FPX NICKEL CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS
FORM 51-102F1 for the three months ended March 31, 2022

This Management's Discussion and Analysis ("**MD&A**") has been prepared as of May 30, 2022 (the "**Report Date**") with reference to National Instrument 51-102 – "*Continuous Disclosure Obligations"* of the Canadian Securities Administrators and contains information up to and including the Report Date. It should be read in conjunction with the condensed consolidated interim financial statements for the three months ended March 31, 2022 together with the audited consolidated financial statements of FPX Nickel Corp. ("**FPX Nickel**", or "**the Company**") for the year ended December 31, 2021 and the related notes thereto.

Certain dollar amounts in this MD&A have been rounded for ease of reading. All amounts are expressed in Canadian dollars unless otherwise noted.

The condensed consolidated interim financial statements for the three months ended March 31, 2022 were prepared in accordance with International Accounting Standard ("**IAS**") 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board ("**IASB**") on a basis consistent with those followed in the most recent annual consolidated financial statements.

Additional information relating to the Company is available for viewing under the Company's profile on the SEDAR website at www.sedar.com.

1. Overview

The Company was incorporated as a junior capital pool company in the province of Alberta on February 2, 1995 and established itself as a mineral exploration company in June 1996. The Company's shares are listed on the TSX Venture Exchange ("**TSX-V**"), trading under the symbol "**FPX**". The Company has one wholly-owned subsidiary, First Point Mexico S.A. de C.V., incorporated in Mexico.

FPX Nickel explores primarily for nickel deposits, none of which have been advanced to the point where a production decision can be made. As a consequence, the Company has no producing properties, and no sales or revenues.

The Company's exploration efforts are focused on the exploration and development of properties containing **awaruite,** a **nickel-iron alloy**. The alloy typically contains approximately 75% nickel, is widely disseminated and represents a bulk tonnage target that would potentially be mineable by open pit methods should a mineral reserve be delineated. FPX Nickel holds a 100% interest in five awaruite properties: four in British Columbia, and one in the Yukon Territory. During the year ended December 31, 2021, FPX Nickel incurred costs of approximately $5,080,000 (2020 - $763,000) in exploring and developing its nickel properties in Canada. For summaries of exploration expenditures by property and by material component, see Section 2 of this MD&A.

FPX Nickel holds a 100% interest in its flagship Decar Nickel District in British Columbia ("**Decar**" or the "**Project**") as of the Report Date.

On September 9, 2020, the Company announced the positive results of a Preliminary Economic Assessment ("**PEA**") for the Baptiste Project at the Decar Nickel District. The PEA was prepared by BBA Inc. of Montreal, Canada with work on mine planning and tailings by Stantec Inc. of Vancouver, Canada. The PEA results and assumptions are as follows:

Table 1 – Baptiste Project PEA Results and Assumptions (all in US$)

Results	
Pre-tax NPV (8% discount rate)	$2.93 billion
Pre-tax IRR	22.5%
Payback period (pre-tax)	3.5 years
After-tax NPV (8% discount rate)	$1.72 billion
After-tax IRR	18.3%
Payback period (after-tax)	4.0 years
Net cash flows (after-tax, undiscounted)	$8.73 billion
C1 operating costs [1,3]	$2.74/lb nickel
AISC costs [2,3]	$3.12/lb nickel
Assumptions	
Processing throughput	120,000 tonnes per day
Mine life	35 years
Life-of-mine stripping ratio (tonnes:tonnes)	0.40:1
Life-of-mine average annual nickel production	99 million lbs.
Nickel price [4]	$7.75/lb
Baptiste product payability (% of nickel price)	98%
Pre-production capital expenditures	$1.67 billion
Sustaining capital expenditures	$1.11 billion
Exchange rate	0.76 US$/C$

1. *C1 operating costs are the costs of mining, milling and concentrating, on-site administration and general expenses, metal product treatment charges, and freight and marketing costs less the net value of by-product credits, if any. These are expressed on the basis of per unit nickel content of the sold product.*
2. *AISC or all-in sustaining costs comprise the sum of C1 costs, sustaining capital, royalties and closure expenses. These are expressed on the basis of per unit nickel content of the sold product.*
3. *The PEA includes certain performance measures that do not have any standardized meaning prescribed by international financial reporting standards (**"IFRS**") including C1 operating costs and all-in sustaining costs. The presentation of these non-IFRS measures is intended to provide an improved ability to evaluate the underlying performance of the Baptiste Nickel Project and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Other companies may calculate these non-IFRS measures differently. Note these figures have not been audited and are subject to change.*
4. *Nickel price based on the average of six long-term analyst forecast prices.*

Cautionary Statement: The PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. Furthermore, there is no certainty that the conclusions or results as reported in the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

From October 2021 to January 2022, the Company released the results of the maiden drilling program at the Van Target. The results of these holes confirm a significant new nickel discovery at Van, highlighted by hole 21VAN-001, which intersected 101 m grading 0.150% DTR nickel

(0.207% total nickel), starting at an approximate vertical depth of 27 m below surface, among the 8 highest-grading, near-surface intervals in the history of Decar.

On March 30, 2022, the Company announced that it has established a new subsidiary company, CO2 Lock Corp. ("CLC"), to pursue opportunities in carbon capture and storage. The Company holds 17 million shares of CLC. On March 20, 2022, CLC closed a $1.7 million seed round financing from third party investors, issuing 2,266,333 shares at $0.75 per share, leaving the Company with an approximately 88.2% ownership interest in CLC on an issued and outstanding basis. Given its majority ownership position, the Company controls and consolidates CLC in its consolidated financial statements.

2. Exploration Projects

Nickel Projects:

FPX Nickel's exploration program involves a search for disseminated nickel-iron alloy targets that occur in a very specific geological environment found within ultramafic rocks. Awaruite, the nickel-iron alloy of interest, contains approximately 75% nickel, the rest being iron with occasional minor cobalt and copper. The alloy is strongly magnetic and quite dense, two properties which allow for an efficient physical separation of the awaruite into a nickel-iron concentrate, using a combination of magnetic and gravity separation. There is virtually no sulphur in the alloy, which eliminates a number of environmental issues typically associated with mining and processing nickel sulphide deposits. Furthermore, because of the virtual absence of sulphur, the concentrates produced when recovering the nickel-iron alloy from the mineralized rock do not require conventional smelting.

