Canada Nickel Company Inc.

Management's Discussion & Analysis

For the Three Months Ended January 31, 2021 and 2020

(Expressed in Canadian Dollars, unless otherwise noted)

March 16, 2021

Introduction

The following interim management's discussion and analysis (Interim MD&A) of Canada Nickel Company Inc. (the "Company" or "Canada Nickel") for the three months ended January 31, 2021 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management's discussion and analysis, being the management's discussion and analysis for the year ended October 31, 2020 (Annual MD&A). This Interim MD&A does not reflect any non-material events since the date of the Annual MD&A.

For the purposes of preparing this Interim MD&A, management, in conjunction with the board of directors of the Company (the Board), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

This discussion should be read in conjunction with the Company's Annual MD&A, audited annual consolidated financial statements for the year ended October 31, 2020 and for the period From October 11, 2019 (Date of Incorporation) to October 31, 2019, together with the notes thereto, and unaudited condensed interim consolidated financial statements for the three months ended January 31, 2021 and 2020, together with the notes thereto.

Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations of the IFRS Interpretations Committee (IFRIC). The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.

This Interim MD&A has been prepared by reference to the MD&A disclosure requirements established under National Instrument 51-102 Continuous Disclosure Obligations (NI 51-102) of the Canadian Securities Administrators. Additional information regarding Canada Nickel is available on its website at www.canadanickel.com or through the Company's SEDAR profile available at www.sedar.com.

This Interim MD&A has been prepared as of March 16, 2021.

Caution Regarding Forward-Looking Statements

This Interim MD&A contains or incorporates certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance, objectives, goals, strategies, beliefs, intentions, plans, estimates, projections and outlook, or estimates or predictions of actions of customers, suppliers, partners, distributors, competitors or regulatory authorities. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this Interim MD&A speak only as of the date of this Interim MD&A or as of the date specified in such statement.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also refer to those risk factors set out in ***Risk Factors***. Readers are cautioned that the list of risk factors that may affect the forward-looking statements is not exhaustive, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Scientific and Technical Information

Steve Balch, (P.Geo.), Vice President Exploration of the Company and a Qualified Person as defined by NI 43-101, has reviewed and approved the scientific and technical content contained in this Interim MD&A.

Description of The Business

Canada Nickel was incorporated on October 11, 2019 under the laws of the Province of Ontario, Canada, and its head office is located at 130 King Street West, Suite 1900, Toronto, Ontario, M5X 1E3.

On February 27, 2020, the Company's common shares commenced trading on the TSX Venture Exchange (TSX-V) under the symbol TSX-V:CNC and on October 14, 2020 its common shares commenced trading on the OTCQB Venture Marketplace under the symbol OTCQB:CNIKF.

Canada Nickel is engaged in the exploration and discovery of nickel sulphide assets to deliver future supply for the high growth electric vehicle, green energy and stainless steel markets. In 2020, the Company acquired 100 per cent of the Crawford Nickel-Cobalt Sulphide Project (Crawford or the Crawford Project), which is located adjacent to major infrastructure in the world class Timmins-Cochrane mining camp of northern Ontario, Canada. The Company also holds an option to earn up to an 80% interest in five additional nickel targets located in the same region as Crawford (Option Properties).

On July 21, 2020, Canada Nickel launched wholly-owned NetZero Metals Inc. (NetZero), with the aim to develop zero-carbon production of nickel, cobalt, and iron at the Crawford Project. The Company has applied for trademarks for the terms NetZero NickelTM, NetZero CobaltTM, and NetZero IronTM in U.S., Canada, and other jurisdictions related to zero-carbon production of nickel, cobalt, and iron products.

Key Developments During the Three Months Ended January 31, 2021 and up to March 16, 2021

Exploration and Updated Mineral Resource Estimate

The Company ran an extensive drilling campaign though the 2020 year yielding the following results:

- extended the resource in the Main Zone and discovered the new East Zone. The in-fill resource and an initial resource for the East Zone was published in an updated mineral resource estimate in January 2021
- defined a platinum-group metal ("PGM") Zone which runs parallel to the nickel structures in the Main and East Zones at the northern contact between the peridotite and pyroxenite layer just north of the nickel structure
- identified nickel mineralization in the West and North Zones.

