

# **SPC Nickel Corp.**

## **Management Discussion & Analysis**

### **For the Year Ended August 31, 2022**

The following is management's discussion and analysis ("MD&A") of the financial condition and results of operations of SPC Nickel Corp. ("SPC" or the "Company") for the year ended, and as of, August 31, 2022 unless otherwise noted. This discussion and analysis should be read in conjunction with the Company's August 31, 2022 year end financial statements and attached notes, including the section on risks. This MD&A is dated December 14, 2022.

The Company's reporting currency is the Canadian dollar and all monetary amounts in this MD&A are expressed in Canadian dollars unless otherwise stated.

#### **INTERNAL QUALIFIED PERSON AND QUALITY CONTROL/QUALITY ASSURANCE**

Grant Moure, P.Geol., President and CEO of the Company, is a Qualified Person as defined under National Instrument 43-101 and has reviewed and approved the technical information contained in this MD&A.

#### **OVERVIEW OF THE COMPANY**

SPC is a mineral exploration company that is focused on exploring for nickel ("Ni"), copper ("Cu") and platinum group metals ("PGMs"). The Company has spent in excess of \$12 million dollars on exploration to date and is currently advancing its Ni-Cu-PGM properties located in the Sudbury Mining Camp, as well as its recently acquired Muskox Ni-Cu-PGM property, located in Nunavut. The Company will continue to focus on advancing its portfolio of properties, with a vision of discovering and delineating an economic orebody.

The business of exploration and mining involves a high degree of risk and there can be no assurance that the Company's exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the discovery of economically recoverable reserves and resources, securing and maintaining title and beneficial interest in the properties, the ability to obtain the necessary financing to complete exploration, development and construction of a mine and processing facilities, obtaining certain government approvals and attaining profitable production. There can be no assurance that the Company will be able to raise sufficient funds as and when required.

The Company's financial statements are prepared on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of the Company's business. The application of the going concern concept is dependent on the Company's ability to obtain financing to fund its operations.

#### **CORPORATE ACTIVITIES**

During the fiscal year ended August 31, 2022, the Company acquired a large comprehensive database related to the exploration of the Muskox Intrusion, located in the Territory of Nunavut. The proprietary database, which is exclusive to SPC, represents over 15 years of exploration and four multi-year exploration programs dating back to 1955. It is estimated by the Company that an equivalent of \$20 million dollars in modern exploration expenditure were previously incurred in the compilation of this database. Further details regarding the Muskox database acquisition, and the associated property acquisition, are provided below.

In March of 2022, the Company closed a private placement, issuing (i) 10,740,713 Special FT Units at a price of \$0.15 per Special FT Unit, for proceeds of \$1,611,106.95 and (ii) 11,980,000 FT Units (the "FT Units") at a price of \$0.13 per FT Unit, for proceeds of \$1,557,400, bringing aggregate gross proceeds raised through the private placement to \$3,168,507.

Each Special FT Unit, as well as each FT Unit, consists of one flow through common share of the Company and one half of one share purchase warrant (each whole warrant, a "Warrant"). Each Warrant issued as part of either the Special FT Units or the FT Units entitles the holder to purchase one additional non-flow through common share for a period of 18 months from closing at a price of \$0.18 per share

## **MINERAL PROPERTIES, ACTIVITY AND PLANS**

### **OVERVIEW OF PROJECTS**

SPC owns three properties, two of which are in the Sudbury Mining Camp near Sudbury Ontario (Aer-Kidd Property and Lockerby East Property) and one is near Espanola Ontario (Owen Nickel Property). In addition, it holds an option to acquire 100% of certain mining claims located 50 kilometres northeast of Sudbury (Janes Property). As well, the Company holds the mineral rights (Muskox Property) to 47,460 hectares comprised of 15 mining claims and 2 prospecting permits in the territory of Nunavut.

#### **AER-KIDD PROPERTY**

SPC owns 100% of the mining rights for the Aer-Kidd Property that is located approximately 20 kilometres southwest of Sudbury, Ontario, along the Worthington Offset Dyke. The property consists of 5 mining patents (mining rights only) representing approximately 403 hectares.

The property remains subject to a pre-existing underlying agreement that provides a 3% Net Smelter Return royalty (“NSR”) royalty to SPG Royalties Inc. (the “Aer-Kidd Royalty”) of which one half of the Aer-Kidd Royalty, or a 1.5 % net smelter returns royalty, can be purchased for \$1,250,000. The Aer-Kidd Royalty includes advanced royalty bi-annual payments of \$50,000 which are deductible from future royalty payments based on production from the Aer-Kidd Property. SPC also holds an option to purchase 100% of the property surface rights from the City of Greater Sudbury at any time prior to December 31, 2024 for a cash payment of \$250,000 and a further cash payment of \$250,000 if a mine is brought into commercial production on the Aer-Kidd Property.

#### **MUSKOX PROPERTY**

In September, 2021, the Company staked 11 mining claims (totaling 13,327 hectares) and obtained 2 prospecting permits (totaling 30,350 hectares) (collectively, the “Muskox Property”) in respect of exploration properties located within the Muskox Intrusion in the Kitikmeot Region of Nunavut. Additionally, in a separate transaction that closed on November 22, 2021, the Company acquired a 100% interest in a database related to the Muskox Intrusion in exchange for cash payment of \$94,600 (US\$75,000) and 100,000 warrants exercisable into common shares of the Company at an exercise price of \$0.20 per warrant for a period of three years from the closing date. In February and April, 2022, the Company staked an additional 4 mining claims (totaling 2,311 hectares) resulting in a total land holdings of 47,470 hectares in 15 mining claims and 2 prospecting permits.

#### **LOCKERBY EAST PROPERTY**

The Lockerby East Property is located approximately 20 kilometres west of Sudbury, Ontario within the southwest corner of the Sudbury Basin, and consists of approximately 397 hectares of freehold patents. The Lockerby East Property includes 100% of the Lockerby East and South patents as well as a 100% interest in the West Graham Property.

The Company owns 100% interest in the Lockerby East property. The property consists of freehold patents located in the south range of the Sudbury Igneous Complex (“SIC”), Sudbury, Ontario including 100% of the Lockerby patents and 100% of the West Graham Property subject to a 1% NSR to the previous owner of the West Graham portion of the Property.

#### **OWEN NICKEL PROPERTY**

SPC owns 100% of the mining rights of the 312.5 hectares property located 70 kilometres west of Sudbury Ontario near Espanola. The property consists of 3 mining patents (47.5 hectares) and 265 hectares of crown mining claims.

