



ARCHER EXPLORATION CORP.

Management's Discussion & Analysis

For the three months ended December 31, 2022 and 2021

(Expressed in Canadian dollars)

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") of Archer Exploration Corp. ("Archer" or the "Company") supplements but does not form part of the unaudited condensed interim consolidated financial statements and the notes thereto for the three months ended December 31, 2022 and 2021 (collectively referred to hereafter as the "financial statements").

The financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee, applicable to the preparation of financial statements including International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. All amounts are expressed in Canadian dollars unless otherwise stated. Other information contained in this document has been prepared by management and is consistent with the information contained in the financial statements.

The Company's certifying officers are responsible for ensuring that the financial statements and MD&A do not contain any untrue statement of a 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 was made. The Company's certifying officers certify that the financial statements together with the other financial information included in the filings fairly present, in all material respects, the financial condition, financial performance and cash flows of the Company as of the date of, and for the periods presented in the filings.

In this MD&A, "Archer", the "Company", or the words "we", "us", or "our", collectively refer to Archer Exploration Corp. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively.

The Company's Audit Committee and the Board of Directors provide an oversight role with respect to all public financial disclosures by the Company. The Board of Directors approves the financial statements and MD&A after the completion of its review and recommendation for approval by the Audit Committee, which meets periodically to review all financial reports, prior to filing.

The following MD&A has been prepared by management, in accordance with the requirements of NI 51-102 as of February 24, 2023.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this document constitute "forward-looking statements". All statements other than statements of historical fact contained in this MD&A, including, without limitation, those regarding the Company's future financial position and results of operations, strategy, proposed acquisitions, plans, objectives, goals and targets, and any statements preceded by, followed by or that include the words "believe", "expect", "aim", "intend", "plan", "continue", "will", "may", "would", "anticipate", "estimate", "forecast", "predict", "project", "seek", "should" or similar expressions or the negative thereof, are forward-looking statements. These statements are not historical facts but instead represent only the Company's expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied, or forecasted in such forward-looking statements.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to risks associated with: geological risks; limited operating history; inability to generate earnings or pay dividends for the foreseeable future; no current assets other than cash and prepaid expenses; uncertain ability to raise additional funds when required; reliance on a small number of key managers lacking backup; potential conflicts of interest among directors and officers of the Company; lack of liquidity for shareholders of the Company; ability to secure needed permits; ability to physically access and work the Company's property assets due to poor weather; a potential lack of key contract personnel and services providers needed to execute elements of the Company's exploration plans; and market risk consisting of fluctuations in the Company's share price, metal prices, credit market conditions; and investor appetite for early stage exploration companies. See "Risks and uncertainties".

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Management provides forward-looking statements because they believe such statements deliver useful guidance and information to readers when considering their investment objectives. Though management believes such statements to be as accurate as possible in the context of the information available to management at the time in which they are made, management cautions readers that the guidance and information contained in such statements may rapidly be superseded by subsequent events. Consequently, all of the forward-looking statements made in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments suggested by such forward-looking statement will be realized or, even if substantially realized, that they will have the expected results, or effects upon, the Company. These forward-looking statements are made as of the date of this MD&A and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

The forward-looking statements in this MD&A are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future, including assumptions regarding business and operating strategies.

The disclosure relating to deposits and mineral resource estimates in this MD&A and referred to herein was prepared in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101"). The terms "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" used in this MD&A are in reference to the mining terms defined in the Canadian Institute of Mining, Metallurgy and Petroleum Standards (the "CIM Definition Standards"), which definitions have been adopted by NI 43-101.

Investors are cautioned not to assume that any part or all mineral resources will ever be converted into reserves. Pursuant to CIM Definition Standards, "inferred mineral resources" are that part of a mineral resource for which quantity and grade or quality are estimated based on limited geological evidence and sampling. Such geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An inferred mineral resource has a lower level of confidence than that applying to an indicated mineral resource and must not be converted to a mineral reserve. However, it is reasonably expected that the majority of inferred mineral resources could be upgraded to indicated mineral resources with continued exploration. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource is economically or legally mineable.

All scientific and technical information in this MD&A has been reviewed and approved by Mr. Jacquelin Gauthier, P.Geo., the Company's Vice President of Exploration. Mr. Gauthier is a qualified person for the purposes of NI 43-101.

DESCRIPTION OF THE BUSINESS

The Company was incorporated on October 26, 2018 and focuses on the exploration of mineral claims located in Québec, Canada. The Company's registered and records office is located at Suite 401 - 353 Water Street, Vancouver, BC V6B 1B8.

On February 11, 2021, the shares of the Company began trading on the Canadian Securities Exchange under the symbol "RCHR".

Costs relating to the acquisition and claim maintenance of exploration and evaluation assets (including option payments and annual fees to maintain the property in good standing) are capitalized and deferred by property until the project to which they relate is sold, abandoned, impaired, or placed into production.