The following table provides a summary of exploration expenditures on a property-by-property basis for the year ended December 31, 2021:

	Balance, December 31, 2020	Acquisition Costs	Exploration Costs	Recoveries	Costs Written Off	Balance December 31, 2021
Canada						
Decar	$ 9,358,387	$ -	$ 5,079,659	$ (1,082,688)	$ -	$ 13,355,358
Wale/Polar	1	-	-	-	-	1
Orca	1	-	-	-	-	1
Klow	1	-	-	-	-	1
Mich	864,522	10,080	-	-	-	874,602
Total	**10,222,912**	**10,080**	**5,079,659**	**(1,082,688)**	**-**	**14,229,963**

The following table provides a summary of the material components of exploration expenditures for the year ended December 31, 2021:

	Decar	Mich	General Exploration	Total
Drilling	$ 1,330,990	$ -	$ -	$ 1,330,990
Helicopters	130,519	-	-	130,519
Field Expenses	885,685	-	68,349	954,034
Metallurgical Testing	460,103	-	-	460,103
Assay Testing	157,955	-	-	157,955
Wages and Benefits	406,288	-	-	406,288
Geological and Contract Services	919,516	-	-	919,516
Geological and Contract Services	-	-	-	-
Engineering	786,140	-	-	786,140
Claim Staking	-	10,080	-	10,080
Other	2,464	-	-	2,464
Total	$ 5,079,659	$ 10,080	$ 68,349	$ 5,158,088

The following table provides a summary of exploration expenditures on a property-by-property basis for the three months ended March 31, 2022:

	Balance, December 31, 2021	Acquisition Costs	Exploration Costs	Recoveries	Costs Written Off	Balance March 31, 2022
Canada						
Decar	$ 13,355,358	$ -	$ 1,232,446	$ -	$ -	$ 14,587,804
Wale/Polar	1	-	-	-	-	1
Orca	1	-	-	-	-	1
Klow	1	-	-	-	-	1
Mich	874,602	-	-	-	-	874,602
Total	**14,229,963**	-	**1,232,446**	-	-	**15,462,409**

The following table provides a summary of the material components of exploration expenditures for the three months ended March 31, 2022:

	Decar	Mich	General Exploration	Total
Field Expenses	$ 3,219	-	-	3,219
Metallurgical Testing	167,520	-	-	167,520
Assay Testing	87,284	-	-	87,284
Wages and Benefits	186,994	-	-	186,994
Geological and Contract Services	89,362	-	-	89,362
Engineering	593,983	-	-	593,983
Other	104,086	-	43,804	147,890
Total	$ 1,232,446	$ -	$ 43,804	$ 1,276,250

Decar Nickel District, British Columbia:

The Company's Decar Nickel District claims cover 245 square kilometres of the Mount Sidney Williams ultramafic/ophiolite complex, 90 km northwest of Fort St. James in central British Columbia. The District is a two-hour drive from Fort St. James on a high-speed logging road.

In 1996, the Company entered into an option agreement with a third party to acquire mineral claims in this area. The Company examined the property, collecting several samples for petrographic study and confirming the presence of observed grains of awaruite in serpentine by microprobe analysis. Upon completion of preliminary investigations, the Company dropped the option. In 2007, the Company conducted renewed investigations of nickel mineralization in this

region; the Company has held a continuous ownership interest in Decar since first staking claims in the area in 2007.

Decar hosts a greenfield discovery of nickel mineralization in the form of a naturally occurring nickel-iron alloy called awaruite (Ni_3Fe), which is amenable to bulk-tonnage, open-pit mining. Awaruite mineralization has been identified in four target areas within this ophiolite complex, being the Baptiste Deposit, and the B, Sid and Van targets, as confirmed by drilling, petrographic examination, electron probe analyses and outcrop sampling on all four. Since 2010, approximately US $28 million has been spent on the exploration and development of Decar.

Of the four targets in the Decar Nickel District, the Baptiste Deposit, which was initially the most accessible and had the biggest known surface footprint, has been the focus of diamond drilling since 2010, with a total of 99 holes and 33,700 m of drilling completed. The Sid target was tested with two holes in 2010 and the B target had a single hole drilled in 2011; all three holes intersected nickel-iron alloy mineralization over wide intervals with DTR nickel grades comparable to the Baptiste Deposit. The Van target was not drill-tested at that time as bedrock exposures in the area were very poor prior to more recent logging activity. In 2021, the Company executed a maiden drilling program at Van, which has returned promising results comparable with the strongest results at Baptiste.

As reported in the current NI 43-101 resource estimate, having an effective date of September 9, 2020, the Baptiste Deposit contains 1.996 billion tonnes of indicated resources at an average grade of 0.122% DTR nickel, thus equating to 2.4 million tonnes of nickel, and 593 million tonnes of inferred resources with an average grade of 0.114% DTR nickel, containing 0.7 million tonnes of nickel, reported at a cut-off grade of 0.06% DTR nickel. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

The 2020 Baptiste PEA demonstrates the potential for establishing a greenfield open-pit mine and an on-site magnetic separation and flotation processing plant, using conventional technology and equipment. At a throughput rate of 120,000 tonnes per day (or 43.8 million tonnes per year), annual production is projected to average 99 million pounds nickel contained in ferronickel ("**FeNi**") briquettes at C1 operating costs of US$2.74 per pound of nickel. It is anticipated that the Baptiste FeNi briquette will be sold directly to stainless steel producers and garner 98% of the London Metal Exchange ("**LME**") nickel price, in line with payabilities earned by standard FeNi products in the global marketplace.

