exploration

The objective of the second phase of exploration was to drill test priority, high-grade Ni-Cu-PGE targets previously identified or discovered during the first phase of the 2014 exploration program, including the Brad Zone, the Lucille Sill, and Gamma. The Phase II work program included 1,041 metres of diamond drilling in 7 drill holes, additional ground geophysical and geochemical surveys and geological mapping of target areas.

Based on successful completion of the geophysical surveys and further target prioritization, the drilling program was initiated to test the Pio Lake deposit to west of Brad Zone, the Lucille Sill, and the Gamma high-grade massive Ni-Cu-PGE sulphide body and its possible down-dip extension.

On November 10th, 2014, the Company announced the results from the 2014 diamond drilling program, including a significant magmatic sulphide intersection at Gamma. The intercept was 7.01 metres grading 2.11% Ni, 2.73% Cu

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and 0.62 grams PGE's per tonne from 60.5 metres drill depth, including 3.35 metres at 4.24% Ni, 4.70% Cu and 0.95 grams PGEs per tonne (HR2014-50).

This drill intercept was a 40 metre step out to the north from HR-2012-03 which intersected 1.86 metres grading 2.84% Ni, 4.67% Cu and 1.31 grams PGE's per tonne (see release dated December 4, 2012). The results from HR-2014-50 indicate both the Ni concentration and widths of the massive sulphide intersection have increased northwards along strike.

Table 1: 2014 Gamma Zone Drill Core Assay Results

HOLE #		From (m)	To (m)	Width ^(1,2) (m)	Ni ⁽³⁾ (%)	Cu ⁽³⁾ (%)	Pd ⁽³⁾ (g/t)	Pt ⁽³⁾ (g/t)	Au ⁽³⁾ (g/t)	Prospect	Comments
HR-2014-50		57.84	64.85	7.01	2.11	2.73	0.500	0.120	0.012	Gamma	Massive Magmatic Ni-Cu-PGE Sulphides
	Incl.	60.50	63.85	3.35	4.24	4.70	0.759	0.193	0.009	Gamma	Massive Magmatic Ni-Cu-PGE Sulphides
HR-2014-49		100.50	109.00	8.50	0.13	0.51	0.104	0.043	0.026	Gamma	Interstitial Magmatic Sulphides
	Incl.	100.50	104.00	3.50	0.21	0.71	0.135	0.046	0.031	Gamma	Interstitial Magmatic Sulphides

¹ reported intersections are believed to represent true thicknesses.

² Calculated intervals use a 0.25% Cu per tonne cut-off value.

³ No top cut has been used on assay values.

2015 Exploration Program

The Company was engaged in a strategic review of the Hawk Ridge Property in order to evaluate the results of the successful 2014 program and to provide direction for ongoing work at Hawk Ridge. This had involved a thorough review of all company exploration datasets, including standardizing all historic exploration coding and establishment of new exploration data management protocols and databases in order to provide a unified searchable database that had been used to systematically rank all targets on the property.

Detailed drill sections and long sections, together with 3D modeling, have been used to target down plunge extensions to the Gamma Massive Sulphide Occurrence drilled in 2014, which remains open at depth, and this approach will be utilized to target down plunge shoots of nickel-rich massive sulphide at Hopes Advance North, where mineralization remains open along strike and down plunge. Follow-up drilling will be planned to test extensions to the nickel-rich magmatic sulphide intercept drilled in 1997, of 6.5m @ 1.9% Ni, 2.3% Cu including 3.5m @ 3.4% Ni and 2.45% Cu in massive pentlandite rich sulphide (97-112). Advanced modeling will also be used to revisit the high-value ore at Pio.

Apart from studying and classifying the potential of individual occurrences, the 2015 review has focused on the regional setting of the mineralization to provide a framework for exploration for giant Ni-rich massive sulphide deposits associated with discordant plug-like ultramafic intrusions in areas of geological and structural complexity. Previous work (Mungall, 2002) had identified three areas where field mapping and drilling identified ultramafic feeders or conduits, including the Hopes Advance area, Schindler and the Fold and Bay area (of which the new Brad Zone discoveries are the southern extension). Two additional ultramafic bodies that crosscut the stratigraphy are plug-like and warrant further attention, include Horseshoe East and an ultramafic body west of the Lucille Sill.

Due to the unfavorable financial markets in the resource sector, the short field program planned for July 2015 was cancelled and focus was reprioritized to advanced exploration targeting and the development of a detailed exploration model as a frame work to advance the project towards discovery of a giant volume, high-grade Ni-Cu-PGE deposit.

