Churchill Resources

(FORMERLY 9 CAPITAL CORP.)

MANAGEMENT DISCUSSION & ANALYSIS
(FORM 51-102F1)

FOR THE YEAR ENDED AUGUST 31, 2021

(EXPRESSED IN CANADIAN DOLLARS)

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BACKGROUND

This Management Discussion and Analysis ("MD&A") of Churchill Resources Inc. ("Churchill" or the "Company") (formerly 9 Capital Corp.) ("9 Capital") financial position and results of operations for the year ended August 31, 2021 is prepared as at December 17, 2021.

This MD&A should be read in conjunction with our audited consolidated financial statements for the year ended August 31, 2021 and the supporting notes. Those audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain information contained in this MD&A may constitute forward-looking information, which is information regarding possible events, conditions or results of operations of the Company that is based upon assumptions about future economic condition and courses of action and which is inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "feel", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information contained in this MD&A includes, without limitation, our expectations regarding anticipated exploration activities and results and financing activities and other factors on our operating results, and the performance of global capital markets, commodity prices and interest rates.

Forward-looking information involves known and unknown risk, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking information contained in this MD&A include, but are not limited to: risks relating to exploration results, market fluctuations, commodity price fluctuations and the strength of the Canadian, U.S. and other economies.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. The Corporation undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

COVID-19

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn.

The Company could be adversely impacted by the effects of the coronavirus. The extent to which the coronavirus impacts the Company, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the coronavirus outbreak. The continued spread of the coronavirus globally could materially and adversely impact the Company's operations, and the operations of its suppliers, contractors and service providers and the ability to obtain financing. To date, the Company has not had any adverse effects from the coronavirus.

COMPANY OVERVIEW

Churchill is a Canadian exploration stage mining company which is focused on the exploration of minerals and precious gems in Canada. The Company currently holds four exploration projects, namely Taylor Brook in Newfoundland, Florence Lake in Labrador, Pelly Bay in Nunavut and White River in Ontario. All projects are at the evaluation stage, with known mineralized Ni-Cu-Co showings at Taylor Brook, Florence Lake and Pelly Bay, and diamondiferous kimberlitic intrusives at White River and Pelly Bay.

The Company was incorporated on April 4, 2017, under the Business Corporations Act (Ontario). Its registered office is located at Suite 505, 133 Richmond Street West, Toronto, Ontario, M5H 2L3. The Company's records office is located at 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2.

Acquisition of mining claims

On October 22, 2020, Churchill Diamond Corp. ("CDC") entered into a letter of intent (the "TB LOI") with Altius Resources Inc. ("Altius") to acquire 100% interest of the mining claims (the "TB Claims") known as the Taylor Brook Nickel-Copper-Cobalt Project which is located within the Long Range Mountains of Western Newfoundland, approximately 60km north-northeast of Deer Lake. Pursuant to the LOI, the Company will have the exclusive option for a period of 24 months (the "TB Option Period") to acquire an undivided 100% interest in the TB Claims (the "TB Acquisition").

On December 18, 2020 (the "TB Execution Date"), the Company signed an option agreement (the "1st TB Option Agreement") with Altius.

Pursuant to the terms of the 1st TB Option Agreement, CDC agreed to:

1) Issue 2,423,180 common shares, or such number which is equivalent to 9.9% of the common shares issued and outstanding of CDC (or a resulting issuer company) at the date of issuance, to Altius upon the execution date of the 1st TB Option Agreement (issued on the TB Execution Date with a fair value of $605,795);

2) Incur a minimum of $250,000 in exploration expenditures on the Claims within 12 months following the TB Execution Date (incurred);

3) Complete an equity financing with an amount of at least $1 million with a share price of not less than $0.25 (the "$1M Private Placement") within 12 months following the TB Execution Date (see "financings" below);

4) Issue common shares which will result in Altius' post $1M Private Placement ownership at 19.9% based on the common shares issued and outstanding of CDC (or a resulting issuer company) at the date of issuance, to Altius within 24 months following the TB Execution Date;

5) Commence a transaction that will result in CDC becoming a reporting issuer in at least one province of Canada (the "Going Public Transaction") Claims within 12 months following the TB Execution Date and complete the Going Public Transaction within 24 months following the TB Execution Date (see "reverse acquisition" below); and

6) Enter into an investor rights agreement (the "TB Investor Rights Agreement") with Altius during the TB Option Period.

The Investor Rights Agreement will entitle Altius to designate one nominee for the election to the board of directors of the Company and will grant the right to Altius to participate in future equity financing (the "Future Financings") undertaken by the Company on the same terms which are offered to third parties to subscribe the common shares of the Company to maintain Altius' post Future Financings ownership in the Company at 19.9% of the issued and outstanding common shares of the Company.