Table 2 – Baptiste Project PEA Results and Assumptions (all in US$)

Results	
Pre-tax NPV (8% discount rate)	$2.93 billion
Pre-tax IRR	22.5%
Payback period (pre-tax)	3.5 years
After-tax NPV (8% discount rate)	$1.72 billion
After-tax IRR	18.3%
Payback period (after-tax)	4.0 years
Net cash flows (after-tax, undiscounted)	$8.73 billion
C1 operating costs [1,3]	$2.74/lb nickel
AISC costs [2,3]	$3.12/lb nickel
Assumptions	
Processing throughput	120,000 tonnes per day
Mine life	35 years
Life-of-mine stripping ratio (tonnes:tonnes)	0.40:1
Life-of-mine average annual nickel production	99 million lbs.
Nickel price [4]	$7.75/lb
Baptiste product payability (% of nickel price)	98%
Pre-production capital expenditures	$1.67 billion
Sustaining capital expenditures	$1.11 billion
Exchange rate	0.76S$/C$

1. *C1 operating costs are the costs of mining, milling and concentrating, on-site administration and general expenses, metal product treatment charges, and freight and marketing costs less the net value of by-product credits, if any. These are expressed on the basis of per unit nickel content of the sold product.*
2. *AISC or all-in sustaining costs comprise the sum of C1 costs, sustaining capital, royalties and closure expenses. These are expressed on the basis of per unit nickel content of the sold product.*
3. *The PEA includes certain performance measures that do not have any standardized meaning prescribed by international financial reporting standards (**"IFRS**") including C1 operating costs and all-in sustaining costs. The presentation of these non-IFRS measures is intended to provide an improved ability to evaluate the underlying performance of the Baptiste Nickel Project and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Other companies may calculate these non-IFRS measures differently. Note these figures have not been audited and are subject to change.*
4. *Nickel price based on the average of six long-term analyst forecast prices.*

Capital Costs

The total pre-production capital costs, including direct costs, indirect costs and contingency was estimated at $1.67 billion. This represents the pre-production capital expenditure required to support start-up of operations in year 1. The capital cost related to the implementation of in-pit tailings deposition in year 22 was estimated at $103 million. This is the capital expenditure specifically required to allow for finer primary grinding (resulting in improved nickel recovery) and for pumping tailings to the mined-out pits for in-pit deposition, and other associated costs (see further discussion under Metallurgy and Mineral Processing and Tailings Management below). Sustaining capital costs (which excludes the capital cost related to the implementation of

finer primary grinding and in-pit deposition) were estimated at $1.01 billion. These costs include items such as mine equipment fleet additions and replacements, facilities additions and improvements and costs relating to tailings storage facility and surface water management which are incurred over the life-of-mine ("**LOM**").

Table 3 – Capital Costs

Category	Pre-Production US$ million	In-Pit Tailings Deposition (Year 21) US$ million	Sustaining US$ million	Total LOM US$ million
Direct Costs				
Mobile Equipment	$155	-	$354	$509
Tailings	$138	$15	$534	$687
Mine and tailings site preparation	$96	-	$90	$186
Mineral processing	$610	$88	$18	$716
Off-site infrastructure	$64	-	-	$64
On-site infrastructure	$66	-	$7	$73
Total direct costs	**$1,129**	**$103**	**$1,003**	**$2,235**
Indirect costs	$292	-	$8	$300
Contingency	$254	-	-	$254
Total project capital costs	**$1,675**	**$103**	**$1,011**	**$2,789**

Operating Costs

Table 4 presents a summary of the estimated average operating costs for the initial Phase 1 (Years 1 to 21), Phase 2 (Years 22 to 35, during which period the Project will adopt finer primary grinding and in-pit tailings deposition) and for the life-of-mine, expressed in US$/tonne of dry material processed (milled).

Table 4 – Total Estimated Phase and Average LOM Operating Costs (US$/t milled)

Estimated average LOM operating costs	Phase 1 (Years 1-21)	Phase 2 (Years 22-35)	Average (LOM)
Mining	$2.28	$2.66	$2.43
Mineral processing	$2.71	$2.91	$2.79
Product transport	$0.19	$0.18	$0.19
Rail terminal and access road	$0.05	$0.05	$0.05
General site services	$0.62	$0.62	$0.62
General and administration	$0.25	$0.25	$0.25
Total operating costs	**$6.10**	**$6.67**	**$6.33**

Table 5 presents estimated phase and average LOM operating costs stated on a per unit of nickel production basis.

Table 5 – C1 costs and AISC costs (US$/lb nickel)

	Phase 1 (Years 1-21)	Phase 2 (Years 22-35)	Average (LOM)
C1 costs	$2.61	$2.94	$2.74
AISC costs	$3.13	$3.11	$3.12

Mineral Resource Estimate

The PEA incorporates an updated 2020 resource estimate for the Baptiste Deposit including all data from the 83 surface drillholes completed since 2010 and 2,053 samples from a re-sampling program of 2010/2011 drill core that was carried out in 2012. The estimate is geologically constrained within four mineralized domains and is reasonably comparable among different estimation methods (i.e., ordinary kriging, inverse distance squared weighting, nearest neighbour).

The 2020 resource model comprises a large, delta shaped volume that measures approximately 3.0 km in length and 150 to 1,080 m in width and extends to a depth of 540 m below the surface. The Baptiste Deposit remains open at depth over the entire system and is covered by an average of 12 metres of overburden.

Table 6: 2020 Baptiste Deposit Pit-Constrained Mineral Resource Estimate *

Category	Tonnes (000's)	Davis Tube Recoverable ("DTR") Nickel Content		
		% Ni	Tonnes Ni	Pounds Ni (000's)
Indicated	1,995,873	0.122	2,434,965	5,368,173
Inferred	592,890	0.114	675,895	1,490,092

** See Notes for Tables 6 and 7 below.*

Table 7: 2020 Baptiste Deposit Block Model Tonnage and Grades Reported at a Range of Cut-off Grades (Base Case 0.06% DTR Ni) *

Cut-off Grade (DTR Ni %)	Indicated		Inferred	
	Tonnes (000's)	DTR Ni Grade (%)	Tonnes (000's)	DTR Ni Grade (%)
0.06	**1,995,873**	**0.122**	**592,890**	**0.114**
0.08	1,871,412	0.126	499,993	0.122
0.10	1,617,364	0.131	399,801	0.130

** Notes for Tables 6 and 7:*

1. *Updated mineral resource estimate prepared by GeoSim Services Inc. using ordinary kriging with an effective date of September 9, 2020.*
2. *Davis Tube magnetically-recovered ("DTR") nickel is the nickel content recovered by magnetic separation using a Davis Tube, followed by fusion XRF to determine the nickel content of the magnetic fraction; in effect a mini-scale metallurgical test. The Davis tube method is the global, industry standard metallurgical testing apparatus for recovery of magnetic minerals.*
3. *Indicated mineral resources are drilled on approximate 200 x 200 metre drill spacing and confined to mineralized lithologic domains. Inferred mineral resources are drilled on approximate 300 x 300 metre drill spacing.*
4. *An optimized pit shell was generated using the following assumptions: US$6.35 per pound nickel price; a 45° pit slope; assumed mining recovery of 97% DTR Ni and process recovery of 85% DTR Ni, an exchange rate of $1.00 CAN = $0.76 US; and*

mining costs of US$2.75 per tonne, processing costs of US$4.00 per tonne. A US$1.00 per tonne minimum profit was also imposed to exclude material close to the break-even cut-off.

