



NiCAN Limited

Management Discussion and Analysis

June 30, 2023

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of NiCAN Limited ("NiCAN" or "the Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and six months ended June 30, 2023. The MD&A was prepared as of August 22, 2023 and should be read in conjunction with the Company's condensed interim financial statements (the "Financial Statements") and related notes for the three and six months ended June 30, 2023, the annual audited Financial Statements for the year ended December 31, 2022, which were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), as well as the annual MD&A for the year ended December 31, 2022. The Financial Statements have been prepared in accordance with IFRS.

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. References to nickel, copper, cobalt, gold, silver, palladium, and platinum will be shown as Ni, Cu, Co, Au, Ag, Pd, Pt, respectively, and the platinum group metals as PGM, and references to grams per tonne will be shown as g/t. Additional abbreviations that may be used include metres ("m") and nickel equivalent ("NiEq").

Some of the statements in this MD&A are forward-looking statements that are subject to risk factors set out in the cautionary note contained herein. The Company's common shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol "NICN". Additional information related to the Company is available on the Company's website at www.nicanltd.com and on SEDAR at www.sedar.com.

COMPANY OVERVIEW

NiCAN is a junior explorer engaged in mineral exploration in Canada. Founded in 2021 by experienced mining executives, its principal business is to acquire and advance a portfolio of high-quality projects in attractive jurisdictions. The Company owns two highly prospective nickel projects located in Manitoba, Canada. Both projects are located on geologically significant features in jurisdictions where significant mineral discoveries have been made.

2023 YEAR-TO-DATE HIGHLIGHTS

- **Completed Phase II drill program at the Wine Property** located in Snow Lake, Manitoba, testing greenfield targets identified by a recently completed airborne geophysical survey as well as following up on significant results returned from drilling in early 2022. The Phase II drill program was completed in April 2023 with a total of 2,800 meters drilled. Highlights from the program included:
 - New nickel bearing mineralized zones identified, with other geophysical anomalies traceable for several kilometers along this trend within the Wine Gabbro.
 - Diamond drill hole ("DDH") Wine 23-16 intersected four zones of mineralization including 12.6 meters at 1.52% Ni and 2.01% Cu from 48.3 metres to 60.9 meters.
 - DDH Wine 23-17 intersected three zones of mineralization including 23.5 meters at 1.59% Ni and 1.76% Cu from 18.6 to 42.1 meters.
- **Received approval for a \$300,000 grant from the Manitoba Mineral Development Fund.** The Company received the first \$150,000 in May and the remainder in August of 2023.

REVERSE TAKEOVER ACQUISITION

On July 26, 2022, the Company and 1287390 BC Ltd. (“1287390”) completed a reverse takeover transaction (the “RTO Transaction”) pursuant to an amalgamation agreement dated March 3, 2022, and amended on June 29, 2022, and July 19, 2022. Prior to completion of the amalgamation, 1287390 completed a 1:0.728 reverse split of its existing outstanding common shares (the “Consolidated Shares”). Subsequently, each common share of NiCAN and each Consolidated Share of 1287390 were exchanged for one common share in the amalgamated entity. Upon completion of the RTO Transaction, the Company issued 3,106,132 common shares to the shareholders of 1287390 for a total consideration of \$1,310,000.

REPORT ON OPERATIONS

The Company’s Properties as of June 30, 2023 are as follows:

Project Area	Claims	Area (ha)
	June 30, 2023	
Wine Property	24	5,666
Pipy Property	20	3,913
Total	44	9,579

The following is a breakdown of expenditures during the six months ended June 30, 2023:

Amounts in \$	Wine	Pipy	Total
Assays	\$ 46,220	\$ –	\$ 46,220
Camp supplies and field expenses	17,845	608	18,453
Claim staking and maintenance	900	–	900
Consulting	124,965	32,362	157,327
Drilling	710,922	–	710,922
Equipment	29,030	–	29,030
Field transportation	658,530	–	658,530
General and administrative	413	4,242	4,655
Government grants	(150,000)	–	(150,000)
Ground geophysics	9,500	–	9,500
Line cutting	65,000	–	65,000
Total Property Expenditures, June 30, 2023	\$ 1,513,325	\$ 37,212	\$ 1,550,537

Wine Property

The Wine Property, comprised of 24 mineral claims totaling 5,666 hectares, is located in northwestern Manitoba, in the eastern Flin Flon-Snow Lake greenstone belt on the southern flank of the internal zone of the Trans Hudson Orogen. The Company staked 22 of the 24 claims in 2021 and acquired the additional two claims from W.S. Ferreira Limited (“Ferreira”) through a Mineral Property Acquisition Agreement dated May 7, 2021. Consideration for the claims was comprised of cash payments totalling \$150,000 and 1,000,000 common shares at a deemed issue price of \$0.05 per share. The Company also provided a 2% net smelter royalty, with an option to repurchase 50% (1%) of the royalty for \$1,000,000 at any time and an option to repurchase an additional 50% (0.5%) of the remaining royalty for \$1,000,000 at any time.