Updated Mineral Resource Estimate

The updated Mineral Resource Estimate was completed in October 2020 with a Technical Report filed on SEDAR on December 4, 2020 and subsequent amendment filed on January 18, 2021. The Mineral Resource Estimate comprises the Main Zone, which includes both the Main Higher Grade Zone and the Main Lower Grade Zone, and the East Zone. In comparison to the initial mineral resource estimate prepared in February 2020, there was a 155% increase in the Measured Main Higher Grade Zone nickel content and the addition of an initial East Zone resource. The drill program achieved the objectives of finding extensions around the initial resource and new areas of mineralization, as well as proving up the extension and the continuity of the mineralization.

The Amended January 2021 resource was defined as follows:

- Main Higher Grade Zone measured and indicated resource of approximately 280 million tonnes at 0.31% nickel (874,000 tonnes nickel) within an overall total measured and indicated resource of approximately 653 million tonnes at 0.26% nickel (1.7 million tonnes nickel).
- Total inferred resource of approximately 497 million tonnes at 0.24% nickel (1.2 million tonnes nickel), including the Main Zone of 320 million tonnes at 0.23% nickel and an initial inferred resource from the East Zone of 177 million tonnes at 0.24% nickel (424,000 tonnes nickel).
- Significant exploration potential remains with approximately 50% of Crawford untested and is now actively being explored. The Main Zone remains open to the west and 40% of the 2.8 kilometre strike length of the East Zone remains to be drilled.

Refer to the Amended Technical Report dated January 18, 2021 filed on SEDAR for additional technical details.

New discoveries

In addition to the Company's January 2021 mineral resource update, which focuses on the Company's first two discoveries (Main Zone and East Zone), the Company has also discovered mineralization in the West and North Zones as well as a separate PGM Zone.

The Company is defining a PGM Zone which runs parallel to the nickel structures in the Main and East Zones at the northern contact between the peridotite and pyroxenite layer just north of the nickel structure. The PGM Zone was identified with grades up to 1.7 grams per tonne of palladium + platinum over 7.5 metres delineated from near surface to a depth of 500+ metres across a strike length of 600 metres – remains open to the west and at depth.

In December 2020, a third drill rig arrived at the Crawford Project site and two drill holes identified a fourth new discovery: the "North" anomaly. A discovery hole was collared in mineralized dunite and remained in mineralized dunite across an entire core length of 501 metres. Assays are pending as of the date of this MD&A. The North Zone (anomaly of 1.1 km long by 400 metre wide) has the same geophysical signature as the Main Zone and is located approximately three kilometres north of the Main Zone.

Follow up drilling in the West Zone shows the potential to extend higher grade mineralization by 45% or 850 metres to the northwest. Assay results show higher grade mineralization of 0.30% nickel over a core length of 308 metres, including 153 metres of 0.32% nickel and ending with an additional 36 metres at 0.32% nickel. Additionally, two other West Zone holes defined a very wide one kilometre of large, low grade mineralization coincident with a large negative gravity anomaly on the western part of the West Zone.

MacDiarmid Nickel-Cobalt Sulphide Target

On May 22, 2020, Canada Nickel acquired from Noble Mineral Exploration (Noble) the Crawford Annex property and an option to earn up to an 80% interest in five additional nickel targets within Noble's Project 81 land package.

An airborne geophysics survey program was completed in September 2020 on the Option Properties. The interpretation from the program and historical drill holes identified a number of nickel-cobalt targets on the MacDiarmid, Kingsmill, Mahaffy-Aubin and Nesbitt properties – the MacDiarmid target being the most attractive. Drilling on each of the targets is expected during the current winter season. The MacDiarmid target is 15% larger than the original Crawford Main Zone discovery, measuring a combined 1.8 kilometres long by average 400 metres wide. The geophysics results were further confirmed by review of historical drill logs (no assays were completed) for all seven holes drilled entirely within the target coincident anomaly which all intersected dunite or peridotite (the mineralized host rock at Crawford) across the bulk of the core length. All seven of the holes also indicated presence of magnetite and sulphides in abundances consistent with that seen in Crawford core logs.

