

SPC Nickel Corp.
Management Discussion & Analysis
For the Three and Six Month Period Ended February 28, 2023

The following is management's discussion and analysis ("MD&A") of the financial condition and interim results of operations of SPC Nickel Corp. ("SPC" or the "Company") for the three and six months ended February 28, 2023. This discussion and analysis should be read in conjunction with the Company's February 28, 2023 interim financial statements and attached notes, as well as the financial statements, notes, and MD&A for the year ended August 31, 2022, including the section on risks. This MD&A is dated April 25, 2023.

The Company's reporting currency is the Canadian dollar and all monetary amounts in this MD&A are expressed in Canadian dollars unless otherwise stated.

INTERNAL QUALIFIED PERSON AND QUALITY CONTROL/QUALITY ASSURANCE

Grant Mourre, P.Geo., President of the Company, is a Qualified Person as defined under National Instrument 43-101 and has reviewed and approved the technical information contained in this MD&A.

OVERVIEW OF THE COMPANY

SPC is a mineral exploration company that is focused on exploring for nickel ("Ni"), copper ("Cu") and platinum group metals ("PGMs"). The Company has spent in excess of \$12 million dollars on exploration to date and is currently advancing its Ni-Cu-PGM properties located in the Sudbury Mining Camp, as well as its recently acquired Muskox Ni-Cu-PGM property, located in Nunavut. The Company will continue to focus on advancing its portfolio of properties, with a vision of discovering and delineating an economic orebody.

The business of exploration and mining involves a high degree of risk and there can be no assurance that the Company's exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the discovery of economically recoverable reserves and resources, securing and maintaining title and beneficial interest in the properties, the ability to obtain the necessary financing to complete exploration, development and construction of a mine and processing facilities, obtaining certain government approvals and attaining profitable production. There can be no assurance that the Company will be able to raise sufficient funds as and when required.

The Company's financial statements are prepared on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of the Company's business. The application of the going concern concept is dependent on the Company's ability to obtain financing to fund its operations.

CORPORATE ACTIVITIES

In January 2023, the Company entered into an agreement (the "Vale Agreement") with Vale Canada Limited ("Vale") designed to consolidate and unlock the full potential of the adjacent and contiguous West Graham and Crean Hill 3 nickel-copper deposits (collectively, the "West Graham/Crean Hill 3 Project"). The Vale Agreement grants the Company the right to acquire a 100% interest in the surface and mineral rights of the Crean Hill 3 Property in consideration for a cash payment of \$1 million and certain rights and royalties that will be extended to Vale across the West Graham/Crean Hill 3 Project.

In March 2023, the Company entered into an option agreement (the "Bathurst Option Agreement") with Bathurst Metals Corp. ("Bathurst") giving the Company the right to acquire a 100% interest in the McGregor Lake and Speers Lake properties located within the Kitikmeot Region of western Nunavut. Following this transaction, SPC will control nearly 650 square kilometres of the highly prospective Muskox Intrusion, representing one of the last remaining district scale nickel-copper-platinum group metal ("PGM") opportunities in North America. Further details regarding this transactions and the property's exploration prospectivity can be found in the Company's press release dated March 28, 2023.

MINERAL PROPERTIES, ACTIVITY AND PLANS

OVERVIEW OF PROJECTS

SPC holds interests in five properties, two of which are in the Sudbury Mining Camp near Sudbury Ontario (Aer-Kidd Property and Lockerby East Property) and one near Espanola Ontario (Owen Nickel Property). In addition, it holds an option to acquire 100% of certain mining claims located 50 kilometres northeast of Sudbury (Janes Property). The Company also holds the mineral rights (Muskox Property) to 47,460 hectares comprised of 15 mining claims and 2 prospecting permits in the territory of Nunavut. Additionally, SPC holds an option with Bathurst Metals Corp. to acquire 100% of 17,840 hectares comprised of 12 mining claims, contiguous to its existing Muskox Property.