The Company's cash flows from operations are negative, and its level of expenditures is dependent on debt and equity to finance its exploration operations. Therefore, it is difficult to identify any meaningful trends or develop an analysis from its cash flows.

SHARE CONSOLIDATION

On November 8, 2022, the Company completed a consolidation of its common shares on a three to one basis. All share and per share amounts have been retrospectively adjusted to reflect the consolidation. Any references to common shares are on a post-consolidation basis. Numbers of warrants and stock options and their respective exercise prices have been retrospectively adjusted to reflect the effects of the consolidation.

WALLBRIDGE ASSETS ACQUISITION

On July 12, 2022, the Company entered into an asset purchase agreement with Wallbridge Mining Company Limited ("Wallbridge") whereby the Company acquired from Wallbridge a 100% interest in certain mineral properties located in Québec and Ontario (collectively the "Nickel Assets") in exchange for 66,211,929 common shares of the Company (the "Transaction") at approximately \$0.43 per share for an aggregate value of \$28,564,546. The Company granted to Wallbridge a 2% net smelter return royalty on production from certain of the acquired assets.

As a condition precedent to the closing of the Transaction, the Company was required to complete an equity financing for gross proceeds of at least \$10,000,000.

On November 18, 2022, the Company completed its previously announced acquisition of all the nickel assets, rights and obligations located in Québec and Ontario from Wallbridge. The assets acquired included 2,046 mining titles, including a 100% interest in the Grasset nickel sulphide deposit (the "Grasset Project"), as well as cash in the amount of \$2,652,997, representing proceeds received by Wallbridge following the sale of certain shares it held in Lonmin Canada Inc.

The Company also agreed to assume obligations under the closure plan relating to Wallbridge's Broken Hammer open pit mine which ceased operation in 2015 (the "Mine Closure Plan"). Wallbridge has posted a standby letter of credit in the amount of \$361,245 to provide financial assurance for the Mine Closure Plan. The Company has agreed to provide a replacement letter of credit within 90 days of closing of the acquisition.

In connection with the Transaction, the Company entered into a finders' fee agreement with two parties (the "Finders"). As compensation for the Finders' introduction of the Company and Wallbridge, the Company issued to the Finders 1,655,298 common shares at approximately \$0.43 per share for an aggregate value of \$714,113.

The Company incurred \$210,571 in legal fees prior to the closing of the Transaction and the amount is allocated as part of the consideration (the "Transaction costs"). As at December 31, 2023, the Company had \$37,672 (September 30, 2022 - \$nil) Transaction costs included in trade and other payables.

The acquisition has been accounted for as an equity-settled share-based payment transaction within the scope of IFRS 2 *Share-based Payment*. The acquisition did not qualify as a business combination under IFRS 3 *Business Combinations*, as the significant inputs, processes, and outputs that together constitute a business did not exist in the Nickels Assets at the time of acquisition. Accordingly, no goodwill was recorded with respect to the acquisition.

Prior to closing the Transaction, the Nickel Assets included a 20.4% share ownership of Lonmin Canada Inc., which was sold to Magna Mining Inc. ("Magna"). As a result of the sale, the Nickel Assets recognized a \$612,230 account receivable with Magna, which was transferred to the Company upon closing of the Transaction. The account receivable is to be settled with Magna shares or cash on or before November 18, 2023.

A summary of the Company's consideration paid and the net assets acquired from Wallbridge as at November 18, 2022 is as follows:

	\$
Purchase price:	
Fair value of common shares issued to Wallbridge	28,564,546
Fair value of finders' shares	714,113
Transaction costs	210,571
	29,489,230
Purchase price allocation:	
Cash	2,652,997
Account receivable with Magna	612,230
Exploration and evaluation assets	28,498,016
Property and equipment	87,138
Decommissioning and restoration provision	(2,361,151)
	29,489,230

NICKEL ASSETS

The Company acquired the Nickel Assets through the Transaction with Wallbridge. The Nickel Assets include multiple exploration and evaluation assets located in Québec and Ontario:

Grasset Project, Québec

The Grasset Project is a resource-exploration stage Ni-Cu-Co-PGM project located in the James Bay territory in Nord-du-Québec administrative region of the province of Québec, Canada, approximately 77 km west-northwest of the city of Matagami and 170 km north of the town of Amos.

The property consists of 153 claims blocks for an aggregate area of 81.81 km² located in the Archean Abitibi Subprovince of the southern Superior Province in the Canadian Shield.

The Grasset deposit, discovered in 2012, comprises two subparallel zones (H1 and H3 Zones) of disseminated to locally semi-massive sulphide mineralization located at the southern end of the Grasset Ultramafic Complex ("GUC"). An initial mineral resource estimate and preliminary metallurgical testing results was published by the former owners, Balmoral Resources Ltd. ("Balmoral"), in early 2016 and an updated resource estimate was published by Wallbridge in late 2021 (the "Resource Estimate"), which was comprised of 5,512,000 tonnes grading 1.53% NiEq Indicated and 217,000 tonnes grading 1.01% NiEq Inferred.

