ARCHER EXPLORATION CORP.

Management's Discussion & Analysis

For the years ended September 30, 2022 and 2021

(Expressed in Canadian Dollars)

MANAGEMENT'S DISCUSSION & 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 audited consolidated financial statements and the notes thereto for the years ended September 30, 2022 and 2021 (collectively referred to hereafter as the "financial statements").

The following discussion and analysis, prepared by management, reviews the Company's financial condition and results of operations for the years ended September 30, 2022 and 2021. The MD&A should be read in conjunction with the financial statements of the Company and related notes for the years ended September 30, 2022 and 2021, which have been prepared 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. All dollar amounts are presented in Canadian dollars, the reporting currency of the Company, unless specifically noted. 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 year to date periods ended September 30, 2022 and 2021 are referred to as "fiscal 2022" and "fiscal 2021" 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.

On September 14, 2022, the Company appointed Tom Meyer as President, Chief Executive Officer and director. On October 25, 2022, the Company announced the appointment of Mr. Jacquelin Gauthier as the Vice President of Exploration. On November 18, 2022, David Cobbold, Christian Kargl-Simard, Marz Kord and Brian Penny were appointed to the Board of Directors on the closing of the asset acquisition from Wallbridge Mining Company Limited.

The following MD&A has been prepared by management, in accordance with the requirements of NI 51-102 as of January 25, 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".

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.

DESCRIPTION OF THE BUSINESS

The Company was incorporated on October 26, 2018 and focuses on the exploration of mineral claims located in Quebec, 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 (the "Exchange") under the symbol "RCHR".

The Company expenses all exploration, evaluation and development expenditures until management concludes that a future economic benefit is more likely than not to be realized.

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 has no operating cash flow, 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.

AMALGAMATION

On October 13, 2020, the Company entered into an amalgamation agreement (the "Amalgamation Agreement") between the Company, Altair Capital Corp. ("Altair") and 1269569 B.C. Ltd., a wholly owned subsidiary of the Company, whereby the entities will continue operations as one company as the Company. As consideration, the Company issued 248 common shares for each Class A common share of Altair, and one common share for each Class B common share of Altair, to the shareholders of Altair. The Company issued in total 1,096,084 common shares at a fair value of $0.15 per share, which was the share price of the most recent private placement prior to the Amalgamation Agreement for gross proceeds of $164,413.

Included in the Amalgamation Agreement was the acquisition of a right held by Altair to an option agreement for mining properties. The valuation of the right to option was calculated based on the issuance of 1,096,084 common shares at a fair value of $0.15 per share for aggregate consideration of $164,413 and was recorded an intangible asset. On January 4, 2021, the Company decided not to pursue the Altair property outlined in the agreement. Accordingly, the right to option agreement asset that was acquired through the Altair transaction was analyzed by management and was fully written off during the year ended September 30, 2021.

WALLBRIDGE TRANSACTION

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 Quebec and Ontario in exchange for 66,211,929 common shares of the Company (the "Transaction"). 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. Refer to the subsequent events section for further details.

CASTER PROPERTY

On August 1, 2020, the Company entered into an option agreement with Geomap Exploration Inc. ("Geomap") whereby the Company was granted an exclusive option to acquire a 100% interest in Caster Property located in Lac Paul, Quebec.

On October 27, 2020, pursuant to the option agreement, the Company paid $37,500 to Geomap. This payment was recorded as acquisition cost and capitalized to exploration and evaluation assets. During the year ended September 30, 2022, the Company incurred a total of $109,990 capitalized exploration and evaluation costs on the Property.

On May 31, 2022, the Company decided not to pursue the Caster Property. Accordingly, the right to option agreement asset was analyzed by management, which elected to discontinue payments and the $147,490 previously recorded to exploration and evaluation assets was fully written off during the year ended September 30, 2022.

