



NiCAN Limited

Management Discussion and Analysis

December 31, 2024

This Management Discussion and Analysis (“MD&A”) is an overview of all material information about the operations, liquidity and capital resources of NiCAN Limited (the “Company” or “NiCAN”) for the year ended December 31, 2024. The MD&A was prepared as of April 9, 2024 and should be read in conjunction with the annual audited financial statements for the years ended December 31, 2024 and 2023, prepared in accordance with IFRS Accounting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). 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. References to nickel, copper, cobalt, gold, silver, palladium, and platinum will be shown as Ni, Cu, Co, Au, Ag, Pd, Pt, respectively, and the platinum group metals will be shown as PGM. Nickel equivalent grades include nickel and copper values only and assume recoveries of 85% for nickel and 85% for copper based on comparable deposits. The equivalent calculation uses a 6-year trailing average with a nickel price of US\$8.10/lb and copper price of US\$3.40/lb.

Some of the statements in this MD&A are forward-looking statements that are subject to risk factors set out in the cautionary note contained herein. The Company’s common shares are listed on the TSX Venture Exchange (“TSX-V”) under the symbol “NICN” and are traded on the OTCQB Venture Market under the symbol “NILTF”. Additional information related to the Company is available on the Company’s website at www.nicanltd.com and on SEDAR+ at www.sedarplus.ca.

COMPANY OVERVIEW

NiCAN is a junior explorer engaged in mineral exploration in Canada. Founded in 2021 by experienced mining executives, its principal business is to acquire and advance a portfolio of high-quality projects in attractive jurisdictions. The Company owns two highly prospective nickel/copper projects located in Manitoba, Canada. Both projects are located on geologically significant features in jurisdictions where significant mineral discoveries have been made.

HIGHLIGHTS

- **Signed an Exploration Agreement with Nisichawayasihk Cree Nation (“NCN”),** subsequent to year end, for the Pipy Project in Thompson Manitoba, establishing how the two parties will support and work together to advance exploration activities at the Pipy Project, which lies within NCN’s Traditional and Ancestral Territory.
 - NiCAN also received its work permit for the initial reconnaissance drill program at the Pipy South Nickel Project.
- **Completed Phase III-B drill program on the Wine Project in the first half of 2024:** A total of 942 meters of diamond drilling were completed, increasing the Company’s understanding of the orientation of the Wine Occurrence. The drill results show that the Upper and Main Zones are more steeply dipping than originally believed and additional drilling can now focus on extending these two zones to the south and at depth.
Highlights include:
 - Diamond drill hole Wine 24-1A, drilled to test down plunge of the Main Zone, intersected several zones of mineralization:
 - 45.5 meters at 1.20% Cu and 1.32% Ni (1.55% NiEq) from 29.7 meters, and

- A new, near-surface zone located immediately to the north at 1.40% Cu and 1.63% Ni (1.89% NiEq) over 3.7 meters from 7.5 meters.
 - Diamond drill hole Wine 24-2 intersected 28.05 meters at 1.25% Cu and 0.59% Ni (0.94% NiEq) from 76.5 meters, the deepest and most southernly intersection at the Wine Occurrence to date.
 - Diamond drill hole Wine 24-3 intersected 5.5 meters at 1.10% Cu and 1.27% Ni (1.47% NiEq), from 5.9 meters.
 - Diamond drill hole Wine 24-4 intersected 20.3 meters at 2.88% Cu and 2.14% Ni (2.85% NiEq) from 66.0 meters.
 - The Phase III-B Wine Exploration program also consisted of a 25-kilometer time-domain electromagnetic (“TDEM”) survey that covered a significant portion of the Wine Gabbro, which hosts known nickel mineralization. Initial results defined both additional deep-seated and shallow conductive targets in the Central Mineralized Horizon located 600 meters east of the Wine Occurrence as well as north and southwest of the Wine Occurrence area.
 - In the fourth quarter of 2024, the newly delineated targets from the TDEM survey were geophysically modeled and drill hole designs were generated.
- **Defined a significant number of new untested target areas at the high-grade Wine Nickel-Copper Project**, near Snow Lake, Manitoba, from geophysical surveys and groundwork, including a new untested conductive horizon at the eastern boundary of the Wine Gabbro.
- **Closed \$1,830,000 Bought Deal Brokered Private Placement** (the “Private Placement”): The Private Placement closed on February 23, 2024, consisting of 3,600,000 common shares of the Company at a price of \$0.10 per Common Share and 8,400,000 common shares that qualify as “flow through shares” (within the meaning of subsection 66(15) of the Income Tax Act (Canada)) at a price of \$0.175 per flow through share. The Company paid the agents a commission of \$128,100 and issued 840,000 agents’ warrants with a fair value of \$60,506. Each agents’ warrant entitles the holder to acquire one common share of the Company for \$0.10 per share on or before February 23, 2026.
- **Received a grant of \$300,000 from the Manitoba Mineral Development Fund (“MMDF”)**: The Company received the first \$150,000 in January 2024 and the remainder in March 2024.
- NiCAN commenced trading on the OTCQB Venture Market under the symbol “NILTF” on August 13, 2024.