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In Q4, 2015, the Company completed a strategic review of the Hawk Ridge Property in order to evaluate the results of the successful 2014 program. This review was engaged with the objective to provide direction for ongoing work at Hawk Ridge and systematically rank all of the exploration targets on the property.

This strategic review concluded the following with respect to future exploration targeting:

- The large regional gravity anomaly located at Hopes Advance is interpreted to represent a fractionated, layered intrusion; potential source rocks for the Ni-Cu-PGE mineralization identified at Hawk Ridge
- Large volumes of low grade Cu-rich mineralization may represent distal phases related to prospective targets for high-grade Ni-Cu-PGE mineralization.
- Previously identified zones of Cu-rich sulphides are likely to represent residual Cu-rich liquids, after crystallization of an Fe-Ni-rich massive sulphides
- If confirmed, large volumes of Ni-rich massive sulphides which crystallized before the Cu-rich liquids should be associated with the mineralizing system, as evidenced at Hopes Advance North, where drill hole 97 - 112 intersected 3.5m @ 3.4% Ni and 2.45% Cu in massive pentlandite rich sulphide
- The preferred model, as stated by numerous authors working on Hawk Ridge, is Ni-Cu-PGE rich massive sulphide deposits within intrusive conduits.
- Four areas of known ultramafic intrusions with strong field evidence for complex feeder structures, are, in order of importance: Hopes Advance, Fold and Bay, Horseshoe, and Mag #2, with numerous large sill-like bodies also providing evidence for flow through (Schindler).

Nickel North believes the Hawk Ridge property represents a valuable asset for the Company. However, further exploration will await improved financial markets.

2022 Exploration Program

For the update to the 2013 initial Mineral Resource Estimate (see release dated July 6, 2022), two drill holes (HR2014-49 and HR2014-50) completed in late-2014 were added to the original 2013 database, for a total of 37,262 m drilled. A sampling and mineral characteristic study was completed in 2014 by XPS Consulting and Testwork Service (www.xps.ca), a Glencore company. The results of the study were utilized to calculate the Mineral Resources in the four deposits as provided in Table 12 below. The Pit-Constrained Inferred Mineral Resources of 29.44 Mt grading 0.20% Ni, 0.52% Cu, 0.012% Co, 0.19 g/t Pd, 0.04 g/t Pt and 0.021 g/t Au, which equates to a 0.56% NiEq and Out-Pit Inferred Mineral Resources of 5.22 Mt at average grades of 0.35% Ni, 0.79% Cu, 0.014% Co, 0.06 g/t Pt, 0.23 g/t Pd and 0.04 g/t Au, which equates to a 0.88% NiEq. An NSR cut-off of CDN\$35/t was used for Pit-Constrained Mineral Resource reporting and an NSR cut-off of CDN\$100/t for the higher-grade Out-of-Pit Mineral Resource reporting. Example block model views of the Mineral Resource Estimate are provided in Figures 2 to 4 below. The drilling programs were conducted from the 1960s to 2014. This Mineral Resource Estimate was prepared by P&E Mining Consultants Inc. in accordance with 2014 CIM Definition Standards on Mineral Resources and Reserves and 2019 CIM Best Practices Guidelines. A Technical Report in support of the Mineral Resource Estimate has been filed on SEDAR (www.sedar.com) on August 21, 2022 (company press release dated August 19, 2022).

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Table 2 – Updated Total Inferred Mineral Resource Estimate for the Hawk Ridge Nickel-Copper-Cobalt-PGE Sulphide Project, North Québec

