

Class 1 Nickel and Technologies Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2023

(EXPRESSED IN CANADIAN DOLLARS)

CLASS 1 NICKEL & TECHNOLOGIES LIMITED
Management's Discussion and Analysis - Highlights
Year Ended December 31, 2023
Dated - April 18, 2024

The following Management Discussion and Analysis ("MD&A") of the financial condition and results of operations of Class 1 Nickel and Technologies Limited ("Class 1" or the "Company") was prepared by management as at April 18, 2024 and was reviewed and approved by the Audit Committee. The following discussion of performance, financial condition and future prospects should be read in conjunction with the audited financial statements of Class 1 and notes thereto for the years ended December 31, 2023. The information provided herein supplements but does not form part of the financial statements. All amounts are stated in Canadian dollars unless otherwise indicated. Additional information related to the Company is available for view on SEDAR+ at www.sedarplus.ca.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this document constitute forward-looking statements. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", and "believe", used by any of the Company's management, are intended to identify forward-looking statements. Such statements reflect the Company's forecasts, estimates and expectations, as they relate to the Company's views with respect to future events and are subject to certain risks, uncertainties, and assumptions. Many factors could cause the Company's performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events, or developments.

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| Forward-looking statements | Assumptions | Risk factors |
|---|--|--|
| <p>Potential of the Company's properties to contain economic deposits of precious and base metals.</p> | <p>Financing will be available for future exploration and evaluation of the Company's properties; the actual results of the Company's exploration and evaluation activities will be favourable; operating, exploration and evaluation costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Company; the price of precious and base metals and applicable interest and exchange rates will be favourable to the Company; no title disputes exist with respect to the Company's properties.</p> | <p>Precious and base metals price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; availability of financing for and actual results of the Company's exploration and evaluation activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff; availability of permits.</p> |
| <p>While the Company has no source of revenue, it believes it will be able to meet its administrative overhead and maintain its mineral investments for twelve months starting from December 31, 2023, depending on future events. The Company expects to incur further losses in the development of its business</p> | <p>The operating and exploration activities of the Company for the next year and beyond, starting from December 31, 2023, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company.</p> | <p>Changes in debt and equity markets; timing and availability of external financing on acceptable terms; changes in the operations currently planned for the next twelve months; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions.</p> |
| <p>Management's outlook regarding future trends, including the future price of precious and base metals and availability of future financing.</p> | <p>Financing will be available for the Company's exploration and operating activities; the price of precious and base metals will be favourable to the Company.</p> | <p>Precious and base metals price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions; availability of financing.</p> |

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| Forward-looking statements | Assumptions | Risk factors |
|--|---|--|
| The Company's ability to meet its working capital needs at the current level for the twelve-month period ending December 31, 2024. | Financing will be available for the Company's exploration and evaluation activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to the Company; the price of gold and/or other applicable metals will be favourable to the Company; no title disputes exist with respect to the Company's properties. | Nickel and other metals price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff; availability of permits; market competition. |

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risks and Uncertainties" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

NATURE OF BUSINESS

The Company

Class 1 was incorporated on December 12, 1989 as "871900 Ontario Limited" under the *Business Corporations Act* (Ontario). The Company's head office and registered office is located at 82 Richmond Street East, Toronto, Ontario M5C 1P1. Class 1 was formerly named "Lakefield Marketing Corporation" until it completed a business combination transaction (the "Transaction") with Legendary Ore Mining Corporation on September 24, 2019, whereby it changed its name to "Class 1 Nickel and Technologies Limited".

On August 20, 2020, the Company commenced trading on the Canadian Securities Exchange under the symbol "NICO".

Principal Business

The Company is engaged in the business of mineral exploration and the acquisition of mineral property assets in Canada. Its objective is to locate and develop economic base metal properties of merit and to conduct its exploration program on the Alexo-Dundonald Project. The Company, as of the date of this report, currently beneficially owns 100% of the Alexo-Dundonald Project and holds 100% interest in the Somanike Project located in the Abitibi Region of Quebec.

The Company is in exploration-stage and does not generate revenues, therefore its ability to ensure continuing operations is dependent on acquiring full control of its mineral property interests, the discovery of potentially economically recoverable Mineral Resources reserves, confirmation of its interest in the underlying mineral claims, and its ability to obtain necessary financing to complete the exploration activities, development, if they are proven successful, and future profitable production.

Class 1's goal is to deliver superior returns to shareholders by concentrating on the exploration of its existing properties and the acquisition of properties that have the potential to contain nickel sulphide. The Company currently plans to focus on its material properties.

CORPORATE HIGHLIGHTS

On January 9, 2023, the Company completed a non-brokered private placement of convertible debentures (the "Convertible Debentures") for aggregate proceeds of \$500,000. The Convertible Debentures have a three-year term and bear interest rate at 2% per annum. The Convertible Debentures shall be convertible at the option of the holder into 4,166,666 common shares of the Company at a deemed price of \$0.12. David Fitch, President of the Company, has purchased all of the Convertible Debentures issued in the private placement.

On January 24, 2023, the Company completed a non-brokered private placement of convertible debentures (the "Convertible Debentures") for aggregate proceeds of \$450,000. The Convertible Debentures have a three-year term and bear interest rate at 2% per annum. The Convertible Debentures shall be convertible at the option of the holder into 4,500,000 common shares of the Company at a deemed price of \$0.10. David Fitch, President of the Company, has purchased all of the Convertible Debentures issued in the private placement.

In March 2023, the Company completed a non-brokered private placement (the "Private Placement") of 2,499,997 common shares of the Company at a price of \$0.12 per share to raise aggregate gross proceeds of \$300,000. David Fitch, President of the Company purchased 666,666 shares pursuant to the Private Placement.