AER-KIDD PROPERTY

SPC owns 100% of the mining rights for the Aer-Kidd Property that is located approximately 20 kilometres southwest of Sudbury, Ontario, along the Worthington Offset Dyke. The property consists of 5 mining patents (mining rights only) representing approximately 403 hectares.

The property remains subject to a pre-existing underlying agreement that provides a 3% Net Smelter Return royalty ("NSR") royalty to SPG Royalties Inc. (the "Aer-Kidd Royalty") of which one half of the Aer-Kidd Royalty, or a 1.5 % net smelter returns royalty, can be purchased for \$1,250,000. The Aer-Kidd Royalty includes advanced royalty bi-annual payments of \$50,000 which are deductible from future royalty payments based on production from the Aer-Kidd Property. SPC also holds an option to purchase 100% of the property surface rights from the City of Greater Sudbury at any time prior to December 31, 2024 for a cash payment of \$250,000 and a further cash payment of \$250,000 if a mine is brought into commercial production on the Aer-Kidd Property.

MUSKOX PROPERTY

In September 2021, the Company staked 11 mining claims (totaling 13,327 hectares) and had previously obtained 2 prospecting permits (totaling 30,350 hectares) in respect of exploration properties located within the Muskox Intrusion (collectively, the "Muskox Property") in the Kitikmeot Region of Nunavut. Additionally, in a separate transaction that closed on November 22, 2021, the Company acquired a 100% interest in a database related to the Muskox Intrusion in exchange for cash payment of \$94,600 (US\$75,000) and 100,000 warrants exercisable into common shares of the Company at an exercise price of \$0.20 per warrant for a period of three years from the closing date. In February and April, 2022, the Company staked an additional 4 mining claims (totaling 2,311 hectares) resulting in a total land holdings of 47,470 hectares in 15 mining claims and 2 prospecting permits.

In March 2023, the Company entered into the "Bathurst Option Agreement, giving the Company the right to acquire a 100% interest in the McGregor Lake and Speers Lake properties located within the Kitikmeot Region of western Nunavut.

LOCKERBY EAST PROPERTY

The Lockerby East Property is located approximately 20 kilometres west of Sudbury, Ontario within the southwest corner of the Sudbury Basin, and consists of approximately 397 hectares of freehold patents. The Lockerby East Property includes 100% of the Lockerby East and South patents as well as a 100% interest in the West Graham Property.

The Company owns 100% interest in the Lockerby East property. The property consists of freehold patents located in the south range of the Sudbury Igneous Complex ("SIC"), Sudbury, Ontario including 100% of the Lockerby patents and 100% of the West Graham Property subject to a 1% NSR to the previous owner of the West Graham portion of the Property.

The Company also holds the right to acquire a 100% interest in the surface and mineral rights of the Crean Hill 3 Property, which is contiguous with the West Graham Property, in consideration for a cash payment

of \$1 million and certain rights and royalties that will be extended to Vale across the West Graham/Crean Hill 3 Project.

OWEN NICKEL PROPERTY

SPC owns 100% of mineral rights of the Owen Nickel Property located 70 kilometres west of Sudbury Ontario near Espanola. The property consists the mineral right of 3 mining patents (47.5 hectares) located in Mongowin Township.

JANES PROPERTY

On July 5, 2020, the Company entered into an option agreement to acquire a 100% interest in the Janes Property (the "Janes Option Agreement"). To earn a 100% interest in the Janes Property, the Company must pay \$335,000 in cash over five years, issue \$155,000 worth of Common Shares over five years and expend work commitments totaling \$227,000 over five years. To date, the Company has made cash payments and share issuances of \$43,000 and \$29,500, respectively, and has fulfilled the entire work commitment. Upon the Company vesting a 100% interest in the Janes Property, the optionors would retain a 2% NSR of which the Company can purchase the first 1% for \$1,000,000 and the remaining 1% for an additional \$500,000 up to the point of commercial production. Portions of the Janes Property remain subject to a pre-existing underlying agreement that provides a 1% NSR to a previous owner, of which all of the 1.0% NSR can be purchased for \$1,000,000. Under the terms of the Janes Option Agreement, the maximum allowable NSR to the Optionors on any portion of the Janes Property is 2%. On claims containing the pre-existing 1% NSR, the NSR awarded to the Optionors is reduced from 2% to 1%, of which the Company can purchase the first 0.5% for \$500,000 and the remaining 0.5% for an additional \$500,000 up to the point of commercial production.