Deposit		NSR Cut-off	Tonnes	Cu	Cu	Ni	Ni	Pt	Pt	Pd	Pd	Co	Co	Au	Au	Fe
		CDN\$/t	k	%	t	%	t	g/t	oz	g/t	oz	%	t	g/t	oz	%
HAM	Pit Constrained	35	14,099	0.54	75,556	0.19	26,484	0.04	18,794	0.18	82,362	0.010	1,459	0.013	5,979	8.44
HAN		35	1,305	0.91	11,893	0.36	4,751	0.07	2,861	0.25	10,384	0.013	172	0.023	983	11.21
Subtotal		35	15,404	0.57	87,449	0.20	31,236	0.04	21,655	0.19	92,746	0.011	1,631	0.014	6,962	8.67
HAM	Out-of-pit	100	693	0.76	5,257	0.26	1,813	0.06	1,235	0.22	4,812	0.012	81	0.019	421	9.34
HAN		100	118	1.30	1,540	0.16	194	0.03	127	0.15	588	0.009	10	0.023	86	8.35
Subtotal		100	811	0.84	6,797	0.25	2,006	0.05	1,362	0.21	5,400	0.011	92	0.019	507	9.20
HAM & HAN	Subtotal	35+100	16,215	0.58	94,246	0.21	33,242	0.04	23,017	0.19	98,146	0.011	1,723	0.014	7,469	8.70
Falco 7	Pit Constrained	35	8,410	0.40	33,852	0.17	14,291	0.04	10,984	0.16	41,961	0.017	1,401	0.023	6,259	15.71
	Out-of-pit	100	404	0.77	3,116	0.21	859	0.06	765	0.22	2,841	0.014	56	0.067	872	10.53
	Subtotal	35+100	8,814	0.42	36,969	0.17	15,150	0.04	11,749	0.16	44,801	0.017	1,457	0.025	7,131	15.47
Gamma	Pit Constrained	35	5,624	0.59	33,125	0.23	13,031	0.05	9,318	0.23	41,508	0.011	641	0.039	6,967	8.92
	Out-of-pit	100	4,005	0.78	31,413	0.38	15,189	0.06	7,846	0.23	30,232	0.015	596	0.045	5,794	9.70
	Subtotal	35+100	9,629	0.67	64,538	0.29	28,219	0.06	17,164	0.23	71,740	0.013	1,237	0.041	12,761	9.24
HAM, HAN, Falco 7 & Gamma	Pit Constrained	35	29,438	0.52	154,426	0.20	58,557	0.04	41,957	0.19	176,214	0.012	3,673	0.021	20,188	10.73
	Out-of-pit	100	5,220	0.79	41,326	0.35	18,054	0.06	9,973	0.23	38,473	0.014	744	0.043	7,173	9.68
	Grand Total	35+100	34,658	0.56	195,752	0.22	76,611	0.05	51,930	0.19	214,687	0.013	4,417	0.025	27,361	10.57

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Notes:

- *CIM definitions (2014) and Best Practices Guidelines (2019) were followed for Mineral Resource estimation*
- *Mineral Resources were estimated by conventional 3-D block modelling based on wireframing at a CDN\$35/tonne NSR cut-off for Pit-Constrained Mineral Resources and a CDN\$100/tonne NSR cut-off for Out-of-Pit Mineral Resources using inverse distance squared grade interpolation.*
- *Metal prices for the estimate are: US\$4.00/lb Cu, US\$9.25/lb Ni, US\$1,350/oz Pt, US\$1800/oz Pd, US\$1,750/oz Au and US\$26.00/lb Co based on a two-year trailing average as of May 31, 2022, along with Consensus Economics metal price forecasting.*
- *A variable bulk density of 3.01 tonnes/m³ or greater has been applied for volume to tonnes conversion.*
- *- Pit-Constrained Mineral Resources are estimated from surface to pit floor depths of 100 m to 230 m.*
- *Out-of-Pit Mineral Resources are estimated from 100 m to 275 m below pit floors*
- *Mineral Resources are classified as Inferred based on drill hole spacing, geologic continuity and quality of data.*
- *Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.*

The Inferred Mineral Resource in this estimate has a lower level of confidence that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.

This Mineral Resource update delivers on both of its key objectives – better definition and increased the Pit-Constrained Mineral Resource and establishing an initial Mineral Resource for potential underground mining. With a 76.6% increase in total Inferred Mineral Resources, and an initial Out-of-Pit Mineral Resource, this update makes Nickel North in excellent position for the planning the next large drilling program to further define both high grade Out-of-Pit targets and expanding the Pit-Constrained Mineral Resources in the late 2022 to summer 2023 working seasons.

Field Exploration

Nickel North has completed the following exploration program in the summer of 2022

- Approx. 25km², 100m x 300m grid lines based, total 400 soil samples have been collected along the 50km long structure at the five previously defined targets.
- 110 mineralized or lithological rock samples have collected mainly within four targets including Falco 7, Hope Advance, Gamma and Pio zone .
- 25km² surface prospecting and mapping have been completed.
- High-grade Ni-Cu massive sulfides, "Raglan type potato" mineralization have been defined and expanded at the four targets including Falco 7, Hope Advance, Gamma and Pio zone.
- Samples from massive sulfide area at Falco 7 zone was tested with higher Zn and As anomalies may indicate the existing of new type of mineralization at Hawk Ridge project.
- High-grade massive sulfide area up to 100m by 200m at Falco 7 zone northwest has not been drilled previously, which may be related to the mafic-ultramafic intrusion center.