REPORT ON OPERATIONS

The Company’s Properties as of December 31, 2024 include:

Project Area	Claims	Area (ha)
	December 31, 2024	
Wine Property	24	5,666
Pipy Property	20	3,913
Total	44	9,579

The following is a breakdown of expenditures during the year ended December 31, 2024:

Amounts in \$	Wine	Pipy	Total
Assays	\$ 46,154	\$ –	\$ 46,154
Camp supplies and field expenses	20,669	–	20,669
Consulting	188,034	9,600	197,634
Drilling	223,639	–	223,639
Equipment rental	6,099	–	6,099
Field transportation	322,325	–	322,325
General and administrative	196	16,213	16,409
Government grants	(300,000)	–	(300,000)
Ground geophysics	183,453	4,513	187,966
Total Property Expenditures, December 31, 2024	\$ 690,569	\$ 30,326	\$ 720,895

Wine Property

The Wine Property, comprised of 24 mineral claims totalling 5,666 hectares, is located in northwestern Manitoba, in the Flin Flon-Snow Lake greenstone belt on the southern flank of the internal zone of the Trans Hudson Orogen. The Company staked 22 of the 24 claims in 2021 and acquired two additional claims from W.S. Ferreira Limited (“Ferreira”) through a Mineral Property Acquisition Agreement dated May 7, 2021. Consideration for the claims was comprised of cash payments totalling \$150,000 and 1,000,000 common shares at a deemed issue price of \$0.05 per share. The Company also provided a 2% net smelter royalty, with an option to repurchase 50% (1%) of the royalty for \$1,000,000 at any time and an option to repurchase an additional 50% (0.5%) of the remaining royalty for \$1,000,000 at any time.

The Wine Property is underlain by arc-affinity volcanic rocks and successor arc plutonic rocks affected by the West Reed–North Star shear zone (“WRNS”). The WRNS represents a deep-seated, regional shear zone running NNE along the west shore of Reed Lake. The rocks underlying the Wine Property are prospective for the development of a number of mineral deposits. The potential for the development of magmatic-hosted copper-nickel deposits is demonstrated by the discovery of the Wine Occurrence (defined below) in the northern portion of the project area. This potential extends across the property as mafic intrusive rocks occupy a significant proportion of the claims. Volcanogenic massive sulphide (“VMS”), reef-type PGM and orogenic gold deposit types are also prospective on the property.

Historical exploration of the Wine Property initially focused on VMS mineralization, following significant discoveries elsewhere in the Flin Flon-Snow Lake area. The nickel potential of the property was not recognized until 1984 when Hudson Bay Exploration and Development discovered Cu-Ni mineralization. Subsequent historical drilling identified a broad zone of Cu-Ni mineralization, and follow-up drilling continued to intersect Cu-Ni mineralization over a relatively short strike length, with most of the work focused on the area of the original discovery (the “Wine Occurrence”). Significant historical drill intersections include drill hole EEL346 (12.0 meters grading 1.67% Ni, 1.52% Cu) and RAD07-01 (20.4 meters grading 2.27% Cu, 1.30% Ni, 0.05% Co, and 0.402 g/t PGM).