Coincident with the results from MacDiarmid, the Company entered into a binding letter of intent (LOI) on February 17, 2021 with Noble to consolidate ownership of the additional claims adjacent to the original MacDiarmid property option acquired in May 2020 (MacDiarmid Claims) through a new option agreement (MacDiarmid Option). With this transaction, the Canada Nickel mining claim would cover the entire magnetic anomaly at MacDiarmid.

<u>LOI Transaction Summary</u>
In exchange for the MacDiarmid Option, the Company agreed to (i) issue 200,000 common shares of Canada Nickel to Noble, (ii) forgive the $169,224 loan currently owed by Noble to Canada Nickel, (iii) take all steps as are commercially reasonable to transfer $500,000 in assessment credits to Noble; and (iv) provide a net smelter return of up to 1.75% to Noble.

Under the terms of the MacDiarmid Option, a 60% interest in the MacDiarmid Claims will vest to Canada Nickel if it funds at least $100,000 of exploration and development expenditures on the MacDiarmid Claims within 18 months. An 80% interest in the MacDiarmid Claims will vest to Canada Nickel if it funds at least an additional $150,000 (for a total of $250,000) of exploration and development expenditures on the MacDiarmid Claims within 36 months. The Company will also be responsible for exploration expenditures and other costs required to maintain the MacDiarmid Claims in good standing (and to make certain related filings). If the conditions to earn a 60% interest or 80% interest have been satisfied, a joint venture would be formed between Canada Nickel and Noble on such proportionate basis. The transaction is subject to certain specific conditions, including prior approval of the TSX Venture Exchange, Board approvals and third party approvals.

Metallurgy

Metallurgical testing results received in December 2020 confirmed excellent nickel recovery of 46% and 51% from two locked cycle tests. This first phase of metallurgical testing was designed to confirm initial flowsheet design, which uses a typical nickel sulphide ultramafic flowsheet of two stages of grind-deslime-float with magnetic separation to support recovery of magnetic minerals. The 46% and 51% recovery from samples which bookend the grades in the higher-grade core compare very favourably to similar projects.

Further metallurgical testing results in March 2021 demonstrated that a 20% increase in grind size resulted in no material change in recovery. For large scale, lower grade projects such as Crawford, this significant improvement in primary grind requirements reduces the amount of energy needed to grind each tonne of material by 15%, which would allow for both higher throughput and lower costs per tonne.

Stakeholder Engagement

On December 14, 2020, the Company entered into a Memorandum of Understanding (MOU) with the Matachewan and Mattagami First Nations in relation to exploration and development operations at the Crawford Project. The MOU establishes a commitment by Canada Nickel to engage in ongoing consultation and establish a mutually beneficial cooperative and productive relationship with the First Nations located in the Project area. The agreement also provides the communities with an opportunity to participate in the benefits of the Crawford Project through business opportunities, employment and training, financial compensation and consultation on environmental matters.

On December 16, 2020, the Company signed a MOU with Taykwa Tagamou Nation (TTN), with the objective of establishing a long-term, mutually beneficial business relationship. As described in the MOU between TTN and Canada Nickel, TTN has already arranged access to capital so that it can own and develop the electrical transmission assets that will be necessary to supply Crawford with cost effective and reliable power. Subject to entering definitive agreements based on this non-binding MOU, Canada Nickel would rent these assets from TTN at a fair market rate over the life of the mine or twenty years (whichever comes first) and TTN would be granted an option to acquire a direct minority interest in Canada Nickel at fair commercial terms. The Company and TTN are considering other mutually beneficial business ventures.