Nickel North believes the Hawk Ridge property represents a valuable asset for the Company. However, further exploration will await improved financial markets.

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Qualified Person

The technical contents in this document have been reviewed and approved by Yingting (Tony) Guo, P. Geo., a qualified person as defined by National Instrument (NI) 43-101.

Tracy J. Armstrong P. Geo. and Antoine R. Yassa P. Geo. of P&E Mining Consultants were the primary qualified persons as defined by National Instrument (NI) 43-101 for the 43-101 Technical Report and Resource Estimate on the Hawk Ridge Property, Northern Quebec.

SELECTED ANNUAL INFORMATION

The following is a summary of the financial data of the Company for the three most recently completed fiscal years:

	For the year ended December 31, 2022	For the year ended December 31, 2021	For the year ended December 31, 2020
	(\$)	(\$)	(\$)
Total revenues	-	-	-
Net loss for the year	(935,237)	(241,372)	(230,715)
Basic and diluted loss per share	(0.01)	(0.00)	(0.00)
Total assets	142,740	54,620	97,061
Total non-current liabilities	11,152	11,152	51,152
Cash dividend declared per share	-	-	-

The Company's selected annual information is derived from the Company's annual financial statements which were prepared in accordance with IFRS for the fiscal years ended December 31, 2022, 2021 and 2020. The Company's functional and presentation currency is the Canadian's dollar.

DISCUSSION OF OPERATIONS

The Company incurred a net loss of \$935,237 during the year ended December 31, 2022 compared to a net loss of \$241,372 incurred during the year ended December 31, 2021. The net loss for the year ended December 31, 2022 is inclusive of exploration expenses of \$318,571 (December 31, 2021 - \$15,340), share-based compensation of \$21,993 (December 31, 2021 - \$nil), general operating expenses of \$ 647,181 (December 31, 2021 - \$325,086), interest and other income of \$30,162 (December 31, 2021 - \$72), gain from debt settlement of \$22,346 (December 31, 2021 - \$65,969), government grants of \$nil (December 31, 2021 - \$33,013).

Due to the unfavorable financial market, the corporate transactions were limited and the costs were largely cut which mainly related to the areas of management compensation, the daily office maintenance, travel, promotional events and legal fees.

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During the year ended December 31, 2022, the Company had incurred \$318,571 (December 31, 2021 - \$15,340) in exploration expenditures.

	2022	2021
Hawk Ridge Property, Quebec		
Claim cost	\$ 41,578	\$ 9,740
Accommodation/camp	15,338	-
Assays	8,636	-
Drilling	34,903	-
Field supplies	30,940	-
Geological consulting	99,135	5,600
Transportation	80,911	-
Travel	7,130	-
Total cost	\$ 318,571	\$ 15,340

The general operating expenses for the fiscal year ended December 31, 2022 were \$647,181 (December 31, 2021 - \$325,086). Some of the significant general operating expense items are summarized as follows:

- Office administration and miscellaneous of \$ 58,234 (December 31, 2021 - \$10,646) include insurance, rent and office expenses, etc.
- Consulting fees of \$ 269,130 (December 31, 2021 - \$124,250) relate mainly to fees of \$100,000 from a company controlled by the Chief Executive Officer of the Company (December 31, 2021 - \$60,000); \$27,000 to the Chief Financial Officer of the Company (December 31, 2021 - \$18,000), \$17,500 to directors (December 31, 2021 - \$16,250), and \$10,000 to the Company's majority shareholder for consulting services on investor relations and corporate communications (December 31, 2021 - \$30,000).
- Legal expenses of \$34,823 (December 31, 2021 - \$7,868) relate mainly to corporate matters.
- Accounting and audit expenses of \$16,156 (December 31, 2021 - \$13,304) relate to the fees paid for professional accounting and audit services.
- Bank charge and interest expenses of \$165,745 (December 31, 2021 - \$148,031) relate mainly to the interest accrued on Sinotech loan and convertible debenture.
- Transfer agent and filing fees of \$51,431 (December 31, 2021 - \$15,487) relate to the fees paid for SEDAR filings and maintaining the Company's listing status.
- Media and conference expense of \$51,662 (December 31, 2021 -nil) related to the fees paid for conference memberships and media fees for news release.