Early in 2024, NiCAN completed a 942-meter, 8-hole diamond drill program (Phase III-B) – an extension of the fall 2023 drilling campaign. The objective was to gain further knowledge on the configuration of the Wine Occurrence and the various zones that make up the deposit. One hole tested a geophysical conductor

located 550 meters to the north. It returned elevated copper values from a semi-massive sulphide intersection.

Hole Wine 24-1A was drilled down the plunge of the deposit and returned 45.45 meters of 1.32% Ni, 1.20% Cu, (1.55% NiEq), 0.06% Co and 0.59 g/t PGM's. Of note was the intersection of a new mineralized zone (Northern Zone) immediately to the north that assayed 1.40% Cu, 1.63% Ni (1.89% NiEq) over 3.7 meters. The Upper Zone was intersected in several holes and may have been extended down plunge to a vertical depth of approximately 65 meters to 70 meters. Wine 24-2 is interpreted to have intersected the Main Zone at a vertical depth of about 80 meters, the deepest drill intersection on this zone to date. It intersected 1.23% Cu, 0.45 % Ni (0.82%NiEq) over 17.5 meters.

Phase III-B drill program was a continuation of the Phase III drill program, which commenced in Q4 2023 with 17 holes for a total of 2,209 meters of drilling and was completed in December 2023. The original program had 1,700 meters planned but much improved drill productivity allowed for an additional 500 meters to be drilled while remaining within the allotted budget. The drill program focused on expanding previously defined nickel-bearing zones to the east of the Wine Occurrence and testing expanded greenfield target areas of more than 6 km along strike. Targets were identified by surface TDEM, borehole and surface surveys, combined with re-processed Versatile Time Domain Electromagnetic ("VTEM") airborne geophysical survey. Diamond drill hole Wine 23-29 intersected an upper, sub-cropping zone of 9.6 meters at 2.20% Cu and 1.56% Ni (2.11% NiEq) followed by three minor mineralized zones that returned lower grade mineralization and the Main Zone intersecting 31.5 meters at 1.90% Cu and 1.92% Ni (2.31% NiEq). True widths are interpreted to be approximately 80% of intersected widths.

The TDEM survey (both surface and borehole) covered the area underlain by the interpreted Wine Gabbro, which is known to host nickel mineralization with analogies to the nickel deposits in the Lynn Lake area of Manitoba. The surface work defined a number of new, deeper-seated conductors as well as outlining some conductors closer to surface. These newly delineated targets have subsequently been geophysically modeled and drill hole designs have been generated.

Pipy Property

The Pipy Property, consisting of Pipy South, North and West claim areas, covers over 3,913 hectares in northeastern Manitoba on the northern extent of the Thompson Nickel Belt (the "TNB"). The TNB is a 150-kilometre-long nickel metallotect extending from Phanerozoic cover in the south to the north of the city of Thompson, Manitoba. The TNB consists of Proterozoic sedimentary and volcanic rocks deposited unconformably on Archean basement. Nickel deposits hosted by the TNB reflect the confluence of Proterozoic sulphur-rich sedimentary rocks comprising the Ospwagan Group and ultramafic intrusive rocks. Several sedimentary sequences overlay the Ospwagan Group, including terrestrial and shallow water conglomerate and sandstone comprising the Grass River Group and sediments of the Kiskeynew Basin.

In 2021, the Company staked five claims and acquired three claims from W.S. Ferreira through a Mineral Property Acquisition Agreement dated May 7, 2021. This is now known as the Pipy South Property. Consideration for the claims was comprised of cash payments totalling \$150,000 and the issuance of 1,000,000 common shares at a deemed issue price of \$0.05 per share. The Company also provided a 2% net smelter royalty, with an option to repurchase 50% (1%) of the royalty for \$1,000,000 at any time and an option to repurchase an additional 50% (0.5%) of the remaining royalty for \$1,000,000 at any time. The Pipy

North and Pipy West Properties were acquired by NiCAN in 2023 as a result of staking open ground interpreted to be underlain by the prospective Pipe Formation.