Reverse Acquisition

On December 23, 2020, the Company entered into a binding agreement with CDC to effect an acquisition which would result in the Company's Qualifying Transaction (the "Qualifying Transaction") under the policies of the TSX Venture Exchange. The transaction will be a reverse takeover (the "RTO") of the Company by CDC and its shareholders.

In connection with the Qualifying Transaction, 9 Capital:

a) Effected a name change to "Churchill Resources Inc."; and
b) Implemented a share consolidation of 1 post-consolidation common share ("9 Capital New Share") for 1.7 pre-consolidation common shares.

Pursuant to the Qualifying Transaction:

a) Shareholders of CDC received one 9 Capital New Share for each common shares of CDC held at the date of completion (the "Exchange Ratio").
b) All existing securities convertible into common shares of CDC were exchanged, based on the Exchange Ratio, for similar securities to purchase 9 Capital New Shares on substantially similar terms and conditions.

The transaction was completed on June 16, 2021 (the "Acquisition Date").

Financings

In connection with the Qualifying Transaction, CDC was required to complete a financing to issue common shares at $0.25 per share for aggregate gross proceeds of a minimum of $1,000,000 and a maximum of $1,500,000 (the "Financings").

The Financing was completed in two separate tranches between December 31, 2020 and January 4, 2021 by issuing the following:

- Issued 1,174,999 flow-through shares at a price of $0.30 per flow-through share for aggregate gross proceeds of $352,500; and

- Issued 4,078,333 non-flow-through shares at a price of $0.25 per non-flow-through share for aggregate gross proceeds of $1,019,583.

Prior to the closing of the Qualifying Transaction, CDC completed a concurrent non-brokered private placement consisting of: (i) 499,998 common shares of CDC (each a "CDC FT Share") issued on a flow-through basis, pursuant to the Income Tax Act (Canada), at a price of $0.30 per CDC FT Share; and (ii) 1,580,000 common shares of CDC (each a "CDC Share") issued on a non-flow through basis, at a price of $0.25 per CDC share, for aggregate gross proceeds of $544,999.40 (the "CDC Offering"). In connection with the CDC Offering, a cash commission of $13,649.96 was paid and 47,600 CDC Shares were issued to Red Cloud Financial Services as a finder's fee. An additional $7,000 was paid and 28,000 CDC Shares were issued to another eligible finder as consideration for placing certain subscribers in the CDC Offering. The net proceeds of the CDC Offering will be used by the resulting issuer following the Qualifying Transaction to fund working capital requirements and for other general corporate purposes.

EXPLORATION AND EVALUATION ASSETS

Pelly Bay Property, Nunavut

The Pelly Bay Property is located in central Nunavut, Canada. The Company has a 100% interest in all claims of the Pelly Bay Property.

Adamera Minerals Corp. ("Adamera"), the original optionor, retains a 2% Gross Over-riding Royalty ("GOR") on all diamonds mined in a specific Area of Interest, of which 1% can be purchased by the Company not later than within the first year of production, for $1,000,000. Adamera also retains a 2% GOR on all other commodities mined in the Area of Interest, under the same terms.

The Pelly Bay Property claims are currently suspended as per Nunavut Mining Regulations policies as the Company awaits the approval of the Water Permit from the Nunavut Water Board. Assessment requirements upon re-activation of the claims will total $1,707,500 in qualified work expenditures, or cash fees, to keep all claims in good standing to July 24, 2023, should the claims be activated at the Company's request following receipt of the water permit. Work or charges for each subsequent year from July 24, 2023, due annually on July 24th, is $853,750 per year, assuming the entire property is retained.

As the Company has not received the approval of the Water Permit from the Nunavut Water Board, during the year ended August 31, 2021, the Company decided to impair the evaluation and exploration assets by $407,144 to a nominal amount of $1.

Sandspit Lake Property, Northern Ontario

On August 23, 2016, CDC entered into an earn-in agreement with Rudolf Wahl and Frederick Lowndes (collectively, the "Vendors") on the Sandspit Lake property ("Sandspit Lake"). Sandspit Lake originally consisted of one isolated claim that required $5,103 work annually. CDC increased the size of the property by staking 19 new legacy claims during 2017, which have been converted in 2019 under Ontario's new Mining Lands Administration System ("MLAS"), to 280 claim cells.

Pursuant to the agreement, CDC can acquire up to a 100% interest in Sandspit Lake by making the following payments:

- On August 23, 2016: $10,000 cash (paid) and 150,000 shares (issued; fair value of $37,500)
- On August 23, 2017: $15,000 cash (paid) and 100,000 shares (issued; fair value of $25,000)
- On August 23, 2018: $15,000 cash (deferred) and 100,000 shares (issued; fair value of $25,000)
- On August 23, 2019: $50,000 cash (deferred) and 300,000 shares (issued; fair value of $75,000)

During the year ended August 31, 2018, the Company entered into agreement with the Vendors to defer the final cash payment requirement indefinitely.