EXPLORATION HIGHLIGHTS

LOCKERBY EAST PROPERTY

In April of 2022, the Company announced the commencement of a 4,200 metre drill program on the 100% owned Lockerby East Ni-Cu Property, located in the world class Sudbury mining Camp. The program was completed in July of 2022 after a total of 5,200 metres in 18 holes were completed.

The Lockerby East Project hosts both the historic West Graham and Lockerby East deposits. In 2009, First Nickel Inc. disclosed a historical resource estimate¹ of 8.55Mt @ 0.45% Ni and 0.31% Cu (indicated) and 2.0Mt @ 0.38% Ni and 0.30% Cu (inferred) for the West Graham deposit. These grades have economic potential in the Sudbury context as the deposit is located very near to surface and may be amenable to low-cost open pit mining. The deposit is characterized by a broad zone of disseminated to semi-massive sulphide that ranges from 1.7 to 66 metres thick and strikes for 375 metres with a dip extent of up to 533 metres. Within the larger resource, a distinct zone of higher-grade mineralization grading in excess of 1% Ni is present. At depth, the West Graham deposit is interpreted to be contiguous with the high-grade Lockerby East deposit where historic resources of 0.22 Mt @ 2.43% Ni and 0.78% Cu² (indicated + inferred) are hosted.

In April of 2022, the Company announced a 2022 drill program, consisting of approximately 14 holes totaling 4,200 metres of drilling, which was designed to further evaluate and expand the extents of the high-grade Ni-Cu zone hosted within the larger West Graham deposit. In addition, borehole geophysical surveys were also planned on a series of historic holes, in order to define additional targets in the 'gap zone' between the larger West Graham deposit and the high-grade Lockerby East deposit that occurs at depth. The goal of the overall program is to establish a near surface, updated nickel sulphide resource estimate on the West Graham deposit in a world class stable nickel mining camp. The program was completed in July of 2022 after a total of 5,200 metres in 18 holes were completed.

Footnotes

1. *NI 43-101 Report, Scott Wilson Mining, January 15, 2009, First Nickel Inc.; Technical Report on the West Graham Property Conwest Zone Resource Estimate, Graham Township, Ontario, Canada.*
2. *Technical Report on the 2009 Resource Estimate for the Depth, East and Upper West Zones, Lockerby Mine, Sudbury, Ontario, prepared by First Nickel Inc., February 23, 2009.*

In March of 2023, the Company announced the commencement of the first phase of the 25,000 metre Crean Hill 3 Property drill program. This 5,000 metre Phase 1 program will represent the first drilling to be completed on the Crean Hill 3 Property since 1960 and the first by SPC Nickel since the signing of the Agreement with Vale. The goal of the drill program is to test the continuity and grade of the mineralized zone across the property allowing SPC Nickel to complete a new updated mineral resource estimate across the combined property (West Graham – Crean Hill 3).

Phase 1 will comprise of 5,000 metres of drilling (at 50 metre spacings) focused on an area along the property boundary where previous drilling returned numerous high-grade intersections over comparable width to the adjacent West Graham Deposit but with grades between 30-80% higher than the reported grade of the resource. Phase 2 will consist of 20,000 metres of drilling (at 100 metre spacings) designed to test the extent and continuity of the mineralized zone across the property.