## **JANES PROPERTY**

On July 5, 2020, the Company entered into an option agreement to acquire a 100% interest in the Janes Property (the "Janes Option Agreement"). To earn a 100% interest in the Janes Property, the Company must pay \$335,000 in cash over five years, issue \$155,000 worth of Common Shares over five years and expend work commitments totaling \$227,000 over five years. To date, the Company has made cash payments and share issuances of \$43,000 and \$29,500, respectively, and has fulfilled the entire work commitment. Upon the Company vesting a 100% interest in the Janes Property, the optionors would retain a 2% NSR of which the Company can purchase the first 1% for \$1,000,000 and the remaining 1% for an additional \$500,000 up to the point of commercial production. Portions of the Janes Property remain subject to a pre-existing underlying agreement that provides a 1% NSR to a previous owner, of which all of the 1.0% NSR can be purchased for \$1,000,000. Under the terms of the Janes Option Agreement, the maximum allowable NSR to the Optionors on any portion of the Janes Property is 2%. On claims containing the pre-existing 1% NSR, the NSR awarded to the Optionors is reduced from 2% to 1%, of which the Company can purchase the first 0.5% for \$500,000 and the remaining 0.5% for an additional \$500,000 up to the point of commercial production.

## **EXPLORATION HIGHLIGHTS**

### **LOCKERBY EAST PROPERTY**

In April of 2022, the Company announced the commencement of a 4,200 metre drill program on the 100% owned Lockerby East Ni-Cu Property, located in the world class Sudbury mining Camp. The program was completed in July of 2022 after a total of 5,200 metres in 18 holes were completed.

The Lockerby East Project hosts both the historic West Graham and Lockerby East deposits. In 2009, First Nickel Inc. disclosed a historical resource estimate<sup>1</sup> of 8.55Mt @ 0.45% Ni and 0.31% Cu (indicated) and 2.0Mt @ 0.38% Ni and 0.30% Cu (inferred) for the West Graham deposit. These grades have economic potential in the Sudbury context as the deposit is located very near to surface and may be amenable to low-cost open pit mining. The deposit is characterized by a broad zone of disseminated to semi-massive sulphide that ranges from 1.7 to 66 metres thick and strikes for 375 metres with a dip extent of up to 533 metres. Within the larger resource, a distinct zone of higher-grade mineralization grading in excess of 1% Ni is present. At depth, the West Graham deposit is interpreted to be contiguous with the high-grade Lockerby East deposit where historic resources of 0.22 Mt @ 2.43% Ni and 0.78% Cu<sup>2</sup> (indicated + inferred) are hosted.

In April of 2022, the Company announced a 2022 drill program, consisting of approximately 14 holes totaling 4,200 metres of drilling, which was designed to further evaluate and expand the extents of the high-grade Ni-Cu zone hosted within the larger West Graham deposit. In addition, borehole geophysical surveys were also planned on a series of historic holes, in order to define additional targets in the 'gap zone' between the larger West Graham deposit and the high-grade Lockerby East deposit that occurs at depth. The goal of the overall program is to establish a near surface, updated nickel sulphide resource estimate on the West Graham deposit in a world class stable nickel mining camp. The program was completed in July of 2022 after a total of 5,200 metres in 18 holes were completed.

The Company has now completed the borehole geophysical program. A total of 3,741 metres in six historic holes were surveyed within the 'gap zone' between the West Graham deposit and the Lockerby East deposit. Results from the surveys were incorporated into the current geological model and used for planning purpose.

The Company considers the West Graham and Lockerby East resource estimates to be historic mineral resources for purposes of NI 43-101. Neither the Company nor a qualified person on behalf of the Company have done sufficient work to classify the historical estimates as current mineral resources and the Company is not treating such historical estimates as current mineral resources. The Company considers the historic mineral resource estimates to be relevant to an understanding of the West Graham Project but has not done any work to validate the estimates.

#### **Reference**

1. *NI 43-101 Report, Scott Wilson Mining, January 15, 2009, First Nickel Inc.; Technical Report on the West Graham Property Conwest Zone Resource Estimate, Graham Township, Ontario, Canada.*
2. *Technical Report on the 2009 Resource Estimate for the Depth, East and Upper West Zones, Lockerby Mine, Sudbury, Ontario, prepared by First Nickel Inc., February 23, 2009.*

In June of 2022, the Company released the assays results from of the first hole of the previously announced Lockerby East drill program. Highlights included:

- Hole WG-22-001, intersected a broad zone of Ni-Cu mineralization over 38.0 metres grading 0.75% nickel equivalent (“NiEq.”) (0.63% Ni, 0.33% Cu, 0.02% Co) from 38.0 to 76.0 metres.
- Included within the broad zone of mineralization was a high-grade zone returning values of 0.97% NiEq. (0.83% Ni, 0.40% Cu, 0.03% Co) over 24.0 metres.
- The values returned from WG-22-001 are consistent or better than those used to generate the 2009 West Graham resource.
- The drilling campaign continues at the Lockerby East Project with one drill currently turning. Since the start of the program a total of 2,600 metres in 10 holes have been completed.
- Drilling has been focused on defining and expanding the high-grade zone of the historic West Graham deposit, where values of ~1.0% NiEq. occur.

In July of 2022, the Company released an additional four holes from the now completed West Graham drill program. Highlights included:

- Hole WG-22-003, intersected a broad zone of Ni-Cu mineralization over 76.0 metres grading 0.54% NiEq. from 82.0 to 158.0 metres, including a higher-grade zone of 0.84% NiEq. over 16.5 metres.
- Hole WG-22-002, intersected a broad zone of Ni-Cu mineralization over 42.0 metres grading 0.48% NiEq. from 79.0 to 121.0 metres, including a higher-grade zone of 0.80% NiEq. over 16.0 metres.

In September of 2022, the Company released an additional three holes from the now completed West Graham drill program. Highlights included:

- Hole WG-22-008, intersected a broad zone of Ni-Cu mineralization over **82.6 metres grading 0.68% Nickel Equivalent (NiEq.)** from 246.0 to 328.6 metres, including a higher-grade zone of 0.87% NiEq. over 16.0 metres.
- Narrow intervals of high-grade massive sulphide were encountered in holes WG-22-008 and WG-22-009 including **2.15% Ni, 0.50% Cu over 2.0 metres**.
- Assay results from the remaining 10 holes are expected to be released in due course as they become available.

In October of 2022, the Company released an additional three holes from the now completed West Graham drill program. Highlights included:

- Hole WG-22-009, intersected a broad zone of Ni-Cu mineralization over **54.0 metres grading 0.68% Nickel Equivalent (NiEq.)** from 290.0 to 344.0 metres, including a higher-grade zone of **1.03% NiEq. over 12.0 metres**.
- In December of 2022, the Company released the final seven holes from the now completed West Graham drill program. Highlights included: New assay results include hole WG-22-013 that intersected a broad zone of Ni-Cu mineralization over **40.83 metres grading 0.62% Nickel Equivalent (NiEq.)** from 204.17 to 245.00 metres including a higher-grade zone of **0.82% NiEq. over 8.0 metres**.
- All drill holes returned Ni-Cu intersections consistent or better than the historic West Graham resource. Highlights include **82.6 metres grading 0.68% NiEq.** (WG-22-008, previously reported).
- Step-out drilling further defined and expanded the high-grade core of the West Graham resource. Highlights include **24.0 metres grading 0.97% NiEq.** (WG-22-001, previously reported).