In June 2023, the Company closed a non-brokered private placement of 8,333,332 common shares of the Company at a price of \$0.12 per share to raise aggregate gross proceeds of \$1,000,000 and paid \$7,100 in legal fees recorded in shared issued costs.

On October 30, 2023, the Company announced the results of its 2022-2023 exploration program on its Somanike project.

TRENDS AND ECONOMIC CONDITIONS

The Company continues to monitor its spending and will amend its plans based on business opportunities that may arise in the future. Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer term strategic decisions.

Due to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- Global commodity prices
- Demand for base metals and the ability to explore for base metals;

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- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on service provider availability, such as legal and accounting;
- Purchasing power of the Canadian dollar;
- Ability to obtain funding.

MINERAL PROPERTY INTERESTS

Eugene Puritch, P.Eng, FEC, CET is an independent Qualified Person under the definition of National Instrument 43-101. Mr. Puritch has approved the disclosure contained under the heading “Mineral Property Interests” and has verified the scientific and technical data contained herein.

Alexo-Dundonald Project

A comprehensive NI 43-101 Technical Report is available for the Alexo-Dundonald Project from the Company's website at www.class1nickel.com and from its profile at www.sedarplus.ca.

The Alexo-Dundonald Nickel Project is located approximately 45 km northeast of the City of Timmins, Ontario, Canada. It covers an area of approximately 1,895 hectares and comprises 95 Boundary Cell Mining Claims, Single Cell Mining Claims, Leased Claims and Patented Claims.

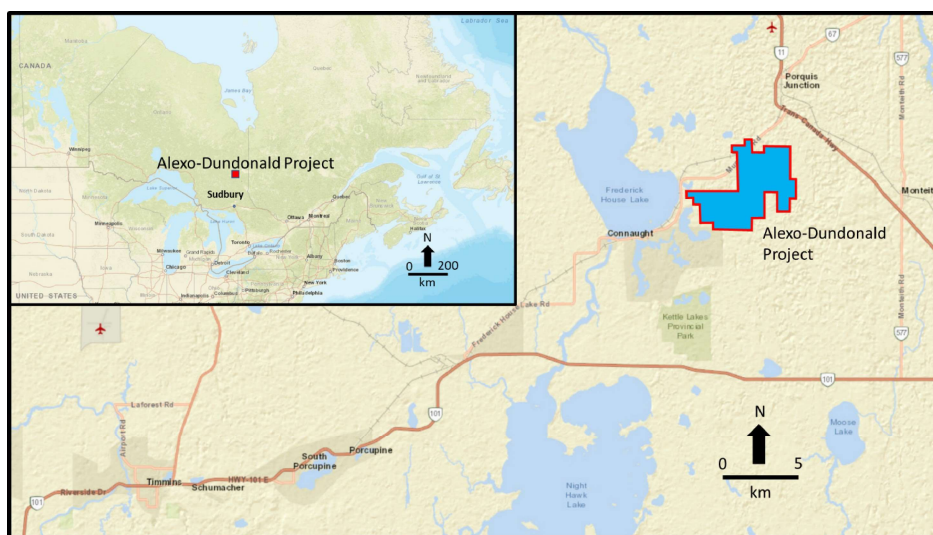


Figure 1 – Geographical location of Alexo-Dundonald Project

The geological setting of the Alexo-Dundonald Project area corresponds to the depositional equivalent environment of the Kidd-Munro assemblage. The Kidd-Munro assemblage is subdivided into lower and upper parts. The lower part of the Kidd-Munro assemblage (2719–2717 Ma) includes localised, regionally discontinuous depositional centres of predominantly intermediate to felsic calc-alkaline volcanic rocks. The upper part of the Kidd-Munro assemblage (2717–2711 Ma) extends across the Abitibi greenstone belt. It consists of tholeiitic and komatiitic volcanic rocks with minor centimetre- to metre-scale graphitic metasedimentary rocks and localised felsic volcanic centres. It has been interpreted that the upper Kidd-Munro assemblage reflects the impact of widespread mantle plume-related magmatism on localised lower Kidd-Munro arc-magmatism volcanic centres.

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Previous exploration activity and results in the Alexo-Dundonald Project area have been extensively reviewed and documented by the NI 43-101 Technical Reports prepared by Montgomery (2004), Harron (2009) and Puritch *et al* (2010, 2012). Significant drill intersections reported therein represent the latest rounds of drilling by the last companies to drill on the various target areas within the Project (Canadian Arrow at Alexo-Kelex in 2004–2005 and 2010–2011; First Nickel at Dundonald in 2004–2005; and Falconbridge at Dundonald in 1989) and are presented as an indication of nickel grade and continuity of mineralisation typical of the Project. For more information, please refer to the NI 43-101 Technical Report on the Alexo-Dundonald Project posted to the Company's SEDAR+ profile on August 14, 2020 at www.sedarplus.ca.

| Summary of Completed Activities (Year Ended December 31, 2023) | (A) Spent (approx.) (For the Year Ended December 31, 2023) | Plans for the Project (Fiscal 2024) | (B) Planned Expenditures (approx.) |
|--|--|---|---------------------------------------|
| <p>The Company completed a VTEM™ survey on the Alexo-Dundonald Nickel Project, thereby completing phase 1 of the exploration program as recommended under the Amended NI 43-101 Technical Report on the Alexo-Dundonald Nickel Project dated June 30, 2020. The Company continues to finalize the interpretation of anomalies identified by the VTEM™ survey.</p> <p>See Note 1 below.</p> | \$568,424 | <p>Continue interpreting the anomalies identified by the VTEM™ survey conducted on the Alexo-Dundonald Project. The Company intends to further explore the anomalies identified by the VTEM™ survey. The Company intends to undergo a 10,000m diamond drilling campaign on the Alexo-Dundonald Project focusing on the VTEM™ anomalies, as recommended as the phase 2 exploration program under the amended NI 43-101 Technical Report on the Alexo-Dundonald Nickel Project dated June 30, 2020. The Company had raised equity capital during 2023 to fund its exploration work requirements. The major variables are expected to be the size, timing and results of the Company's exploration program and its ability to continue to access capital to fund its ongoing operations.</p> | \$2,000,000 |
| | \$568,424 | | \$2,000,000 |

As of December 31, 2023, the accumulated spent incurred in completing phase 1 of the exploration program is \$6,173,080.