Value Enhancing Opportunity

In January 2021, Canada Nickel entered into a non-binding MOU with Glencore Canada Corporation (Glencore) in order to examine the potential use of Glencore's Kidd concentrator and metallurgical site (Met Site) in Timmins, Ontario for the treatment and processing of material mined from Crawford. Crawford is located 40 kilometres north of Glencore's operations. The opportunity to utilize the excess capacity and existing infrastructure at the Kidd Met Site could provide the potential to allow a faster, simpler, smaller scale start-up of Crawford at a vastly lower capital cost while the Company continues to permit and develop the much larger scale project currently being contemplated. Canada Nickel has completed an initial high-level assessment and will now proceed with a detailed study on the potential for upgrading excess capacity at the Kidd Concentrator and/or utilizing the existing infrastructure in place at the Kidd Met Site for milling and further processing of material. Should the study deliver a positive outcome for both parties, the parties will continue good faith negotiations towards a binding agreement. The MOU is non-exclusive. This detailed study is expected to be completed together with the Preliminary Economic Assessment (PEA). Ausenco, currently retained as the lead study consultant for the Crawford PEA that is underway, has been engaged to support the assessment of the Kidd Met Site facilities. If successful, the PEA will incorporate the potential for this significant change in the scope of the project start-up.

Financings

On March 15, 2021, under the terms of the September 30, 2020 warrant indenture, the Company accelerated the expiry date of the outstanding warrants from September 30, 2022 to April 27, 2021. Each of the warrants entitles the holder thereof to acquire one common share of the Company at a price of $2.10 per common share. As of March 16, 2021, 852,250 of the September 30 warrants have been exercised with proceeds received of $1,789,725. 1,822,750 September 30 warrants remain outstanding to be exercised.

Outlook

Exploration
The Company will run three drill rigs through the winter to continue exploring the existing targets at Crawford and the Option Properties and begin drilling targets identified through a recently completed airborne geophysics program. In addition, Canada Nickel has applied for exploration permits and expects to begin drilling MacDiarmid in early April.

PEA
The remaining metallurgical and engineering test work will be completed to incorporate into the PEA as well as the detailed study on the opportunity to utilize the Kidd Met Site. The PEA is expected to be completed by the end of April 2021 and will also incorporate the positive metallurgical testing results received in March 2021.

Metallurgy
Subsequent metallurgical testing during 2021 will continue to optimize various flowsheet parameters towards a final flowsheet for the feasibility study.

Metallurgy testing during 2021 has two key areas of focus. The first area of focus will be further optimization of both the recovery and concentrate grades and the amount of grinding and reagents utilized to produce these concentrates. The second area of focus will be the further optimization of recovery from using coarser grind sizes and more aggressive desliming as well as the potential to improve nickel recovery from the slimes portion of the material produced. A broad base of test samples will be developed, which are essential given the wide range of mineralogy in these types of deposits which typically results in nickel recoveries for a specific block ranging from 10-15% to as much as 60%.

Feasibility Study
Following the completion of a positive PEA, work will commence on the Crawford feasibility study with the aim to complete by the end of 2021.

Environmental and Social Impact Assessment
The company has initiated the impact assessment process for the Crawford Project starting with data acquisition on numerous biophysical components such as fish and wildlife, hydrology, hydrogeology and environmental geochemistry. Following completion of the PEA, Canada Nickel will initiate the formal permitting process with relevant authorities and launch a comprehensive community consultation and engagement process.

Financing
The Company has the cash resources to complete the PEA, a winter drill program and commence the feasibility study. The Company will require additional financing as it advances the feasibility study, continues in-fill and exploration drilling (including initial drilling on the Option Properties), and advances NetZero process development.

