



NiCAN Limited

Management Discussion and Analysis

June 30, 2025

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 three and six months ended June 30, 2025. The MD&A was prepared as of August 21, 2025 and should be read in conjunction with the condensed interim financial statements for the three and six months ended June 30, 2025 and 2024, the annual audited Financial Statements for the year ended December 31, 2024, all of which were prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), as well as the annual MD&A for the year ended December 31, 2024. 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”.

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.

2025 HIGHLIGHTS

- **Signed an Exploration Agreement with Nisichawayasihk Cree Nation (“NCN”)** 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.
- **Pipy South Exploration Phase I Permit Received.** NiCAN received its work permit for the initial reconnaissance drill program at the Pipy South Project. The permitted drill program will allow NiCAN to test prospective areas where previous drilling by INCO in the 1960s noted nickel bearing massive sulphides.
- **Pipy South Field work** located 12 historic INCO drill hole casings that will allow NiCAN to carry out downhole electromagnetic (“EM”) surveys to test for potential nearby massive sulphides missed by the original drill hole.

REPORT ON OPERATIONS

The Company's Properties as of June 30, 2025, include:

Project Area	Claims	Area (ha)
	June 30, 2025	
Wine Property	24	5,666
Pipy Property	20	3,913
Total	44	9,579

The following is a breakdown of expenditures during the six months ended June 30, 2025:

Amounts in \$	Wine	Pipy	Total
Assays	\$ 1,228	\$ –	\$ 1,228
Consulting	23,811	79,488	103,299
Field transportation	7,680	27,000	34,680
General and administrative	–	27,382	27,382
Total Property Expenditures, June 30, 2025	\$ 32,719	\$ 133,870	\$ 166,589

Wine Property

The Wine Property, comprising 24 mineral claims totalling 5,666 hectares, is located in northwestern Manitoba, within 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 the additional two claims from W.S. Ferreira Limited ("Ferreira") through a Mineral Property Acquisition Agreement dated May 7, 2021. Consideration for the claims consisted 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 granted 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 on 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 a broad zone of 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).

During the six months ended June 30, 2025, the Company did not undertake any significant exploration activity on the Wine property as planning continued for exploration on the Pipy property.

Pipy Property

The Pipy Property, consisting of claim groups Pipy South, North and West, 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 the 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, which comprise the Grass River Group, as well as sediments of the Kiskeynew Basin.

In 2021, at Pipy South, the Company staked five claims and acquired three claims from Wm. Ferreira through a Mineral Property Acquisition Agreement dated May 7, 2021. 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 South Property is 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 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 crucial role in identifying targets for diamond drilling due to the 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 where sulphides may be structurally remobilized and concentrated. At least five prospective fold closures have been identified to date.

During the six months ended June 30, 2025, 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. The drill program and survey were designed to test both historical target areas and new anomalies identified from the high-definition UAV aeromagnetic survey completed previously. Preparations

are underway for the exploration program at the Pipy Property, which is expected to commence in the coming months.

REVIEW OF FINANCIAL RESULTS

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

For the six months ended	June 30, 2025	June 30, 2024
Loss and comprehensive loss	\$ (419,024)	\$ (984,593)
Basic and diluted loss per share	(0.01)	(0.01)

As at	June 30, 2025	December 31, 2024
Cash and cash equivalents	\$ 645,501	\$ 974,493
Total assets	665,649	1,023,579
Share capital	10,017,512	10,017,512
Deficit	(10,375,075)	(9,956,051)

During the six months ended June 30, 2025, the Company incurred a loss of \$419,024 (June 30, 2024 - \$984,593), primarily arising from corporate personnel costs (\$176,210, including directors' fees) and exploration costs (\$166,589) incurred during the period, comprised of consulting fees (\$103,299) and transportation costs related to survey work (\$34,680). These costs were offset by interest income (\$8,814) and the premium flow-through recovery amount of \$71,379 as the exploration costs incurred reduced the liability associated with flow-through shares issued in February 2024.

QUARTERLY RESULTS

The following selected financial information is a summary of the recently completed quarters up to June 30, 2025.

	Three months ended Jun 30, 2025	Three months ended Mar 31, 2025	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
Comprehensive loss	\$ (197,619)	\$ (221,405)	\$ (37,106)	\$ (387,676)	\$ (317,620)	\$ (666,973)	\$ (1,514,947)	\$ (242,309)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.02)	(0.00)

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

During the six months ended December 31, 2023, the Company completed a 2,209-metre follow-up drill program at the Wine Property to test multiple conductive targets identified by recently completed

geochemical and geophysical surveys. The Company also received \$300,000 from the Manitoba Mineral Development Fund, which was applied towards the exploration program at Wine and reduced the exploration expenses incurred.