In April of 2023, the Company announced initial assay results from its Phase 1 drilling campaign at the recently consolidated West Graham and Crean Hill 3 properties (collectively, the “West Graham Project”), including results of the massive sulphides reported in hole WG-23-026.

Assay results from the Phase 1 drill program on the West Graham Project are presented in the table below. For hole WG-23-026, only the semi-massive to massive sulphide section that was reported in the Company news release of March 27, 2023, are listed below. The remaining assay results are pending.

HOLE ID	INTERVAL			Ni Eq (%) ²	BASE METALS			PRECIOUS METALS				
	From (m)	To (m)	Length (m) ¹		Ni (%)	Cu (%)	Co (%)	Pt (g/t)	Pd (g/t)	Au (g/t)	Ag (g/t)	3E PGM (g/t) ³
WG-23-020	47.00	91.00	44.00	0.63	0.53	0.27	0.02	0.05	0.02	0.02	1.41	0.08
including	75.00	83.00	7.00	0.89	0.75	0.39	0.03	0.06	0.02	0.02	1.86	0.10
including	87.00	91.00	4.00	1.25	1.03	0.62	0.04	0.07	0.05	0.03	2.85	0.14
WG-23-026	170.00	177.90	7.90	2.72	2.48	0.64	0.08	0.15	0.04	0.02	1.82	0.21

Notes to table:

1. Width refers to downhole length. True widths for WG-23-020 are estimated at 100%. The true width for WG-23-026 can not be determined with the available data.
2. NiEq.% = Ni% + Cu% x 0.32 + Co% x 0.53 and does not factor in Pt, Pd, Au or Ag values. No allowances have been made of recovery losses that may occur should mining eventually result. The NiEq.% calculation used in this release is consistent with the relative metal prices used in the West Graham resource report published by First Nickel Inc. in 2009.
3. 3E PGM represents Pd g/t + Pt g/t + Au g/t.

The Company considers the West Graham and Lockerby East resource estimates to be historic mineral resources for purposes of NI 43-101. Neither the Company nor a qualified person on behalf of the Company have done sufficient work to classify the historical estimates as current mineral resources and the Company is not treating such historical estimates as current mineral resources. The Company considers the historic mineral resource estimates to be relevant to an understanding of the West Graham Project but has not done any work to validate the estimates.

MUSKOX PROPERTY

No significant field work has been completed on the Muskox Property since the 2022 field program. Using the proprietary database, the technical team continues to advance the understanding of the Muskox Intrusion while also generating exciting new base and precious metals targets as SPC Nickel develops a strategy to advance this Project with an aim to making a significant discovery.

AER-KIDD PROPERTY

No significant work has been completed on the Aer-Kidd Property since the 2021 drill program where SPC completed 14 holes for a total of 14,111 metres. No additional work is planned for 2023.

JANES PROPERTY

The Janes Property is located 45 kilometres northwest of the City of Greater Sudbury (74 kilometres by road) and within hauling distance of the processing and smelting infrastructure located within Sudbury. The Janes Property was initially explored in 1969 by Kennco Exploration (Canada) Ltd., which reported both disseminated and massive Cu-Ni sulphide mineralization (PGM not reported) occurring near the base of a large Nipissing Diabase sill.

In 2022, the Company completed a 26.7 line km 3D induced polarization (“IP”) survey on the southern portion of the Property. The results of the survey have identified two large high-priority targets that are interpreted to be related to the mafic intrusive sill that hosts the high-grade Trench 1 Ni-Cu-PGM mineralization to the north, where prior drilling by the Company in 2021 returned 0.46% Ni, 0.93% Cu and 4.63 g/t Pt+Pd+Au (PGM) over 10.5 metres (see Company Press Release dated June 17, 2021).

The 3D IP program, executed and interpreted by Canadian Exploration Services Ltd. (CSX), was chosen because of its impressive data collection capability and modeling. The resultant inversions show two strong, cohesive chargeability high anomalies (>30 mV/V) termed the *west anomaly* and the *east anomaly*.