Complete Assay results from the West Graham drilling on the Lockerby East Project are presented in the following table:

HOLE ID	INTERVAL			Ni Eq (%)	BASE METALS			PRECIOUS METALS				
	From (m)	To (m)	Length (m)		Ni (%)	Cu (%)	Co (%)	Pt (g/t)	Pd (g/t)	Au (g/t)	Ag (g/t)	3E PGE (g/t)
WG-22-001	38.00	76.00	38.00	0.75	0.63	0.33	0.02	0.04	0.02	0.03	1.52	0.09
including	50.00	74.00	24.00	0.97	0.83	0.40	0.03	0.05	0.02	0.04	1.60	0.11
including	52.00	58.00	6.00	1.02	0.82	0.59	0.03	0.04	0.03	0.09	2.18	0.16
including	64.00	74.00	10.00	1.21	1.07	0.38	0.03	0.06	0.03	0.02	1.62	0.11
WG-22-002	79.00	121.00	42.00	0.48	0.40	0.22	0.01	0.03	0.02	0.02	1.39	0.07
including	79.00	86.00	7.00	0.46	0.37	0.28	0.01	0.03	0.02	0.02	1.66	0.07
and	95.95	100.00	4.05	0.50	0.41	0.26	0.01	0.03	0.02	0.02	1.58	0.07
and	105.00	121.00	16.00	0.80	0.69	0.30	0.02	0.04	0.02	0.02	1.61	0.08
including	114.00	119.00	5.00	0.55	0.45	0.31	0.01	0.00	0.00	0.00	0.00	0.00
WG-22-003	82.00	158.00	76.00	0.54	0.44	0.27	0.02	0.05	0.02	0.02	1.61	0.09
including	135.50	152.00	16.50	0.84	0.71	0.36	0.03	0.06	0.03	0.02	2.00	0.11
including	148.00	152.00	4.00	1.16	0.98	0.51	0.03	0.09	0.03	0.02	2.48	0.14
WG-22-004	88.00	151.00	63.00	0.42	0.34	0.22	0.01	0.04	0.02	0.02	1.51	0.08
and	165.00	173.00	8.00	0.56	0.46	0.29	0.02	0.05	0.02	0.02	2.10	0.09
WG-22-005	128.00	193.00	65.00	0.39	0.31	0.23	0.01	0.04	0.02	0.02	1.23	0.08
including	144.00	167.83	23.83	0.46	0.38	0.24	0.01	0.05	0.02	0.03	1.22	0.09
including	170.40	181.00	10.60	0.63	0.51	0.36	0.02	0.05	0.02	0.03	1.81	0.11
including	185.00	193.00	8.00	0.34	0.25	0.26	0.01	0.05	0.02	0.03	1.36	0.09
WG-22-006	124.00	188.00	64.00	0.53	0.42	0.31	0.01	0.06	0.02	0.03	1.61	0.11
including	133.00	152.00	19.00	0.67	0.54	0.38	0.02	0.09	0.02	0.04	2.06	0.15
including	149.00	152.00	3.00	1.01	0.84	0.50	0.03	0.11	0.03	0.04	2.47	0.18
including	176.00	178.00	2.00	1.16	1.00	0.44	0.03	0.08	0.03	0.04	2.10	0.16
including	185.50	187.00	1.50	1.27	0.98	0.86	0.02	0.08	0.03	0.03	3.90	0.14
WG-22-007	164.00	245.00	81.00	0.42	0.34	0.23	0.01	0.05	0.01	0.02	1.08	0.08
and	258.25	264.00	5.75	0.57	0.47	0.31	0.01	0.11	0.04	0.03	1.50	0.18
and	276.00	288.00	12.00	0.47	0.36	0.32	0.01	0.19	0.03	0.05	1.60	0.27
and	291.30	293.45	2.15	1.90	1.76	0.34	0.05	0.06	0.04	0.02	2.71	0.13
WG-22-008	246.00	328.60	82.60	0.68	0.53	0.44	0.01	0.13	0.03	0.05	2.29	0.21
including	254.00	256.00	2.00	2.34	2.15	0.50	0.08	0.05	0.04	0.03	3.31	0.12
including	264.00	280.00	16.00	0.87	0.71	0.49	0.02	0.07	0.03	0.03	2.24	0.12
including	294.00	303.10	9.10	1.00	0.73	0.82	0.02	0.13	0.05	0.08	3.98	0.27
WG-22-009	290.00	344.00	54.00	0.68	0.53	0.45	0.01	0.12	0.03	0.04	2.38	0.19
including	332.00	344.00	12.00	1.03	0.76	0.83	0.02	0.17	0.05	0.07	4.23	0.29
and	366.00	372.80	6.80	0.59	0.45	0.44	0.01	0.37	0.06	0.14	2.19	0.56
WG-22-010	311.00	352.00	41.00	0.50	0.40	0.29	0.01	0.08	0.02	0.03	1.88	0.13
and	362.00	367.00	5.00	0.81	0.58	0.69	0.02	0.07	0.03	0.09	3.95	0.19
and	406.00	418.00	12.00	0.47	0.36	0.33	0.01	0.33	0.05	0.10	1.93	0.49
WG-22-011	304.00	333.00	29.00	0.54	0.42	0.34	0.01	0.08	0.02	0.03	1.99	0.13
including	323.00	330.00	7.00	0.77	0.59	0.52	0.02	0.13	0.04	0.04	3.09	0.21
and	356.00	360.00	4.00	0.64	0.46	0.54	0.01	0.16	0.03	0.06	3.08	0.26
and	378.00	388.40	10.40	0.56	0.43	0.39	0.01	0.54	0.09	0.06	2.12	0.69
including	388.00	388.40	0.40	2.79	1.88	2.77	0.06	4.88	0.42	0.06	15.00	5.35
WG-22-012	225.00	267.48	42.48	0.43	0.33	0.28	0.01	0.05	0.01	0.02	1.57	0.09
including	254.00	258.00	4.00	0.89	0.67	0.65	0.02	0.20	0.03	0.05	3.85	0.29
and	292.00	303.00	11.00	0.45	0.35	0.29	0.01	0.19	0.03	0.05	1.62	0.27
and	307.00	309.00	2.00	0.96	0.89	0.17	0.03	0.26	0.03	0.01	0.90	0.30
WG-22-013	180.00	184.00	4.00	0.54	0.43	0.31	0.02	0.04	0.02	0.02	1.73	0.09
and	194.45	200.30	5.85	0.56	0.44	0.34	0.02	0.07	0.02	0.02	1.90	0.11
and	204.17	245.00	40.83	0.62	0.51	0.31	0.02	0.06	0.02	0.02	1.72	0.10
including	229.00	237.00	8.00	0.82	0.71	0.32	0.02	0.06	0.02	0.02	1.61	0.10
WG-22-014	125.00	129.00	4.00	0.48	0.37	0.30	0.01	0.05	0.02	0.03	1.74	0.09
and	134.10	160.00	25.90	0.46	0.37	0.25	0.01	0.04	0.02	0.02	1.46	0.08
and	163.00	176.00	13.00	0.43	0.35	0.25	0.01	0.05	0.02	0.03	1.47	0.09
WG-22-015	278.00	284.00	6.00	0.34	0.25	0.25	0.01	0.03	0.02	0.02	2.67	0.07
and	321.00	335.00	14.00	0.52	0.46	0.17	0.01	0.06	0.03	0.01	1.47	0.10
WG-22-016	79.00	95.38	16.38	0.36	0.27	0.25	0.01	0.04	0.02	0.02	1.89	0.08
WG-22-017	88.00	97.63	9.63	0.35	0.24	0.33	0.01	0.04	0.02	0.03	2.46	0.09
and	99.53	109.00	9.47	0.44	0.29	0.45	0.01	0.06	0.03	0.03	3.23	0.12
WG-22-018	80.00	88.00	8.00	0.39	0.30	0.26	0.01	0.02	0.02	0.02	1.55	0.06
and	112.00	115.00	3.00	0.43	0.31	0.35	0.01	0.03	0.02	0.03	2.47	0.09
and	123.00	142.00	19.00	0.43	0.31	0.34	0.01	0.03	0.02	0.02	2.37	0.08
and	156.00	162.00	6.00	0.56	0.47	0.26	0.02	0.04	0.02	0.03	1.73	0.08