FINANCIAL CONDITIONS

As at September 30, 2022, current assets were $315,824 (September 30, 2021 - $1,498,277) and current liabilities were $238,315 (September 30, 2021 - $224,611), resulting in working capital of $77,509 (September 30, 2021 - $1,273,666). The decrease in working capital during the year ended September 30, 2022, is mainly due to decrease cash and prepaid expenses and deposits, and an increase in trade and other payables.

As at September 30, 2022, the Company had total assets of $315,824 (September 30, 2021 - $1,535,777) which is comprised of $213,231 of cash (September 30, 2021 - $731,346), GST/HST receivable of $95,943 (September 30, 2021 - $5,597), $6,650 of prepaid expenses and deposits (September 30, 2021 - $761,334), and exploration and evaluation assets of $nil (September 30, 2021 - $37,500).

As at September 30, 2022, the Company had total liabilities of $238,315 (September 30, 2021 - $224,611), which comprises trade and other payables.

As at September 30, 2022, shareholders' equity was comprised of share capital of $3,186,256 (September 30, 2021 - $1,174,961), warrants reserve of $699,457 (September 30, 2021 - $429,952), share-based payments reserve of $414,785 (September 30, 2021 - $21,956), shares to be issued of $nil (September 30, 2021 - $427,500), and a deficit of $4,222,989 (September 30, 2021 - $743,203) for a total shareholders' equity of $77,509 (September 30, 2021 - $1,311,166).

The weighted average number of common shares outstanding for the year ended September 30, 2022 was 9,893,340 (2021 - 4,805,733).

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 September 30, 2022 the Company had cash of $213,231 (September 30, 2021 - $731,346) and a net working capital of $77,509 (September 30, 2021 - $1,273,666).

The Company's cash flows from operations are negative as it is an exploration stage company. During the year ended September 30, 2022, the Company used cash of $2,261,124 in operating activities (2021 - $1,099,140) primarily related to exploration activities, filing and legal fees as well as professional fees, and changes in non-cash working capital.

During the year ended September 30, 2022, the Company used cash of $109,990 in investing activities (2021 - $37,500) for expenditures on exploration and evaluation assets.

During the years ended September 30, 2022, the Company received cash of $1,852,999 from financing activities (2021 - $1,650,500) related to proceeds from issuance of units, proceeds from options exercise and warrants exercise.

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.

SHARE CAPITAL HIGHLIGHTS

During the year ended September 30, 2022, the Company completed the following 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 share-based payment reserve 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.

During the year ended September 30, 2021, the Company completed the following transactions:

On November 6, 2020, the Company issued 1,096,084 common shares with a fair value of $164,413 to enter into the Amalgamation Agreement which included the acquisition of the right to an option agreement.

On February 3, 2021, the 400,000 special warrants were automatically converted into units, following the final receipt and listing of the Company on the Exchange. The units consisted of 400,000 common shares and 400,000 share purchase warrants exercisable at $0.45 with an expiry date of February 3, 2023.

On July 20, 2021, pursuant to a private placement, the Company issued 1,913,334 Units of the Company at $0.60 per share for gross proceeds of $1,148,000. Each unit consists of one common share and one-half common share purchase warrant to acquire an additional common share for $1.50 for a period of twenty-four months from the date of closing. As a result, $867,928 was allocated to share capital and $280,072 was allocated to warrants reserve.

USE OF PROCEEDS AND MILESTONES

On November 20, 2020, the Company closed a private placement of special warrants for aggregate gross proceeds of $120,000 at a price of $0.10 per unit. The funds were raised for general working capital purposes.

On July 20, 2021, the Company closed a private placement of units for aggregate gross proceeds of $1,148,000 at a price of $0.60 per unit. The Company raised the funds for the purpose of an exploration and project acquisition review relating to the Caster project and general working capital.