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 for 942 meters and completed a 25 km Time Domain Electromagnetics (“TDEM”) survey 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 the successful completion of an Exploration Agreement with NCN and the receipt of the work permit for its initial reconnaissance exploration program, including diamond drilling.

During the six months ended June 30, 2025, the Company focused on consultations and engagement with NCN to establish an exploration agreement and preparation work in support of the planned exploration activities at the Pipy Project.

LIQUIDITY AND CAPITAL RESOURCES

	June 30, 2025	December 31, 2024
Cash and cash equivalents	\$ 645,501	\$ 974,493
Total current assets	665,649	1,023,579
Total current liabilities	468,146	407,052
Total equity	197,503	616,527

Currently, 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, as well as to raise capital to support the discovery and development of such 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 June 30, 2025, the Company had net working capital of \$197,503 (December 31, 2024 – \$616,527), which the Company expects to be sufficient to satisfy current liabilities. However, additional funding sources will be required to support planned exploration activities throughout the year.

OUTSTANDING SHARE DATA

Authorized: an unlimited number of common shares without par value	Common shares issued and outstanding	Stock Options
Outstanding as at August 21, 2025, the date of this report	81,698,902	6,600,000

FINANCIAL INSTRUMENTS

The Company's activities potentially expose it to a variety of 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. Accounts receivable 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 June 30, 2025, the Company had a net working of capital of \$197,503 (December 31, 2024 – 616,527). The Company has liquidity risk.

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 into 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 June 30, 2025, shown in contractual undiscounted cash flows:

	Within 1 year
Accounts payable and accrued liabilities	\$344,288
Flow-through expenditures requirements	\$288,992
Total	\$633,280

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

None.

RELATED PARTY TRANSACTIONS

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

	June 30, 2025	June 30, 2024
Management fees	\$ 93,467	\$ 178,400
Directors' fees	82,743	102,771
Share-based compensation	-	173,014
TOTAL	\$ 176,210	\$ 279,692

OUTLOOK

Exploration activities have continued on the Wine Copper-Nickel Project since 2022. During the first half of 2023, NiCAN completed its Phase II drill program, focusing on untested airborne geophysical anomalies that have a similar signature to the Wine Occurrence. The Company followed up on this drilling with downhole and surface geophysical surveys in order to identify conductive massive sulphide zones, and where

warranted, used this information to design a Phase III drill program to vector in on the nickel-copper bearing zones. The Phase III drill program at the Wine Project was completed in the fourth quarter of 2023, with 2,209 meters of diamond drilling, focusing on further defining and locating nickel and copper targets within the Wine Gabbro. The late 2023 program was immediately followed up with a March 2024 drill program consisting of 942 meters. Drilling in 2024 was followed up with both shallow and deep penetrating geophysical surveys. The recently completed drilling and surveys will be incorporated into the Wine Gabbro geological model and used to design future follow up exploration/drill programs at the Wine Property.

Following the signing of the Exploration Agreement at the Pipy South Property in early 2025, a 2,000-to-3,000-metre drill program has been designed to test several targets defined from the detailed aeromagnetic survey flown in 2021 and the compilation of past geophysical work and diamond drilling. All drill holes will subsequently be tested with downhole TDEM.

At the Pipy North and Pipy West properties, an airborne geophysical survey is planned to test for nickel mineralization within the favourable Pipe Formation stratigraphy, interpreted to underlie the properties. Targets generated from this survey will be prioritized for subsequent drill testing.

In 2025, the Company will continue to compile data on both properties to further refine and prioritize future drill targeting, and to evaluate opportunities for strategic property and project acquisitions within the respective property areas to broaden the exploration program. Access to both project areas has been limited due to wildfire activity in the region over the past few months. With recent rainfall and cooler temperatures in the area, the risk has largely abated, and the Company expects the restrictions on activity to abate in the near term. In addition to drilling the Pipy South Project, the Company expects to continue drilling at the Wine Copper-Nickel Property to follow up on priority targets identified during previous drill programs. 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 this 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, 2024.

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. Investors are urged to review the discussion of risk factors associated with the Company's business as set out in the Company's annual Management Discussion and Analysis for the year ended December 31, 2024 as well as in the Company's audited financial statements for the year ended December 31, 2024.

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 their 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 conditions, 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.