Note: Width refers to downhole length. 3E PGM represents Pd g/t + Pt g/t + Au g/t. NiEq. % = Ni% + Cu% x 0.32 + Co% x 0.53 and does not factor in Pt, Pd, Au or Ag values. No allowances have been made of recovery losses that may occur should mining eventually result. The NiEq.% calculation used in this release is consistent with the relative metal prices used in the West Graham resource report published by First Nickel Inc. in 2009.

## MUSKOX PROPERTY

Following the acquisition of the Muskox database, the Company identified the following from an analysis of the acquired data:

- Presence of widespread high-grade nickel-copper-PGM mineralization along the 60 km strike length of the Muskox Feeder dyke.
- Two broad zones (3 to 4 km in strike length) of high-grade mineralization identified at both the Spider Lake and Marceau Lake areas.
- Grab sample values up to 5.39% Ni, 2.88% Cu and 7.61 g/t PGM reported from historic sampling at the Spider Lake area.
- Grab sample values up to 2.18% Ni, 2.13% Cu and 2.22 g/t PGM reported from historic sampling at the Marceau Lake area.
- Higher-grade zones occur in possible physical traps where the thickness and orientation of the dyke changes; similar to other world class nickel deposits such as in Sudbury and Voisey's Bay.
- No historic drilling is reported from either the Spider Lake or Marceau Lake areas.

In May of 2022, the Company announced an update on the reinterpretation of historic geophysical data collected in 1994 by BHP Canada Ltd over a portion of the Muskox Property called the Marceau Lake area (or the SKOX grid). Highlights from the reinterpreted Geophysical Survey include:

- The presence of a broad conductive zone measuring 500 metres in strike length and up to 125 metres in width.
- 2D inversions of the data indicate that the anomaly extends from surface to the depth limits of the survey (80 metres vertical).
- The anomaly is associated with the historic SKOX showing where values up to 1.90% Ni+Cu and 2.76 g/t Pt+Pd+Au have been reported historically from grab samples.
- The magnetic survey clearly identifies the contacts of the Muskox Feeder dyke.
- A positive correlation between nickel soil geochemistry anomalies and modelled VLF anomalies.

In October of 2022, the Company announced assay results from the summer Muskox field program. Highlights from the field trip include:

- High-grade grab samples with values up to **1.55% Ni, 6.38% Cu** and **6.18 g/t Pt+Pd+Au** (PGM) were collected intermittently over a strike length of 1.0 km at the SKOX showing.
- High-grade grab samples with values up to **1.48% Ni, 1.57% Cu** and **2.66 g/t PGM** were collected intermittently over a strike length 1.1 km at the Spider Lake Area.
- The highest-grade sample was collected along the West Margin of the main Muskox Intrusion and returned values of **1.65% Ni and 8.64% Cu**.

Selected grab samples (>0.5% Ni+Cu) collected from the SKOX/Marceau Lake Area are presented in the following table:

Sample	Easting	Northing	Ni %	Cu %	Co %	Ni+Cu %	Pt g/t	Pd g/t	Au g/t	3E g/t	Ag g/t
D831011	592709	7366502	1.55	6.38	0.05	7.93	0.331	5.310	0.534	6.18	14.70
D831110	593031	7366415	2.52	2.69	0.09	5.21	1.070	1.360	0.072	2.50	8.50
D831107	593106	7365971	0.40	4.10	0.02	4.50	0.680	10.450	0.530	11.66	9.70
D831010	592982	7366271	0.78	1.57	0.04	2.34	0.132	0.961	0.220	1.31	0.90
D831056	593194	7365831	1.07	1.26	0.06	2.33	0.334	1.260	0.156	1.75	3.00
D831111	592691	7366528	0.60	1.53	0.03	2.13	0.294	2.060	0.202	2.56	7.60
D831008	593155	7365884	0.56	1.49	0.03	2.04	0.213	1.585	0.073	1.87	0.70
D831108	593085	7366049	0.55	0.91	0.03	1.47	0.177	0.706	0.109	0.99	3.60
D831007	593258	7365717	0.48	0.90	0.03	1.38	0.141	1.160	0.099	1.40	2.00
D831057	592721	7366507	0.52	0.81	0.02	1.32	0.178	1.020	0.299	1.50	3.20
D831115	592633	7366829	0.42	0.84	0.02	1.25	0.178	1.515	0.097	1.79	4.10
D831058	592716	7366510	0.27	0.77	0.01	1.05	0.171	1.385	0.110	1.67	2.10
D831106	593290	7365665	0.28	0.70	0.01	0.98	0.210	1.825	0.152	2.19	2.40
D831113	592735	7366694	0.25	0.72	0.01	0.97	0.477	2.860	0.268	3.61	3.20
D831009	593040	7366155	0.28	0.63	0.02	0.91	0.129	1.050	0.141	1.32	2.00
D831059	592636	7366763	0.26	0.62	0.02	0.88	0.167	0.543	0.061	0.77	0.90
D831054	593258	7365714	0.27	0.48	0.02	0.75	0.084	0.702	0.069	0.86	1.30
D831055	593208	7365822	0.17	0.45	0.01	0.62	0.107	1.075	0.154	1.34	1.80
D831012	592677	7366620	0.27	0.33	0.02	0.59	0.099	0.553	0.052	0.70	2.20
D831006	593316	7365621	0.18	0.33	0.01	0.50	0.061	0.562	0.060	0.68	1.30

Note: Coordinate system is NAD83 Zn11. 3E equal Pt + Pd +Au. Grab samples are preferentially selected and are not representative of the entire property.