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Note 1

Alexo-Kelex Property

The Company acquired a 100% interest (subject to a vendor buy-back) in Legendary Ore Mining Corporation, which held the Alexo-Kelex Property, under the Alexo-Kelex Agreement dated October 18, 2018 between Vanicom Resources Limited ("Vanicom"), Tartisan Nickel Corp. ("Tartisan") and Canadian Arrow Mines Limited ("Canadian Arrow"). The Alexo-Kelex Property consists of 55 mining claims and leases covering 940.43 hectares located in the Clergue and Dundonald townships near Timmins, Ontario. The Alexo-Kelex Property is subject to a 0.5% NSR with, which could be bought out by the Company for \$1,000,000. The Alexo-Kelex Property is also subject to an existing 1.5% NSR granted to Outokumpu Mines Ltd.

The Alexo-Kelex Agreement allows Tartisan to re-acquire the Alexo-Kelex Property from Legendary for \$1.00 if Legendary fails to incur by October 18, 2021 (a) \$750,000 worth of Exploration Expenditures (as defined thereunder) on the Alexo-Kelex Property; and (b) \$1,500,000 worth of Exploration Expenditures (as defined thereunder) on the Alexo-Dundonald Project. On July 12, 2021, the Company completed the requisite minimum exploration expenditures on the Alexo-Kelex Project, and now holds a 100% interest in each properties, subject to a 2% net smelter return royalty on the Alexo Property.

On August 10, 2021, the Company issued 50,000 common shares at a price of \$0.87 price per common share for \$43,500 and granted 50,000 stock options to Matachewan First Nation ("MFN") as part of the exploration program on the Alexo-Dundonald Project.

On August 22, 2021, the Company acquired 100% of Platinum Group Elements limited ("PGEL") strategic project portfolio of adjacent and adjoining claims to the Company's Alexo-Dundonald project as well as the Somanike project, and a complementary primary PGE project in Sudbury, Ontario, for a total consideration of \$550,000 in cash and issuance of 10 million common shares, subject to a 2% net smelter returns royalty on certain claims known as Timmins, River Valley and Metals Creek claims and a 2% gross metal royalty on certain claims known as "Bilson Cubric" claims.

For the years ended December 31, 2023, the Company has spent the following on the Alexo-Kelex Property:

| | Year Ended December 31, 2023 | Year Ended December 31, 2022 |
|----------------------------|------------------------------------|------------------------------------|
| Administrative costs | \$ - | \$ 16,297 |
| Exploration and evaluation | 284,212 | 194,411 |
| Field equipment | 8,082 | 23,804 |
| | \$ 292,294 | \$ 234,512 |

Dundonald Property

The Company acquired a 100% interest (subject to a vendor buy-back) in the Dundonald Property under the Dundonald Agreement dated November 9, 2018 between Legendary Ore Mining Corporation (a subsidiary of the Company) and Transition Metals Corp. ("Transition"). The Dundonald Property consists of 40 mineral claims and leases covering 954.075 hectares located in the Clergue and Dundonald townships near Timmins, Ontario. The Dundonald Property is subject to a 2.5% NSR royalty granted to Transition by Legendary upon acquisition of the property.

The Dundonald Agreement allows Transition to re-acquire the Dundonald Property from Legendary for \$1.00 if Legendary fails to incur by November 9, 2021 \$1,500,000 worth of Exploration Expenditures on the Alexo-Dundonald Project. On July 12, 2021, the Company completed the requisite minimum exploration expenditures on the Dundonald Project, and now holds a 100% interest in the property, subject to a 2.5% net smelter return royalty on the Dundonald Property.

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For the years ended December 31, 2023, the Company has spent the following amount on the Dundonald property:

| | Year Ended December 31, 2023 | Year Ended December 31, 2022 |
|----------------------------|------------------------------------|------------------------------------|
| Administrative costs | \$ - | \$ 16,297 |
| Exploration and evaluation | 284,212 | 194,411 |
| Field equipment | 8,082 | 23,804 |
| | \$ 292,294 | \$ 234,512 |

Somanike Project

The Company has acquired a 100% interest in the Somanike Property pursuant to an option agreement dated September 24, 2019, as amended and restated April 27, 2020, between Legendary (a wholly-owned subsidiary of the Company) and Vanicom (the “Legendary Somanike Option Agreement”). Under the Legendary Somanike Option Agreement, the Company may exercise the option granted to Vanicom by Quebec Precious Metals Corporation (“QPMC”) under an option agreement dated August 20, 2018, as amended (the “QPMC Option Agreement”), by paying Vanicom \$1.00 plus reimbursing Vanicom for all expenses made on the Somanike Property prior to the Company exercising said option. The Somanike Property consists of 110 mining titles covering 5146.06 hectares located in the Abitibi area of the Province of Quebec. The Legendary Somanike Option Agreement was entered into following a reorganization of Vanicom, whereby Vanicom divested its ownership of Legendary to Vanicom shareholders, which was completed on September 19, 2019.