Drilling in 2018-2019 by Balmoral discovered another significant zone of nickel mineralization in the Central GUC prospect, located approximately 7 km to the northwest of the Grasset deposit. The nickel sulphide mineralization exhibits classic sulphide segregation/settling textures grading down sequence from disseminated, to net-textured matrix, to massive sulphide, over widths of 5 to 20 m. The broadest mineralized interval intersected to date was in drill hole FAB-18-58, which returned 7.58 m grading 1.05% Ni, 0.31% Cu, 0.05% Co, 0.20 g/t Pt and 0.48 g/t Pd that included a 0.65m thick basal massive sulphide zone grading 4.14% Ni, 0.26% Cu, 0.18% Co, 1.9 g/t Pt and 0.89 g/t Pd. Very limited Ni-focused exploration has been carried out away from the immediate Grasset resource and Central GUC prospect areas where several untested, or partially tested coincident magnetic/conductivity anomalies have been delineated, demonstrating excellent potential for further significant Ni-Cu-Co-PGE discoveries. No work was completed on the property leading up to or after Wallbridge's acquisition of Balmoral in May 2020.

Table 1 - 2021 Grasset Resource Estimate (November 2021)^{(1),(2)}:

	>0.80% NiEq	Tonnes	NiEq (%)	Ni (%)	Cu (%)	Co (%)	Pt (g/t)	Pd (g/t)	Contained NiEq (t)	Contained Ni (t)	Contained Cu (t)	Contained Co (t)	Contained Pt (oz)	Contained Pd (oz)
INDICATED	Horizon 1	89,200	1.00	0.82	0.09	0.03	0.15	0.33	900	700	100	20	400	1 000
	Horizon 3	5,422,700	1.54	1.22	0.13	0.03	0.26	0.64	83,300	66,400	7,300	1,400	45,400	112,200
	Total Indicated	5,512,000	1.53	1.22	0.13	0.03	0.26	0.64	84,200	67,100	7,400	1,400	45,800	113,100
INFERRED	Horizon 1	13,600	0.95	0.78	0.09	0.02	0.14	0.32	100	100	10	3	100	100
	Horizon 3	203,500	1.01	0.83	0.09	0.02	0.15	0.34	2,100	1,700	200	40	1,000	2,200
	Total Inferred	217,100	1.01	0.83	0.09	0.02	0.15	0.34	2,200	1,800	200	43	1,000	2,400

(1) The Resource Estimate is based on a 0.80% NiEq cut-off grade. The independent and qualified person for the Resource Estimate, as defined by NI 43-101, is Carl Pelletier, P. Geo. (InnovExplo Inc.). The effective date of the Grasset 2021 Resource Estimate is November 9, 2021. These mineral resources are not mineral reserves as they do not have demonstrated economic viability. The Resource Estimate follows 2014 CIM Definition Standards and the 2019 CIM MRMR Best Practice Guidelines. Two mineralized zones were modelled in 3D using a minimum true width of 3.0 m. Density values are interpolated from density databases, capped at 4.697 g/cm³. High-grade capping was done on raw assay data and established on a per zone basis for nickel (15.00%), copper (5.00%), platinum (5.00 g/t) and palladium (8.00 g/t). Composites (1-m) were calculated within the zones using the grade of the adjacent material when assayed or a value of zero when not assayed. The Resource Estimate was completed using a block model in GEMS (v.6.8) using 5m x 5m x 5m blocks. Grade interpolation (Ni, Cu, Co, Pt, Pd, Au and Ag) was obtained by ID2 using hard boundaries. Results in NiEq were calculated after interpolation of the individual metals. The Resource Estimate is categorized as indicated and inferred based on drill spacing, geological and grade continuity. A maximum distance to the closest composite of 50 m was used for indicated mineral resources and 100 m for the inferred mineral resources. The criterion of reasonable prospects for eventual economic extraction was met by having constraining volumes applied to any blocks (potential underground extraction scenario) using DSO and by the application of a cut-off grade of 0.80% NiEq. Cut-off calculations used: Mining = \$65.00/t; Maintenance = \$10.00/t; G&A = \$20.00/t; Processing = \$42.00/t. The cut-off grades should be re-evaluated in light of future prevailing market conditions (metal prices, exchange rate, mining cost, etc.). The NiEq formula used a USD:CAD exchange rate of 1.31, a nickel price of US\$6.95/lb, a copper price of US\$3.33/lb, a cobalt price of US\$17.06/lb, a platinum price of US\$984.85/oz, and a palladium price of US\$2,338.47/oz.