5. *A base case cut-off grade of 0.06% DTR Ni represents an in-situ metal value of approximately US$7.00 per tonne which is believed to provide a reasonable margin over operating and sustaining costs for open-pit mining and processing.*
6. *Totals may not sum due to rounding.*
7. *Mineral resources are not mineral reserves and do not have demonstrated economic viability.*

Mining

The PEA mine plan is based on the mineral resource estimate and its underlying geological block model. The mine plan envisions a three-phased open pit mine development, with the Phase 1 pit covering the first 21 years of mine life. During this phase, tailings will be deposited in an external tailings storage facility ("**TSF**"). The Phase 2 and 3 pits expand laterally towards the northwest and northeast from the Phase 1 pit, providing mill feed for years 22 to 35, allowing tailings to be placed in the mined-out Phase 1 pit. A pit rim dam will be constructed in year 25 to allow access from the phase 3 pit to the plant and to accommodate the additional tailings that will be stored in the Phase 1 and Phase 2 pits after they are mined out.

Mining will be conducted using conventional truck and shovel methods. Large-scale open pit mining will provide the mineral processing plant feed at a rate of 120,000 tonnes per day, or 43.8 million tonnes per annum. Annual mine production of mill feed and waste will peak at 80.1 Mt/a with a life-of-mine stripping ratio of 0.40:1 including preproduction (0.32 during the first 10 years of operation, and 0.22 over the first 16 years of operation). Ultimate pit quantities with corresponding DTR nickel grades are shown in Table 7.

Table 8 – Ultimate Design Pit Quantities

Material Classification	Tonnage (Mt)	Grade (% DTR Ni)
Indicated	1,326	0.124%
Inferred	177	0.102%
Total for processing	**1,503**	**0.121%**
Waste rock	540	
Overburden	55	
Total waste	**596**	
Total material mined	**2,098**	
Stripping ratio (LOM)	**0.40 :1**	

Note: Mineral resources are not mineral reserves and do not have demonstrated economic viability

Metallurgy and Mineral Processing

The metallurgical testwork for the PEA was performed at ALS in Kamloops, British Columbia and was focused on the following:

- Magnetic separation tests at a range of primary grind sizes (P_{80} from 57 µm to 360 µm);

- Magnetic cleaning tests to 25 µm final regrind size;
- Flotation testwork on the magnetic cleaner concentrate under various conditions and reagent additions;
- Mineralogical assessment of the head sample and some products generated in the testwork.

A conceptual mineral processing flowsheet was developed as the basis for the PEA. The process flowsheet is based on traditional grinding, magnetic separation and flotation processes. Unit operations in this flowsheet include crushing and grinding, magnetic separation, magnetic concentrate re-grinding to 25 microns (P_{80}), further magnetic cleaning stages, followed by rougher and cleaner flotation stages to produce a final nickel concentrate grading 63% nickel.

The metallurgical testwork results indicated that at a primary grind of 300 µm, it is possible to produce a 63% nickel concentrate with a nickel recovery of 85% of the DTR nickel feed grade. In Year 22, when in-pit tailings deposition is implemented, a finer primary grind of 170 µm can be achieved through the addition of a third ball mill resulting in a DTR nickel recovery of 90%.

Subsequent to the flotation process, the 63% nickel concentrate is dewatered, filtered to a filter cake and briquetted into a final saleable ferronickel product. The flotation process also produces a magnetite-rich tailings stream which has the potential to be sold or further valorized as a saleable iron ore product. For the PEA, no by-product revenues have been recognized for the potential sale of this magnetite-rich product.

Product Marketing

Metallurgical testwork performed for the PEA Study has shown that the Baptiste Project can produce a clean, high-grade, ferronickel concentrate through a conventional mineral processing flowsheet. The FeNi concentrate, agglomerated in briquette form, constitutes the final saleable product generated by the Project for consumption by stainless steel producers. The projected product specification for the Baptiste briquettes is presented in Table 9.

Table 9: Projected Product Specification for Baptiste FeNi Briquettes

Elements and Minerals	Content
Ni	60-65%
Fe (total)	30-32%
Awaruite (Ni_3Fe alloy)	77-83%
Metallic Fe in awaruite	19-21%
Magnetite (Fe_3O_4)	13-18%
Co	1% typical
Cu	0.7% typical
P	0.02% typical
S	0.6% typical
MgO	1% typical
SiO_2	1.5% typical
Cr_2O_3	0.4% typical

The selling price to be obtained from the sale of the Baptiste FeNi briquettes to stainless steel producers will generally be a function of two variables: (1) the LME nickel price and (2) a discount or premium to the LME nickel price, based on the market positioning of the Baptiste FeNi briquettes in relation to competing sources of nickel feedstock to stainless producers,

including stainless steel scrap, nickel pig iron, standard FeNi and Class 1 nickel briquettes or cathode. The selling price determined by the analysis of these two components is the price used for the economic analysis performed for the PEA.

A long-term LME base nickel price assumption of $7.75 per pound is assumed in the PEA which is consistent with the average long-term nickel price of forecasts provided by six base metals analysts. In order to assess the potential payability for the Baptiste product, stated as a percentage of the LME base price, the following sources of information were considered:

- The results of the Company's preliminary product market testing undertaken with stainless steel and ferronickel producers;
- Preliminary market feedback based on informal discussions with nickel consumers and traders, including an independent consultant to the Company and representatives of large international trading houses specializing in nickel products;
- Benchmarking with typical specifications for standard FeNi and nickel pig iron ("**NPI**") products from various producers;
- Historic premium / discount data for standard FeNi.

The analysis, in consideration of the aforementioned information sources, concluded that a discount of 2% applied to the LME nickel price provides a reasonable assumption for determining the selling price to be used for the PEA.

Off-Site Infrastructure

The Decar District site access road, having a total length of 121 km, consists of an existing paved road segment and an existing forestry service road ("**FSR**"). A new 110-m span bridge and a new 4.5 km FSR segment will be required to access the property. Also, upgrades will be required to an existing 20-m span bridge and to 12 km of existing FSR segments.