Exploration in the Somanike Project (the “Project”) area has been dormant since the early 1970s following the closing of the Marbridge Ni-Cu Mine in 1968. Historical exploration programs focused on Ni-Cu with the majority of assays conducted for Ni and very limited Cu. Very few assays were taken for Au, Zn, Cu, and Ag. The entire project area was not investigated by modern surveys until 2014-15 when Sphinx Resources Ltd. (“Sphinx”) flew a VTEM survey over the entire Project with the objective of identifying nickel-copper, gold and VMS targets. Compilation of all historical drill data in conjunction with the new VTEM survey identified previously unrecognized sulphide iron formations occurring across the Project. Numerous targets were generated and programs designed for the commodities listed above.

To maintain the option to the Somanike Property under the QPMC Option Agreement, the Company has issued 181,089 Common Shares to QPMC and 53,846 Common Shares to Globex Mining Enterprises Inc. Prior to exercising its option under the Legendary Somanike Option Agreement, the Company must pay QPMC \$25,000 in cash prior to June 15, 2022 and \$50,000 in cash prior to June 15, 2023. Also, prior to exercising the option on the Somanike Project, the Company must drill 750m of core on certain claims held by Globex Mining Enterprises Inc. As of December 31, 2021, the Company has paid QPMC an aggregate of \$327,800 and has drilled the necessary 750m of core on certain claims held by Globex Mining Enterprises Inc.



Figure 2 – Geographical location of Somanike Project

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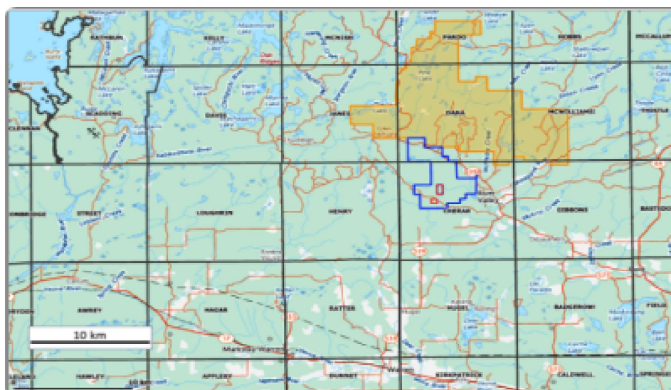
For the year ended December 31, 2023, the Company has spent the following amount on the Somanike property:

| | Year Ended December 31, 2023 | Year Ended December 31, 2022 |
|----------------------------|------------------------------------|------------------------------------|
| Exploration and evaluation | \$ 387,296 | \$ 4,163,494 |
| Field equipment | 279 | 46,508 |
| | \$ 387,575 | \$ 4,210,002 |

River Valley PGE Project

On August 22, 2021, the Company acquired 100% of Platinum Group Elements limited ("PGEL") strategic project portfolio of adjacent and adjoining's claims to the Company's Alexo-Dundonald project as well as Somanike project, and a complementary primary PGE project in Sudbury, Ontario, for a total consideration of \$550,000 in cash and issuance of 10 million common shares, subject to a 2% net smelter returns royalty on certain claims known as Timmins, River Valley and Metals Creek claims and a 2% gross metal royalty on certain claims known as the "Bilson Cubric claims".

The River Valley PGE Project is located in Crerar and Dana townships, approximately 60 km east-northeast of Sudbury in northeastern Ontario, Canada, immediately south of New Age Metals' River Valley Palladium Project.



Township-scale location of the River Valley PGE Project mining claims (blue outline) in the West Nipissing District, about 60 km east of Sudbury, northeastern Ontario. Also outlined are the New Age Metals mining claims and leases (orange) that comprise their River Valley PGE Project.

Figure 3 – Geographical location of River Valley Project

The Company has spent the following on the River Valley Property:

| | Year Ended December 31, 2023 | Year Ended December 31, 2022 |
|--------------------------------|------------------------------------|------------------------------------|
| Exploration and evaluation | \$ 190,119 | \$ - |
| Total exploration expenditures | \$ 190,119 | \$ - |

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Total expenditures all properties:

| | Year Ended December 31, 2023 | Year Ended December 31, 2022 |
|---------------------------------------|------------------------------------|------------------------------------|
| Administrative costs | \$ - | \$ 32,594 |
| Exploration and evaluation | 1,145,839 | 4,552,316 |
| Field equipment | 16,443 | 94,116 |
| Total exploration expenditures | \$ 1,162,282 | \$ 4,679,026 |

SUMMARY OF QUARTERLY RESULTS

| SUMMARY OF SELECT QUARTERLY INFORMATION | | | | |
|--|--------------------|---------------------|----------------|-----------------|
| 2023 | | | | |
| | December 31 | September 30 | June 30 | March 31 |
| Total Assets | \$ 546,203 | \$ 1,017,492 | \$ 1,338,053 | \$ 922,912 |
| Working Capital | \$ 43,906 | \$ 567,545 | \$ 1,006,530 | \$ 414,471 |
| Shareholders' Deficit | \$ (1,930,997) | \$ (1,342,251) | \$ (838,159) | \$ (1,365,111) |
| Operating Expenses | \$ 523,639 | \$ 439,730 | \$ 400,841 | \$ 399,150 |
| Comprehensive Loss | \$ 588,746 | \$ 504,092 | \$ 465,948 | \$ 464,257 |
| Basic and Diluted Loss per Share | (0.00) | (0.00) | (0.00) | (0.00) |
| 2022 | | | | |
| | December 31 | September 30 | June 30 | March 31 |
| Total Assets | \$ 854,479 | \$ 933,240 | \$ 787,586 | \$ 1,227,132 |
| Working Capita (Deficiency) | \$ (432,900) | \$ 142,240 | \$ 31,906 | \$ 575,952 |
| Shareholders' (Deficit) Equity | \$ (1,480,200) | \$ 142,240 | \$ 31,906 | \$ 575,952 |
| Operating Expenses | \$ 3,647,923 | \$ 1,041,140 | \$ 579,195 | \$ 591,710 |
| Comprehensive Loss | \$ 3,530,923 | \$ 945,562 | \$ 545,695 | \$ 579,710 |
| Basic and Diluted Loss per Share | \$ (0.04) | \$ (0.01) | (0.00) | (0.00) |