The Vendors will retain a 3% GOR on all diamonds mined at Sandspit Lake, of which 2% can be purchased by the Company at any time for $2,000,000. The Vendors will also retain a 3% GOR on all other commodities mined at Sandspit Lake, with the same royalty terms. As of August 31, 2020, the Company incurred qualified exploration expenditures of $302,924 on the Sandspit Lake Property, such that all claims are in good standing.

On October 29, 2020, CDC returned the Sandpit Lake Property to the Vendors; as a result, CDC impaired the carrying value of the Sandspit Lake as of August 31, 2020, and recognized an impairment loss of $215,532 in the statements of loss and comprehensive loss during the year ended August 31, 2020.

White River Property, Northern Ontario

On February 9, 2017, CDC entered into an earn-in agreement with the Vendors on the White River property ("White River"). The original property totaled 12 mining claims which the Company increased to 72 legacy claims through physical staking programs in 2017 which were converted in 2019 to 970 MLAS claim cells. During 2019, CDC was able to further increase the size of the property by map staking 409 new MLAS claim cells under CDC's name.

Pursuant to the agreement, CDC (now the Company) can acquire up to a 100% interest in White River by making the following payments:

• Upon signing the agreement:	$40,000 cash (paid)
• Upon regulatory approval:	350,000 common shares (issued; fair value of $87,500)
• On or before February 9, 2018:	$30,000 cash (paid) and 500,000 common shares (issued; fair value of $125,000)
• On or before February 9, 2019:	$30,000 cash (paid) and 500,000 common shares (issued; fair value of $125,000)
• On or before February 9, 2020:	$30,000 cash (paid) and 500,000 common shares (issued; fair value of 125,000)
• On or before February 9, 2021:	$30,000 cash (paid) and 500,000 common shares (issued; fair value of 125,000)
• On or before February 9, 2022:	$50,000 cash and 500,000 common shares

The Company is also required to incur a minimum of $1,000,000 in exploration work on the White River by February, 2024, as amended on May 18, 2021, of which $72,000 is required to be incurred by February, 2018 (incurred). As of August 31, 2021, the Company incurred qualified exploration expenditures of $642,475 on the White River Property such that all claims are in good standing.

The Vendors will retain a 3% GOR on all diamonds mined at White River, of which 1.5% can be purchased by the Company at any time for $2,000,000. The Vendors will also retain a 2% GOR on all other commodities mined at White River, of which 1% can be purchased by the Company at any time for $1,000,000.

During the year ended August 31, 2021, the Company decided to impair the evaluation and exploration assets by $845,928 to a nominal amount of $1 due to management's decision not to conduct any significant work in the near future.

Taylor Brook Property, Newfoundland

On December 18, 2020, CDC signed the 1st TB Option Agreement with Altius to acquire 100% interest of the TB Claims known as the Taylor Brook Nickel-Copper-Cobalt Project which is located within the Long Range Mountains of Western Newfoundland, approximately 60km north-northeast of Deer Lake. The Company will have the exclusive right to acquire an undivided 100% interest in the TB Claims during the TB Option Period.

The Taylor Brook Property is comprised of two contiguous map-staked licenses containing 226 claims totaling approximate 56,500 hectares, which has known high grade Ni-Cu-Co mineralization at surface and shallow drilled depths from work carried out between 1999-2012.

The Taylor Brook Ni-Cu-Co-PGE property in Newfoundland has potential for magmatic Ni-Cu-Co deposits ie. Vale's Voisey's Bay Reid Brook and Eastern Deep ore bodies, Sudbury Offset Dyke Ni-Cu-PGE deposits such as Kelly Lake within the Copper Cliff Offset dyke and Totten and Victoria within the Worthington Offset dyke that includes:

- Surface showings and shallow (to -100m) drill intercepts of massive and disseminated sulphides within altered mafic dykes near the margin of the large Taylor Brook Intrusive Complex

- Numerous EM targets to test, existing DDH's to survey for down hole conductors
- Mining friendly and secure jurisdiction (Newfoundland and Labrador)
- 12-month access,30km from Trans-Canada Highway, extensive logging roads
- 11 grab samples averaged 5.38% Ni, 1.05% Cu, 0.10% , 112ppb Pt, 232ppb Pd and 416ppb Au.
- Drilling EM conductors 200m apart beneath Layden Prospect intersected 4.25m of 1.63% Ni, 0.36% Cu and 0.027% Co & 4.15m of 1.71% Ni, 0.13% Cu and 0.028% Co.

Pursuant to the 1st TB Option Agreement, CDC agreed to:

1) Issue 2,423,180 common shares, or such number which is equivalent to 9.9% of the common shares issued and outstanding of CDC (or a resulting issuer company) at the date of issuance, to Altius upon the TB Execution Date (issued on the TB Execution Date with a fair value of $605,795);
2) Incur a minimum of $250,000 in exploration expenditures on the Claims within 12 months following the TB Execution Date (incurred);
3) Complete the $1M Private Placement within 12 months following the TB Execution Date;
4) Issue common shares which will result in Altius' post $1M Private Placement ownership at 19.9% based on the common shares issued and outstanding of CDC (or a resulting issuer company) at the date of issuance, to Altius within 24 months following the TB Execution Date;
5) Commence the Going Public Transaction (see "Reverse Acquisition" above); and
6) Enter into the TB Investor Rights Agreement with Altius during the TB Option Period.