A road-to-rail transfer facility is proposed to be constructed off-site in the vicinity of the existing CN Rail branch line. The transfer facility is to be used primarily for transloading containerized FeNi briquettes onto railcars for transport to the Prince Rupert port terminal for eventual delivery to ports in Asia. The FeNi briquettes will be loaded into containers at the mine site and trucked by the Company to the transfer facility. The Project will, on average, produce about 72,000 tonnes of FeNi briquettes annually, or an average of approximately 200 tonnes per day.

Electric power to the Project will be provided through a new hydro-electric power transmission line with a capacity of 120 MW and a transmission voltage of a single, 230 kV circuit. The proposed power transmission line is based on a tie-in point located approximately 98 km from the Project.

Tailings Management

The proposed tailings disposal strategy for the Baptiste Project is based on two phases. For Phase 1, spanning from years 1 to 21, tailings are disposed of within a conventional external tailings storage facility. The proposed external TSF is proposed to be constructed using the centerline construction method with a downstream slope of 3H:1V. It will be constructed primarily with cycloned sand tailings generated in the mineral processing plant and designed to retain tailings produced during the first 21 years of production based on the mine schedule. Geotechnical design criteria are based on regional experience as no site investigations related to the TSF structures have been completed to date.

Thereafter, tailings are proposed to be disposed within the exhausted open pit based on an in-pit disposal strategy. Upon completion of mining of the Phase 1 pit in year 21, the pit would then start being backfilled with tailings produced while processing material mined in the Phases 2 and 3 pits, starting in year 22. A pit rim dam will be required in order to accommodate the tailings produced while mining the Phase 3 pit to the end of the 35-year mine life.

Project Opportunities

Several project optimization opportunities requiring further study have been identified which may further enhance project economics, including the following:

- **Electric Vehicle Battery Application:** Based on batch pressure leach tests performed on a sample of Baptiste flotation concentrate, it is expected that the nickel-cobalt leach solution produced will be an ideal feedstock for the production of nickel sulphate and cobalt sulphate for the electric vehicle ("**EV**") battery market. These positive test results provide the Company with an opportunity to pursue an alternative marketing route for part of its nickel production, which would allow the Company to become a player in the EV battery value chain. As the Project advances, this opportunity will need to be supported with more testwork and a validation of process economics.

- **Sale of Iron Ore Concentrate:** The process flowsheet developed in the PEA generates a flotation tailing with a high iron content (in the form of magnetite), which can potentially be marketable as a magnetite iron ore concentrate and generate additional financial benefit to the Project. A detailed logistics and marketability analysis to further develop this opportunity is required to incorporate the potential benefit of this product stream into the Project's economics.

- **Mineral Exploration:** Assay results of outcropping bedrock samples have defined a promising drill-ready target at the Van target, which is located 6 km north of the Baptiste Deposit at similar elevations, and accessible via logging roads. These results demonstrate that the surface expression of the Van target is larger in area and similar in DTR nickel values to the Baptiste Deposit. A drill program is recommended for the Van target to test its potential to comprise a standalone deposit to complement the Baptiste Deposit.

- **CO_2 Sequestration:** Laboratory testing by researchers from the University of British Columbia has demonstrated that the Baptiste Deposit's mineralization can absorb significant quantities of carbon dioxide when exposed to air through a natural process of mineral carbonation. FPX is undertaking further research in collaboration with UBC to assess and advance the potential development of a low-carbon or carbon-neutral operation at Baptiste (see FPX Nickel news releases dated February 16 and June 9, 2021). The potential benefits of carbon sequestration have not been incorporated into the present PEA.

For further discussion of the PEA results, see the Company's news release dated September 9, 2020.

The Baptiste deposit remains open at depth over the entire system, which provides future potential to significantly increase the size of the resource in the future. Further drilling to determine the extent of the higher-grade mineralization in the southeast area is recommended.

FPX Nickel is actively engaged in the community with all stakeholders to provide social and economic benefits from responsible mineral exploration and mining in a way that also safeguards

the health of people and the local environment. A Memorandum of Understanding regarding exploration activities at the Decar Nickel District was signed in May 2012 with the Tl'atz'en First Nation, which formalizes protocols for continuing the working relationship between FPX Nickel and the Tl'atz'en and its constituent Keyoh families.

Concentrate Leaching

On January 7, 2020, the Company reported that successful leach testing of high-grade nickel concentrates from Decar has confirmed nickel recoveries up to 99.5% in producing a high-concentration nickel-cobalt chemical solution suitable for the electric vehicle ("EV") battery supply chain. The results of this test program, which was conducted at Sherritt Technologies in Fort Saskatchewan, Alberta, position Decar as a potentially significant supplier of nickel for both the stainless steel and the EV battery markets.

The highlights of the concentrate leaching program were as follows:

- Establishes high-grade Decar awaruite nickel concentrate as an excellent feedstock with potential advantages over sulphide and laterite feedstocks in the ultimate production of nickel sulphate and cobalt sulphate for the electric vehicle battery market;
- Confirmation of the amenability of Decar nickel concentrate to conventional pressure leaching at moderate pressure and temperature, achieving nickel recoveries of 98.8% to 99.5% in the production of high-purity chemical solution containing 69.4 to 70.1 g/L nickel;
- Rapid nickel extraction (over 98% extraction in under 60 minutes) achieved under mild pressure leaching conditions with significantly lower sizing, power consumption, pressure and temperature requirements than typical high pressure acid leach (**"HPAL"**) operations

Going forward, FPX Nickel will undertake internal trade-off studies to define the optimal product mix to be derived from the Decar project for the stainless steel and EV battery markets. Further bench-scale testing is required to evaluate and refine the process for pressure leaching of Decar concentrates, including additional tests under diverse conditions to determine optimal parameters for acid consumption, pressure and temperature, among other considerations. Additional test work would generate nickel products for testing with potential offtakers, with this market evaluation expected to generate collaborative opportunities with a variety of nickel market participants.