The Wine Property is underlain by arc-affinity volcanic rocks and successor arc plutonic rocks affected by the West Reed–North Star shear zone (“WRNS”). The WRNS represents a deep seated, regional shear zone running NNE along the west shore of Reed Lake. The rocks underlying the Wine property are prospective for the development of a number of mineral deposits. The potential for the development of magmatic-hosted copper-nickel deposits is demonstrated by the discovery of the Wine Occurrence (defined below) in the northern portion of the project area. This potential extends across the property as mafic intrusive rocks occupy a significant proportion of the property. Volcanogenic massive sulphide (“VMS”), reef-type PGM and orogenic gold deposit types are also prospective on the property.

Historical exploration on the Wine property focused initially on VMS mineralization following significant discoveries elsewhere in the Flin Flon-Snow Lake area. The nickel potential of the property was not recognized until 1984, when Hudson Bay Exploration and Development discovered Cu-Ni mineralization. Subsequent historical drilling identified a broad zone of Cu-Ni mineralization and follow up drilling continued to intersect a broad zone of Cu-Ni mineralization over a relatively short strike length, with most of the work focused on the area of the original discovery (the “Wine Occurrence”). Significant historical drill intersections include drill hole EEL346 (12.0m @ 1.67% Ni, 1.52% Cu) and RAD07-01 (20.4m grading 2.27% Cu, 1.30% Ni, 0.05% Co, 0.319 g/t Au and 0.402 g/t PGM).

During the six months ended June 30, 2023, NiCAN completed its second drill program at the Wine Property, testing multiple targets identified by the 2022 Versatile Time Domain Electromagnetic (“VTEM”) airborne geophysical survey as well as follow up holes within the Wine Occurrence. The VTEM survey was designed to define the location and configuration of conductive sources that have a similar signature to the known Wine Ni-Cu Occurrence, which returned high grade results in the initial phase of drilling in 2022.

The Phase II drill program, completed in Q2 2023, included 17 holes for a total of 2,800 meters. A key discovery from the program was the intersection of multiple new zones of nickel-bearing mineralization to the east of the known high-grade Ni-Cu Wine Occurrence, supporting the exploration model that the Wine Gabbro could host multiple mineralized pods, and significantly expanding the exploration target area: DDH Wine 23-16 intersected four zones of mineralization including 12.6 meters at 1.52% Ni and 2.01% Cu, from 48.3 to 60.9 meters, and DDH Wine 23-17 intersected three zones of mineralization including 23.5 meters at 1.59% Ni and 1.76% Cu, from 18.6 to 42.1 meters. Composite Assays are noted in the table below:

Hole t#	From	To	metres	Co %	Cu %	Ni %	PGM g/t
Wine 23-16	4.2	11.9	7.7	0.042	1.69	1.12	0.367
Wine 23-16	23.7	28.0	4.3	0.042	1.96	0.98	0.659
Wine 23-16	33.8	41.3	7.5	0.048	1.02	1.13	0.444
Wine 23-16	48.3	60.9	12.6	0.063	2.01	1.52	0.649
Wine 23-17	4.6	10.4	5.8	0.032	0.99	0.81	0.188
Wine 23-17	18.6	42.1	23.5	0.067	1.76	1.59	0.514
Wine 23-17	47.7	48.6	0.9	0.038	0.38	0.80	0.311

Conductive sources that return anomalous nickel values will be tested with downhole geophysical surveys, which will assist in a follow up drill program.

Pipy Property

The Pipy property, consisting of Pipy South, North and West, covers over 3,913 hectares in northeastern Manitoba on the northern extent of the Thompson Nickel Belt (the “TNB”). The TNB is a 150-kilometre-long nickel metallotect extending from Phanerozoic cover in the south to the north of the city of Thompson, Manitoba. The TNB consists of Proterozoic sedimentary and volcanic rocks deposited unconformably on Archean basement. Nickel deposits hosted by the TNB reflect the confluence of Proterozoic sulphur-rich sedimentary rocks comprising the Ospwagan Group and ultramafic intrusive rocks. Several sedimentary sequences overlay the Ospwagan Group, including terrestrial and shallow water conglomerate and sandstone comprising the Grass River Group and sediments of the Kiseynew Basin.