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 20, 2020	July 20, 2021	October 1, 2021
	$	$	$
Total proceeds	120,000	1,148,000	1,499,999
Allocation of proceeds:			
Caster property option agreement payment	-	147,490	-
Letter of intent payment for option to acquire property rights	-	761,334	298,808
Project due diligence costs and acquisition reviews	-	-	177,886
Professional fees	-	87,458	359,218
Legal fees	-	-	320,826
General working capital expenses	120,000	151,718	343,261

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.

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.

SUBSEQUENT EVENTS

General

On October 12, 2022, the Company held a special meeting of its shareholders. At the meeting shareholders approved the appointment of six directors to the Company's Board of Directors, subject to the completion of the Wallbridge transaction, and a new omnibus equity incentive plan.

Stock options, Restricted stock units and Deferred stock units

On October 7, 2022, the Company received $2,000 from the exercise of 6,666 stock options with an exercise price of $0.30 per option.

On October 15, 2022, 6,667 stock options expired unexercised.

On December 6, 2022, on termination of a contract with a consultant, 50,018 unvested stock options were forfeited, and 33,346 vested stock options were given a 12-month term from termination date, bringing the expiry date from June 8, 2026 to December 6, 2023. In addition, on termination the Company agreed to pay the consultant $309,958 in severance.

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 installments commencing on the date of the grant. In addition, the Company granted 350,000 Restricted Share Units ("RSUs") to certain officers, employees and consultants and 1,100,000 Deferred Share Units ("DSUs") to certain directors of the Company. The RSUs will vest in three equal installments commencing on the first anniversary of the grant date and the DSUs will not vest until such time as the director ceases to be a director of the Company, provided that no DSUs will vest within 12 months of the grant date.

Wallbridge transaction

On November 18, 2022, the Company announced that it closed the Transaction and issued Wallbridge 66,211,929 common shares. The assets acquired included 2,046 mining titles, including a 100% interest in the Grasset nickel sulphide deposit, 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 and pursuant to a finder's fee agreement dated June 10, 2022, the Company issued 1,655,298 common shares to two arm's length parties as compensation for the introduction of the Company and Wallbridge.

Brokered private placement

On November 18, 2022, in connection with the closing of the Transaction, the Company completed a private placement for gross proceeds of $10,182,500. The private placement consisted of the issuance of: (i) 4,545,455 non-flow-through units of the Company at a price of $0.66 per non-flow-through unit; (ii) 4,243,334 flow-through units of the Company at a price of $0.75 per flow-through unit; and (iii) 2,898,550 charity flow-through units of the Company at a price of $1.38 per charity flow-through unit, whereby each unit consists of one common share and one warrant. Each unit warrant entitles the holders to purchase one common share of the Company at an exercise price of $1.02 per share, and has an expiry date of November 18, 2024.

In connection with the completion of the private placement, the Company paid a cash finder's fee of $618,919 and issued 385,031 non-transferrable broker warrants. Each broker warrant entitles the holders to purchase one common share of the Company at an exercise price of $0.66 per share, and has an expiry date of May 18, 2024.

RESULTS OF OPERATIONS

	Q4 2022	Q4 2021	**Fiscal 2022**	Fiscal 2021
			$	$
Operating expenses				
Exploration and evaluation	**9,392**	142,106	**177,886**	182,807
Filing fees	**2,271**	35,761	**26,738**	35,761
General and administrative	**33,101**	35,654	**150,788**	36,751
Legal fees	**290,738**	-	**708,633**	-
Management fees	**40,316**	63,966	**184,988**	110,079
Marketing	**7,300**	525	**30,817**	525
Professional fees	**151,123**	110,940	**561,929**	169,920
Rent	**8,000**	12,600	**44,000**	12,600
Share-based payments	**67,770**	6,906	**393,130**	21,956
Total operating expenses	**610,011**	408,458	**2,278,909**	570,399
Other expenses (income)				
Foreign exchange loss	**(14,132)**	-	**(6,755)**	-
Impairment of option agreement rights	**-**	-	**147,490**	164,413
Interest income	**-**	-	**-**	(15)
Impairment of prepaid expenses and deposits	**298,808**	-	**1,060,142**	-
Total other expenses	**284,676**	-	**1,200,877**	164,398
Loss and comprehensive loss for the year	**894,687**	408,458	**3,479,786**	734,797