Results of operation for the three month ended Dec 31, 2023 as compared to the three months ended December 31, 2022

The Company recorded a net loss and comprehensive loss of \$588,746 compared to \$3,530,923 in the prior period. The decrease in the net loss of \$2,942,177 was attributed to the following: a decrease in exploration and evaluation of \$3,041,936 due to decrease in drilling cost, a decrease in professional fees of \$18,907 due to the decrease in consulting expenses and decrease in stock-based compensation of \$36,963 due to the decrease in grant of stock options offset by a decrease the amortization of flow-through premium of \$117,000.

SELECTED ANNUAL INFORMATION

Comparative information for annual periods from December 31, 2023, 2022 and 2021 has been presented in accordance with IFRS.

| SUMMARY OF SELECT ANNUAL INFORMATION | | | | | |
|---|-------------|-----------|-------------|-----------|---------------|
| | 2023 | | 2022 | | 2021 |
| Operating Expenses | \$ | 1,763,360 | \$ | 5,859,968 | \$ 15,391,897 |
| Comprehensive Loss | \$ | 2,023,043 | \$ | 5,601,890 | \$ 15,345,964 |
| Basic and Diluted Loss | \$ | (0.01) | \$ | (0.04) | \$ (0.14) |
| Total Assets | \$ | 546,203 | \$ | 854,479 | \$ 2,703,956 |

Results of operations for the year ended December 31, 2023 as compared to the year ended December 31, 2022

The Company recorded a net loss and comprehensive loss of \$2,023,043 compared to \$5,601,890 in the prior period. The decrease in the net loss and comprehensive loss of \$3,578,847 was attributed to the following: a decrease in exploration and evaluation of \$3,516,744 due to decrease in drilling cost, decrease in professional fees of \$431,935 due to lower consulting expenses and a decrease in stock-based compensation of \$96,333 due to decrease in grant of stock options. This has been offset by decrease the amortization of flow-through premium of \$258,000.

LIQUIDITY AND CAPITAL

Class 1 is an exploration-stage company and does not generate revenues. As such, it finances all of its operations and the exploration of its mineral properties entirely through the issuance of share capital. Although the Company has to date been successful in its attempts to raise capital, there can be no assurance that its future efforts will likewise be successful. The mineral exploration business is high risk and the vast majority of exploration projects on which capital is spent will not result in producing mines. The success of future financing will depend on a variety of factors including geological success – i.e. obtaining superior results from exploration; a positive investment climate encompassing strong metal prices, solid stock market conditions, and a “risk-on” appetite among investors; and the Company’s track record and management’s ability and experience. If such financing is unavailable, the Company may be unable to retain its mineral interests and execute its business plans. As at December 31, 2023, the Company has not earned significant revenue and has an accumulated deficit of \$25,353,848 (December 31, 2022 - \$24,248,234). In order to reach sustainable business operations, the Company is actively seeking additional sources of liquidity.

The Company’s cash balance as of December 31, 2023 was \$82,398 compared to \$106,461 as of December 31, 2022. As of December 31, 2023, the Company had current assets of \$546,203 (December 31, 2021 – \$854,479), current liabilities of \$502,297 (December 31, 2022 – \$1,287,379), and a working capital of \$43,906 (December 31, 2022 working capital deficiency – \$432,900).

Operating Activities

During the years ended December 31, 2023 and 2022, the Company’s operating activities used cash of \$2,263,484 and \$5,966,776, respectively. Cash used in operating activities for the year ended December 31, 2023 is mainly attributable to net loss for the period of \$2,023,043 (year ended December 31, 2022 - \$5,601,890), share based compensation of \$nil (year ended December 31, 2022 - \$96,333) and amortization of flow-through premium of \$nil (year ended December 31, 2022 - \$258,000), a decrease in accounts payable and accrued liabilities of \$785,082 (year ended December 31, 2022 - \$4,740), offset by decrease in accounts receivable of \$350,197 (increase year ended December 31, 2022 - \$248,006), and an increase in prepaid expenses of \$15,488 (decrease year ended December 31, 2022 - \$49,527).

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Financing Activities

During the years ended December 31, 2023 and 2022, the Company's financing activities generated cash of \$2,239,421 and \$3,918,820, respectively. The cash generated from financing activities during the year ended December 31, 2023, is due to the issuing of 10,833,329 shares in private placement for a proceeds of \$1,290,625, net of issuance cost and convertible debentures, net of transactions cost of \$948,796.

Going concern uncertainty

At each reporting period, management assesses the basis of preparation of the financial statements. These financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards. The going concern basis of presentation assumes that the Company will continue its operations for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. These financial statements do not include any adjustments to amounts and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

For the year ended December 31, 2023, the Company incurred a net loss of \$2,023,043 (year ended December 31, 2022 - \$5,601,890), had negative operating cash flows of \$2,263,484 (December 31, 2022 - \$5,966,776) and has working capital of \$43,906 (December 31, 2022 - deficiency of \$432,900). The Company has an accumulated deficit of \$25,353,848 since inception (December 31, 2022 - \$24,248,234) and does not have sufficient cash as at December 31, 2023 to meet its remaining expected obligations over the next twelve months.