In 2021, the Company staked five claims and acquired three claims from Ferreira through a Mineral Property Acquisition Agreement dated May 7, 2021. Consideration for the claims was comprised of cash payments totalling \$150,000 and the issuance of 1,000,000 common shares at a deemed issue price of \$0.05 per share. The Company also provided a 2% net smelter royalty, with an option to repurchase 50% (1%) of the royalty for \$1,000,000 at any time and an option to repurchase an additional 50% (0.5%) of the remaining royalty for \$1,000,000 at any time.

The Pipy property is underlain by a tightly folded sequence of Archean basement orthogneisses and Ospwagan Group supracrustal rocks. The distribution of Ospwagan supracrustal rocks is delineated by their geophysical response and local diamond drill confirmation that defines a tight fold interference geometry. Critical to the prospectivity of the property, drilling by INCO, Dunlop, Falconbridge, and others, has identified a sequence of Ospwagan Group, Pipe Formation sulphide facies iron formation and sulphidic sediments in close proximity to ultramafic intrusive rocks. The understanding of the genesis of Ni-Cu deposits hosted by the TNB has evolved significantly since most historical exploration of the Pipy property took place. And the Company classifies the exploration potential as good to excellent. Geophysics will play a critical role in the development of targets for diamond drilling due to the thick glacial cover over the area.

Historical drilling at Pipy has intersected sulphides in the sediments and ultramafic intrusions and although assays were never released, the drill logs note visible nickel sulphides in several holes. The historical holes with logged nickel sulphides and the new structural interpretation will be critical in planning the upcoming drill program. Particular attention will be paid to fold closures where sulphides may be structurally remobilized and concentrated. At least five prospective fold closures have been identified to date.

To date, the Company has focused primarily on obtaining and reprocessing historical data, including all assessment data, and existing airborne geophysical data. Additionally, the Company completed an unmanned aerial vehicle (“UAV”) supported, high-definition, aeromagnetic survey at a 50-metre line spacing during the third quarter of 2021 on the Pipy South Claims. NiCAN subsequently updated the interpretation of the geology based on the newly acquired geophysical data, improving the understanding of the Pipy property.

During the six months ended June 30, 2023, the Company focused on permitting an initial reconnaissance drill program at Pipy to test both historical target areas as well as new anomalies identified from the high-definition UAV aeromagnetic survey completed previously.

REVIEW OF FINANCIAL RESULTS

The following is a summary of results from the Company's financial statements:

For the six months ended	June 30, 2023	June 30, 2022
Loss and comprehensive loss	\$ (1,812,828)	\$ (1,513,996)
Basic and diluted loss per share	(0.03)	(0.03)

As at	June 30, 2023	December 31, 2022
Cash and cash equivalents	\$ 2,602,130	\$ 4,608,703
Total assets	2,738,748	4,735,012
Share capital	9,085,882	9,085,882
Deficit	(6,789,420)	(5,073,124)

During the six months ended June 30, 2023, the Company incurred a loss of \$1,812,828 primarily due to drilling (\$710,922), field transportation (\$658,530), and geological consulting costs (\$157,327) incurred for the Phase II exploration program at the Wine Property. These costs were offset by the \$150,000 grant from the Manitoba Mineral Development Fund ("MMDF") and the premium flowthrough recovery of \$172,278 as the exploration costs incurred reduced the liability associated with flowthrough shares issued in 2022.

QUARTERLY RESULTS

The following selected financial information is a summary of the quarters from September 30, 2021 to June 30, 2023.

	Three months ended Jun 30, 2023	Three months ended Mar 31, 2023	Three months ended Dec 31, 2022	Three months ended Sept 30, 2022	Three months ended Jun 30, 2022	Three months ended Mar 31, 2022	Three months ended Dec 31, 2021	Three months ended Sep 30, 2021
Comprehensive loss	\$ (217,481)	\$ (1,595,347)	\$ (211,776)	\$ (2,077,602)	\$ (677,922)	\$ (836,074)	\$ (507,610)	\$ (343,390)
Basic and diluted loss per share	(0.00)	(0.02)	(0.00)	(0.03)	(0.01)	(0.02)	(0.01)	(0.01)

The Company's expenses fluctuate from period to period primarily due to marketing and/or exploration activity during the period and, therefore, lack some degree of comparability. Exploration activity will vary depending on the availability of funding, primarily sourced from equity financing, and whether the Company has expenditure commitments on claims to maintain in good standing.