Q4 2022 compared to Q4 2021

For the quarter ended September 30, 2022, the Company reported a net loss of $894,687 compared to $408,458 in the prior year comparable period. The primary drivers of this increase in the net loss were as follows:

- Legal fees increased to $290,738 compared to $nil in the prior year comparable period primarily relating to legal costs associated with the Wallbridge transaction.
- Share-based payments increased to $67,770 from $6,906 in the prior year comparable period attributable to the vesting of stock options granted to officers and employees of the Company in the current year period.
- Impairment of prepaid expenses and deposits increased to $298,808 compared to $nil in the prior year comparable period. This resulted from the termination of a non-binding letter of intent the Company had to acquire all of the issued and outstanding common shares of a third-party company. In connection with the termination of the letter of intent, the Company wrote off the deposits of $298,808.

Partially offsetting the increase in the net loss was a decrease in exploration and evaluation to $9,392 compared to prior year comparable period of $142,106 relating to the decision to no longer pursue the Caster property, hence discontinuing payments.

Fiscal 2022 compared to Fiscal 2021

The Company reported a net loss of $3,479,786 compared to $734,797 in the prior year comparable period. The primary drivers of this increase in the net loss were as follows:

- Legal fees increased to $708,633 from $nil in the prior year compared period relating to consulting fees investment projects, increased compliance costs, and legal fees associated with the Wallbridge transaction.
- Professional fees increased to $561,929 compared to $169,920 in the prior year comparable period relating to increased accounting and consulting costs for technical reports and advisory services relating to various projects the Company is involved in.
- Share-based payments increased to $393,130 from $21,956 in the prior year comparable period attributable to the vesting of stock options granted to officers and employees of the Company in the current year period.
- Impairment of prepaid expenses and deposits increased to $1,060,142 compared to $nil in the prior year comparable period. This resulted from the termination of two non-binding letters of intent the Company had with independent third parties for which the Company would have acquired all of the issued and outstanding common shares of the third parties. In connection with the termination of the letter of intent, the Company wrote off the deposits of $1,060,142.

SUMMARY OF QUARTERLY RESULTS

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

	Q4 2022	Q3 2022	Q2 2022	Q1 2022
	$	$	$	$
Net loss	**894,687**	1,249,161	137,331	1,198,607
Basic and diluted loss per share	**0.08**	0.04	0.01	0.05
Working capital	**77,509**	904,426	1,862,052	1,334,828
Total assets	**315,824**	1,019,551	2,058,429	1,783,347
Total liabilities	**238,315**	115,125	48,887	411,019
Share capital and reserves	**77,509**	904,426	2,009,542	1,372,328
Deficit	**4,222,989**	3,328,302	2,079,141	1,941,810

	Q4 2021	Q3 2021	Q2 2021	Q1 2021
	$	$	$	$
Net loss	408,458	109,622	185,406	31,311
Basic and diluted loss per share	0.05	0.01	0.01	0.00
Working capital	1,273,666	115,386	241,591	262,283
Total assets	1,535,777	270,671	243,879	488,834
Total liabilities	224,611	88,453	2,288	24,638
Share capital and reserves	1,311,166	182,218	279,091	464,196
Deficit	743,203	334,745	225,123	39,717

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 expenses. The quarterly trend in total assets is primarily driven by movements in exploration and evaluation assets relating to the investment in and later impairment of projects. The quarterly trend in loss for the period and loss per share is primarily driven by the Company's exploration and evaluation expenses and corporate costs.

SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies are fully disclosed in the notes of the annual financial statements for the years ended September 30, 2022 and 2021.

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 12 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 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.

CRITICAL 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.