The Pipy Properties are underlain by a tightly folded sequence of Archean basement orthogneisses and Ospwagan Group supracrustal rocks. The distribution of Ospwagan supracrustal rocks is delineated by their geophysical response and local diamond drill confirmation that defines a tight fold interference geometry. Critical to the prospectivity of the Pipy South Property, drilling by INCO, Dunlop, Falconbridge, and others, has identified a sequence of Ospwagan Group, Pipe Formation sulphide facies iron formation and sulphidic sediments in close proximity to ultramafic intrusive rocks. The understanding of the genesis of Ni-Cu deposits hosted by the TNB has evolved significantly since most historical exploration of the Pipy Property took place, and the Company classifies the exploration potential as good to excellent. Geophysics will play a critical role in the development of targets for diamond drilling due to the presence of thick glacial cover over the area.

Historical drilling at Pipy South has intersected sulphides in the sediments and ultramafic intrusions and, although assays were never released, the drill logs note visible nickel sulphides in several holes. The historical holes with logged nickel sulphides and the new structural interpretation will be critical in planning the upcoming drill program. Particular attention will be paid to fold closures (five prospective fold closures identified thus far) where sulphides may be structurally remobilized and concentrated.

The Company has focused primarily on obtaining and reprocessing historical data, including all assessment data, and existing airborne geophysical data. Additionally, the Company completed an unmanned aerial vehicle (“UAV”) supported, high-definition, aeromagnetic survey at a 50-metre line spacing during the third quarter of 2021 on the Pipy South Claims. NiCAN subsequently updated the interpretation of the geology based on the newly acquired geophysical data, improving the understanding of the Pipy South Property.

Subsequent to year end, the Company signed an Exploration Agreement with NCN and received a work permit for the initial reconnaissance drill program and airborne electromagnetic survey at Pipy South to test both historical target areas as well as new anomalies identified from the high-definition UAV aeromagnetic survey completed previously and the newly proposed airborne electro-magnetic survey.

REVIEW OF FINANCIAL RESULTS

The following is a summary of results from the Company’s financial statements:

For the period ended	December 31, 2024	December 31, 2023
Loss and comprehensive loss	\$ (1,409,375)	\$ (3,570,084)
Basic and diluted loss per share	(0.02)	(0.05)

As at	December 31, 2024	December 31, 2023
Cash	\$ 974,493	\$ 1,148,919
Total assets	1,023,579	1,338,875
Share capital	10,017,512	9,085,882
Deficit	(9,956,051)	(8,546,676)

During the year ended December 31, 2024, the Company incurred a loss of \$1,409,375 (December 31, 2023 - \$3,570,084), primarily arising from exploration costs (\$720,895) incurred during the year, comprised of drilling (\$223,639), helicopter support (\$322,325), and ground geophysics (downhole survey) costs (\$187,966), net of the proceeds of \$300,000 received from the MMDF. These costs were offset by interest income (\$47,508) and the premium flow-through recovery amount of \$434,763 as the exploration costs incurred reduced the liability associated with flow-through shares issued in February 2024.

QUARTERLY RESULTS

The following selected financial information summarizes the recently completed quarters up to December 31, 2024.

	Three months ended Dec 31, 2024	Three months ended Sept 30, 2024	Three months ended Jun 30, 2024	Three months ended Mar 31, 2024	Three months ended Dec 31, 2023	Three months ended Sept 30, 2023	Three months ended Jun 30, 2023	Three months ended Mar 31, 2023
Comprehensive loss	\$ (37,106)	\$ (387,676)	\$ (317,620)	\$ (666,973)	\$(1,514,947)	\$ (242,309)	\$ (217,481)	\$ (1,595,347)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.01)	(0.02)	(0.00)	(0.00)	(0.02)

The Company's expenses fluctuate from period to period primarily due to marketing or exploration activities and, therefore, lack some degree of comparability. Exploration activity will vary depending on seasonality, funding availability, primarily sourced from equity financing, and whether the Company has expenditure commitments on claims to maintain them in good standing.