Regional Exploration at the Decar Nickel District

The limited amount of exploration drilling elsewhere on the Decar property completed to date also clearly indicates there is substantial potential for additional discoveries. The potential for additional similar nickel-iron alloy mineralization at Decar is illustrated by limited drilling on the Sidney and Target B prospects in 2010 and 2011, respectively. The Sidney target area is located 3 km north of Baptiste on a broad ridge at approximately 600 metres higher elevation. The Sidney target currently measures 500 by 400 metres by surface mapping and is open to the northwest and southeast, where it is covered by overburden. Sidney was drilled with two holes in 2010 that intersected a previously reported 0.129% nickel-in-alloy across 163 metres in the lower half of hole 10SID-09 and 0.143% nickel-in-alloy across 282 metres in hole 10SID-10 (see FPX Nickel's news release dated October 19, 2010).

As previously reported (see FPX Nickel's news release dated December 16, 2011), Target B, located about 5 km north of Baptiste, was tested with a single exploration hole during the 2011 drilling campaign. Hole 11B-01 cut 258 metres averaging 0.138% DTR nickel.

Nickel-in-alloy is analyzed using a partial extraction analytical method that selectively dissolves nickel present as nickel-iron alloy and does not extract the nickel present within rock forming silicate materials. Following independent studies, including the development of certified standards to monitor accuracy, this partial extraction method was commercially certified by Dr. Barry Smee of Smee & Associates Consulting Ltd. for the exclusive use of FPX Nickel. This assaying procedure is proprietary to FPX Nickel and provides the Company with a significant advantage in exploring for nickel-iron alloy deposits world-wide.

On January 15, 2018, the Company announced new assay results of bedrock samples from the Van Target at the Decar Nickel District. These results demonstrate that the surface expression of the Van target is larger in area and similar in DTR nickel values to the PEA-stage Baptiste nickel deposit. The drill-ready Van Target is located 6 kilometres north of Baptiste at similar elevations, and is accessible via logging roads.

DTR nickel analysis of 54 bedrock samples, taken at intervals of 50 to 350 meters at the Van Target, has defined an area of approximately 2.9 square kilometers. This compares very favorably with the area defined by initial surface outcrop sampling undertaken at Baptiste in 2009, which identified a target measuring approximately 2 square kilometers.

As elsewhere on the Decar property, the mineralization at Van is coincident with the sheared peridotite while numerous samples from the massive peridotite are very largely unmineralized or low grade. These results are notable for the high proportion of samples grading over 0.06% DTR nickel, the cut-off grade employed in the NI 43-101 resource estimate for the Baptiste deposit. In particular, 10 samples returned grades over 0.14% DTR nickel, representing some of the highest-grading surface samples encountered to-date from any target at the Decar Nickel District.

Field mapping at the time of sample collection indicated that the mineralized area at Van occupies generally recessive areas commonly covered by glacial till which has the potential to cover strong mineralization. The target area coincides with a high total magnetic signature based on airborne magnetic geophysical data.

From October 2021 to January 2022, the Company released the results of the maiden drilling program at the Van Target. The results of these holes confirm a significant new nickel discovery at Van, highlighted by hole 21VAN-001, which intersected 101 m grading 0.150% DTR nickel (0.207% total nickel), starting at an approximate vertical depth of 27 m below surface, among the 8 highest-grading, near-surface intervals in the history of Decar.

Other North American Nickel Projects:

In the Yukon, the **Mich** property is located 50 km southeast of Whitehorse and covers an area 11.5 sq km in size. The property lies 15 km off the Alaska Highway and is accessible by an all-terrain vehicle trail. The Company staked the Mich property after discovering a large anomalous zone of disseminated awaruite mineralization based on a first pass of wide-spaced reconnaissance sampling during the summer 2011 regional exploration program. The Mich claims cover 1,932 hectares and are underlain by serpentinized ultramafic rocks of the Cache Creek Terrane, the same belt of rocks that host the awaruite mineralization at the Company's Orca, Wale and Decar properties in B.C.

On November 13, 2014, the Company announced the results of its first diamond drilling campaign at Mich, which tested the central portion of the key target area with two angled holes drilled at minus 50 degrees in opposite directions from the same set-up, for a total of 873 metres of drilling. Results include 156 metres averaging a grade of 0.096% DTR nickel from 3.0 to 159.1 metres in hole 1, and the entire 453.6-metre length of hole 2 averaging 0.087% DTR nickel from 2.7 to 456.3 metres. The results from this first drill program at Mich provide encouraging confirmation of the project's potential to host a significant nickel-iron alloy mineralized system. The drilling intersected a disseminated nickel-iron alloy mineralized zone hosted in ultramafic rocks. Using a cut-off grade of 0.06% DTR nickel, the zone measures 345 metres vertically from surface, is an estimated 463 metres wide on the drill section and remains open to the northeast, beyond the end of the second drill hole, which bottomed in 32.2 metres of 0.123% DTR nickel.

Geological mapping and rock sampling have defined a 2-kilometre-long, northwest-southeast trending zone of disseminated awaruite mineralization marked by a number of strong rock anomalies grading better than 0.08% DTR nickel. The key target is located on the southeastern end of a low ridge and measures 540 metres long and 290 to 570 metres wide. It remains open to the southeast towards the valley floor where overburden covers the bedrock. DTR nickel values for 75 surface rock samples collected in 2012 and 2013 from the key target range from 0.046% to 0.143%. The revised horizontal dimension of 463 metres compares favourably to the earlier estimate of 290 metres, which was based upon surface rock samples collected along the drill section.

The key target area coincides with a moderate ground magnetic geophysical response, which lies on the shoulder of a well-defined, ground magnetic high response, measuring 5.5 kilometres long. This magnetic high feature extends along strike 3.5 kilometres to the southeast of the key target into overburden covered areas. The overburden is estimated to be less than 25 meters thick. The magnetic signature also extends the width of the key target area a further 675 metres to the northeast beyond the end of hole 2; this area represents a future priority drill target.

Investors are cautioned that each of the Company's exploration targets is an early-stage exploration prospect, conceptual in nature, defined by surface rock sampling and ground-based geophysical surveys. With the exception of the Decar Property, there has been insufficient exploration to define a mineral resource on any of the Company's other exploration properties and it is uncertain if further exploration will result in any target being delineated as a mineral resource.

All technical information included in this MD&A was prepared under the supervision of the Company's Chairman, Dr. Peter M.D. Bradshaw, P. Eng., a qualified person consistent with NI 43-101.

3. Results of Operations

For the three months ended March 31, 2022

The Company recorded a net loss of $701,671 (2021 – $460,070) during the three months ended March 31, 2022. The comprehensive loss for the period was $701,671 (2021 – $460,070).

The following table provides a summary of general and administrative expenses for the three months ended March 31, 2022 and 2021.