Impairment of exploration and evaluation assets

In accordance with the Company's accounting policy, the Company's exploration and evaluation assets are evaluated every reporting period to determine whether there are any indications of impairment. If any such indication exists, which is often judgmental, a formal estimate of recoverable amount is performed, and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset or cash generating group of assets is measured at the higher of fair value less costs to sell and value in use.

The evaluation of asset carrying values for indications of impairment includes consideration of both external and internal sources of information, including such factors as market and economic conditions, metal prices, future plans for the Company's mineral properties and mineral resources and/or reserve estimates.

Going concern

These financial statements have been prepared using IFRS applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations for the foreseeable future.

Significant areas requiring the use of management estimates and assumptions include:

Fair value calculation of share-based payments

The fair value of share-based payments in relation to the options granted is calculated using a Black-Scholes option pricing model. There are a number of estimates used in the calculation such as the expected option life, rate of forfeiture of options granted, risk-free interest rate used and the future price volatility of the underlying security, which can vary from actual future events. The factors applied in the calculation are management's best estimates based on industry averages and future forecasts

Assessing whether deferred tax assets and liabilities are recognized in accordance with International Accounting standard ("IAS") 12 *Income Taxes*

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

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

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

Amounts paid to key management personnel and/or entities over which they have control during years ended September 30, 2022 and 2021 are as follows:

	QTD 2022	**QTD 2021**	**YTD 2022**	YTD 2021
			$	$
General and administrative paid to related company	**17,000**	-	**93,500**	-
Management fees paid to officers	**27,941**	80,208	**140,238**	126,321
Rent paid to related company	**8,000**	-	**44,000**	-
Share-based payments made to officers and directors	**10,791**	4,489	**59,078**	15,077
Total	**63,732**	84,697	**336,816**	141,398

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.

During the year ended September 30, 2022, the Company paid management fees of $30,000 (2021 - $20,993) to the Chief Financial Officer ("CFO"), $74,797 to the former Chief Executive Officer ("CEO") (2021 - $ 101,229), $22,500 to the former interim CEO (2021 - $nil), $12,941 to the President and CEO of the Company (2021 - $nil), and $nil to directors of the Company (2021 - $ 4,100).

During the year ended September 30, 2022, the Company paid general and administrative expenses of $93,500 (2021 - $nil) and rent of $44,000 (2021 - $nil) to Inventa Capital Corp., a company controlled by a director of the Company.

During the year ended September 30, 2022, the Company recorded share-based compensation of $1,221 related to options issued to the CFO (2021 - $1,482), $nil related to options issued to the former CEO (2021 - $12,294), $38,750 related to options issued to the former interim CEO (2021 - $nil), $23,250 related to options issued to a director (2021 - $1,000) and $nil related to options issued to the former Vice President of Exploration (2021 - $301) related to the vesting of stock options granted to the key management personnel. Additionally, the Company recorded a reversal of share-based compensation of $4,144 relating to the expiry of unvested stock options of the former CEO.

As at September 30, 2022, the Company had $30,257 (September 30, 2021 - $46,916) 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.

PROPOSED TRANSACTIONS

On September 7, 2021, the Company signed a non-binding letter of intent to acquire all of the issued and outstanding common shares of a third-party company for an aggregate 2,524,772 common shares of the Company. Pursuant to the letter of intent, the Company paid a non-refundable deposit in relation to maintaining property licences of $761,334 (USD $600,000) relating to an exploration and evaluation asset. On July 13, 2022, the Company announced they had terminated the letter of intent and funds previously advanced would be forgiven.

On October 15, 2021, the Company signed a non-binding letter of intent to acquire all of the issued and outstanding common shares of a third-party company. Pursuant to the letter of intent, the Company paid a non-refundable deposit $298,808 (USD 235,000) relating to an exploration and evaluation asset.

During the year ended September 30, 2022, in connection with the termination of the letters of intent, the prepaid expenses and deposits amounting to $1,060,142 were fully written off.