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to generate cash flows from operations and to complete negotiations to obtain and successfully close additional funding from debt financing, equity financings or through other arrangements. These conditions indicate the existence of a material uncertainty that may cast significant doubt regarding the Company's ability to continue as a going concern. These unaudited interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

While the Company has been successful in obtaining financing to date, there can be no assurance that it will be able to do so in the future on terms favourable for the Company. The Company may need to raise additional capital to fund operations. This need may be adversely impacted by uncertain market conditions, approval by regulatory bodies, and adverse results from operations. The Company believes it will be able to acquire sufficient funds to cover planned operations through the next twelve months by securing additional financing through additional private placements if required. The outcome of these matters cannot be predicted at this time.

RELATED PARTY TRANSACTIONS

As at December 31, 2023, the Company has due from related party of \$57,841 (December 31, 2022 - \$7,345) from a company with a common shareholder of the Company and advance paid to the general manager.

During the year ended December 31, 2023, the Company incurred \$100,000 (year ended December 31, 2022 - \$175,000) in consulting services fees. As of December 31, 2023, the Company owed \$nil (December 31, 2022 - \$nil) due to general manager for consultant services, which is recorded in accounts payable and accrued liabilities.

During the year ended December 31, 2023 the Company incurred \$130,000 (year ended December 31, 2022 - \$139,748) in directors fees. As of December 31, 2023, the Company owes three directors \$168,000 (December 31, 2022 - \$68,000) these amounts are recorded in accounts payable and accrued liability.

Key management includes directors and other key personnel, including the CEO - President and CFO, who have authority and responsibility for planning, directing, and controlling the activities of the Company.

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The Chief Financial Officer ("CFO") of the Company is a senior employee of Marrelli Support Services Inc. ("MSSI"). During the year ended December 31, 2023, the Company incurred professional fees of \$9,000 (year ended December 31, 2022 - \$9,000) to MSSI. These services were incurred in the normal course of operations for general accounting and financial reporting matters. MSSI also provides bookkeeping and other services to the Company and charged \$75,742 for the services (year ended December 31, 2022 - \$68,108). As at December 31, 2023, MSSI was owed \$6,435 (December 31, 2022 - \$6,076) with respect to services provided. The balance owed was recorded in the statement of financial position in accounts payable and accrued liabilities.

During the years ended December 31, 2023, a Director and party related to a Director of the Company subscribed common shares of 6,666,664 (years ended December 31, 2022 - Director - 16,000,000) (note 7). As at December 31, 2023 and 2022, all convertible debentures issued are held by the president of the Company (note 6).

As at December 31, 2023, directors and a significant shareholder of the Company, beneficially own 98,519,656 common shares carrying approximately 63.34% of the voting rights attached to all common shares and convertible debentures for \$2,450,000 at a deemed price of between \$0.105 and \$0.12.

Additional remuneration of officers and directors of the Company was as follows:

| | Year Ended December 31, | |
|---------------------------------------|------------------------------------|-------------------|
| | 2023 | 2022 |
| Stock-based compensation | \$ - | \$ 92,406 |
| Directors and management compensation | 239,000 | 323,748 |
| | \$ 239,000 | \$ 416,154 |

OFF BALANCE SHEET ARRANGEMENTS

The Company is not a party to any off-balance sheet arrangements or transactions.

CONVERTIBLE DEBENTURES

On December 5, 2022, the Company completed a non-brokered private placement of convertible debentures (the "Convertible Debentures") for aggregate proceeds of \$1,000,000. These Convertible Debentures have a three-year term and bear interest rate at 2% per annum and are convertible at the option of the holder into common shares of the Company at a deemed price of \$0.105.

On December 24, 2022, the Company completed a non-brokered private placement of convertible debentures (the "Convertible Debentures") for aggregate proceeds of \$500,000. These Convertible Debentures have a three-year term and bear interest rate at 2% per annum and are convertible at the option of the holder into common shares of the Company at a deemed price of \$0.11.

On January 9, 2023, the Company completed a non-brokered private placement convertible debentures (the "Convertible Debentures") for aggregate proceeds of \$500,000. These Convertible Debentures have a three-year term and bear interest rate at 2% per annum and are convertible at the option of the holder into common shares of the Company at a deemed price of \$0.12.

On January 24, 2023, the Company completed a non-brokered private placement convertible debentures (the "Convertible Debentures") for aggregate proceeds of \$450,000. These Convertible Debentures have a three-year term and bear interest rate at 2% per annum and are convertible at the option of the holder into common shares of the Company at a deemed price of \$0.10.

The Company recorded as transaction costs \$1,204 for the 2023 and \$10,624 for the 2022 convertible debentures. The issuances of convertible debentures were fully subscribed by the President of the Company.

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The components of the Company's convertible debentures as of December 31, 2023 are as follows:

| | Liability Component | Equity Component | Total |
|---|--------------------------------|-----------------------------|---------------------|
| On date of issuance, net of transaction costs | \$ 1,714,475 | \$ 723,697 | \$ 2,438,172 |
| Accretion | 260,428 | - | 260,428 |
| Total | \$ 1,974,903 | \$ 723,697 | \$ 2,698,600 |

During the year ended December 31, 2023, the Company accrued \$260,428 (year ended December 31, 2022 - \$nil) in finance expenses.

SHARE CAPITAL TRANSACTIONS

On July 19, 2022, the Company closed a non brokered private placement of 4,000,000 common shares at \$0.25 per share for gross proceeds of \$1,000,000. A director of the Company subscribed 100% Common Shares in the placement. the Company paid legal fees for \$10,556 recorded in share issued cost.

On October 6, 2022, the Company closed a non brokered private placement of 12,000,000 common shares at \$0.12 per share for gross proceeds of \$1,440,000. A director of the Company subscribed 100% Common Shares in the placement.