	2022	2021
Accounting, legal and audit	$ 1,237	$ 4,401
Insurance	5,199	3,732
Interest expense	4,330	27,704
Management fees and salaries	175,764	137,386
Office and administration	35,865	5,302
Share-based compensation	234,974	159,394
Travel, promotion & communications	156,873	99,324
Trust and filing fees	48,104	38,675
Total General & Administrative	**662,346**	**475,918**
General exploration	43,804	-
Depreciation	22,019	8,000
Foreign exchange (gain) loss	197	(9,133)
Total Expenses (Income)	**$ 728,365**	**$ 474,785**

Expenses in the first three months of 2022 of $728,365 were $253,580 higher than the $474,785 incurred in the 2021 period, with the year-over-year change largely attributable as follows:

- A $23,374 decrease in interest expense reflecting the extinguishment in late 2020 and early 2021 of the Company's debt.
- A $38,378 increase in management fees and salaries reflecting an increased number of staff members compensation increases to the Company's officers and employees;
- A $75,580 increase in stock-based compensation reflecting a higher number of stock options issued to management and directors;
- A $57,549 increase in travel, promotion and communications reflecting a higher level of investor relations activities; and

4. Summary of Quarterly Results

The following table summarizes information derived from the Company's financial statements for each of the eight most recently completed quarters.

Quarter Ended:	**Mar. 31**	**Dec. 31**	**Sep. 30**	**Jun. 30**	**Mar. 31**	**Dec. 31**	**Sep. 30**	**Jun. 30**
Year:	**2022**	**2021**	**2021**	**2021**	**2021**	**2020**	**2020**	**2020**
Net sales or total revenue ($000s)	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Income (loss) from continuing operations:								
(i) in total (000s)	$(702)	$(639)	$(477)	$(2,263)	$(460)	$(236)	$(328)	$(149)
(ii) per share[(1)]	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Net income (loss):								
(i) in total (000s)	$(702)	$(639)	$(477)	$(2,263)	$(460)	$(236)	$(328)	$(149)
(ii) per share[(1)]	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

[(1)] Fully diluted loss per share amounts have not been calculated as they would be anti-dilutive.

Quarterly results can vary significantly depending on whether the Company realized a gain or loss on sale of its investments, abandoned any properties, incurred exploration expenditures funded by flow through monies, or granted stock options in a particular quarter. See "Results of Operations".

5. Liquidity and Capital Resources

The Company manages its cash, cash equivalents and common shares as capital. The Company's objectives in managing its capital are to:

- Maintain sufficient cash and cash equivalents to last a minimum of one year;
- Have the flexibility to achieve its on-going business objectives, including but not limited to funding work programs on its exploration and evaluation assets and pursuing new business opportunities as they arise, and
- Minimize dilution to existing shareholders.

The Directors have not specified a quantitative return on capital criteria for management, but rather rely on the expertise of management to sustain future development of the business.

The Company's exploration and evaluation assets are in the development stage and the Company does not generate a positive cash flow. As a consequence, the Company relies on accessing the capital markets to obtain the funds needed to carry on its business. It is the Company's intention to utilize its existing working capital and to raise additional funds as needed. The additional funds will be raised primarily through the issuance of its securities in private placements.

Cash and Financial Conditions

The Company's cash position was $14,997,864 at March 31, 2022 (December 31, 2021 - $14,535,024) while its working capital was $15,624,951 (December 31, 2021 - $15,324,230).

Financing Activities

During the three months ended March 31, 2022, the Company received $300,000 (2021 – $207,500) from the issuance of shares from the exercise of stock options. During the three months ended March 31, 2022, the Company received $1,699,750 from the issuance of shares of its subsidiary, CLC (2021 – nil). During the three months ended March 31, 2022, the Company paid $20,326 (2021 – $8,111) of its lease liability. During the three months ended March 31, 2022, the Company received nil in proceeds from its CEBA loan (2021 – $20,000).

Investing Activities

During the three months ended March 31, 2022, the Company incurred acquisition and deferred exploration cash costs of $1,249,474 (2021 - $282,605) on its exploration and evaluation assets.

Outlook

The Company's working capital position at March 31, 2022 was $15,624,951.

It is anticipated that the Company will have sufficient working capital to fund its anticipated activities over the April to December 2022 period, currently budgeted at approximately $11,000,000. Nevertheless, if an opportunity arises that would allow FPX Nickel to raise

additional equity on reasonable terms, the Company would be prepared to complete a financing. It will also consider entering into joint venture arrangements with third parties to advance the exploration and evaluation of one or more of its 100% owned nickel properties.

Outstanding share data as at the Report Date

As of the Report Date, the Company has 215,857,863 common shares outstanding (232,344,051 shares fully diluted). There are 15,000,000 stock options outstanding under the Company's incentive stock option plan. The stock options are exercisable at prices ranging from $0.10 to $0.80 per share, with expiry dates ranging to April 11, 2027. If the Company were to issue the 15,000,000 shares issuable upon exercise of all incentive stock options outstanding, it would receive $5,162,500. There are 1,486,188 broker warrants, exercisable at $0.65 per share, expiring on April 7, 2023. If the Company were to issue the 1,486,188 shares issuable upon exercise of all incentive stock options outstanding, it would receive $966,022.

6. Transactions with related parties

At March 31, 2022, liabilities included $91,907 (December 31, 2021 – $61,232) due to related parties. Amounts due to related parties are unsecured and non-interest bearing.

During the three months ended March 31, 2022, the Company entered into the following related party transactions:

- paid or accrued $77,500 (2021 - $68,750) in fees and bonuses to Martin Turenne Consulting Ltd., a private company controlled by Martin Turenne, the Company's President and Chief Executive Officer, for management and administrative services.

- paid or accrued $54,119 (2021 - $40,031) in fees to Adera Company Management Inc., a private company controlled by J. Christopher Mitchell, the Company's Chief Financial Officer and Corporate Secretary, for management and administrative services.

- paid or accrued $68,250 (2021 – nil) in salary to Andrew Osterloh, the Company's Vice-President, Projects.

- paid or accrued nil (2021 - $9,450) in fees to P.J. Marshall Consulting Inc., a private company controlled by Peter Marshall, a Director of the Company, for advisory services.