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	14,504,020
Options	2,948,361
Deferred stock units	1,100,000
Restricted stock units	350,000

[1] *Authorized: Unlimited common shares without par value.*

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Fair value

As at September 30, 2022, the fair value of the financial instruments cash and trade and other payables are classified and measured at amortized cost. The carrying value of cash 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. The Company is not exposed to significant credit risk as its cash is placed with major Canadian financial institutions.

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.

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.

Interest rate risk

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

Foreign currency risk

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 US dollars. It is not exposed to a material degree of currency risk because it has few transactions in foreign currencies and does not have foreign mineral properties.

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 September 30, 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 September 30, 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 fourth quarter of 2022 that materially affected, or are reasonably likely to affect, the Company's internal controls over financial reporting.

RISKS AND UNCERTAINTIES

The operations of the Company are subject to significant uncertainty due to the high-risk nature of its business, which is the acquisition, exploration, discovery, development and production of nickel from a portfolio of exploration and development stage assets. The following risk factors could materially affect the Company's financial condition and/or future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. Additional risks and uncertainties, including those that the Company does not know about now or that it currently deems immaterial, may also adversely affect the Company's business.

Resource Exploration and Development is a Speculative Business

Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. The marketability of natural resources that may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Substantial expenditures are required to establish ore reserves through drilling and metallurgical and other testing techniques, determine metal content and metallurgical recovery processes to extract metal from the ore, and construct, renovate or expand mining and processing facilities. No assurance can be given that any level of recovery of ore reserves will be realized or that any identified mineral deposit, even it is established to contain an estimated resource, will ever qualify as a commercial mineable ore body which can be legally and economically exploited. The great majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.

Fluctuation of Metal Prices

Even if commercial quantities of mineral deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Company may affect the marketability of any substances discovered. The prices of various metals have experienced significant movement over short periods of time and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions.

There can be no assurance that the price of any commodities will be such that any of the properties in which the Company has, or has the right to acquire, an interest may be mined at a profit.

Financing Risks

Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

Increased Costs

Management anticipates that costs at the Company's projects will frequently be subject to variation from one year to the next due to a number of factors, such as the results of ongoing exploration activities (positive or negative), changes in the nature of mineralization encountered, and revisions to exploration programs, if any, in response to the foregoing. Increases in the prices of such commodities or a scarcity of consultants or drilling contractors could render the costs of exploration programs to increase significantly over those budgeted. A material increase in costs for any significant exploration programs could have a significant effect on the Company's operating funds and ability to continue its planned exploration programs.

Mining Industry is Intensely Competitive

The Company's business of the acquisition, exploration and development of mineral properties is intensely competitive. Increased competition could adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future.

Reclamation

There is a risk that monies allotted for land reclamation may not be sufficient to cover all risks, due to changes in the nature of the waste rock or tailings and/or revisions to government regulations. Therefore, additional funds, or reclamation bonds or other forms of financial assurance may be required over the tenure of any mineral project of the Company to cover potential risks. These additional costs may have a material adverse effect on the Company's business, financial condition and results of operations.

Permits and Licenses

The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects, on reasonable terms or at all. Delays or a failure to obtain such licenses and permits or a failure to comply with the terms of any such licenses and permits that the Company does obtain, could have a material adverse effect on the Company.

Government Regulation

Any exploration, development or mining operations carried on by the Company, will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In addition, the profitability of any mining prospect is affected by the market for precious and/or base metals which is influenced by many factors including changing production costs, the supply and demand for metals, the rate of inflation, the inventory of metal producing corporations, the political environment and changes in international investment patterns.

Environmental Restrictions

The activities of the Company are subject to environmental regulations promulgated by government agencies in different countries from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered/threatened species (such as the Mexican Spotted Owl) and reclamation of lands disturbed by mining operations. Certain types of operations require the submission and approval of environmental impact assessments. In addition, such laws and regulations can constrain or prohibit the exploration and development of new projects or the development or expansion of existing projects. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

Public Health Crises, including the COVID-19 Pandemic

The Company's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including any outbreak of additional strains of COVID-19. To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in a number of countries including Canada, the United States, Europe and Asia. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While a number of jurisdictions, including in Canada, have started to lift certain COVID-19 related restrictions, the duration of the various disruptions to businesses locally and internationally and the related financial and other impacts cannot be reasonably estimated at this time. Such public health crises can result in volatility and disruptions in the supply and demand for metals and minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk, share prices and inflation.