Review of Operations for the Quarters Ended January 31, 2021

The following is a summary of Canada Nickel's statement of loss on a quarterly basis:

	Quarters ended 2020				**Quarter ended 2021**
(Canadian dollars)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	**Q1 2021**
	$	$	$	$	**$**
Expenses					
Salaries and management fees	52,935	60,000	163,995	129,958	**141,560**
General and administrative costs	16,952	91,790	56,170	275,230	**223,859**
Professional fees	15,225	15,171	157,968	575,621	**107,650**
Consulting and advisory	319	210,967	158,120	241,208	**304,964**
Promotion and communication	155,083	83,794	73,753	135,391	**134,992**
Investor relations and marketing	111,530	175,823	202,991	144,958	**65,323**
Share-based compensation	22,241	126,381	129,190	887,245	**686,286**
Travel and other	55,016	5,165	-	136,082	**5,410**
	429,301	769,091	942,187	2,525,693	**1,670,044**
Flow-through share premium	-	-	-	(1,589,000)	**(282,027)**
Net loss	**429,301**	**769,091**	**942,187**	**936,693**	**1,388,017**
Weighted average shares outstanding	22,074,316	51,739,757	67,389,534	72,532,507	80,097,896
Net loss per share	$0.02	$0.01	$0.01	$0.01	$0.02

The Company was incorporated October 11, 2019 and started operating activity in October 2019. Financial information is presented for the four quarters of 2020 and the first quarter of 2021 to demonstrate the trends. Accounting principles have been applied consistently amongst the periods.

Salaries and management fees
In 2020, these fees are largely associated with management contracts for CEO, CFO and legal advisory from the start of the year. Fluctuations between quarters in fiscal year 2020 are a result of finalization of contracts with retroactive application. The first quarter of 2021 includes the addition of three management positions.

General and administrative costs
These costs include general office expenses plus costs in relation to corporate governance requirements, including board fees, filing and listing fees, and insurance. Costs are higher in the fourth quarter as they include annual fees for listing on the TSX-V and the OTCQB Venture Marketplace and office rent charges not expensed in previous quarters. The first quarter of 2021 includes additional filing and mailing costs of approximately $125,000 associated with the Company's annual general meeting and annual filings.

Professional fees
These include legal, accounting and audit related fees, most of which in 2020 were associated with the consolidation and acquisition of Crawford. Legal fees for the fiscal year 2020 were agreed and finalized in the fourth quarter of 2020 which resulted in a higher expense in that quarter. Fees in the first quarter of 2021 represent normal course spending.

Consulting and advisory
Fees incurred were with respect to strategic consulting in the areas of media, business development and financing.

Promotion and communication
Marketing and promotion include costs related to website design and maintenance, advertising in trade magazines and communication with other key stakeholders. Expenses were higher in the first half of 2020 associated with the marketing required prior to and upon inception of listing on the TSX-V.

Investor relations and marketing
Investor relations and marketing costs are for attendance at investor conferences, meetings and tradeshows.

Share-based compensation
Share-based compensation includes expenses related to both stock options and restricted share units. The increase in the fourth quarter reflects approximately $500,000 in RSU expense which reflects second and third quarter expenses from RSUs approved in March 2020. First quarter of 2021 includes additional stock based compensation expenses from grants of stock options and RSUs to new employees and new board members at the start of the quarter.

Flow-through share premium
This amount represents the extinguishment of the flow-through share premium liability. As the Company incurs eligible expenditures as required under the flow-through share agreements, the proportionate amount of liability is recognized as income. As of January 31, 2021 the share premium liability is nil.

Spending in relation to exploration and advancement of Crawford are included as Exploration and evaluation assets capitalized on the balance sheet.

Liquidity and Financial Condition

Cash flows

A summary of the Company's cash flow for the quarters ended January 31, 2021 and 2020 are as follows:

(Canadian dollars)	**Q1 2021**	Q1 2020
	$	$
Cash used in operating activities:		
Before working capital changes	**(983,757)**	(407,060)
Working capital changes	**(319,930)**	1,113,710
	(1,303,687)	706,650
Cash used in investing activities:		
Exploration and evaluation expenditures	**(2,281,479)**	(3,892,164)
Purchase of property, plant and equipment	**(35,161)**	-
Loan receivable, net of repayments	**-**	(650,000)
	(2,316,640)	(4,542,164)
Cash provided from financing activities:		
Proceeds from share issuances, net	**(115,000)**	4,013,511
Proceeds from exercise of warrants	**72,833**	-
	(42,167)	4,013,511
Change in cash and cash equivalents	**(3,662,494)**	177,997
Opening cash and cash equivalents	**11,167,265**	-
Closing cash and cash equivalents	**7,504,771**	177,997