The west anomaly strikes northwest southeast and is modelled as a tabular body measuring 50 metres x 450 metres in plan and 150 metres in thickness dipping steeply to the southeast and strengthens with depth.

The up-dip projection of the anomaly correlates well with the historic ‘Kirkland Townsite’ occurrence³ where in 1980, disseminated chalcopyrite was reported in gabbro that returned up to 0.39% Cu and 0.06% Ni (no PGM reported). Similarly, a nearby historic drill hole (70-01⁴) completed by Kennco Exploration Ltd. in 1970, cored through 767 metres of gabbro before reaching the footwall contact. The drill log reports several sections of disseminated chalcopyrite and pyrrhotite (no assays reported) around the margins of the west IP anomaly.

The east anomaly strikes northwest southeast and is modelled as an irregular shaped body measuring 300 metres x 700 metres in plan and 200 metres in thickness. Three chutes appear to come near surface as anomalies, these plunge steeply to the point where they merge at a depth near 125 metres and appear to broaden and strengthen.

During October and November of 2022, the Company completed a four hole, 1,212 metre drill program. Highlights from the drilling are presented in the table below.

Hole ID	Interval			Base Metals		Precious Metals				
	From (m)	To (m)	Length (m)	Ni (%)	Cu (%)	Pt (g/t)	Pd (g/t)	Au (g/t)	Ag (g/t)	3E PGM (g/t)
JP-22-019	217	222	5	0.029	0.043	0.033	0.137	0.014	0.160	0.184
JP-22-020	204	205	1	0.112	0.236	0.077	0.149	0.082	0.700	0.308
JP-22-020	216	244	28	0.049	0.072	0.061	0.312	0.030	0.279	0.402
including	240	244	4	0.124	0.187	0.118	0.868	0.056	0.575	1.043
JP-22-021	75	77	2	0.125	0.433	0.008	0.007	0.041	1.400	0.056
JP-22-021	129	131	2	0.104	0.343	0.007	0.007	0.035	1.050	0.049
JP-22-021	181	186	5	0.168	0.524	0.120	0.148	0.057	1.600	0.325
JP-22-021	190	211	8	0.112	0.285	0.022	0.023	0.060	0.813	0.105
including	208	210	2	0.177	0.451	0.050	0.051	0.138	1.250	0.239
JP-22-021	243	244	1	0.154	0.332	0.082	0.114	0.119	0.900	0.315
JP-22-022	No significant mineralization encountered									

Notes to table:

1. Width refers to downhole length. True widths for WG-23-020 are estimated at 100%. The true width for WG-23-026 can not be determined with the available data.

2. NiEq.% = Ni% + Cu% x 0.32 + Co% x 0.53 and does not factor in Pt, Pd, Au or Ag values. No allowances have been made of recovery losses that may occur should mining eventually result. The NiEq.% calculation used in this release is consistent with the relative metal prices used in the West Graham resource report published by First Nickel Inc. in 2009.

Footnotes

3. *Kirkland Townsite Occurrence, Ontario Mineral Inventory, MDI4109NW00038.*
4. *Assessment Report, Kennco Exploration (Canada) Ltd, 1970, 4109NW0209*

The following table details exploration and evaluation expenditures incurred during the reporting period.