The TB Investor Rights Agreement will entitle Altius to designate one nominee for the election to the board of directors of CDC (or a resulting issuer company) and will grant the right to Altius to participate in the Future Financings undertaken by CDC (or a resulting issuer company) on the same terms which are offered to third parties to subscribe the common shares of CDC (or a resulting issuer company) to maintain Altius' post Future Financings ownership in CDC (or a resulting issuer company) at 19.9% of the issued and outstanding common shares of CDC (or a resulting issuer company).

On August 30, 2021, the Company entered into two option agreements ("2nd Option Agreement") on properties adjacent to the known Layden Ni-Cu-Co showings at the Taylor Book Property.

Terms of 2nd Option Agreement:

Under the terms of the 2nd Option Agreement with the first optionor, the Company optioned 4 contiguous claims covering a 1.0km^2 area under one mineral license. On execution of the 2nd Option Agreement, the Company paid $7,500 and agreed to issue 43,772 common shares ("Churchill Shares") within five days of receipt of regulatory approval for the 2nd Option Agreement. Subsequent option payments over the next 24 months include:

- On or before August 30, 2022: payment of (i) $15,000; and (ii) issuance of 45,000 common shares; and
- On or before August 30, 2023: (i) payment of $50,000; and (ii) issuance of 100,000 common shares.

On execution of the 2nd TB Option Agreement, the Company granted a 2.0% Net Smelter Returns royalty ("NSR") to the first optionor, of which 1.0% of the NSR may be purchased by the Company for $1 million.

Under the terms of the 2nd Option Agreement with the second optionor, the Company optioned 15 contiguous claims covering a 3.75km^2 area under one mineral license. On execution of the 2nd Option Agreement, the Company paid $7,500 and agreed to issue 43,772 Churchill Shares within five days of receipt of regulatory approval for the 2nd Option Agreement. Subsequent option payments over the next 24 months include:

- On or before August 30, 2022: payment of (i) $15,000; and (ii) issuance of 100,000 common shares; and
- On or August 30, 2023: (i) payment of $50,000; and (ii) issuance of 200,000 common shares.

On execution of the 2nd Option Agreement, the Company granted a 2.0% Net Smelter Returns royalty ("NSR") to the second optionor, of which 1.0% of the NSR may be purchased by the Company for $1 million.

The Company may also satisfy $5,000 and $20,000 of the portion of the remaining cash payments for each option by issuing Churchill Shares in lieu of such partial cash payment.

During the year ended August 31, 2021, the Company paid staking fees of $15,990 for the Taylor Brook (South) Property located in Newfoundland, Canada. The Taylor Brook (South) Property includes 214 unpatented claims.

On September 20, 2021, the Company announced drilling operations are to commence early in October, and preparations including core shack construction, trail clearing and line-cutting are getting underway. The Company has engaged Mercator Geological Services to provide geological field personnel and equipment for the exploration program.

On October 7, 2021, the Company announced that field work has commenced at the Taylor Book Property, along with drilling and road-clearing equipment on the property. Drilling in the known high grade Layden Showing area has also commenced.

On November 18, 2021, the Company announced that its Phase 1 Exploration Program has proceeded well and has identified and started to evaluate a magmatic Ni-Cu system on the property which appears to have significant scale.

Florence Lake Property, Newfoundland

On June 24, 2021, the Company entered into a binding letter of intent (the "FL LOI") with Altius to acquire a 100% undivided interest in certain mining claims (the "FL Claims") comprising the Florence Lake Ni-Cu-PGE property in central Labrador near the coastal community of Hopedale and 175km south of the Voisey's Bay mine (the "Florence Lake Property"). The Florence Lake Property is host to several Raglan-type ultramafic volcanic-hosted massive and disseminated sulphide nickel showings with drill core present on the property for relogging and sampling.

On July 23, 2021 (the "FL Execution Date"), the Company entered into a definite option agreement (the "FL Option Agreement") with Altius to acquire 100% undivided interest in certain mining claims comprising the Florence Lake Property.