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SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected unaudited financial information for the Company's eight most recent quarters ending with the last quarter for the three months ending on December 31, 2022.

	Fiscal Ending December 31, 2022				Fiscal Ending December 31, 2021			
	Dec. 31, 2022	Sept. 30, 2022	Jun. 30, 2022	Mar. 31, 2022	Dec. 31, 2021	Sept. 30, 2021	Jun. 30, 2021	Mar. 31, 2021
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Total revenues	-	-	-	-	-	-	-	-
Income (loss) from continuing operations	(447,438)	(198,663)	(208,380)	(80,756)	3,400	(75,401)	(88,874)	(80,497)
Net income (loss)	(447,438)	(198,663)	(208,380)	(80,756)	3,400	(75,401)	(88,874)	(80,497)
Income (loss) from continuing operations per share - basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Net income (loss) per share - basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

FOURTH QUARTER

Three month period ended December 31, 2022

The Company reported a net loss of \$447,438 during the three months ended December 31, 2022 compared to net gain of \$3,400 in the three months ended December 31, 2021.

The net loss for the three months ended December 31, 2022 is attributed to general operating expenses of \$181,213 (December 31, 2021 - \$80,242), exploration expenses of \$318,571 (December 31, 2021 - \$15,340), other income of \$52,346 (December 31, 2021 - \$98,982).

Some of the significant general operating expense items are summarized as follows:

- Office administration and miscellaneous of \$16,956 (December 31, 2021 - \$2,830) include office rental of \$3,000 (December 31, 2021 - \$ nil) from a company controlled by the Chief Executive Office of the Company, office administrative personnel and office expenses etc.
- Consulting fees of \$44,063 (December 31, 2021 - \$31,063) relates mainly to fees of \$30,000 (December 31, 2021 - \$15,000) from a company controlled by the Chief Executive Officer of the Company, \$7,500 (December 31, 2021 - \$4,500) to the Chief Financial Officer of the Company, \$4,063 (December 31, 2021 - \$4,063) to directors, and \$2,500 (December 31, 2021 - \$7,500) to the Company's majority shareholder for consulting services on investor relations and corporate communications.
- Exploration expenses of \$318,571 (December 31, 2021 - \$15,340) relates mainly to fees of \$4,000 (December 31, 2021 - \$ nil) from a company controlled by the Chief Executive Office of the Company and other exploration related cost.

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- Media and conference fees of \$26,525 (December 31, 2021 - \$ nil) related to the fees paid for conference memberships and media fees for news release.
- Legal expenses of \$nil (December 31, 2021 - \$618) relate to general corporate matters.

LIQUIDITY AND CAPITAL RESOURCES

During the year ended December 31, 2022, the cash balance increased by \$25,192. The Company used \$838,879 in operating activities and received \$864,071 in financing activities.

As at December 31, 2022, the Company had a cash balance of \$35,308 compared to a cash balance of \$10,116 as at December 31, 2021. The Company had a working capital deficiency of \$1,714,360 as at December 31, 2022 compared to a working capital deficiency of \$1,736,304 as of December 31, 2021.

At present, management considers that the Company might not have sufficient capital resources to meet its anticipated operating and capital requirements for the next 12 months. The Company intends to investigate possible financing in order to accomplish the planned expansion of the exploration and evaluation of its mineral properties. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Going Concern

At present, the Company's operations do not generate cash flow. At December 31, 2022, the Company had a working capital deficiency of \$1,714,360 and an accumulated deficit of \$14,618,889. The continuing operations of the Company are dependent upon its ability to raise adequate financing and to commence profitable operations in the future. Although the Company has been successful in raising funds in the past, there is no assurance that it will be able to obtain adequate financing in the near future, which raises material uncertainty and may cast significant doubts about the Company's ability to continue as a going concern. The directors, after reviewing the current cash position and having considered the Company's ability to raise funds in the short term, believe that the going concern basis is appropriate in preparing its financial statements. The Company's financial statements do not include adjustments that would be required if going concern was not deemed an appropriate basis for preparation of the financial statements. These adjustments could be material.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS AND BALANCES

The Company entered into the following related party transactions for the years ended December 31, 2022 and 2021:

- a) Incurred consulting fees of \$100,000 (2021 - \$60,000) and exploration expenses of \$10,000 (2021-\$nil) from companies controlled by the Chief Executive Officer ("CEO") of the Company; incurred office rental of \$8,000 (2021-\$ nil) from a company related to the CEO.
- b) Incurred consulting fees of \$27,000 (2021 - \$18,000) from the Chief Finance Officer ("CFO") of the Company.
- c) Incurred corporate consulting fees of \$10,000 (2021 - \$30,000) from the Company's majority shareholder.
- d) On November 2, 2016 the Company entered into a loan agreement with its majority shareholder, Sinotech (Hong Kong) Corporation Limited. ("Sinotech") for the principal amount of \$300,000. The loan was unsecured, bore

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interest at 8% per annum and matured on December 31, 2016. On December 30, 2016 and June 28, 2017, the Company and Sinotech entered into loan amendment agreements and as of December 31, 2017, the total loan payable to Sinotech from the Company including accrued interest was \$624,148.

On May 31, 2018, the Company and Sinotech entered into Amendment No.3 to the Loan Agreement (“Amendment No.3”) to further extend the repayment term of the loan to December 31, 2018, increase the principal amount of the loan to \$844,005 and increase the interest rate on the loan from 8% per annum to 10% per annum. On December 27, 2018, the Company and Sinotech entered into Amendment No.4 to the Loan Agreement (“Amendment No.4”) to further extend the repayment term of the loan to March 31, 2019 and increase the principal amount of the loan to \$892,248.

On March 18, 2019, the Company and Sinotech entered into Amendment No.5 to the Loan Agreement (“Amendment No.5”) to further extend the repayment term of the loan payable to June 30, 2019 and increase the principal amount of the loan to \$1,021,620. The Company subsequently received the \$100,000 loan principal from Sinotech on April 26, 2019.

On July 16, 2019, the Company and the Sinotech entered into Amendment No.6 to the Loan Agreement (“Amendment No. 5”) to further extend the repayment term of the loan to the Company to December 31, 2019, while also increasing the principal amount of the loan to \$1,039,849.

On January 13, 2020, the Company and the Sinotech entered into Amendment No.7 to the Loan Agreement (“Amendment No. 6”) to further extend the repayment term of the loan to the Company to December 31, 2020, while also increasing the principal amount of the loan to \$1,092,269. On April 3, 2020, an additional \$50,000 loan was received from Sinotech.

On December 22, 2020, another loan agreement was entered and \$100,000 was received by the Company in January 2021. The new principal amount comprises the current principal amount of the loan advanced to the Company to date and accrued interest thereon. The new principal amount will bear interest at a fixed rate of 10% per annum. All other terms and conditions of initial loan agreement between the Company and the Lender dated November 2, 2016 remain in force and are unamended except to the extent amended by the parties.

On July 22, 2022, the Company announced the settlement of an aggregate amount of \$1,654,995 in loan from SinoTech through the issuance of a convertible debenture due in August 2023 with an interest rate of 10% per annum. SinoTech has the right to convert the loan amount to the common shares of the company at the price of \$0.05 per share.

During the year ended December 31, 2022, the Company incurred loan interest expense of \$103,403 (December 31, 2021 - \$140,104) and convertible debentures interest of 61,285 (December 31, 2021 - \$nil) in relation to this loan payable. As at December 31, 2022, the total loan payable to Sinotech from the Company including accrued interest was \$45,805 (December 31, 2021 - \$1,497,397) and convertible debenture of \$1,716,280 (December 31, 2021 - \$ nil).

- e) Incurred director fees of \$17,500 (2021 - \$21,250) from the directors of the Company which have been included in consulting fees in the statement of comprehensive loss.
- f) Included in account and other payables is \$36,250 (2021 - \$253,887) due to directors, officers and companies controlled by directors and officers for services rendered and unpaid director fees. These amounts are unsecured, non-interest bearing, and have no specific terms of repayment.
- g) On December 15, 2021, the Company issued 3,287,500 shares to various creditors to settle indebtedness of the Company in the aggregate amount of \$164,594 (the “Debt Settlement”). The fair value of issued shares was determined to be \$98,625, resulting in a gain of \$65,969 from debt settlement recognized in the statements of loss and comprehensive loss. The Debt Settlement has received approval of the TSX Venture Exchange (the “Exchange”). All Shares issued pursuant to the Debt Settlement will be subject to a four month hold period from

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the date of issue. The Company negotiated the Debt Settlement with non-arm's length creditors. Pursuant to the Debt Settlement, certain directors and officers of the Company participated in the Debt Settlement. 1,487,500 shares were issued to directors and officers of the Company.