	AER Kidd	Owen	Lockerby East	Janes	Muskox	Project Generation	Total
Continuity of project expenditures for the six months ended February 28, 2023							
Balance August 31, 2022	12,363,119	4,970	1,853,912	757,480	402,729	76,187	15,458,397
Option Payments	50,000	-	-	-	-	-	50,000
Other acquisition and holding costs	1,825	266	7,426	-	15,205	-	24,722
Total acquisition costs for the period	51,825	266	7,426	-	15,205	-	74,722
Assays logging, and sampling	-	-	118,310	23,018	10,422	-	151,750
Travel, accommodation, and meals	-	-	530	29	11	-	570
Drilling	-	-	22,118	203,078	-	-	225,196
Equipment Rental	-	-	11,476	13,413	3,335	-	28,224
Field supplies and consumables	-	-	2,456	634	11,370	-	14,460
Field office	(375)	-	(1,125)	-	-	-	(1,500)
Payroll and Project Management	481	-	87,473	43,346	26,090	3,260	160,650
Surveys and linecutting	-	-	2,722	14,041	-	-	16,763
Vehicles	293	216	1,502	1,416	293	77	3,797
Cost recoveries	-	-	-	(200,000)	-	-	(200,000)
Exploration and evaluation expenditures for the period	399	216	245,462	98,975	51,521	3,337	399,910
Balance February 28, 2023	12,415,343	5,452	2,106,800	856,455	469,455	79,524	15,933,029
February 28, 2023 balance consists of							
Acquisition costs	2,319,491	3,827	635,607	75,225	81,535	8,176	3,123,861
Exploration expenditures	10,095,852	1,625	1,471,193	781,230	387,920	71,348	12,809,168
	12,415,343	5,452	2,106,800	856,455	469,455	79,524	15,933,029
	AER Kidd	Owen	Lockerby East	Janes	Muskox	Project Generation	Total
Continuity of project expenditures for the six months ended February 28, 2022							
Balance August 31, 2021	10,847,626	4,776	832,889	493,068	-	57,239	12,235,598
Option Payments	50,000	-	-	-	-	-	50,000
Other acquisition and holding costs	5,358	194	3,747	50	60,030	170	69,550
Total acquisition costs for the period	55,358	194	3,747	50	60,030	170	119,550
Assays logging, and sampling	51,967	-	-	6,849	-	-	58,816
Travel, accommodation, and meals	605	-	-	-	-	2	607
Drilling	1,191,461	-	-	-	-	-	1,191,461
Environmental	(4,900)	-	-	-	-	-	(4,900)
Equipment Rental	72,343	-	-	3,019	1,760	-	77,121
Field supplies and consumables	2,722	-	-	594	396	54	3,766
Field office	2,250	-	-	-	-	-	2,250
Payroll and Project Management	83,345	-	17,570	43,922	23,957	14,065	182,859
Surveys and linecutting	1,362	-	-	-	96,747	-	98,109
Vehicles	3,975	-	-	1,230	-	77	5,283
Exploration and evaluation expenditures for the period	1,405,130	-	17,570	55,614	122,859	14,199	1,615,372
Balance February 28, 2022	12,308,114	4,970	854,206	548,732	182,889	71,608	13,970,520
February 28, 2022 balance consists of							
Acquisition costs	2,217,591	3,560	622,103	38,150	60,030	8,176	2,949,611
Exploration expenditures	10,090,523	1,410	232,103	510,582	122,859	63,432	11,020,909
	12,308,114	4,970	854,206	548,732	182,889	71,608	13,970,520

DISCUSSION OF OPERATIONS

Expenses for the six-month period ended February 28, 2023 were \$1,100,877, compared to \$2,109,693 for the six month period ended February 28, 2022. The overall decrease of \$1,008,816 is mainly due to a reduction in exploration and evaluation expenditures from \$1,615,372, during the six months ended February 28, 2022, to \$399,910 during the six month period ended February 28, 2023. The Company also incurred stock based compensation expense of \$162,000 during the most recent six month fiscal period without a comparative amount incurred during the first six months of the prior fiscal year. The Company also recognized modest increases in six-month year over year amounts in the categories of office and general, consultants, professional fees and marketing.