For the three months ended September 30, 2021, the Company incurred an additional (\$284,780) in exploration costs, primarily from the UAV magnetic survey completed (\$185,676) and field transportation (\$59,390). During the fourth quarter of 2021, the Company granted 2,500,000 stock options, incurring share-based compensation expense of \$194,312. The Company also completed additional claim staking and line cutting at the Wine Project (\$47,551), including field transportation costs of \$52,650 in preparation for the winter drill program, as well as completed an electromagnetic survey at the Wine Property (\$33,154).

During the year ended December 31, 2022, NiCAN completed its first drill program at the Wine Property, a helicopter supported program with 17 diamond drill holes, incurring \$708,282 in drilling costs along with

\$467,173 in field transportation costs. The Company also completed downhole Time Domain Electromagnetic Method (“TDEM”) geophysical surveys on two historical holes with significant intercepts as well as significant surface TDEM surveys over the Wine Project area. On July 26, 2022, the Company completed the RTO Transaction and the subsequent TSX-V listing of NiCAN, incurring \$1,352,608 of acquisition costs and an additional \$416,023 of legal costs.

During the six months ended June 30, 2023, the Company completed the Phase II drill program at the Wine Property, incurring drilling costs of \$710,922 and field transportation costs of \$658,530. More than 2,800 metres of drilling was completed during the period. The Company received \$150,000 from the MMDF during the second quarter, which was applied towards the exploration program at Wine and reduced the exploration expense during the quarter.

LIQUIDITY AND CAPITAL RESOURCES

	June 30, 2023	December 31, 2022
Cash	\$ 2,602,130	\$ 4,608,703
Total current assets	2,738,748	4,735,012
Total current liabilities	182,322	365,758
Total equity	2,556,426	4,369,254

The Company has forecast its cash requirements for the next year and believes it has sufficient cash resources and liquidity to support the ongoing sustaining costs for the Company. At present, the Company’s operations do not generate cash flow and its financial success is dependent on management’s ability to discover and develop economically viable mineral deposits and to raise funds 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. The Company successfully completed the RTO Transaction in 2022 as well as the concurrent financing for \$6,108,676, providing additional access to capital in the public markets. To continue advancing exploration, the Company may need to raise additional funds in the future, however there is no assurance that new funding will be available at the times required or desired by the Company. Factors that affect the availability of financing include the progress and results of ongoing exploration at the Company’s mineral properties, the state of debt and equity markets, and investor perceptions and expectations of the global markets, mining, and the base metals sector in particular.

As of June 30, 2023, the Company had a net working capital of \$2,556,426 (December 31, 2022 - \$4,369,254), which is sufficient to satisfy current liabilities and support existing and planned exploration activities throughout the year.

OUTSTANDING SHARE DATA

Authorized: an unlimited number of common shares without par value	Common shares issued and outstanding	Stock Options
Outstanding as at August 22, 2023 and date of this report	69,398,902	3,000,000

FINANCIAL INSTRUMENTS

The Company's activities potentially expose it to a variety of financial risks, including liquidity risk, interest rate risk, foreign exchange risk, and commodity price risk.

Credit Risk

The Company's credit risk is primarily attributable to its accounts receivable. Accounts receivable consists of sales taxes due from the Federal Government of Canada. The Company has no significant concentration of credit risk arising from its operations. Management believes that the credit risk concentration with respect to financial instruments included in other assets is low.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. As at June 30, 2023, the Company had working capital (current assets less current liabilities) of \$2,556,426. The Company is exposed to liquidity risk.

Interest Rate Risk

The Company does not currently have any outstanding variable interest-bearing loans and, therefore, the Company is not exposed to interest rate risk through fluctuation in the prime interest rate.

Commodity price risk

The Company is exposed to price risk with respect to commodity prices. Metal prices fluctuate daily and are affected by numerous factors outside of the Company's control, including, but not limited to, the perception of market participants about the price and future price prospects for nickel, changes in manufacturing and construction activity as well as other industrial demands, levels of worldwide production, and forward sales by producers and speculators.

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- 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 or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

The fair value of the Company's accounts receivables and accounts payable and accrued liabilities approximates their carrying value because of the short-term nature of the financial instruments. The Company's cash is measured at fair value using Level 1 inputs.