Such public health crises can result in volatility and disruptions in the supply and demand for nickel and other metals and minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. The risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest. Any of these could affect the Company's ability to advance exploration and development with such risks to include challenges in recruiting and retaining staff and personnel, restricted access for employees and contractors to the Moss Lake Project, equipment and materials not being delivered to site on schedule or at all, and further inefficiencies required to be put in place to health and safety resulting in less productivity.

Military Conflict in Ukraine

The military conflict in Ukraine could lead to heightened volatility in the global financial markets, increased inflation, and turbulence in mining markets. More recently, in response to Russian military actions in Ukraine, several countries (including Canada, the United States and certain allies) have imposed economic sanctions and export control measures, and may impose additional sanctions or export control measures in the future, which have and could in the future result in, among other things, severe or complete restrictions on exports and other commerce and business dealings involving Russia, certain regions of Ukraine, and/or particular entities and individuals. While the Company does not have any direct exposure or connection to Russia or Ukraine, as the military conflict is a rapidly developing situation, it is uncertain as to how such events and any related economic sanctions could impact the global economy. Any negative developments in respect thereof could have an adverse effect on the Company's business, operations, financial condition, and the value of the Company's securities.

Foreign Countries and Political Risk

Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business, or if significant enough, may make it impossible to continue to operate in the country. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, foreign exchange restrictions, export controls, income taxes, expropriation of property, environmental legislation and mine safety.

Title Matters

Although the Company has taken steps to verify the title to the mineral properties in which it has or has a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties for which titles have been issued are in good standing.

Exploration and Mining Risks

Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of nickel or other minerals produced, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Short term factors, such as the need for orderly development of ore bodies or the processing of new or different grades, may have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in geological resources, grades, stripping ratios or recovery rates may affect the economic viability of projects.

Regulatory Requirements

The activities of the Company are subject to extensive regulations governing various matters, including environmental protection, management and use of toxic substances and explosives, management of natural resources, exploration, development of mines, production and post-closure reclamation, exports, price controls, taxation, regulations concerning business dealings with indigenous peoples, labour standards on occupational health and safety, including mine safety, and historic and cultural preservation. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties, enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions, any of which could result in the Company incurring significant expenditures. The Company may also be required to compensate those suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspension of the Company's operations and delays in the exploration and development of the Company's properties.

No Assurance of Profitability

The Company has no history of earnings and, due to the nature of its business there can be no assurance that the Company will ever be profitable. The Company has not paid dividends on its common shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is from the sale of its common shares or, possibly, from the sale or optioning of a portion of its interest in its mineral properties. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there can be no assurance that any such funds will be available on favorable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

Uninsured or Uninsurable Risks

Exploration, development and mining operations involve various hazards, including environmental hazards, industrial accidents, metallurgical and other processing problems, unusual or unexpected rock formations, structural cave-ins or slides, flooding, fires, metal losses and periodic interruptions due to inclement or hazardous weather conditions. These risks could result in damage to or destruction of mineral properties, facilities or other property, personal injury, environmental damage, delays in operations, increased cost of operations, monetary losses and possible legal liability. The Company may not be able to obtain insurance to cover these risks at economically feasible premiums or at all. The Company may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

Climatic Change

The Company's operations in the future may be energy intensive. While the Company will review numerous processes to reduce its overall carbon footprint in future economic studies, such as the use of electric battery powered mining equipment, the Company acknowledges climate change as an international and community concern. Legislation and regulations relating to emission levels and energy efficiency are becoming more rigorous and may result in increased costs at its future operations. While the Company has taken measures to manage the use of energy, such regulatory requirements may have an adverse impact on the Company.