Selected grab samples (>0.5% Ni+Cu) collected from the Spider Lake Area are presented in the following table:

Sample	Easting	Northing	Ni %	Cu %	Co %	Ni+Cu %	Pt g/t	Pd g/t	Au g/t	3E g/t	Ag g/t
D831022	588649	7377877	0.37	3.64	0.03	4.01	0.860	11.200	0.580	12.64	12.50
D831023	588623	7377895	1.48	1.57	0.06	3.05	0.626	1.900	0.130	2.66	8.90
D831020	588909	7377544	1.12	1.80	0.05	2.92	0.282	1.895	0.184	2.36	6.00
D831132	588178	7378941	0.46	1.96	0.03	2.42	0.447	2.620	0.331	3.40	11.90
D831121	589079	7377373	0.04	2.36	0.01	2.40	0.552	3.920	0.504	4.98	2.20
D831122	589038	7377405	0.74	1.48	0.04	2.21	0.625	1.620	0.118	2.36	9.00
D831067	588844	7377374	0.48	1.55	0.01	2.02	0.232	1.985	0.207	2.42	14.80
D831127	588519	7378168	0.60	1.31	0.03	1.91	0.125	1.180	0.097	1.40	6.00
D831030	588075	7378767	0.81	1.10	0.05	1.91	0.180	0.400	0.069	0.65	4.80
D831018	589008	7377071	0.20	1.65	0.01	1.85	0.256	1.630	0.170	2.06	5.30
D831028	588362	7378480	0.58	1.06	0.04	1.64	0.116	0.716	0.090	0.92	5.50
D831024	588616	7377918	0.68	0.88	0.03	1.56	0.124	0.877	0.106	1.11	2.80
D831019	588979	7377129	0.26	1.16	0.02	1.42	0.248	1.470	0.174	1.89	7.60
D831124	588533	7378136	0.42	0.81	0.03	1.22	0.151	1.380	0.098	1.63	4.40
D831065	588901	7377304	0.13	0.86	0.01	0.99	0.112	0.872	0.096	1.08	3.10
D831017	589051	7376962	0.25	0.63	0.01	0.88	0.115	0.914	0.081	1.11	4.20
D831071	588188	7378668	0.25	0.59	0.01	0.84	0.067	1.015	0.098	1.18	3.40
D831016	589055	7376929	0.17	0.63	0.01	0.79	0.125	0.919	0.096	1.14	5.40
D831130	588462	7378278	0.28	0.49	0.02	0.77	0.097	0.632	0.055	0.78	2.70
D831123	588969	7377546	0.11	0.54	0.01	0.65	0.082	0.728	0.072	0.88	3.50
D831068	588266	7378559	0.16	0.39	0.01	0.55	0.074	0.537	0.066	0.68	2.20
D831128	588497	7378227	0.11	0.41	0.01	0.52	0.100	0.438	0.045	0.58	0.60

Note: Coordinate system is NAD83 Zn11. 3E equal Pt + Pd +Au. Grab samples are preferentially selected and are not representative of the entire property.

Selected grab samples (>0.5% Ni+Cu) collected from the Main MuskoX Intrusion are presented in the following table:

Sample	Easting	Northing	Ni %	Cu %	Co %	Ni+Cu %	Pt g/t	Pd g/t	Au g/t	3E g/t	Ag g/t
D831143	575828	7418114	1.65	8.64	0.24	10.29	0.001	0.551	0.198	0.75	26.30
D831139	573656	7420072	2.03	1.34	0.15	3.37	0.078	0.561	0.047	0.69	3.10
D831089	573587	7420741	1.66	1.11	0.13	2.76	0.062	0.551	0.041	0.65	2.00
D831142	573576	7420768	1.58	1.05	0.13	2.62	0.098	0.526	0.036	0.66	3.80
D831088	573642	7420550	0.89	1.44	0.09	2.33	0.001	0.321	0.125	0.45	1.30
D831141	573625	7420651	0.74	0.84	0.08	1.58	0.001	0.116	0.034	0.15	0.70
D831037	573628	7420464	1.01	0.53	0.11	1.54	0.020	0.151	0.019	0.19	1.10
D831140	573659	7420447	0.87	0.52	0.10	1.39	0.005	0.100	0.017	0.12	1.50
D831087	573669	7420153	0.59	0.47	0.05	1.06	0.022	0.101	0.010	0.13	<0.2
D831039	575807	7418160	0.22	0.78	0.01	1.00	0.111	0.740	0.061	0.91	2.40
D831097	575455	7432080	0.39	0.57	0.01	0.96	0.186	0.585	0.057	0.83	1.70
D831093	575795	7418248	0.24	0.52	0.03	0.76	0.038	0.199	0.023	0.26	1.00
D831046	579260	7424032	0.39	0.37	0.06	0.76	0.007	0.260	0.011	0.28	<0.2
D831036	573646	7419985	0.42	0.33	0.08	0.75	0.013	0.081	0.012	0.11	1.6
D831047	579494	7425235	0.18	0.46	0.01	0.64	0.080	0.263	0.037	0.38	1.20
D831094	575954	7418273	0.22	0.42	0.01	0.64	0.066	0.415	0.035	0.52	1.80
D831040	575974	7418242	0.20	0.34	0.01	0.54	0.053	0.338	0.031	0.42	1.50
D831034	574117	7418664	0.27	0.25	0.02	0.52	0.053	0.195	0.016	0.26	1.30

Note: Coordinate system is NAD83 Zn11. 3E equal Pt + Pd +Au. Grab samples are preferentially selected and are not representative of the entire property.

With the completion of the 2022 program, the Company is working towards updating the geological models and developing targets for 2023.

## AER-KIDD PROPERTY

From August through to November 2019, SPC completed 4,669 metres (3,936 metres cored) in eight holes testing the mineral potential of the area down-dip of the Robinson Mine. Holes AK-19-031 to 036 were designed to test the down-dip potential of the Robinson Mine from the lowest level of the mine (350 metres) down to a vertical depth of 650 metres.

Highlights from the drilling include:

- Drill hole AK-19-032 intersected mineralization over 4.65 metres containing 1.07% Ni, 1.09% Cu and 0.98 g/t PGM (0.60 g/t Pt, 0.23 g/t Pd, 0.16 g/t Au) from 355.35-360.00 metres including a higher grade section of 2.70% Ni, 2.17% Cu and 1.17 g/t PGM (0.96 g/t Pt, 0.10 g/t Pd, 0.11 g/t Au) over 1.60 metres.
- Drill hole AK-19-034 intersected mineralization over 12.95 metres containing 0.32% Ni, 1.17% Cu and 1.14 g/t PGM (0.39 g/t Pt, 0.47 g/t Pd, 0.28 g/t Au) from 662.60-675.55 metres including a higher grade section of 0.61% Ni, 2.77% Cu and 1.99 g/t PGM (0.29 g/t Pt, 0.98 g/t Pd, 0.73 g/t Au) over 3.55 metres.
- Drill hole AK-19-035 intersected mineralization over 22.45 metres containing 0.54% Ni, 0.41% Cu and 3.83 g/t PGM (0.97 g/t Pt, 0.79 g/t Pd, 2.08 g/t Au) from 430.95-453.40 metres including a higher grade section of 3.20% Ni, 0.97% Cu and 77.68 g/t PGM (9.64 g/t Pt, 7.34 g/t Pd, 60.70 g/t Au) over 0.65 metres.