Expenses for the three-month period ended February 28, 2023 totalled \$500,214, compared to \$914,448 for the three month period ended February 28, 2022. This decrease of \$414,234 is mainly due to a reduction in exploration and evaluation expenditures from \$603,753, during the three months ended February 28, 2022, to a \$49,524 net recovery during the three month period ended February 28, 2023. Similar to the six-month period ended February 28, 2023, the Company incurred stock based compensation expense of \$162,000 during the most recent three month fiscal period without a comparative amount incurred during the comparative three month period of the prior fiscal year and recognized modest increases in three-month year over year amounts in the categories of office and general, consultants, professional fees and marketing.

SUMMARY OF QUARTERLY RESULTS

A summary of selected unaudited financial information for the past eight quarters is presented below:

Three Months Ending (Unaudited)	February 28, 2023	November 30, 2022	August 31, 2022	May 31, 2022
Revenue				
Operating Expenses	(500,214)	(600,663)	(990,143)	(1,400,951)
Loss from Operations	(500,214)	(600,663)	(990,143)	(1,400,951)
Loss for the period	(500,083)	(600,340)	(1,003,871)	(1,393,314)
Loss per share	Nil	Nil	(0.01)	(0.01)
Total Assets	2,983,604	3,528,022	4,202,500	5,434,346
Total Liabilities	257,492	322,536	396,674	650,397

Three Months Ending (Unaudited)	February 28, 2022	November 30, 2021	August 31, 2021	May 31, 2021
Operating Expenses	(914,448)	(1,199,395)	(1,889,920)	(1,439,465)
(Loss) from Operations	(914,448)	(1,199,395)	(1,889,920)	(1,439,465)
Net (Loss) for the period	(913,576)	(1,194,199)	(1,711,921)	(1,293,080)
(Loss) per share	(0.01)	(0.01)	(0.02)	(0.01)
Total Assets	3,102,370	4,142,492	6,084,383	7,752,068
Total Liabilities	407,388	533,934	1,299,626	1,364,191

The Company's total assets have increased over the past eight quarters commensurately with the successful raising of capital necessary to fund exploration expenditures and corporate expenditures. All else being equal, as the company incurs and funds expenditures, its total assets decrease. Over the past eight quarters, the Company has seen an increase in quarterly operating expenses and commensurate loss from operations and decrease in total assets, as it has increased its exploration activities and related expenditures.

LIQUIDITY AND CAPITAL RESOURCES

As at February 28, 2023, the Company had cash balances of \$2,812,499 compared with \$3,810,177 as at August 31, 2022. The decrease is attributable to the Company incurring and funding exploration and corporate expenditures. The Company had current assets of \$2,983,604 and current liabilities of \$186,466, for net working capital of \$2,797,138 as at February 28, 2023.

At present, the Company's operations do not generate cash flow and its long-term financial success is dependent on management's ability to discover and develop economically viable mineral deposits and to raise money to support the discovery and development of such mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

In order to finance the Company's exploration programs and to cover administrative and overhead expenses, the Company raises money through equity issuances. Many factors influence the Company's ability to raise funds, including the health of the resource industry, the climate for mineral exploration investment, the Company's track record, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond their control. There is no assurance that new funding will be available at the times required or desired by the Company. See "Risk Factors" below. Currently, the Company holds exploration projects and it is anticipated that additional equity financing will be available going forward. Equity markets do fluctuate which could affect timing of future financings. The Company continues to pursue other avenues of financing, including strategic partnerships in relation to its non-material properties, which may reduce the Company's reliance on equity financing.

OUTSTANDING SHARE DATA

As at April 25, 2023, the Company had the following securities outstanding:

• Common Shares Issued	125,034,254
• Warrants	14,461,651
• Options	9,865,000
• Restricted Share Units	800,000
• Deferred Share Units	300,000

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, receivables, and accounts payable and accrued liabilities. The fair values these financial instruments approximate their carrying values due to their short-term nature.

Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and receivables. The Company maintains its cash with high-credit quality financial institutions, thus limiting its exposure to credit risk on such financial assets.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company maintains sufficient cash balances to meet current working capital requirements. The Company is considered to be in the exploration and evaluation stage, thus, it is dependent on obtaining regular financings in order to continue its exploration and evaluation programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash is available on demand for the Company's programs and is not invested in any asset-backed commercial

paper. The Company believes it has sufficient cash resources to pay its obligations associated with its financial liabilities as at February 28, 2023.

Interest Rate Risk

The Company's exposure to interest rate risk arises from the interest rate impact on its cash. The Company's practice has been to invest cash at floating rates of interest, in cash equivalents, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in cash, and restricted cash as they are generally held with large financial institutions.

Price Risk

The Company is not currently exposed to price risk, as it does not currently hold Investments in equity instruments.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities or derivative financial obligations.

RISKS AND UNCERTAINTIES

Exploration for mineral resources involves a high degree of risk. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. In addition to exploration risk, the Company is faced with a number of other risk factors. See "Risk Factors" below.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties). The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, to similar transactions to non-key management personnel related entities on an arm's length basis.

Related parties include the Board of Directors, their close family members and enterprises that are controlled by these individuals, as well as certain persons performing similar functions.

In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

Remuneration of key management of the Company for the periods ended February 28, 2023 and 2022 was as follows:

	<u>2023</u>	<u>2022</u>
Short term benefits	\$206,389	\$163,605
Share based payments	163,605	-
	<u>\$ 206,389</u>	<u>\$ 163,605</u>

Short term benefits are expensed as either consultant fees, wages, or exploration and evaluation expenditures, as applicable.

Included in accounts payable and accrued liabilities as at February 28, 2023 is \$9,983 (August 31, 2022 - \$12,406) owing to management and related companies. The amounts are unsecured, non-interest bearing, and are due on demand. Included in accounts receivable as at February 28, 2023, is \$8,984 (August 31, 2022 - \$5,989) receivable from related parties that are unsecured, non-interest bearing, and due on demand

COMMITMENTS AND CONTINGENCIES

Environmental Contingencies

The Company's exploration activities are subject to various federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Flow-through Expenditures

In connection with flow through financings completed in March 2022, the Company has committed to incur qualifying Canadian Exploration Expenditures totaling \$3,168,507 by December 31, 2023. The Company has indemnified subscribers for any tax related amounts that become payable by the subscriber in the event that the Company does not fulfill its expenditure commitments. As at February 28, 2023, the Company has incurred approximately \$1,500,000 of this expenditure commitment. The Company anticipates that it will satisfy its full commitment prior to December 31, 2023.

RISKS FACTORS

The operations of the Company are speculative due to the high-risk nature of its business, which are the acquisition, financing, exploration and development of mining properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking information relating to the Company. See "Risk Factors" in the Company's prospectus filed on SEDAR.

Outlook

The Company will continue to explore and develop its Sudbury properties, as well as its recently acquired Muskox property, while continuing to pursue other Ni-PGM opportunities in Canada. The vision of the company is to build a publicly listed energy metals company focused on nickel and PGM opportunities in Canada.

Responsibility for financial statements

The information provided in this report, including information from the related financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properly reflected in the financial statements.

Additional Information

Additional information relating to the Company is available on SEDAR www.sedar.com.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

Except for statements of historical fact relating to SPC certain information contained herein constitutes forward-looking information under Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the Company's proposed acquisitions and strategy, development potential and timetable of the Company's properties; the Company's ability to raise required funds; future mineral prices; mineralization projections; conclusions of economic evaluation; the timing and amount of estimated future exploration and development; costs of development; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates",

“forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of exploration activities are based on previous industry experience and regional political and economic stability. Capital and operating cost estimates are based on extensive research of the Company, recent estimates of exploration costs and other factors that are set out herein. Forward-looking statements are 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 statements, including but not limited to risks related to: unexpected events and delays during exploration and development; acquisition risks; regulatory risks; revocation of government approvals; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of minerals; accidents, labour disputes and other risks of the mining industry. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.