During 2022, NiCAN and 1287390 BC Ltd. completed a reverse takeover transaction pursuant to an amalgamation agreement dated March 3, 2022, as amended on September 29, 2022 and July 19, 2022. Subsequently, NiCAN was listed on the TSX-V. These activities resulted in \$1,352,608 of acquisition costs and \$359,837 of legal costs. The Company also completed downhole TDEM geophysical surveys on two historical holes with significant intercepts and surface TDEM surveys over part of the Wine Project area, as a follow up to the Phase I drill program completed earlier that year. An aeromagnetic survey using a UAV platform was completed over the entire property as was an airborne VTEM survey.

During the year ended December 31, 2023, the Company completed a Phase II drill program at the Wine Property, incurring drilling costs of \$710,922 and field transportation costs of \$701,830. More than 2,800 meters of drilling were completed during the period. During the fourth quarter, the Company received \$300,000 from the MMDF, which was applied towards the exploration program at Wine, and completed a Phase III 2,209-meter drill program at Wine to test multiple conductive targets identified by recently completed geochemical and geophysical surveys.

During the year ended December 31, 2024, the Company closed a \$1,830,000 Private Placement, completed a follow-up drill program at the Wine Occurrence consisting of 8 drill holes and 942 meters and completed a TDEM survey of 25 km over a significant portion of the Wine Gabbro. NiCAN also made significant progress on permitting the Pipy South Project throughout 2024, which subsequently led to successfully completing an Exploration Agreement with NCN and receiving the work permit for its initial reconnaissance exploration program, including diamond drilling.

LIQUIDITY AND CAPITAL RESOURCES

	December 31, 2024		December 31, 2023	
Cash and cash equivalents	\$	974,493	\$	1,148,919
Total current assets		1,023,579		1,338,875
Total current liabilities		407,052		539,705
Total equity		616,527		799,170

At present, the Company's 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 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 beyond the Company's control. To continue advancing exploration, the Company will need to raise additional funds in the future, however, there is no assurance that new funding will be available at the times required or desired by the Company. Factors that affect the availability of financing include the progress and results of ongoing exploration at the Company's mineral properties, the state of debt and equity markets, and investor perceptions and expectations of the global markets, mining, and the base metals sector in particular.

As of December 31, 2024, the Company had a net working capital of \$616,527 (December 31, 2023 - 799,170), which the Company expects to be sufficient to satisfy current liabilities and support existing activities throughout the year.

OUTSTANDING SHARE DATA

Authorized: an unlimited number of common shares without par value	Common shares issued and outstanding	Warrants	Stock Options
Outstanding as at April 9, 2025, the date of this report	81,698,902	840,000	6,600,000

FINANCIAL INSTRUMENTS

The Company's activities potentially expose it to various financial risks, including liquidity risk, interest rate risk, foreign exchange risk, and commodity price risk.

Credit Risk

The Company's credit risk is primarily attributable to its accounts receivable, which consists of sales taxes due from the Federal Government of Canada. The Company has no significant concentration of credit risk

arising from its operations. Management believes that the credit risk concentration with respect to financial instruments included in other assets is low.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. As at December 31, 2024, the Company had a net working capital of \$616,527 (December 31, 2023 - 799,170), sufficient to support ongoing operations.

Interest Rate Risk

The Company does not currently have any outstanding variable interest-bearing loans and, therefore, the Company is not exposed to interest rate risk through fluctuation in the prime interest rate.

Commodity price risk

The Company is exposed to price risk with respect to commodity prices. Metal prices fluctuate daily and are affected by numerous factors outside of the Company's control, including, but not limited to, the perception of market participants about the price and future price prospects for nickel, changes in manufacturing and construction activity as well as other industrial demands, levels of worldwide production, and forward sales by producers and speculators.

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

The fair value of the Company's cash and cash equivalents, accounts receivables and accounts payable and accrued liabilities approximates their carrying value because of the short-term nature of the financial instruments.