In March, 2023, the Company closed a non-brokered private placement of 2,499,997 common shares of the Company at a price of \$0.12 per share to raise aggregate gross proceeds of \$300,000 and paid \$2,275 in legal fees recorded in shared issued costs. A director of the Company subscribed 666,666 of the Common Shares in the placement.

In June 2023, the Company closed a non-brokered private placement of 8,333,332 common shares of the Company at a price of \$0.12 per share to raise aggregate gross proceeds of \$1,000,000 and paid \$7,100 in legal fees recorded in shared issued cost. A total of 4,166,667 of the subscription were subscribed by a party related to a director of the Company.

ACCOUNTING POLICIES

New standards not yet adopted

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishments of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2022. There is currently a proposal in place to extend effective date for annual periods beginning on or after January 1, 2024. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

FINANCIAL INSTRUMENT (MANAGEMENT OF FINANCIAL RISK)

The Company's risk exposure and the impact on the Company's financial instruments are described below.

Fair value

Financial instruments recognized at fair value in the statements of financial position have been prioritised into three levels as per the fair value hierarchy. Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities. Level two includes inputs that are observable other than quoted prices included in level one. Level three includes inputs that are not based on observable market data. All financial instruments measured at fair value, at December 31, 2023, are as described in note 3.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. As at December 31, 2023, the Company does not has sufficient cash and receivables to settle accounts payable of \$502,297 (December 31, 2022 - \$1,287,379).

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and price risk.

Interest rate risk

The Company's cash consists of cash held in bank accounts that earn interest at variable interest rates. Future cash flows from interest income on cash will be affected by interest rate fluctuations. Due to the short-term nature of these financial instruments fluctuations in market rates do not have a significant impact on estimated fair values. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity. The interest income earned on cash is minimal; therefore, the Company is not subject to material interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that its monetary assets and liabilities are denominated in currencies other than the Canadian Dollar. The Company's has no monetary assets and liabilities in currencies other than the Canadian Dollar, therefore the Company is not exposed to foreign currency risk.

Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices as they relate to the nickel industry to determine the appropriate course of action to be taken by the Company.

CAPITAL MANAGEMENT

The Company's shareholders' equity comprises its capital under management. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure that optimizes the costs of capital at an acceptable risk level.

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The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company considers its capital structure to consist of capital stock, warrants, equity component of convertible debentures and deficit, which at December 31, 2023 totaled \$1,930,997 (December 31, 2022 – \$1,480,200). When managing capital, the Company's objective is to ensure the Company continues as a going concern, to ensure continued development of products as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management reviews and adjusts its capital structure on an ongoing basis.

The Company is dependent on external financing to fund its activities. In order to maintain operations and pay for administrative costs, the Company will spend its existing working capital and issue new shares to facilitate the management of its capital requirements. The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2023. The Company is not subject to any externally imposed capital requirements.

There have been no changes to the Company's approach to capital management during the year ended December 31, 2023. The Company is not subject to externally imposed capital requirements.

OUTSTANDING SHARE DATA AS OF REPORT DATE

As of the date of this MD&A, the Company has the following securities issued and outstanding: (a) 155,538,358 common shares; (b) 12,215,835 stock options; (c) 6,433,334 FT warrants; and (d) shares issuable on conversion of convertible debentures 30,735,931.

SUBSEQUENT EVENTS

On January 12, 2024, the Company completed a non-brokered private placement of convertible debentures (the "Convertible Debentures") for aggregate proceeds of \$400,000. The Convertible Debentures have a three-year term and bear interest rate at 2% per annum and are convertible at the option of the holder into 8,000,000 common shares of the Company at a deemed price of \$0.05. David Fitch, President of the Company, has purchased all of the Convertible Debentures issued in this private placement.

On February 16, 2024, the Company cancelled an aggregate of 11,765,502 stock options of the Company. Of These stock options cancelled, an aggregate of 11,165,502 stock options were exercisable at an exercise price of \$0.60 until June 11, 2024, and the remaining balance of 600,000 stock options were exercisable at an exercisable price of \$0.50 until August 11, 2025.

On March 27, 2024, the Company granted an aggregate of 11,765,502 stock options of the Company to directors, officers and consultants at an exercise price of \$0.07 until March 27, 2027 vest immediately.

On April 4, 2024, the Company announced that it proposes to complete a non-brokered private placement (the "Private Placement") of up to 15,000,000 common shares of the Company at a price of \$0.05 per share for exploration expenditures and general and administrative expenses.

DISCLOSURE CONTROL AND PROCEDURES

Management has established processes to provide it with sufficient knowledge to support representations that it has exercised reasonable diligence to ensure that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the period presented by the unaudited condensed interim consolidated financial statements, and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the period presented

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

- I. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- II. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

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 such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 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

Nature of Mineral Exploration and Mining

The Company's future is dependent on the Company's exploration and evaluation programs. The exploration and evaluation of mineral deposits involves significant financial risks over a prolonged period of time, which a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into economically viable operating mines. Major expenditures on the Company's exploration properties may be required in constructing mining and processing facilities at a site, and it is possible that even preliminary due diligence will show adverse results, leading to the abandonment of projects. It is impossible to ensure that preliminary feasibility studies or final feasibility studies on the Company's projects or the current or proposed exploration programs on any of the properties in which the Company has exploration rights will result in any profitable commercial mining operation. The Company cannot give any assurance that its current and future exploration activities will result in a discovery of mineral deposits containing Mineral Reserves. The Company's exploration and evaluation may be hampered by mining, heritage and environmental legislation, industrial accidents, industrial disputes, cost overruns, land claims and compensation and other unforeseen contingencies.