Potential Conflicts of Interest

The directors and officers of the Company may serve as directors and/or officers for other public and private companies, including companies in which the Company has invested in, and may devote a portion of their time to manage other business interests. This may result in certain conflicts of interest. To the extent that such other companies may participate in ventures in which the Company is also participating, and to the extent that such companies may receive funds from the Company, such directors and officers of the Company may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each company's participation. The Business Corporations Act (British Columbia), which governs the Company, requires the directors and officers to act honestly, in good faith, and in the best interests of the Company and its shareholders. However, in conflict of interest situations, directors and officers of the Company may owe the same duty to another company and will need to balance the competing obligations and liabilities of their actions. There is no assurance that the needs of the Company will receive priority in all cases. From time to time, several companies may participate together in the acquisition, exploration and development of natural resource properties, thereby allowing these companies to: (i) participate in larger programs; (ii) acquire an interest in a greater number of programs; and (iii) reduce their financial exposure to any one program. A particular company may assign, at its cost, all or a portion of its interests in a particular program to another affiliated company due to the financial position of the Company making the assignment. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, it is expected that the directors and officers of the Company will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Litigation

Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Like most companies, the Company is subject to the threat of litigation and may be involved in disputes with other parties in the future which may result in litigation or other proceedings. The results of litigation or any other proceedings cannot be predicted with certainty. If the Company is unable to resolve these disputes favourably, it could have a material adverse effect on the Company's business, financial condition and results of operations.

Key Executives and Outside Consultants

The Company is dependent upon the services of key executives, including the directors of the Company, and will be dependent on a small number of highly skilled and experienced executives and personnel if development plans progress. Due to the relatively small size of the Company, the loss of these persons or the inability of the Company to attract and retain additional highly-skilled employees may adversely affect its business and future operations.

The Company has also relied upon outside consultants, geologists, engineers and others and intends to rely on these parties for their exploration and development expertise. Substantial expenditures are required to construct mines, to establish mineral resources and reserves estimates through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes and to develop the development, exploration and plant infrastructure at any particular site. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company's business, financial condition and results of operations.

Potential Volatility of Market Price of Common Shares and Related Litigation Risks

Securities of publicly listed companies such as the Company have, from time to time, experienced significant price and volume fluctuations unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the market price of the Common Shares. In addition, the market price of the Common Shares is likely to be highly volatile. Factors such as nickel prices, the average volume of shares traded, announcements by competitors, changes in stock market analysts' recommendations regarding the Company and general market conditions and attitudes affecting other exploration and mining companies may have a significant effect on the market price of the Company's Common Shares. It is likely that the Company's results or development and exploration activities may fluctuate significantly or may fail to meet the expectations of stock market analysts and investors and, in such event, the market price of the Common Shares could be materially adversely affected. In the past, securities class action litigation has often been initiated following periods of volatility in the market price of a company's securities. Such litigation, if brought against the Company, could result in substantial costs and a diversion of management's attention and resources, which could have a material adverse effect on the Company's business, financial position and results of operations.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of common shares in the public markets, or the potential for such sales, could decrease the trading price of the common shares and could impair the Company's ability to raise capital through future sales of common shares. The Company has previously completed private placements at prices per share which may be, from time to time, lower than the market price of the common shares. Accordingly, a significant number of the Company's shareholders at any given time may have an investment profit in the common shares that they may seek to liquidate.

Dividend Policy

No dividends on the Common Shares have been paid by the Company to date. The Company currently plans to retain all future earnings and other resources, if any, of the future operation and development of its business. Payment of any future dividends, if any, will be at the discretion of the Company's board of directors after taking into account many factors, including the Company's operating results, financial condition and current and anticipated cash needs.

The Company's management consider the risks disclosed to be the most significant to potential investors of the Company, but not all risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not to be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.