The amounts charged to the Company for the services provided have been determined by negotiations between the parties and are covered by a signed agreement. These services were in the normal course of operations and management believes that they were incurred on a basis consistent with comparable transactions between other non-related parties.

The Company considers its Officers to be key management personnel. Amounts paid to the key management personnel during the three months ended March 31, 2022 and 2021 are shown in the following table:

	2022	2021
Salaries or fees	$ 199,869	$ 108,781
Share-based payments	-	-
Total key management personnel	$ 199,869	$ 108,781

7. Standards, Amendments and Interpretations

There are no new IFRS standards, interpretations and amendments effective during the three months ended March 31, 2022, which are of potential significance to the Company.

8. Risk Factors Relating to the Company's Business

As a company active in the mineral resource exploration and development industry, FPX Nickel is exposed to a number of risks.

Exploration Stage Operations

The Company's operations are subject to all of the risks normally incident to the exploration for and the development and operation of mineral properties. The Company has implemented comprehensive safety and environmental protection measures designed to comply with government regulations and ensure safe, reliable and efficient operations in all phases of its operations. The Company maintains liability and property insurance, where reasonably available, in such amounts it considers prudent. The Company may become subject to liability for hazards against which it cannot insure or which it may elect not to insure against because of high premium costs or other reasons.

All of the Company's properties are still in the exploration stage. Mineral exploration and exploitation involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to avoid. The minerals business is characterized by long lead times from discovery to development, and few exploration projects successfully make the transition to development.

Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the material processed and to develop the mining and processing facilities and infrastructure at any site chosen for mining.

There is no assurance that commercial quantities of ore will be discovered. Even if commercial quantities of ore are discovered, there is no assurance that the properties will be brought into commercial production or that the funds required to exploit mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. The commercial viability of a mineral deposit once discovered is also dependent on a number of factors, some of which are

the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices. Most of the above factors are beyond the control of the Company.

There can be no assurance that the Company's mineral exploration activities will be successful. In the event that such commercial viability is never attained, the Company may seek to transfer its property interests or otherwise realize value or may even be required to abandon its business and fail as a "going concern".

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with other companies with greater technical and financing resources than itself with respect to acquisition of properties of merit, and the recruitment and retention of qualified individuals to carry out its mineral exploration activities. Competition in the mining industry could adversely affect the Company's prospects for mineral exploration in the future.

Financial Markets

The Company is dependent on the equity markets as its primary source of operating working capital and the Company's capital resources are largely determined by the strength of the junior resource markets, by the status of the Company's projects in relation to these markets, and by the Company's ability to attract investor support for its projects.

There is no assurance that funding will be accessible to FPX Nickel at the times and in the amounts required to fund the Company's activities, as there are many circumstances that are beyond the control of FPX Nickel. For example, the Company is dependent on investor sentiment being positive towards the minerals exploration business in general and FPX Nickel in particular. Many factors influence investor sentiment, including a positive climate for mineral exploration, the experience and caliber of a company's management and a company's track record in discovering or acquiring economically viable mineral deposits.

Environmental and Government Regulation

Mining and exploration activities are subject to various laws and regulations relating to the protection of the environment, historical and archaeological sites and endangered and protected species of plants and animals. Although the exploration activities of the Company are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development activities. Amendments to current laws and regulations governing the activities of the Company, or more stringent implementation thereof, could have a substantial adverse impact on the Company.

Title to Properties, First Nations Issues

While the Company has investigated the title to all of the properties on which it holds mineral claims or other forms of mineral rights or concessions or in respect of which it has a right to earn an interest, the Company cannot guarantee that title to such properties will not be challenged or impugned. The Company can never be certain that it will have valid title to its mineral properties. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers under foreign law are often complex. The Company does not carry title insurance on its properties. A successful claim that the Company or its option partner does not have title to

a property could cause the Company to lose its rights to that property, perhaps without compensation for its prior expenditures relating to the property.

Negotiations with First Nations' groups can add an additional layer of risk and uncertainty to efforts to explore and develop mineral deposits in many areas of Canada. This is particularly true in British Columbia, where protracted negotiations of land claims have resulted in settlement of only a fraction of the claims. The slow pace of resolving these claims is frustrating to both the First Nations peoples and explorers and could result in actions that would hinder timely execution of exploration programs.

Foreign Currency

The Company' loan payable and a portion of the Company's expenses are denominated in foreign currencies. Fluctuations in the exchange rate between the Canadian dollar and such other currencies may have a material effect on our business, financial condition and results of operations. The Company does not hedge against foreign currency fluctuations.

Inflation

In the recent past, while inflation had not been a significant factor, the ongoing efforts of many governments to improve the availability of credit and stimulate domestic economic growth while incurring substantial deficits may result in substantial inflation and/or currency depreciation in the future.

COVID-19

Starting in March 2020, significant measures have been implemented in Canada and the rest of the world in response to the increased impact from COVID-19. COVID-19 has not had a significant impact on the Company's operations. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the future impact of COVID-19 on the Company's operations cannot be reasonably estimated at this time and we anticipate this could have a potential adverse impact on our project exploration plans, financial position, cash flows and results of operations during 2021 and beyond.

Forward-Looking Statements

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the British Columbia Securities Act, the Alberta Securities Act and the Ontario Securities Act. This includes statements concerning the Company's plans at its mineral properties, which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, the ability of the Company to continue to be able to access the capital markets for the funding necessary to acquire and maintain exploration properties and to carry out its desired exploration programs; inability to fund the Company's share of costs incurred under joint venture agreements to which it is a party, and reduction or elimination of its joint venture interest as a result; competition within the minerals industry to acquire properties of merit, and competition from other companies possessing greater technical and financial resources; difficulties in executing exploration programs on the Company's proposed schedules and within its cost estimates, whether due to

weather conditions in the areas where it operates, increasingly stringent environmental regulations and other permitting restrictions, or other factors related to exploring of its properties, such as the availability of essential supplies and services; factors beyond the capacity of the Company to anticipate and control, such as the marketability of mineral products produced from the Company's properties, government regulations relating to health, safety and the environment, and the scale and scope of royalties and taxes on production; the availability of experienced contractors and professional staff to perform work in a competitive environment and the resulting adverse impact on costs and performance and other risks and uncertainties, including those described in each management's discussion and analysis of financial condition and results of operations. In addition, forward-looking information is based on various assumptions including, without limitation, assumptions associated with exploration results and costs and the availability of materials and skilled labour. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or otherwise.