FL Option Agreement Terms:

Under the terms of the FL Option Agreement, the Company shall have the exclusive option for a period of 24 months (the "FL Option Period") to acquire an undivided 100% ownership interest in the Florence Lake Property by:

- Issuing 1,373,946 common shares in the capital of the Company ("Common Shares") to Altius (issued with a fair value of $233,571);

- Incurring a minimum of $1,500,000 in exploration expenditures within 12 months following the FL Execution Date;

- Completing an equity financing on a private placement basis of aggregate gross proceeds of at least $4 million (the "$4M Private Placement");

- Following the completion of the $4M Private Placement, issuing to Altius 7,000,000 Common Shares or such lesser number of Common Shares such that after such issuance, Altius shall not own more than 19.9% of the Common Shares outstanding following the issuance of such Common Shares to Altius, on a partially diluted basis;

- Providing Altius with a nomination right to elect one nominee to the board of directors of the Company until such time that Altius beneficially owns less than 9.9% of the Common Shares; and

- Providing Altius with a pre-emptive right to participate in future equity financings of the Company to maintain its share ownership percentage interest in Churchill to a maximum of 19.9% of the issued and outstanding Common Shares until such time that Altius beneficially owns less than 9.9% of the Common Shares.

Following the date that the option is deemed to have been exercised in accordance with its terms, the Company will issue the grant to Altius a 1.6% gross sales royalty on any minerals produced from the claims comprising the Florence Lake Property.

The Florence Lake Property is comprised of three map-staked licenses in two blocks, with the northern Florence Lake Block comprising Licenses 027520M (50 claims) and 032167M (151 claims) totaling 5,025ha or 50.25km^2. The southern Seahorse Lake Block is comprised of license 032231M containing 172 claims which cover 4,300ha or 43km^2. These licenses require $78,139 in assessment work during the current year.

On October 7, 2021, the Company announced that re-sampling of historical core at the Florence Lake Property has confirmed high grade nickel tenors. All drillholes sampled are from the Baikie Showing at Florence Lake, which has been shown to extend approximately 110m along strike and 90m depth from previous work.

On November 18, 2021, the Company announced that a helicopter-borne VTEM and Horizontal Gradiometer Geophysical Survey has commenced at the Florence Lake Property.

Exploration and evaluation costs

The Company's exploration and evaluation costs during the years ended August 31, 2021 and 2020 are broken down as follows:

Exploration and evaluation assets

	Pelly Bay $	Sandspit Lake $	White River $	Taylor Brook $	Florence Lake $	Others $	Total $
Balance as of August 31, 2019	**407,144**	**215,532**	**526,218**	**-**	**-**	**1,420**	**1,150,314**
Acquisition costs							
- Cash	-	-	30,000	-	-	-	**30,000**
- Common shares	-	-	125,000	-	-	-	**125,000**
	-	-	155,000	-	-	-	**155,000**
Staking costs	-	-	9,710	-	-	-	**9,710**
Impairments	-	(215,532)	-	-	-	-	**(215,532)**
Balance as of August 31, 2020	**407,144**	**-**	**690,928**	**-**	**-**	**1,420**	**1,099,492**
Acquisition costs							
- Cash	-	-	30,000	15,000	-	-	**45,000**
- Common shares	-	-	125,000	610,795	233,571	-	**969,366**
	-	-	155,000	625,795	233,571	-	**1,014,366**
Staking costs	-	-	-	15,990	-	-	**15,990**
Impairments	(407,144)	-	(845,928)	-	-	-	**(1,253,072)**
Balance as of August 31, 2021	**-**	**-**	**-**	**641,785**	**233,571**	**1,420**	**876,776**

Exploration and evaluation expenses

	Pelly Bay $	White River $	Taylor Brook $	Florence Lake $	Total $
For the year ended August 31, 2021					
Consulting	179,886	1,170	66,745	21,970	**269,771**
Field work	-	-	6,250	-	**6,250**
Helicopter	-	-	-	13,134	**13,134**
Licenses and permits	10,755	-	-	-	**10,755**
Mapping	-	-	13,514	520	**14,034**
Survey	-	-	299,757	131,865	**431,622**
Transportation	-	-	2,407	1,924	**4,331**
Travel	-	-	5,175	5,536	**10,711**
	190,641	**1,170**	**393,848**	**174,949**	**760,608**
Cumulative costs, as of August 31, 2020	**260,503**	**664,240**	**-**	**-**	**1,226,419**
Cumulative costs, as of August 31, 2021	**451,144**	**665,410**	**393,848**	**174,949**	**1,987,027**

	Pelly Bay $	White River $	Taylor Brook $	Florence Lake $	Total $
For the year ended August 31, 2020					
Consulting	-	3,405	-	-	**3,405**
Field work	-	26,432	-	-	**26,432**
	-	**29,837**	**-**	**-**	**29,837**
Cumulative costs, as of August 31, 2019	**260,503**	**634,403**	**-**	**-**	**1,196,582**
Cumulative costs, as of August 31, 2020	**260,503**	**664,240**	**-**	**-**	**1,226,419**

Qualified Person

Paul Sobie, P.Geo., the Company's Chief Executive Officer, is the Qualified Person, as defined by National Instrument 43-101 (NI 43-101), who has reviewed and approved the technical information disclosed in this MD&A.