CONTRACTUAL COMMITMENTS

In the normal course of business, the Company enters contracts that give rise to commitments for future minimum payments. The following table summarizes the remaining contractual maturities of the Company's financial liabilities and commitments as at December 31, 2024, shown in contractual undiscounted cashflows:

	Within 1 year
Accounts payable and accrued liabilities	211,816
Flow-through expenditures requirements	455,581
Total	667,397

Both the Wine and Pipy Properties are subject to net smelter royalty arrangements, which create contractual obligations if either of these properties is brought into production. Additionally, to maintain the Company's properties in good standing order, the Company is required to make certain mineral claims payments on an annual basis.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

SUBSEQUENT EVENTS

Subsequent to year end, the Company signed an Exploration Agreement with Nisichawayasihk Cree Nation and received a work permit for the initial reconnaissance drill program and airborne electromagnetic survey at Pipy South in the Thompson area of Manitoba.

RELATED PARTY TRANSACTIONS

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

	December 31, 2024	December 31, 2023
Management fees	\$ 449,000	\$ 356,800
Directors' fees	204,135	204,662
Share-based compensation	173,014	-
TOTAL	\$ 827,049	\$ 631,012

OUTLOOK

At the Wine Property, the Company will continue to carry out additional detailed interpretive and plate modeling work on the VTEM and TDEM surveys (both surface and downhole) completed on the property. Preliminary geophysical interpretations have defined a number of untested conductive sources over a 1.3-kilometer strike length in the Central Mineralized Horizon area, which is located 600 meters east of the Wine Occurrence. An untested TDEM conductor located 350 meters north of and along strike of the Wine Occurrence will also be modeled and prioritized. This work is ongoing.

The geophysical work, combined with the historical drilling, has expanded the potential of the Wine Property, validating the analogies to the Lynn Lake nickel deposits. We continue to focus more broadly across the Wine Gabbro with its multiple mineralized horizons. The recently completed TDEM and Beep Mat surveys have significantly increased our understanding of the specific target areas and will drive the target generation in upcoming drilling programs within the prospective Wine Gabbro.

At the Pipy South Property, after year end, NiCAN signed an Exploration Agreement with Nisichawayasihk Cree Nation and received a work permit for the initial reconnaissance drill program to test both historical target areas as well as new anomalies identified from the high-definition UAV aeromagnetic survey. The Company plans to complete this work in the first half of 2025. All drill holes will subsequently be tested with downhole TDEM. An airborne geophysical survey is planned for all three claim blocks to test for nickel mineralization within the favourable Pipe Formation stratigraphy, which is interpreted to underlie the properties. Targets generated from this survey will be prioritized for subsequent drill testing.

Leveraging the geological expertise of its management team, the Company also continues to evaluate additional nickel and copper projects, focusing on areas in stable jurisdictions, preferably in the North American region.

QUALIFIED PERSONS

Mr. Bill Nielsen, P.Geo, a consultant to NiCAN, is a Qualified Person as defined in National Instrument 43-101 Standards of Disclosure for Mineral Projects, and is responsible for the review of technical information in the MD&A.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's financial statements requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities; the disclosure of contingent assets and liabilities; as well as the reported expenses during the reporting period. Such estimates and assumptions affect the determination of the carrying value and the recoverability of exploration and evaluation assets and the inputs used in calculating the fair value of share-based payment expense. Management re-evaluates its estimates and assumptions on an ongoing basis; however, due to the nature of estimates, actual amounts could differ from its estimates. The most critical accounting estimates upon which the Company depends are those requiring estimates of reserves and resources, future recoverability of assets, and assumptions around future commodity prices.

Material, Recently Adopted Accounting Policies and Accounting Standards Issued but Not Yet Applied

The Company's material account policies and accounting standards issued but not yet applied are described in Note 3 and Note 4 of the financial statements for the year ended December 31, 2023.