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The Company does not currently operate a mine on any of its properties. There is no certainty that the expenditures made by the Company towards the search for and evaluation of mineral deposits will result in discoveries that are commercially viable. Whether a deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as its size and grade, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of metal concentrates, exchange controls and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of any or all of these factors may result in the Company not receiving an adequate return on invested capital or have a material adverse effect on the Company's business and financial condition. In addition, assuming discovery of a commercial ore-body, depending on the type of mining operation involved, several years can elapse from the initial phase of drilling until commercial operations are commenced. Most of the above factors are beyond the Company's control.

Limited Operating History

The Company's properties are in the exploration stage and are not commercially viable at this time. The Company has not recorded any revenues from mining operations and there is no certainty that the exploration expenditures towards the search and evaluation of mineral deposits will result in discoveries of commercial quantities of ore or that the Company will generate revenue, operate profitably or provide a return on investment in the future. There can be no assurance that significant additional losses will not occur in the future. The operating expenses and capital expenditures may increase in subsequent years with advancing exploration, evaluation, development of properties if proven successful and/or production of the properties. The Company does not expect to receive revenues from operations in the foreseeable future. The Company expects to incur losses until such time as its properties enter into commercial production and generate sufficient revenue to fund its continuing operations. The development of the Company's properties will require the commitment of substantial resources and there can be no assurance that the Company will be able to finance its operations externally.

There can be no assurance that the Company's exploration programs will result in locating commercially exploitable mineral ores or that its properties will be successfully developed. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate.

Ability to Continue as a Going Concern

The Company's ability to continue as a going concern is dependent upon its ability to continue to raise adequate financing to fund its continuing exploration, evaluation activities and development of properties if they are proven successful. There is no assurance that the Company will either achieve or maintain profitability in the future.

Requirement for Further Financing

The further exploration of the various mineral properties in which the Company holds interests and the acquisition of additional properties depends upon the Company's ability to obtain financing through joint ventures of projects, debt financing, equity financing or other means. There can be no assurance that the Company will be able to raise the balance of the financing required or that such financing can be obtained without substantial dilution to shareholders. Failure to obtain additional financing on a timely basis could cause the Company to reduce or terminate its operations or lose its interest in one or more of its properties.

In order to continue exploring the Company's mineral properties and acquiring additional properties, management will be required to pursue additional sources of financing. While management has been successful in obtaining such financing in the past, there is no assurance that it will be successful in the future. Failure to obtain sufficient financing may result in delaying or indefinitely postponing exploration, evaluation, development of or production on any or all of the Company's properties if they are proven successful, or even loss of property interest. It may also prevent the Company from meeting its obligations under agreements to which it is a party as a result of which, its interest in the properties may be reduced. There can be no assurance that additional capital or other types of financing, if needed, will be available or, if available, the terms of such financing will be favourable to the Company.

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The amount of administrative expenditures is related to the level of financing and exploration activities that are being conducted, which in turn may depend on our recent exploration experience and prospects, as well as general market conditions relating to the availability of funding for exploration-stage resource companies. As a result, there may not be predictable or observable trends in our business activities and comparison of financial operating results with prior years may not be meaningful.

Title Matters

The Company has taken reasonable measures, in accordance with industry standards for properties at the same stage of exploration as those of the Company to ensure proper title to its properties. However, there is no guarantee that title to any of its properties will not be challenged or impugned. Title insurance generally is not available for mining claims in Canada and the Company's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be limited. The Company's properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate the properties as permitted or to enforce its rights with respect to its properties. The failure to comply with all applicable laws and regulations, including a failure to pay taxes, carry out and file assessment work, may invalidate title to portions of the properties where the mineral rights are not held by the Company.

Market Factors and Volatility of Mineral Prices

There is no assurance that a profitable market will exist for the sale of mineralized material which may be acquired or discovered by the Company. There can be no assurance that ore prices received will be such that the Company's properties can be mined at a profit. Prices of minerals have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the Company's control. Commodity prices are subject to volatile price changes from a variety of factors including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods.

Future mineral prices cannot be accurately predicted. A severe decline in the price of a mineral being produced or expected to be produced by the Company would have a material adverse effect on the Company, and could result in the suspension of mining operations by the Company if such mining operations have commenced. Factors impacting the price of ore include political and economic conditions in mineral producing and consuming countries and production levels and costs of production in other jurisdictions.

Environmental Regulations and other Regulatory Requirements

The Company is subject to substantial environmental and other regulatory requirements and such regulations are becoming more stringent. All phases of exploration and development operations are subject to environmental regulations. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties in which the Company holds interests which are presently unknown to the Company and which have been caused by previous or existing owners or operators of the properties.

Although the Company intends to comply fully with all environmental regulations, failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Conflicts of Interest

Certain directors and officers of the Company may become or are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company will be required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict is required under the British Columbia Business Corporations Act to disclose his interest and to abstain from voting on such matter.

Market Price of Common Shares

Securities of micro-cap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the Common Shares is also likely to be significantly affected by short-term changes in precious and base metal mineral prices or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the Company's performance that may have an effect on the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow the Company's securities; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of Common Shares; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Company's securities, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the price of the Common Shares at any given point in time may not accurately reflect the Company's long-term value.

Climate change

The Company is exposed to risks from climate change including a possible increase in severity of extreme weather events, such as tornados, droughts, floods, and fires. Climate change may also result in longer-term shifts in precipitation and temperature and increased variability in weather. Climate change-related risks may also be associated with the transition to a lower-carbon global economy, which may be reflected in changes to fiscal and environmental policies, legal actions, technology changes, market responses, and reputation considerations. The effect of these environmental and economic, and legal shifts on the Company are difficult to quantify at the present time.

Apart from these and the risk factors noted under the heading "Risks and Uncertainties" in the annual MDA, management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk and Uncertainties" in the Company's annual management's discussion & analysis for the fiscal year ended December 31, 2023, available on SEDAR+ at www.sedarplus.ca.