Dr. Derek H.C. Wilton, P.Geo., FGC, is the Qualified Person, as defined by National Instrument 43-101, and independent of the Company.

CHANGE IN MANAGEMENT

On September 20, 2021, the Company announced that Ms. Dawn Evans-Lamswood, M.Sc., P.Geo. joined the Company as Senior Consultant to Taylor Book and Florence Lake nickel projects.

OUTLOOK

The Company plans to spend approximately $2 million on the following exploration activities during the 2022 fiscal year:

1. Taylor Brook Ni-Cu property: Phase 1 exploration including 2,500m of drilling, cut-line grid construction, ground geophysics and prospecting as well as borehole EM surveys.

2. Florence Lake Ni-Cu property: airborne EM surveying, compilations of historical work, drilling 1,500m in summer 2022.

3. A compilation of the Ni-Cu and gold exploration database at Pelly Bay to generate targets will be used to generate interest in the project, however no budget is allocated for exploration at this time.

The Company expects 2022 to be a pivotal year in the advancement of the Taylor Brook and Florence Lake Projects as it plans to aggressively explore the known Ni-Cu-Co mineralization and test newly developed targets. The extensive database of historical information will be augmented by new exploration data, and by applying the most recent exploration concepts and techniques.

SUMMARY OF QUARTERLY INFORMATION

The quarterly results for the last eight quarters are summarized below:

	Three months ended			
	August 31, 2021	**May 31, 2020**	**February 28, 2021**	**November 30, 2020**
	$	**$**	**$**	**$**
Net loss	(3,230,408)	(356,816)	(300,880)	(27,799)
Comprehensive loss	(3,230,408)	(356,816)	(300,880)	(27,799)
Loss per share (basic and diluted)	(0.12)	(0.01)	(0.01)	(0.00)

	Three months ended			
	August 31, 2020	**May 31, 2020**	**February 29, 2020**	**November 30, 2019**
	$	**$**	**$**	**$**
Net loss	(240,312)	(19,365)	(17,204)	(278,735)
Comprehensive loss	(240,312)	(19,365)	(17,204)	(278,735)
Loss per share (basic and diluted)	(0.01)	(0.00)	(0.00)	(0.02)

SELECTED INFORMATION

	For the year ended		
	August 31, 2021	**August 31, 2020**	**August 31, 2019**
	$	**$**	**$**
Net loss	(3,915,903)	(555,616)	(137,723)
Comprehensive loss	(3,915,903)	(555,616)	(137,723)
Basic and diluted loss per share	(0.14)	(0.03)	(0.01)

As at:	**August 31, 2021**	**August 31, 2020**	**August 31, 2019**
	$	**$**	**$**
Working capital (deficiency)	1,984,562	(323,659)	(210,194)
Total assets	3,824,908	1,144,909	1,156,987
Total liabilities	949,494	355,983	216,526
Share capital	8,507,960	2,638,711	2,389,155
Deficit	(6,089,061)	(2,173,158)	(1,617,542)

RESULTS OF OPERATIONS

Three months ended August 31, 2021

During the three months ended August 31, 2021, the Company recorded a net loss of $3,230,408 compared to $240,312 for the three months ended August 31, 2020.
During the three months ended August 31, 2021, the Company incurred the following significant expenditures:

- Exploration and evaluation costs of $422,394 (August 31, 2020 – $5,540);
- Professional fees of $(25,417) (August 31, 2020 – $13,224);
- Salaries and benefits of $51,992 (August 31, 2020 – $3,000); and
- Shareholder information and investor relations of $23,580 (August 31, 2020 – $nil).

In addition, during the three months ended August 31, 2021, the Company incurred listing expenses of $1,495,988 (August 31, 2020 – $nil) related to the reverse acquisition as discussed above.

Furthermore, during the three months ended August 31, 2021, the Company decided to impair the Pelly Bay Property by $407,144 (August 31, 2020 – $nil) as the Company has not received the approval of the Water Permit from the Nunavut Water Board. The Company also decided not to conduct any significant work in the near future for the White River Property due to on-going delays in granting work permits for the project and recorded impairment of $845,928 (August 31, 2020 – $nil).

Year ended August 31, 2021

During the year ended August 31, 2021, the Company recorded a net loss of $3,915,903 compared to $555,616 for the year ended August 31, 2020.

During the year ended August 31, 2021, the Company incurred the following significant expenditures:

- Exploration and evaluation costs of $760,608 (August 31, 2020 – $29,837);
- Professional fees of $200,404 (August 31, 2020 – $28,176);
- Rent expenses of $nil (August 31, 2020 – $9,000); and
- Salaries and benefits of $65,352 (August 31, 2020 – $5,625);
- Share-based compensation of $nil (August 31, 2020 – $259,525); and
- Shareholder information and investor relations of $129,893 (August 31, 2020 – $nil).

In addition, during the year ended August 31, 2021, the Company incurred listing expenses of $1,495,988 (August 31, 2020 – $nil) related to the reverse acquisition as discussed above.