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Gold and silver do not contribute to the economics of the deposit. Results are presented undiluted and in-situ. Ounce (troy) = metric tons x grade / 31.10348. Metric tons and ounces were rounded to the nearest hundred. Metal contents are presented in ounces and pounds. Any discrepancies in the totals are due to rounding effects; rounding followed the recommendations in NI 43-101. The QP is not aware of any known environmental, permitting, legal, title-related, taxation, socio-political, marketing or other relevant issue that could materially affect the Resource Estimate.

- (2) The quantity and grade of reported inferred resources in the Resource Estimate are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.

Sudbury Properties, Ontario

The Sudbury nickel assets include a large property package comprised of approximately 300 km² within 37 properties, including the Parkin, Wisner, North Range, Windy Lake, Trill, South Range, South Range West, and East Range Wahnapiatae projects (collectively, the "Sudbury Properties"). The Sudbury Properties is located within the world-class mining district of Sudbury, with the individual properties acquired on the basis of recognised prospective geological settings and proximity to several significant producing mines.

SELECTED FINANCIAL INFORMATION

As at December 31, 2022, current assets were \$12,252,136 (September 30, 2022 - \$315,824) and current liabilities were \$3,607,587 (September 30, 2022 - \$238,315), resulting in working capital excluding the flow-through premium liability of \$11,113,405 (September 30, 2022 - \$77,509).

As at December 31, 2022, the Company had total assets of \$40,877,767 (September 30, 2022 - \$315,824), which is comprised of \$11,526,348 of cash (September 30, 2022 - \$213,231), receivables of \$671,550 (September 30, 2022 - \$95,943), \$54,238 of prepaid expenses (September 30, 2022 - \$6,650), exploration and evaluation assets of \$28,539,617 (September 30, 2022 - \$nil) and property and equipment of \$86,014 (September 30, 2022 - \$nil).

As at December 31, 2022, the Company had total liabilities of \$5,344,231 (September 30, 2022 - \$238,315), which comprises trade and other payables of \$514,224 (September 30, 2022 - \$238,315), current portion of decommissioning and restoration provision of \$624,507 (September 30, 2022 - \$nil), flow-through premium liability of \$2,468,856 (September 30, 2022 - \$nil) and long-term portion of decommissioning and restoration provision of \$1,736,644 (September 30, 2022 - \$nil).

SHARE CAPITAL HIGHLIGHTS

During the three months ended December 31, 2022, the Company completed the following share transactions:

- On October 7, 2022, the Company issued 6,666 common shares pursuant to the exercise of 6,666 stock options with an exercise price of \$0.30. The Company received gross proceeds of \$2,000 and reclassified \$1,000 from the Company's contributed surplus to share capital.
- On November 18, 2022, in connection with the Transaction, the Company closed a private placement of 4,545,455 NFT Units at a price of \$0.66 per NFT Unit, 4,243,334 FT Units at a price of \$0.75 per FT Unit and 2,898,550 Charity FT Units at a price of \$1.38 per Charity FT Unit, for gross proceeds of \$10,182,500. Each NFT Unit consists of one common share and one common share purchase warrant. Each FT Unit and Charity FT Unit consists of one flow-through share and one common share purchase warrant. Each common share purchase warrant entitles the holder thereof to acquire one additional common share of the Company at a price of \$1.02 until November 18, 2024, the date which is twenty-four months following the closing date of the Transaction. Gross proceeds were allocated between share capital and warrants reserve using the relative fair value method. As a result, \$7,510,901 was allocated to share capital and \$2,671,599 was allocated to warrants reserve.
- In connection with the private placement, the Company paid a cash finders fee of \$799,479 and issued 385,031 finders' warrants with a fair value of \$176,100. Each finders' warrant will be exercisable into one common share of the Company at an exercise price of \$0.66 per warrant until May 18, 2024, the date which is eighteen months after the closing date of the Transaction.
- On November 18, 2022, pursuant to the closing of the Transaction, the Company issued 66,211,929 common shares of the Company to Wallbridge at a fair value of \$0.43 per share, for an aggregate value of \$28,564,546. In connection with the Transaction, the Company also issued to the Finders 1,655,298 common shares at \$0.43 per share for an aggregate value of \$714,113.

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- On December 13, 2022, the Company granted 2,325,000 stock options to certain directors, officers, employees, and consultants. The stock options are exercisable until December 13, 2027 at an exercise price of \$0.55 per stock option, and vest in three equal annual installments commencing on the date of the grant.
- On December 13, 2022, the Company granted 350,000 restricted share units ("RSUs") to certain officers, employees, and consultants of the Company. The fair value of RSUs is based on the closing price of the Company's common share on the Exchange on the date immediately preceding the grant date. The RSUs will vest in equal one third annual installments commencing on December 13, 2023 and ending on December 13, 2025.
- On December 13, 2022, the Company granted 1,100,000 deferred share units ("DSUs") to certain directors of the Company. The fair value of the DSUs is the closing price of the Company's common share on the Exchange on the date immediately preceding the grant date. The DSUs shall vest when the recipient director ceases to be a director of the Company provided that no DSUs will vest within twelve months of the grant date.