From November 2019 through to February 28, 2021, there were no substantive exploration activities completed on the Aer-Kidd Property.

In March of 2021, the Company announced the start of a 15,000 metre drill program on the Company's Aer-Kidd Project. The program looked to further evaluate the prospective Howland, Robinson and Rosen mineralized trends for Ni-Cu-PGM bearing massive sulphide mineralization. The program was completed in February of 2022 with a total of 14,111 metres drilled in 14 holes.

A complete list of assay results from the 2021 program are presented in the following table:

**Table:** Assays results from drill holes completed during the 2021 Aer-Kidd program.

HOLE ID	INTERVAL			BASE METALS			PRECIOUS METALS				
	From (m)	To (m)	Length (m)	Ni (%)	Cu (%)	Pt (g/t)	Pd (g/t)	Au (g/t)	Ag (g/t)	3E PGE (g/t)	
AK-21-037	340.74	342.7	1.96	0.59	0.55	0.07	0.06	0.06	4.79	0.19	
AK-21-039	522.37	523.00	0.63	0.38	1.34	1.00	0.20	0.12	11.85	1.32	
	532.90	561.75	28.85	0.35	0.42	0.25	0.28	0.09	3.70	0.62	
	including	532.90	543.53	10.63	0.40	0.50	0.29	0.32	0.10	4.08	0.71
	including	532.90	534.18	1.28	0.73	1.78	0.17	0.03	0.10	11.38	0.30
	including	535.66	536.24	0.58	1.69	0.40	0.65	0.27	0.03	4.40	0.94
	including	544.43	548.40	3.97	0.53	0.66	0.39	0.09	0.06	5.07	0.55
	including	546.62	548.40	1.78	1.03	1.16	0.77	0.10	0.11	8.92	0.98
	including	546.93	547.26	0.33	4.28	1.06	2.46	0.11	0.10	8.70	2.66
including	561.03	561.75	0.72	1.98	0.69	0.29	2.38	0.48	9.50	3.16	
AK-21-040	428.73	429.10	0.37	1.59	0.26	2.09	4.03	0.12	5.60	6.24	
	432.66	433.49	0.83	0.51	1.20	0.20	1.73	0.09	8.70	2.02	
AK-21-041	426.00	427.04	1.04	0.15	1.11	2.76	1.48	0.76	11.10	5.00	
	428.36	429.14	0.78	2.72	0.95	1.66	5.42	0.83	10.40	7.91	
AK-21-042	876.46	877.00	0.54	1.18	0.44	0.81	0.41	0.03	2.90	1.25	
AK-21-043	842.00	842.50	0.50	1.10	0.14	0.48	0.12	0.02	1.30	0.61	
AK-21-046	720.34	720.70	0.36	2.44	0.10	0.15	0.32	0.03	0.80	0.49	
	758.85	767.30	8.45	0.31	0.61	0.13	0.14	0.06	3.33	0.33	
	including	758.85	759.25	0.40	0.21	1.19	0.25	0.49	0.59	7.10	1.33
	including	760.55	760.90	0.35	0.13	2.38	0.25	0.07	0.03	13.10	0.35
	including	762.00	762.35	0.35	0.56	1.66	0.15	0.08	0.05	8.60	0.27
	including	764.47	764.77	0.30	2.46	0.34	0.07	0.20	0.06	3.60	0.33
	including	766.77	767.30	0.53	0.93	3.31	0.21	0.69	0.07	15.90	0.97



With the completion of the 2021 drill program, the Company is working towards updating the geological models with all the new drill hole data and developing targets for 2023.

## JANES PROPERTY

The Janes Property is located 45 kilometres northwest of the City of Greater Sudbury (74 kilometres by road) and within hauling distance of the processing and smelting infrastructure located within Sudbury. The Janes Property was initially explored in 1969 by Kennco Exploration (Canada) Ltd., which reported both disseminated and massive Cu-Ni sulphide mineralization (PGM not reported) occurring near the base of a large Nipissing Diabase sill.

In late 2021, the Company completed a program of ground geophysics, trenching, mapping, geochemical sampling and diamond drilling to further test and evaluate a series of historic high-grade Ni-Cu-PGM showings at Janes. Two areas, called the Trench 1 and Trench 4 zones, were mechanically stripped and sampled. Highlights from that work include 0.50% Ni, 1.09% Cu, 3.09 g/t PGM4 over 22.0 metres at Trench 1 and 0.78% Ni, 0.66% Cu, 5.51 g/t PGM over 6.0 metres at Trench 4. A 650 metre, 16-hole drill program completed at the Trench 1 zone further defined the extent and continuity of the mineralized zone. Highlights included JP-21-001 that intersected 0.51% Ni, 1.04% Cu and 5.10 g/t PGM over 9.0 metres.

In 2022, the Company completed a 26.7 line km 3D induced polarization (“IP”) survey on the southern portion of the Property. The results of the survey have identified two large high-priority targets that are interpreted to be related to the mafic intrusive sill that hosts the high-grade Trench 1 Ni-Cu-PGM mineralization to the north, where prior drilling by the Company in 2021 returned 0.46% Ni, 0.93% Cu and 4.63 g/t Pt+Pd+Au (PGM) over 10.5 metres (see Company Press Release dated June 17, 2021).

The 3D IP program, executed and interpreted by Canadian Exploration Services Ltd. (CSX), was chosen because of its impressive data collection capability and modeling. The resultant inversions show two strong, cohesive chargeability high anomalies (>30 mV/V) termed the *west anomaly* and the *east anomaly*.

The west anomaly strikes northwest southeast and is modelled as a tabular body measuring 50 metres x 450 metres in plan and 150 metres in thickness dipping steeply to the southeast and strengthens with depth.

The up-dip projection of the anomaly correlates well with the historic ‘Kirkland Township<sup>3</sup>’ showing where in 1980, disseminated chalcopyrite was reported in gabbro that returned up to 0.39% Cu and 0.06% Ni (no PGM reported). Similarly, a nearby historic drill hole (70-01<sup>4</sup>) completed by Kenno Exploration Ltd. in 1970, cored through 767 metres of gabbro before reaching the footwall contact. The drill log reports several sections of disseminated chalcopyrite and pyrrhotite (no assays reported) around the margins of the west IP anomaly.

The east anomaly strikes northwest southeast and is modelled as an irregular shaped body measuring 300 metres x 700 metres in plan and 200 metres in thickness. Three chutes appear to come near surface as anomalies, these plunge steeply to the point where they merge at a depth near 125 metres and appear to broaden and strengthen.

During October and November of 2022, the Company completed a four hole, 1,212 metre drill program. All samples have been submitted to the laboratory and assay results are expected early in 2023.