CONTRACTUAL COMMITMENTS

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the remaining contractual maturities of the Company's financial liabilities and commitments as at June 30, 2023, shown in contractual undiscounted cashflows:

	Within 1 year
Accounts payable and accrued liabilities	59,577
Flow-through expenditure requirements	1,104,656
Total	1,164,233

Both the Wine and Pipy Properties are subject to net smelter royalty arrangements which create contractual obligations in the event that either of these properties is brought into production. Additionally, to maintain the Company's properties in good standing, the Company is required to make certain mineral claims payments on an annual basis.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

SUBSEQUENT EVENTS

None.

RELATED PARTY TRANSACTIONS

The key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

	Six months ended June 30,	
	2023	2022
Management fees	\$ 178,400	\$ 115,600
Director fees	101,292	36,000
TOTAL	\$ 279,692	\$ 151,600

OUTLOOK

In 2022, the Company completed its initial reconnaissance drill program at the Wine Property and used the information from the results to build a model for future exploration programs at the property. The Company also completed an airborne VTEM survey. This survey was used to build on data obtained from the previously flown aeromagnetic survey and is expected to define additional targets that are both conductive and have a subtle magnetic signature indicative of pyrrhotite.

During the first half of 2023, NiCAN completed its Phase II drilling program at the Wine Project. The focus of this program was on previously untested airborne geophysical anomalies that have a similar signature to the Wine Occurrence. Subsequent to the end of the quarter the Company followed up on this drilling with downhole and surface geophysical surveys in order to identify massive sulphide zones, and where warranted,

design a Phase III drilling program to vector in on the nickel-copper bearing zones.

Additionally, the Company will continue to compile data on both properties to further refine and prioritize future drill targeting, and to evaluate the addition of strategic land positions and projects within the respective property areas to broaden the exploration program.

At the Pipy South property, permit dependent, a 2,000-metre drill program is planned for 2023 to test several targets defined from the detailed aeromagnetic survey flown in 2021 and the compilation of past geophysical work and diamond drilling. All drill holes will subsequently be tested with downhole TDEM. At the Pipy North and Pipy West properties, an airborne geophysical survey is planned to test for nickel mineralization the favourable Pipe Formation stratigraphy, interpreted to underlie the property. Targets generated from this survey will be prioritized for subsequent drill testing.

Leveraging the geological expertise of its management team, the Company is continuing to evaluate additional nickel projects, focusing on areas in stable jurisdictions, preferably in the North American region.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's interim financial statements requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities; the disclosure of contingent assets and liabilities; as well as the reported expenses during the reporting period. Such estimates and assumptions affect the determination of the carrying value and the recoverability of exploration and evaluation assets and the inputs used in calculating the fair value of share-based payment expense. Management re-evaluates its estimates and assumptions on an ongoing basis; however, due to the nature of estimates, actual amounts could differ from its estimates. The most critical accounting estimates upon which the Company depends are those requiring estimates of mineral reserves and resources, future recoverability of assets, and assumptions around future commodity prices.

Significant, Recently Adopted Accounting Policies and Accounting Standards Issued but Not Yet Applied

The Company's significant account policies and accounting standards issued but not yet applied are described in Note 3 and Note 4 of the financial statements for the year ended December 31, 2022.

DISCLOSURE CONTROLS AND PROCEDURES

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitation on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis disclosure controls and procedures and internal controls over financial reporting, as defined in National Instrument 52-109, may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

RISKS AND UNCERTAINTIES

In conducting its business, the Company faces a number of risks and uncertainties, many of which are beyond its ability to control or predict. Because of these risks and uncertainties, actual results may differ materially from those expressed or implied by forward-looking statements, and investors are cautioned not to place undue reliance on such statements, which speak only as of the date hereof. Investors are urged to review the discussion of risk factors associated with the Company's business as set out in the Company's annual Management Discussion and Analysis and the audited financial statements for the year ended December 31, 2022.

FORWARD LOOKING INFORMATION

This MD&A provides management's analysis of NiCAN's historical financial and operating results and provides estimates of the Company's future financial and operating performance based on information currently available. Actual results will vary from estimates and the variances may be significant. Readers should be aware that historical results are not necessarily indicative of future performance.

Certain information set forth in this MD&A, including management's assessment of the Company's future plans and operations, contains forward-looking information. By its nature, forward-looking information is subject to numerous risks and uncertainties, some of which are beyond the Company's control, including the impact of general economic conditions, industry conditions, permitting, volatility of commodity prices, currency fluctuations, imprecision of mineral reserve and resource estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be inaccurate and, accordingly, undue reliance should not be placed on forward-looking information. NiCAN's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur or, if any of them do so, what benefits NiCAN will derive there from. NiCAN disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise except as required by applicable law.