During the year ended September 30, 2022, the Company completed the following share transactions:

- On October 1, 2021, the Company closed a non-brokered private placement for gross proceeds of \$1,499,999 from the issuance of 2,000,000 units (the "Units") at a price of \$0.75 per Unit (the "Private Placement"). Each Unit consists of one common share and one-half warrant. A whole warrant may be exercised for one common share at price of \$1.50 for a period of twenty-four months from the closing date of the Private Placement. Gross proceeds were allocated between share capital and warrants reserve using the relative fair value method. As a result, \$1,230,494 was allocated to share capital and \$269,505 was allocated to warrants reserve.
- On January 26, 2022, the Company issued 1,667 common shares for gross proceeds of \$500 on the exercise of stock options. As a result, \$301 was reallocated from contributed surplus to share capital.
- During the year ended September 30, 2022, the Company issued a total of 2,600,000 common shares for gross proceeds of \$780,000 on the exercise of warrants.

USE OF PROCEEDS AND MILESTONES

On November 18, 2022, in connection with the Transaction, the Company closed a private placement of 4,545,455 NFT Units at a price of \$0.66 per NFT Unit, 4,243,334 FT Units at a price of \$0.75 per FT Unit and 2,898,550 Charity FT Units at a price of \$1.38 per Charity FT Unit, for gross proceeds of \$10,182,500.

On October 1, 2021, the Company closed a private placement of units for aggregate gross proceeds of \$1,499,999 at a price of \$0.75 per unit. The Company raised the funds for the purpose of completing due diligence on the certain projects as well as project acquisition review and general working capital.

	November 18, 2022	October 1, 2021
Total proceeds	\$ 10,182,500	\$ 1,499,999
Allocation of proceeds:		
Exploration of the Grasset Project	5,000,000	-
Exploration of the Sudbury Properties	2,182,500	-
General working capital expenses	3,000,000	1,023,305
Letter of intent payment for option to acquire property rights	-	298,808
Project due diligence costs and acquisition reviews	-	177,886

The Company achieved its business objectives and milestones through the use of proceeds raised from the private placements to identify exploration and evaluation opportunities and perform due diligence testing on potential mineral exploration properties. In addition, the Company was able to maintain liquidity while meeting operating expenditure obligations and adequate levels of funding to continue as a going concern and support its exploration of mineral claims.

Considering the current uncertainty as to the general market and competitive conditions, the Company continues to maintain its fiscally responsible approach to its mineral exploration activities. In particular, the Company continues to evaluate market conditions on an ongoing basis, with the goal of, among other things: (i) identifying the appropriate time to initiate certain business objectives, and (ii) exploring potential alternative, viable opportunities to further develop and expand the Company's business.

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As such, the Company notes that there may be circumstances where, for sound business reasons, the Company may be required to reallocate funds, including due to demands for shifting focus or investment in mining exploration and/or development activities, requirements for accelerating, increasing, reducing, or eliminating initiatives in response to changes in market, regulations and/or developments in the mining sector generally and in the price of copper, unexpected setbacks, and strategic opportunities, such as partnerships, strategic partners, joint ventures, mergers, acquisitions, and other opportunities.

RESULTS OF OPERATIONS

A summary of the Company's results of operations for the three months ended December 31, 2022 and 2021 is as follows:

	2022	2021
	\$	\$
Operating expenses		
Consulting fees	425,943	203,013
Exploration and evaluation costs	-	198,426
Filing fees	20,863	6,855
General and administrative	48,657	35,127
Legal fees	7,667	436,059
Management fees	252,949	73,749
Marketing	21,860	6,693
Professional fees	16,200	6,728
Rent	21,273	12,000
Share-based payments	871,662	187,270
	1,687,074	1,165,920
Other income (expenses)		
Foreign exchange loss	(1,231)	(32,687)
Interest expense	(2,438)	-
Interest income	39,344	-
Recovery of trade and other payables	40,940	-
Net loss and comprehensive loss	(1,610,459)	(1,198,607)

For the three months ended December 31, 2022, the Company reported a net loss of \$1,610,459 compared to \$1,198,607 in the prior year comparable period. The primary drivers of this increase in the net loss were as follows:

- Consulting fees increased to \$425,943 compared to \$203,013 in the prior year comparable period due to a severance payment in the current year relating to the termination of a consultant.
- Filing fees increased to \$20,863 compared to \$6,855 in the prior year comparable period related to the private placements and Wallbridge transactions closed during the current period.
- Management fees increased to \$252,949 compared to \$73,749 in the prior year comparable period related to recurring management costs associated with the addition of new management roles as they are required to support the increase in mineral property acquisition and exploration activities during the current period.
- Marketing increased to \$21,860 compared to \$6,693 in the prior year comparable period related to increased investor relations activities associated with private placements during the current period.
- Professional fees increased to \$16,200 compared to \$6,728 in the prior year comparable period primarily related to increased accounting and audit fees.
- Share-based payments increased to \$871,662 compared to \$187,270 in the comparative period attributable to the vesting of stock options, RSUs, and DSUs granted to officers and employees of the Company which were granted in the current period.