DISCLOSURE CONTROLS AND PROCEDURES

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitation on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis disclosure controls and procedures and internal controls over financial reporting, as defined in National Instrument 52-109, may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

RISKS AND UNCERTAINTIES

In conducting its business, the Company faces a number of risks and uncertainties, many of which are beyond its ability to control or predict. Because of these risks and uncertainties, actual results may differ materially from those expressed or implied by forward-looking statements, and investors are cautioned not to place undue reliance on such statements, which speak only as of the date hereof. Readers are advised to study and consider risk factors stressed below.

The following are identified as main risk factors that could cause actual results to differ materially from those stated in any forward-looking statements made by, or on behalf of, the Company.

Liquidity Concerns and Future Financings

The Company will require significant capital and operating expenditures in connection with the development of its properties. There can be no assurance that the Company will be successful in obtaining the required financing as and when needed. Volatile markets may make it difficult or impossible for the Company to obtain debt financing or equity financing on favorable terms, if at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone or slow down its development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its activities.

Nature of Mining, Mineral Exploration and Development Projects

Exploration and mining operations generally involve a high degree of risk. The Company's operations are subject to the hazards and risks normally encountered in mineral exploration, development and production, including environmental hazards, explosions, unusual or unexpected geological formations or pressures and periodic interruptions in both production and transportation due to inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

No Revenues

To date the Company has recorded no revenues from exploration operations and the Company has not commenced commercial production or development on any property. There can be no assurance that significant losses will not occur in the future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years in relation to the engagement of consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company's properties as well as general inflationary conditions. The Company expects to continue to incur losses for the foreseeable future. The development of the Company's properties will require the commitment of substantial resources to conduct time-consuming exploration.

There can be no assurance that the Company will generate any revenues or achieve profitability.

Licenses and Permits, Laws and Regulations

The Company's exploration and development activities, including mine, mill, road, rail and other transportation facilities, require permits and approvals from various government authorities and are subject to extensive federal, provincial, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety, government consultation obligations, environmental protection and remediation and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. In addition, the Company may be required to compensate those suffering loss or damage by reason of its activities. There can be no guarantee that the Company will be able to maintain or obtain all necessary licenses, permits and approvals that may be required to explore and develop its properties, commence construction or operation of mining facilities.

Mineral Commodity Prices

The value of the Company's properties will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of mineral commodities and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of mineral commodities has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Company's business, financial condition and result of operations.

Environmental

The Company's activities are subject to extensive federal, provincial, state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the value of the Company's properties. Further, any failure by the Company to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations.

Title to Properties

The acquisition of title to resource properties is a very detailed and time-consuming process. The Company holds its interest in certain of its properties through mining claims. Title to, and the area of, the mining claims may be disputed. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the properties in which the Company may have an interest, which, if successful, could result in the loss or reduction of the Company's interest in the properties.

Uninsured Risks

The Company maintains insurance to cover normal business risks. In the course of exploration and development of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including explosions, rock bursts, cave-ins, fire and earthquakes may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could result in significant liabilities for the Company and increase costs of projects.

Competition

NiCAN competes with many other mining companies that have substantially greater resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operation and business.

Dependence on Outside Parties

The Company has relied upon consultants, engineers and other experts and intends to rely on these parties for development, construction and operating expertise. Substantial expenditures are required to establish mineral reserves through drilling, to carry out environmental and social impact assessments, and to develop processes to extract the commodity from the ore. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on NiCAN.

Conflicts of Interest

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting such participation.

FORWARD LOOKING INFORMATION

This MD&A provides management's analysis of NiCAN's historical financial and operating results and provides estimates of the Company's future financial and operating performance based on information currently available. Actual results will vary from estimates and the variances may be significant. Readers should be aware that historical results are not necessarily indicative of future performance.

Certain information set forth in this MD&A, including management's assessment of the Company's plans and operations, contains forward-looking information. By its nature, forward-looking information is subject to numerous risks and uncertainties, some of which are beyond the Company's control, including the impact of general economic, geopolitical and industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve and resource estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be inaccurate and, as such, undue reliance should not be placed on forward-looking information. NiCAN's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur or, if any of them do so, what benefits NiCAN will derive therefrom. NiCAN disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise except as required by applicable law.