- h) On August 16, 2022, the Company issued 4,469,250 shares for debt settlement with related parties payable in the aggregate amount of \$223,462.50. The fair value of issued shares was determined to be \$201,116 resulting in a gain of \$22,346 from debt settlement recognized in the statements of loss and comprehensive loss.

SUMMARY OF OUTSTANDING SHARE DATA

The Company's issued and outstanding share capital as at the date of this report is as follows:

- (1) Authorized: Unlimited number of common shares without par value and unlimited number of non-voting, non-participating, non-cumulative preferred shares without par value issuable in series.
- (2) On December 15, 2021, the company issued 3,287,500 number of shares to settle the outstanding payable balance of \$164,594 at a price of \$0.03 per share based on closing share price on the share issuance date. A gain of \$65,969 was recorded on the settlement of the payable balances.
- (3) On April 29, 2022 the Company issued 9,410,000 units (each an "Unit") at \$0.05 per Unit for gross proceeds of 470,500. Each Unit comprised of one common shares in the capital of the company (a "Share") and one full common share purchase warrant (a "Warrant"). Each full Warrant shall be exercisable into one Share at an exercise price of \$0.075 for two years from the date of issuance date.
- (4) On May 26, 2022, the Company issued 750,000 Units at \$0.05 per Unit for gross proceeds of \$ 37,500. Each Unit comprised of one common shares in the capital of the company and one Warrant. Each full Warrant shall be exercisable into one Share at an exercise price of \$0.075 for two years from the date of issuance date.
- (5) On August 3, 2022, the Company issued 4,469,250 number of common shares to settle the outstanding payable balance of \$223,463 at a price of \$0.05 per share based on closing share price on the share issuance date. A gain of \$22,346 was recorded on the settlement of the payable balances.
- (6) On August 11, 2022, the company issued 6,000,000 flow through units (the "FT Units") at \$0.05 per FT Unit for gross proceeds of \$300,000. Each FT Unit consists of one common share and one non-transferable share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to purchase one additional common share of the Company at \$0.075 per common share. The Warrants will have an expiry date of two years from the date of issuance, subject to certain acceleration clauses. On issue, \$270,000 was recorded to share capital based on the trading value of an ordinary common share. The difference between the proceeds and the ordinary common share value, \$30,000 was recorded as a flow-through share premium liability. The flow-through share premium liability was reduced and recognized as income upon incurring qualifying expenditures and renouncement by the Company of the tax benefits associated with the related expenditures.
- (7) On August 16, 2022, the Company issued 4,469,250 common shares of the company at \$0.05 per share the settlement for debts in an aggregate amount of \$223,462.50. The fair value of issued shares was determined to be \$201,116 resulting in a gain of \$22,346 from debt settlement recognized in the statements of loss and comprehensive loss.

As at May 1, 2023, the Company has 100,435,497 common issued and outstanding, 5,600,000 stock options outstanding with a weighted exercise price of \$0.06, expiring October 2024, and 16,622,700 warrants with a weight average exercise price of \$0.075, expiring between April and October 2024.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and

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liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period.

Actual results could differ from these estimates. Significant areas requiring the use of management estimates and judgments include:

- i) The determination of deferred income tax assets or liabilities requires judgment regarding future income tax rates and the likelihood of utilizing tax carry-forwards and temporary differences. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.
- ii) The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its exploration projects and working capital requirements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

FINANCIAL INSTRUMENTS

Fair values

The Company's financial instruments include cash, restricted cash, accounts and other payables, CEBA loan, loan payable and convertible debenture. The fair value of these financial instruments approximates their carrying value due to their current nature or short term to maturity.

The following table summarizes the carrying values of the Company's financial instruments:

			2022		2021
FVTPL	(i)	\$	64,058	\$	38,866
Financial liabilities at amortized cost	(ii)	\$	1,857,100	\$	1,790,924

(i) Cash and restricted cash

(ii) Accounts and other payables, CEBA loan, loan payable and convertible debenture

The Company classifies its fair value measurements in accordance with the three level fair value hierarchy as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices), and

Level 3 – Inputs that are not based on observable market data

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as follows:

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		Level 1		Level 2		Level 3		Total
								2,022
Cash and cash equivalents	\$	35,308	\$	-	\$	-	\$	35,308
Restricted cash	\$	28,750	\$	-	\$	-	\$	28,750

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, and interest rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash and cash equivalents. The credit risk with respect to its cash, cash equivalents and restricted cash is minimal as they are held with high-credit quality financial institutions. Management does not expect these counterparties to fail to meet their obligations.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. As at December 31, 2022, the Company had a working capital deficiency of \$1,714,360 (2021 – \$1,736,304). All of the Company's financial liabilities are classified as current year.