### Reference

3. *Kirkland Township Occurrence, Ontario Mineral Inventory, MDI4109NW00038.*
4. *Assessment Report, Kennco Exploration (Canada) Ltd, 1970, 4109NW0209*

## DISCUSSION OF OPERATIONS

### SELECTED QUARTERLY FINANCIAL INFORMATION

Expenses for the year ended August 31, 2022, were \$4,508,082, compared to \$4,631,632 for the year ended August 31, 2021. This decrease was primarily due to a decrease in property acquisition costs and marketing and investor relations expenditures incurred in fiscal 2022, as compared to the August 2021 fiscal year end. These decreased were partially offset increased in stock based compensation, increased exploration and evaluation expenditures, as well as increased office and general expenditures.

Expenses incurred during the three-month period ended August 31, 2022 were lower than the comparative prior year period, with current three month expenditures totalling \$990,143, as compared to \$1,889,920 of expenditures incurred during the fourth quarter of the prior fiscal year. There lower expenditures for the most recent quarter were primarily attributable to reduced exploration expenditures.

A summary of selected quarterly financial information for the past eight quarters is presented as follows:

	August 31, 2022	May 31, 2022	February 29, 2022	November 30, 2021
Operating Expenses	(990,143)	(1,400,951)	(917,593)	(1,199,395)
(Loss) from Operations	(990,143)	(1,400,951)	(917,593)	(1,199,395)
Net (Loss) for the period	(1,003,871)	(1,393,314)	(913,576)	(1,194,199)
(Loss) per share – basic and fully diluted	(0.01)	(0.01)	(0.01)	(0.01)
Total Assets	4,202,500	5,434,346	3,102,370	4,142,492
Total Liabilities	396,674	650,397	407,388	533,934

	August 31, 2021	May 31, 2021	February 28, 2021	November 30, 2020
Operating Expenses	(1,889,920)	(1,439,465)	(712,274)	(589,973)
(Loss) from Operations	(1,889,920)	(1,439,465)	(712,274)	(589,973)
Net (Loss) for the period	(1,711,921)	(1,293,080)	(712,257)	(589,905)
(Loss) per share – basic and fully diluted	(0.02)	(0.01)	(0.01)	(0.01)
Total Assets	6,084,383	7,752,068	8,463,970	2,597,049
Total Liabilities	1,299,626	1,364,191	783,013	1,166,404

A summary of selected annual information is presented as follows:

	August 31, 2022	August 31, 2021	August 31, 2020
Total revenue	Nil	Nil	Nil
Loss from continuing operations	(4,504,960)	(4,310,163)	(932,427)
Loss	(4,504,960)	(4,310,163)	(932,427)
Loss per share – basic and fully diluted	(0.04)	(0.05)	(0.02)
Total assets	4,202,500	6,084,383	1,827,782
Total non-current financial liabilities	86,277	113,745	Nil

The following table details exploration and evaluation expenditures incurred during the reporting period.

	AER Kidd	Owen	Lockerby East	Janes	Muskox	Project Generation	Total
<b>Continuity of project expenditures for the year ended August 31, 2022</b>							
<b>Balance August 31, 2021</b>	<b>10,847,626</b>	<b>4,776</b>	<b>832,889</b>	<b>493,068</b>	-	<b>57,239</b>	<b>12,235,598</b>
Option Payments	100,000	-	-	37,000	18,000	-	155,000
Other acquisition and holding costs	5,433	194	9,826	125	48,330	170	64,078
<b>Total acquisition costs for the period</b>	<b>105,433</b>	<b>194</b>	<b>9,826</b>	<b>37,125</b>	<b>66,330</b>	<b>170</b>	<b>219,078</b>
Assays logging, and sampling	51,967	-	142,158	6,849	6,977	-	207,951
Travel, accommodation, and meals	605	-	776	-	88,708	2	90,091
Drilling	1,191,461	-	713,935	-	-	-	1,905,396
Environmental	(4,900)	-	-	-	160	120	(4,620)
Equipment Rental	72,343	-	44,838	4,523	3,956	-	125,660
Field supplies and consumables	2,721	-	3,259	1,433	13,434	55	20,902
Field office	3,000	-	1,500	-	-	-	4,500
Payroll and Project Management	87,026	-	100,426	54,438	103,134	18,524	363,548
Surveys and line cutting	1,662	-	449	158,397	116,864	-	277,372
Vehicles	4,175	-	3,855	1,647	3,167	77	12,921
<b>Exploration and evaluation expenditures for the period</b>	<b>1,410,060</b>	<b>-</b>	<b>1,011,196</b>	<b>227,287</b>	<b>336,400</b>	<b>18,778</b>	<b>3,003,721</b>
<b>Balance August 31, 2022</b>	<b>12,363,119</b>	<b>4,970</b>	<b>1,853,911</b>	<b>757,480</b>	<b>402,730</b>	<b>76,187</b>	<b>15,458,397</b>
August 31, 2022 balance consists of							
Acquisition costs	2,267,666	3,560	628,182	75,225	66,330	8,176	3,049,139
Exploration expenditures	10,095,453	1,410	1,225,729	682,255	336,400	68,011	12,409,258
	<b>12,363,119</b>	<b>4,970</b>	<b>1,853,911</b>	<b>757,480</b>	<b>402,730</b>	<b>76,187</b>	<b>15,458,397</b>
	AER Kidd	Owen	Lockerby East	Janes	Muskox	Project Generation	Total
<b>Continuity of project expenditures for the year ended August 31, 2021</b>							
Balance August 31, 2020	8,306,560	4,776	444,019	12,380	-	55,122	8,822,857
Option Payments	100,000	-	-	27,000	-	-	127,000
Other acquisition and holding costs	4,342	-	374,241	-	-	-	378,583
<b>Total acquisition costs for the period</b>	<b>104,342</b>	<b>-</b>	<b>374,241</b>	<b>27,000</b>	<b>-</b>	<b>-</b>	<b>505,583</b>
Assays logging, and sampling	151,334	-	-	83,693	-	665	235,693
Travel, accommodation, and meals	213	-	-	9,123	-	-	9,336
Drilling	1,896,726	-	-	137,453	-	-	2,034,179
Environmental	35,381	-	-	1,283	-	-	36,664
Equipment Rental	56,654	-	-	1,040	-	-	57,694
Field supplies and consumables	12,376	-	-	4,311	-	5	16,692
Field office	15,070	-	-	375	-	-	15,445
Payroll and Project Management	141,646	-	14,629	84,779	-	1,447	242,500
Stripping and trenching	-	-	-	11,975	-	-	11,975
Surveys and linecutting	122,100	-	-	116,914	-	-	239,014
Vehicles	5,223	-	-	2,743	-	-	7,966
<b>Exploration and evaluation expenditures for the period</b>	<b>2,436,724</b>	<b>-</b>	<b>14,629</b>	<b>453,688</b>	<b>-</b>	<b>2,117</b>	<b>2,907,158</b>
<b>Balance August 31, 2021</b>	<b>10,847,626</b>	<b>4,776</b>	<b>832,889</b>	<b>493,068</b>	<b>-</b>	<b>57,239</b>	<b>12,235,598</b>
August 31, 2021 balance consists of							
Acquisition costs	2,162,233	3,366	618,356	38,100	-	8,006	2,830,061
Exploration expenditures	8,685,393	1,410	214,533	454,968	-	49,233	9,405,537
	<b>10,847,626</b>	<b>4,776</b>	<b>832,889</b>	<b>493,068</b>	<b>-</b>	<b>57,239</b>	<b>12,235,598</b>

## LIQUIDITY AND CAPITAL RESOURCES

As at August 31, 2022, the Company has a cash balance of \$3,810,177 compared with \$5,335,752 as at August 31, 2021. The Company has current assets of \$4,054,053 and current liabilities of \$310,397, for net working capital of \$3,743,656 as at August 31, 2022.