Furthermore, during the year ended August 31, 2021, the Company decided to impair the Pelly Bay Property by $407,144 (August 31, 2020 – $nil) as the Company has not received the approval of the Water Permit from the Nunavut Water Board. The Company also decided not to conduct any significant work in the near future for the White River Property due to on-going delays in granting work permits for the project and recorded impairment of $845,928 (August 31, 2020 – $nil).

LIQUIDITY AND CAPITAL RESOURCES

The Company's activities have been funded through equity financings and the Company expects it will continue to be able to utilize this source of financing until it develops cash flow from future operations.

There can be no assurances the Company will be successful in its endeavors. If such funds are not available or other sources of finance cannot be obtained then the Company will be forced to curtail its activities to a level for which funding is available or can be obtained.

During the year ended August 31, 2021, CDC completed the Financings by issuing 1,174,999 flow-through shares at a price of $0.30 per flow-through share for aggregate gross proceeds of $352,500 and 4,078,333 non-flow-through shares at a price of $0.25 per non-flow-through share for aggregate gross proceeds of $1,019,583.

During the year ended August 31, 2021, in conjunction with the RTO, CDC also completed two non-brokered private placements by issuing 499,998 flow-through shares at a price of $0.30 and 1,580,000 non-flow-through shares at a price of $0.25 per non-flow-through share for aggregate gross proceeds of $545,000.

The Company further completed another non-brokered private placement, during the year ended August 31, 2021, for an aggregate of 5,000,000 flow-through shares at a price of $0.40 per flow through share for aggregate gross proceeds of $2,000,000.

Subsequent to August 31, 2021, the Company announced a non-brokered private placement for gross proceeds of up to $1,500,000 from the sale of any combination of units of the Company at a price of $0.28 per unit and $0.31 per flow-through unit.

As of August 31, 2021, the Company has working capital of $1,984,562.

OUTSTANDING SHARE DATA

Share Capital

Authorized

Unlimited number of common shares without par value.

Issued share capital

At August 31, 2021, the Company had 43,354,822 (August 31, 2020 – 19,164,856) common shares issued and outstanding.

Escrow shares

On August 13, 2018, the Company entered into an escrow agreement, whereby common shares will be held in escrow and are scheduled for release as follows:

- June 16, 2021: 1,205,883 common shares (released)
- December 16, 2021: 1,205,883 common shares (released subsequent to August 31, 2021)
- June 16, 2022: 1,205,883 common shares
- December 16, 2022: 1,205,884 common shares

On June 16, 2021, the Company entered into an escrow agreement, whereby common shares will be held in escrow and are scheduled for release as follows:

- June 16, 2021: 1,001,680 common shares (released)
- December 16, 2021: 1,349,827 common shares (released subsequent to August 31, 2021)
- June 16, 2022: 1,655,212 common shares

- December 16, 2022: 1,655,212 common shares
- June 16, 2023: 1,960,596 common shares
- December 16, 2023: 1,960,597 common shares
- June 16, 2024: 3,487,521 common shares

During the year ended August 31, 2021, 2,207,563 common shares were released from escrow.

As of August 31, 2021, there were 15,686,615 common shares held in escrow.

During the year ended August 31, 2021

- Prior to the RTO, CDC completed various non-brokered private placements as follows:

  - Issued 4,020,000 non-flow-through shares at a price of $0.25 per non-flow-through share for aggregate gross proceeds of $1,005,000.

  - Issued 1,174,999 flow-through shares at a price of $0.30 per flow through share for aggregate gross proceeds of $352,500. The Company reclassified $58,750 as a flow-through share premium liability.

  - Issued 58,333 common shares with fair value of $14,583 as finders' fees.

  - Paid $17,500 as share issue costs.

- Prior to the RTO, CDC issued 471,848 common shares with a value of $117,962 to settle certain balances owed to related parties.

- Prior to the RTO, CDC issued 500,000 common shares with fair value of $125,000 for the White River Property.

- Prior to the RTO, CDC issued 2,423,180 common shares with fair value of $605,795 to Altius on the TB Execution Date.

- In conjunction with the RTO, CDC completed two non-brokered private placements as follows:

  - Issued 1,580,000 non-flow-through shares at a price of $0.25 per non-flow-through share for aggregate gross proceeds of $395,000.

  - Issued 499,998 flow-through shares at a price of $0.30 per flow through share for aggregate gross proceeds of $150,000. The Company reclassified $25,000 as a flow-through share premium liability.

  - Issued 75,600 common shares with fair value of $18,900 as finders' fees.

  - Paid $92,874 as share issue costs.

  - Issued 701,205 options to replace the outstanding options previously issued by the Company. Each option entitles the holder to purchase one common share of the Company at an exercise price of $0.17 at any time prior to June 16, 2022.

- The Company was deemed to have issued 7,012,062 common shares with fair value of $1,753,016 as part of the RTO.