At present, the Company's operations do not generate positive cash flow. The Company's primary source of funding has been the issuance of equity securities through private placements, issuance of debt, and the exercise of stock options and warrants. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Significant contractual obligations in years subsequent to December 31, 2022 are as follows:

	Carrying value	Contractual cash flows	< 1 year	1 – 3 years
Accounts and other payables	\$ 60,893	\$ 60,893	\$ 60,893	\$ -
Loan payable	\$ 45,805	\$ 45,805	\$ 45,805	\$ -
Convertible debenture	\$ 1,716,280	\$ 1,716,280	\$ 1,716,280	\$ -
CEBA loan	\$ 40,000	\$ 40,000	\$ 40,000	\$ -

Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash and restricted cash and restricted cash maintained at the financial institutions. The interest rate risks on cash, cash equivalents and restricted cash are not considered significant due to their short-term nature.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Newly adopted and future accounting standards

New standards or amendments are either not applicable or not expected to have a significant impact on the Company's financial statements.

DISCLOSURE CONTROLS

In connection with Exemption Orders issued 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.

In contrast to the certificates under National Instrument ("NI") 52-109 (Certification of disclosure in an Issuer's Annual and Interim Filings), 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.

SUBSEQUENT EVENTS

The Company has entered into an option agreement (the "Option Agreement") dated March 6, 2023 to sell a 100% undivided interest in the Hawk Ridge Project 1844 Resources Inc. ("1844") in exchange for a series of cash payments, share issuances and funding of exploration expenditures, separated into five phases.

Phase One

1844 is entitled to acquire a 10% undivided interest in Hawk Ridge on the date that is two business days following the approval of the Option Agreement (the "Effective Date") by the TSX Venture Exchange (the "Exchange") by paying \$1,000,000 and issuing 1,000,000 common shares in the capital of the 1844 ("Common Shares") to the Company.

Phase Two

If 1844 exercises the First Option, it can acquire an additional 10% undivided interest in Hawk Ridge by paying \$1,000,000 and issuing 1,000,000 Common Shares to the Company on the first anniversary of the Effective Date and incurring \$500,000 of exploration expenditures before the first anniversary of the Effective Date (the "Second Option").

Phase Three

If 1844 exercises the Second Option, it can acquire an additional 20% undivided interest in Hawk Ridge by paying \$1,000,000 and issuing 2,000,000 Common Shares to the Company on the second anniversary of the Effective Date and incurring \$500,000 of exploration expenditures before the second anniversary of the Effective Date (the "Third Option").

Phase Four

If 1844 exercises the Third Option, it can acquire an additional 40% undivided interest in Hawk Ridge by paying \$2,000,000 and issuing 3,000,000 Common Shares to the Company on the third anniversary of the Effective Date and incurring \$1,000,000 of exploration expenditures before the third anniversary of the Effective Date (the "Fourth Option").

Phase Five

If 1844 exercises the Fourth Option, it can acquire an additional 20% undivided interest in Hawk Ridge by paying \$1,000,000 and issuing 3,000,000 Common Shares to the Company on the fourth anniversary of the Effective Date and incurring \$1,000,000 of exploration expenditures before the fourth anniversary of the Effective Date (the "Fifth Option" and, collectively with the First Option, Second Option, Third Option and Fourth Option, the "Options").

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Completion of the transaction is subject to several conditions including, but not limited to, final approval of the Exchange and all other necessary approvals including shareholder approval by the Company shareholders for the Fourth and Fifth Options. Pursuant to the terms of the Option Agreement the Company is required to receive lock-up and support agreements from shareholders holding not less than 60% of the Company's common shares.

ADDITIONAL INFORMATION

Additional information concerning the Company and its operations is available on SEDAR at www.sedar.com and on the Company web site at www.nnexploration.com.

APPROVAL

The Board of Directors of Nickel North Exploration Corp. has approved the contents of this management discussion and analysis on May 1, 2023. A copy of this MD&A together with the Company's audited financial statements for the year ended December 31, 2022 will be provided to anyone who requests it.