Partially offsetting the increase in the net loss were decreases to expenses and increases to income as follows:

- Exploration and evaluation decreased to \$nil compared to \$198,426 in the prior year comparable period, relating to the capitalization of all exploration and evaluation expenses associated with the Nickel Assets incurred during the current period.
- Legal fees decreased to \$7,667 compared to \$436,059 in the prior year comparable period related to legal costs associated due diligence of exploration and evaluation projects in the prior year.
- Interest income was \$39,344 compared to \$nil in the prior year comparable period, which was earned on the Company's cash balance on cash held in banks.

SUMMARY OF QUARTERLY RESULTS

The following summarizes quarterly financial results of the Company for the last eight most recently completed quarters:

	Q1 2023	Q4 2022	Q3 2022	Q2 2022
	\$	\$	\$	\$
Net loss and comprehensive loss	1,610,459	894,687	1,249,161	137,331
Basic and diluted loss per share	0.03	0.08	0.11	0.02
Working capital	11,113,405	77,509	904,426	1,862,052
Total assets	40,877,767	315,824	1,019,551	2,058,429
Total liabilities	5,344,231	238,315	115,125	48,887
Shareholders' equity	35,533,536	77,509	904,426	2,009,542
Deficit	5,833,448	4,222,989	3,328,302	2,079,141

	Q1 2022	Q4 2021	Q3 2021	Q2 2021
	\$	\$	\$	\$
Net loss and comprehensive loss	1,198,607	408,458	109,622	185,406
Basic and diluted loss per share	0.14	0.14	0.02	0.02
Working capital	1,334,828	1,273,666	115,386	241,591
Total assets	1,783,347	1,535,777	270,671	243,879
Total liabilities	411,019	224,611	88,453	2,288
Shareholders' equity	1,372,328	1,311,166	182,218	279,091
Deficit	1,941,810	743,203	334,745	225,123

The quarterly trend in working capital is primarily driven by movements in cash balance relating to the Company's financing activities and spending on exploration and evaluation costs. The quarterly trend in total assets is primarily driven by movements in exploration and evaluation assets relating to investments in projects. The quarterly trend in loss for the period and loss per share is primarily driven by the Company's corporate costs. The significant increase in net loss in Q1 2023 compared to prior quarters relates primarily to share-based payments.

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

All significant accounting policies and critical accounting estimates are fully disclosed in the notes of the financial statements and the annual financial statements for the years ended September 30, 2022 and 2021, except for the following:

a) Property and equipment

Property and equipment are stated at historical cost net of accumulated depreciation and impairment losses.

The cost of an item of property and equipment includes the purchase price or construction cost, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and for qualifying assets, the associated borrowing costs.

Costs incurred for major overhaul of existing equipment and sustaining capital are capitalized as property and equipment and are subject to depreciation once they are available for use. Major overhauls include improvement programs that increase the productivity or extend the useful life of an asset beyond that initially envisaged. The costs of routine maintenance and repairs that do not constitute improvement programs are accounted for as repairs and maintenance.

The carrying amounts of property and equipment are depreciated to their estimated residual value over the estimated useful lives of the specific assets concerned, or the estimated life of mine or lease, whichever is shorter. Depreciation starts on the date when commissioning is complete, and the asset is ready for its intended use. A summary of the Company's annual depreciation rates and methods is as follows:

Class of property and equipment	Depreciation rate	Depreciation method
Bridges	25 years	Straight-line
Equipment	5 years	Straight-line

b) Decommissioning and restoration provision

The Company recognizes a provision for statutory, contractual, constructive, or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of exploration and evaluation assets. Provisions for decommissioning and restoration are recognized in the period in which the obligation is incurred or acquired and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset. These costs are depreciated on a basis consistent with the depreciation, depletion, and amortization of the underlying assets.

c) Flow-through shares

Canadian income tax legislation permits companies to issue flow-through instruments whereby the income tax deductions generated by eligible expenditures of the Company, defined in the Income Tax Act (Canada) as qualified Canadian exploration expenses, are claimed by the investors rather than by the Company. Shares issued on a flow-through basis are typically sold at a premium above the market share price which relates to the tax benefits that will flow through to the investors. The Company often issues flow-through shares as part of its equity financing transactions to fund its Canadian exploration activities. The Company estimates the portion of the proceeds attributable to the premium as being the excess of the flow-through share price over the market share price of the common shares without the flow-through feature at the time of issuance. The premium is recorded as a liability which represents the Company's obligation to spend the flow-through funds on eligible expenditures and is amortized as other income through the statement of loss and comprehensive loss as the eligible expenditures are incurred.