- On August 27, 2021, the Company completed a non-brokered private placement for an aggregate of 5,000,000 flow-through shares at a price of $0.40 per flow through share for aggregate gross proceeds of $2,000,000. The Company reclassified $500,000 as a flow-through share premium liability. In connection with this private placement, the Company paid $135,525 and issued 269,275 finders' warrants as share issue costs.

- The Company issued 1,373,946 common shares with fair value of $233,571 to Altius on the FL Execution Date.

Subsequent to August 31, 2021

- The Company issued 102,544 common shares pursuant to the 2nd TB Option Agreement.
- 500,000 stock options were granted with an exercise price of $0.30.
- 105,181 stock options were exercised for proceeds of $17,881.

As of the date of this MDA, the Company had:

- 43,562,547 common shares issued and outstanding;
- 269,275 warrants with an exercise price of $0.40; and
- 2,896,024 stock options with an exercise price ranging from $0.17 to $0.30.

SUBSEQUENT EVENTS

On December 6, 2021, the Company announced a non-brokered private placement (the "Offering") for gross proceeds of up to $1,500,000 from the sale of any combination of units of the Company (each, a "Unit") at a price of $0.28 per Unit and flow-through units of the Company (each, a "FT Unit") at a price of $0.31 per FT Unit. Red Cloud Securities Inc. is acting as a finder in connection with the Offering.

RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. Key management includes executive officers and directors.

The transactions related to and the compensation paid to the Company's key management personnel during the year ended August 31, 2021 and 2020 are as follows:

- The Company paid $131,534 in wages (August 31, 2020 – $5,625) and $18,120 (August 31, 2020 – 12,000) in rent to a consulting firm of which the Company's Chief Executive Officer is a partner. As at August 31, 2021, $32,861 (August 31, 2020 – $119,111) was owed to companies controlled by the Chief Executive Officer.

- The Company incurred professional fees of $74,954 (August 31, 2020 – $16,939) with an accounting firm of which the Company's Chief Financial Officer is a partner, included in professional fees. As at August 31, 2021, $9,342 (August 31, 2020 – $17,500) was owed to this partnership.

- During the year ended August 31, 2021, the Company repaid the non-interest-bearing promissory note with an amount of $47,908 issued to the Company's Chief Executive Officer in full.

- During the year ended August 31, 2021, the Company issued 471,848 common shares with a value of $117,962 to settle certain balances owed to related parties.

- During the year ended August 31, 2020, the Company recognized share-based payments of $259,525 for the options granted to the Company's officers and directors.

OTHER COMMITMENTS

The Company periodically issues flow-through shares with any resulting flow-through premium recorded as a flow-through share premium liability. The liability is subsequently reduced when the required exploration expenditures are made, and accordingly, a recovery of the flow-through premium is recorded as other income.

During the year ended August 31, 2021, the Company issued 6,674,997 flow-through shares (August 31, 2020 – 100,000). Based on Canadian tax law, the Company is required to spend the proceeds from the issuance of the flow-through shares on eligible exploration expenditures within two years from the date of issuance. If the Company is unable to meet this deadline, it will be subject to Part XII.6 taxes in accordance with the Canadian Income Tax Act.

A continuity of the flow-through share premium liability is as follows:

	August 31, 2021 $	August 31, 2020 $
Balance, beginning of the year	**2,090**	-
Liability incurred on flow-through shares issued	583,750	5,000
Settlement on expenditures made recorded as other income	(85,840)	(2,910)
Balance, end of year	**500,000**	**2,090**

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

The preparation of our financial statements requires management to use judgment and make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amount of expenses during the period. Actual results could materially differ from these estimates. Refer to note 2 of our annual audited financial statements for the year ended August 31, 2021 for a more detailed discussion of the critical accounting estimates and judgments.

ADOPTION OF NEW AND AMENDED IFRS PRONOUNCEMENTS

There were no new or amended IFRS pronouncements effective September 1, 2020 that impacted the Company's audited consolidated financial statements for the year ended August 31, 2021.

FINANCIAL INSTRUMENTS

In the normal course of business, the Company is inherently exposed to certain financial risks, including market risk, credit risk and liquidity risk, through the use of financial instruments. The timeframe and manner in which the Company manages these risks varies based upon management's assessment of the risk and available alternatives for mitigating risk. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. All transactions undertaken are to support the Company's operations. These financial risks and the Company's exposure to these risks are provided in various tables in note 14 of our audited consolidated financial statements for the year ended August 31, 2021. For a discussion on the significant assumptions made in determining the fair value of financial instruments, refer also to note 2 of the financial statements for the year ended August 30, 2021.

RISKS AND UNCERTAINTIES

To the date of this MD&A, except for the possible impact from COVID-19 mentioned above, there have been no significant changes to the risk factors set out in the Company's filing statement dated June 7, 2021, which is available on www.sedar.com.