The Company's current operations do not generate cash flow and its financial success is dependent on management's ability to discover and develop economically viable mineral deposits and to raise money to support the discovery and development of such mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

In order to finance the Company's exploration programs and to cover administrative and overhead expenses, the Company raises money through equity sales. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond their control. There is no assurance that new funding will be available at the times required or desired by the Company. See "Risk Factors". Currently, the Company holds exploration projects and it is anticipated that additional equity financing will be available going forward. Equity markets do fluctuate which could affect timing of future financings. The Company continues to source other avenues of financing, including strategic partnerships in relation to its non-material properties, which may reduce the Company's reliance on equity financing.

## OUTSTANDING SHARE, WARRANT AND OPTION DATA

As at August 31 and December 14, 2022, the Company had the following securities outstanding:

• Common Shares Issued	125,034,254
• Warrants	14,561,652
• Options	8,065,000

## FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, receivables, and accounts payable and accrued liabilities. The fair values these financial instruments approximate their carrying values due to their short-term nature.

### Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and receivables. The Company maintains its cash with high-credit quality financial institutions, thus limiting its exposure to credit risk on such financial assets.

### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company maintains sufficient cash balances to meet current working capital requirements. The Company is considered to be in the exploration and evaluation stage, thus, it is dependent on obtaining regular financings in order to continue its exploration and evaluation programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash is available on demand for the Company's programs and is not invested in any asset-backed commercial paper. The Company believes it has sufficient cash resources to pay its obligations associated with its financial liabilities as at August 31, 2022.

## Interest Rate Risk

The Company's exposure to interest rate risk arises from the interest rate impact on its cash. The Company's practice has been to invest cash at floating rates of interest, in cash equivalents, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in cash, and restricted cash as they are generally held with large financial institutions.

## Price Risk

The Company is not currently exposed to price risk, as it does not currently hold Investments in equity instruments.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

## TRANSACTIONS WITH RELATED PARTIES

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties). The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, to similar transactions to non-key management personnel related entities on an arm's length basis.

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key management of the Company for the periods ended August 31, 2022 and August 31, 2021 was as follows:

	<u>2022</u>	<u>2021</u>
Short term benefits	\$ 289,455	\$ 265,224
Stock based compensation	472,054	411,500
	<u>\$ 761,509</u>	<u>\$ 676,724</u>

Short term benefits are included in office and general, consultant fees, and exploration and evaluation expenditures.

During the year ended August 31, 2022, the Company was charged management and exploration fees of \$Nil (2021 - \$70,185), as well as \$Nil (2021 - \$7,500) in respect of purchased capital equipment, by the Company's former majority shareholder, Transition Metals Corp. ("TMC"). Of these amounts, \$2,783 (2021 - \$2,783) is included in accounts payable and accrued liabilities as at August 31, 2022 and included in accounts receivable is \$5,989 (2021 - \$6,479) receivable from TMC. These amounts are unsecured, non-interest bearing, and due on demand.

Included in accounts payable and accrued liabilities as at August 31, 2022, is \$12,406 (August 31, 2021 - \$14,987) owing to management and related companies. These amounts are unsecured, non-interest bearing, and are due on demand.

## COMMITMENTS AND CONTINGENCIES

### *Environmental Contingencies*

The Company's exploration activities are subject to various federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

The Company, through its interest in the Aer Kidd property (Note 10(a)), may be subject to certain statutory rehabilitation and closure obligations imposed by the Ontario Mining Act related to historical reclamation, restoration and abandonment obligations. Management does not believe that the Company has a material obligation at August 31, 2022 and 2021.

### *Flow-through Expenditures*

In connection with flow through financings completed in March 2022, the Company has committed to incur qualifying Canadian Exploration Expenditures totaling \$3,168,507 by December 31, 2023. The Company has indemnified subscribers for any tax related amounts that become payable by the subscriber in the event that the Company does not fulfill its expenditure commitments. As at August 31, 2022 had incurred approximately \$1,365,000 of this expenditure commitment. The Company anticipates that it will satisfy its full commitment prior to December 31, 2023.

## RISKS, RISK FACTORS, AND UNCERTAINTIES

The business of exploration and mining involves a high degree of risk and there can be no assurance that the Company's exploration programs will result in profitable mining operations. The current operations of the Company are speculative due to the high-risk nature of its business, which are the acquisition, financing, exploration and development of mining properties. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking information relating to the Company. See "Risk Factors" in the final prospectus filed by the Company on SEDAR on February 24, 2021.

The Company's continued existence is dependent upon the discovery of economically recoverable reserves and resources, securing and maintaining title and beneficial interest in the properties, the ability to obtain the necessary financing to complete exploration, development and construction of a mine and processing facilities, obtaining certain government approvals and attaining profitable production. There can be no assurance that the Company will be able to raise sufficient funds as and when required.

## Outlook

With the increasing global demand for energy metals, the vision for the Company is to become an energy metals company focused on nickel and PGM opportunities in Canada. The Company will continue to explore and develop its Sudbury portfolio and will also pursue other Ni-Cu-PGM properties across Canada.

## Responsibility for financial statements

The information provided in this report, including information from the related financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properly reflected in the financial statements.

As part of the oversight role of the Board of Directors to ensure the Company's disclosures contain no misrepresentations, the Board as a whole reviews the interim and annual financial statements and MD&A prepared by management before approving them.

## Additional Information

Additional information relating to the Company is available on SEDAR [www.sedar.com](http://www.sedar.com).

## CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

*Except for statements of historical fact relating to SPC, certain information contained herein constitutes forward-looking information under Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the Company's proposed acquisitions and strategy, development potential and timetable of the Company's properties; the Company's ability to raise required funds; future mineral prices; mineralization projections; conclusions of economic evaluation; the timing and amount of estimated future exploration and development; costs of development; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of exploration activities are based on previous industry experience and regional political and economic stability. Capital and operating cost estimates are based on extensive research of the Company, recent estimates of exploration costs and other factors that are set out herein. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to risks related to: unexpected events and delays during exploration and development; acquisition risks; regulatory risks; revocation of government approvals; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of minerals; accidents, labour disputes and other risks of the mining industry. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.*