CHANGES IN ACCOUNTING POLICIES

Standards and amendments issued but not yet effective or adopted:

IAS 1 *Presentation of Financial Statements*

The IASB issued an amendment to IAS 1 *Presentation of Financial Statements*, to clarify one of the requirements under the standard for classifying a liability as non-current in nature, specifically the requirement for an entity to have the right to defer settlement of the liability for at least twelve months after the reporting period. The amendment includes:

- Specifying that an entity's right to defer settlement must exist at the end of the reporting period;
- Clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement;
- Clarifying how lending conditions affect classification; and
- Clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The Company anticipates no impact to the financial statements as a result of this amendment. The amendment is effective for annual periods beginning on or after January 1, 2023.

IAS 12 *Income Taxes*

In September 2021, IAS 12 *Income Taxes* was amended to narrow the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences such as deferred taxes on leases and decommissioning obligations. The amendment is effective for annual periods beginning on or after January 1, 2023 and applied retrospectively. The Company anticipates no impact to the financial statements as a result of this amendment.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and related disclosures. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgment is used mainly in determining how a balance or transaction should be recognized in the financial statements. Estimates and assumptions are used mainly in determining the measurement of recognized transactions and balances. Actual results may differ from these estimates.

a) Asset acquisition versus business combination

At the time of acquisition, the Company considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Company accounts for an acquisition as a business combination where an integrated set of activities and assets is acquired. More specifically, consideration is given to the extent to which significant processes are acquired.

When the acquisition does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognized. The Transaction was accounted for as an asset acquisition.

b) Decommissioning and restoration provision

Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing, and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation and remediation obligations requires management to make estimates of the future costs the Company will incur to complete the reclamation and remediation work required to comply with existing laws and regulations at each mining operation and exploration and development property. In addition, future changes to environmental laws and regulations may increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for decommissioning and restoration. The provision represents management's best estimate of the present value of the future decommissioning and restoration obligation.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future decommissioning and restoration costs are subject to change based on amendments to laws and regulations, changes in technology, price increases and changes in interest rates, and changes in mine life, and as new information concerning the Company's closure and reclamation obligations becomes available.

c) Depreciation of property and equipment

Significant judgment is involved in the determination of useful life and residual values for the computation of depreciation of property and equipment and no assurance can be given that actual useful lives and residual values will not differ from current assumptions.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

The Company is in the exploration stage and therefore has no cash flow from operations. Its only source of funds since incorporation has been from the issuance of common shares, special warrants, and units. The Company is in the process of exploring mineral claims. The Company has not yet determined whether or when the claims could be economically viable.

As at December 31, 2022 the Company had cash of \$11,526,348 (September 30, 2022 - \$213,231) and a net working capital of \$11,113,405 (September 30, 2022 - \$77,509).

The Company's cash flows from operations are negative as it is an exploration stage company. During the three months ended December 31, 2022, the Company used cash of \$534,706 in operating activities (2021 - \$1,182,085) primarily relating to management fees, legal fees, professional fees, and changes in non-cash working capital.

During the three months ended December 31, 2022, the Company received cash of \$2,462,802 from investing activities (2021 - \$nil), primarily related to cash acquired from Wallbridge in relation to the Transaction partially offset by cash spent on asset acquisition costs, exploration and evaluation activities.

During the three months ended December 31, 2022, the Company received cash of \$9,385,021 from financing activities (2021 - \$1,072,499) related to proceeds from issuance of non-flow-through units ("NFT Units"), flow-through units ("FT Units"), and charity flow-through units ("Charity FT Units") in a private placement and proceeds from the exercise of stock options.

ARCHER EXPLORATION CORP.**Management's Discussion and Analysis**

For the three months ended December 31, 2022 and 2021

While the information in the financial statements has been prepared in accordance with IFRS on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future, there are conditions and events that cast significant doubt on the validity of this presumption. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. While the Company is making its best efforts in this regard, the outcome of these matters cannot be predicted at this time.

As of the date of the financial statements, COVID-19 has had no impact on the Company's ability to access and explore its current properties but may impact the Company's ability to raise funding or explore its properties should travel restrictions related to COVID-19 be extended or expanded in scope.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements and does not contemplate having them in the foreseeable future.

RELATED PARTY TRANSACTIONS

Related parties consist of key management personnel and companies controlled by key management personnel. The Company's key management personnel are its directors and officers.

A summary of the Company's related party transactions for the three months ended December 31, 2022 and 2021 is as follows:

	2022	2021
	\$	\$
Consulting fees	9,916	-
General and administrative	25,853	-
Management fees	240,574	73,749
Rent	21,273	-
Share-based payments	801,291	26,386
	1,098,906	100,135

During the three months ended December 31, 2022, the Company paid general and administrative expenses of \$25,853 (2021 - \$nil) and rent of \$12,000 (2021 - \$nil) to Inventa Capital Corp., a company controlled by a director of the Company.

During the three months ended December 31, 2022, the Company paid consulting fees of \$9,916 (2021 - \$nil) and rent of \$9,273 (2021 - \$nil) to Wallbridge, a company related to a director of the Company.

During the three months ended December 31, 2022, the Company paid management fees of \$7,500 (2021 - \$7,500) to the Chief Financial Officer ("CFO"), \$nil to the former Chief Executive Officer ("CEO") (2021 - \$66,249), \$130,000 to the former interim CEO (2021 - \$nil), \$63,893 to the President and CEO of the Company (2021 - \$nil), and \$39,181 to the Vice President of Exploration of the Company (2021 - \$nil).

A summary of the Company's share-based payments, net of cancellations to related parties for the three months ended December 31, 2022 and 2021 is as follows:

	2022	2021
	\$	\$
President and CEO	60,464	-
CFO	3,845	345
Directors	698,248	11,320
Director and former interim President and CEO	14,548	18,865
Former CEO	-	(4,144)
Vice President of Exploration	24,186	-
	801,291	26,386

As at December 31, 2022, the Company had \$29,813 (September 30, 2022 - \$30,257) due to related parties included in trade and other payables. Interest is not charged on outstanding balances and there are no specific terms of repayment.

ARCHER EXPLORATION CORP.
Management's Discussion and Analysis
For the three months ended December 31, 2022 and 2021

All transactions with related parties have occurred in the normal course of operations and have been measured at the exchange amount, which is the amount agreed to by the related parties.

SUBSEQUENT EVENTS

On January 12, 2023, 40,015 stock options with an exercise price of \$0.36 expired unexercised.

On January 17, 2023, in connection with the termination of a contract with a consultant on December 6, 2022, the Company paid \$309,958 in severance.

On February 3, 2023, 400,000 warrants with an exercise price of \$0.45 expired unexercised.

PROPOSED TRANSACTIONS

As at December 31, 2022 or the date of this MD&A, the Company had no proposed transactions.

OUTSTANDING SECURITY DATA

As of the date of this report, the Company had the following securities issued and outstanding:

Type	Amount
Common shares issued and outstanding ⁽¹⁾	90,672,321
Warrants	14,104,020
Stock options	2,908,341
Restricted stock units	350,000
Deferred stock units	1,100,000

(1) Authorized: Unlimited common shares without par value.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Fair value

As at December 31, 2022, the financial instruments such as cash, accounts receivable with Magna, and trade and other payables are classified and measured at amortized cost. The carrying value of cash, accounts receivable with Magna, and trade and other payables approximate the fair value due to the relatively short-term maturity of these instruments.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. Credit risk for the Company is associated with its cash and accounts receivable with Magna. The Company is not exposed to significant credit risk as its cash is placed with major Canadian financial institutions. The maximum exposure of the Company's accounts receivable with Magna is \$612,230.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. There is no assurance that the necessary financing will be available in a timely manner or on terms acceptable to the Company. Liquidity risk for the Company is associated with its trade and other payables.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

The Company is not exposed to significant interest rate risk on the basis that it does not hold any financial liabilities subject to variable interest rates.

Foreign currency risk is the risk that the value of the Company's financial instruments denominated in foreign currencies will fluctuate due to changes in foreign exchange rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

The Company is mainly exposed to foreign currency risk on financial instruments (consisting of cash and trade and other payables) denominated in USD. As at December 31, 2022, the Company does not carry significant cash and trade and other payables balances denominated in USD.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The significant components of operating expenses are presented in the financial statements. Significant components of mineral property expenditures are included in the section Results of Operations.

ADDITIONAL INFORMATION

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

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

The CEO and CFO of the Company are responsible for designing and evaluating disclosure controls and procedures, or causing them to be designed and evaluated under their supervision to provide reasonable assurance that information required to be disclosed in reports filed with or submitted to, securities regulatory authorities is recorded, processed, summarized and reported within the time periods specified under Canadian securities laws and that material information is accumulated and communicated to management, including the CEO and CFO, to allow timely decisions regarding required disclosure. The CEO and CFO conclude that the design and operation of the Company's disclosure controls and procedures were effective as at December 31, 2022.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The CEO and CFO of the Company are responsible for designing and evaluating internal controls over financial reporting or causing them to be designed and evaluated under their supervision to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with IFRS. The control framework that has been used is the (COSO) Internal Control – Integrated Framework, 2013.

The CEO and CFO conclude that internal control over financial reporting is designed and operating effectively as at December 31, 2022, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes. The result of the inherent limitations in all control systems means no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, can be detected. There were no changes to the Company's internal controls over financial reporting that occurred during the three months ended December 31, 2022 that materially affected, or are reasonably likely to affect, the Company's internal controls over financial reporting.

RISKS AND UNCERTAINTIES

For a detailed listing of the risk factors faced by the Company, please refer to the Company's MD&A for the years ended September 30, 2022 and 2021.