Cash used in operating activities

Cash used in operating activities before working capital changes mainly includes cash used for expenses of the business as shown in the consolidated statements of loss, except for non-cash related items such as share-based compensation and flow-through share premium. In Q1 2021, working capital changes reflect additional cash used mostly related to payments of harmonized sales taxes not yet refunded and in Q1 2020 working capital changes reflect $1.4 million in outstanding accounts payable.

Cash used in investing activities

Exploration and evaluation expenditures

The Company incurred the following cash expenditures for the quarters ended January 31, 2021 and 2020 to advance the Crawford Project:

	Q1 2021	Q1 2020
	$	**$**
Cash acquisition costs	-	2,000,000
Drilling	1,275,515	958,931
Assays	227,248	341,700
Geological and consulting	520,400	472,097
Mineralogy	469,605	60,000
Obligations to stakeholders	151,810	-
Support costs	293,022	59,436
Less – amounts payable with shares	(114,500)	-
Add – amounts paid from prior period	776,843	-
Less – amounts payable at quarter end	(1,318,464)	-
	2,281,479	**3,892,164**

Crawford Project

In October 2019, Noble, Canada Nickel, Spruce Ridge Resources Ltd. (Spruce Ridge) and certain private investors entered into a binding letter of intent and a subsequent Implementation Agreement on November 14, 2019, to facilitate Canada Nickel's consolidation of 100% ownership of Crawford.

Under the terms of the Implementation Agreement a series of transactions were completed to consolidate Crawford. Following which, on November 29, 2019, the Company entered into a definitive agreement with Noble, Spruce Ridge and certain private investors to acquire and consolidate Crawford for consideration of $2 million cash paid to Noble, 12,000,000 common shares issued to Noble at an ascribed fair value of $3,000,000, and 20,000,000 common shares issued to Spruce Ridge at an ascribed fair value of $5,000,000.

Spending to advance the Crawford Project were mainly in relation to the exploration program, including drilling, assays and other geological work. In the first quarter of 2021 the Company advanced its work on the PEA and improved its knowledge on the potential mineralogy through extensive metallurgical testing.

Crawford Annex and Option Agreement with Noble

On May 22, 2020, the Company closed a definitive agreement with Noble to acquire an additional property and enter into option agreements on five other targets near its Crawford Project.

The Company paid Noble $500,000 in cash and issued 500,000 Canada Nickel common shares (ascribed a fair value of $615,000) to acquire the Crawford Annex property and the option to earn up to an 80% interest in five additional nickel targets within Noble's Project 81 land package. The Crawford Annex comprises 4,909 hectares in Crawford and Lucas township and the five Option Properties range in size from 903 to 5,543 hectares.

The Company can earn up to an 80% interest in each of the Option Properties on the following terms and conditions:

1) Canada Nickel can initially earn a 60% interest in each of the Option Properties within two years by:

   - funding at least $500,000 of exploration and development expenditures on each option property;
   - paying all property maintenance costs for each option property, including all applicable mining land taxes; and
   - making a payment to Noble of an additional $250,000 in cash or, at Noble's election, Canada Nickel common shares.

2) Canada Nickel has the right to then increase their interest to 80% in each of the Option Properties within three years by funding an additional $1,000,000 of exploration and development expenditures on each option property (for a total of $1,500,000 per option property over three years).

If the conditions to earn a 60% interest or 80% interest have been satisfied, a joint venture would be formed on that basis and a 2% net smelter return royalty would be granted to Noble on the portion of the property which hold mining claims and are without royalty obligations.

Loan receivable, net of repayments

On June 26, 2020, the Company extended a $625,000 interest-free unsecured loan (the "Loan") to Noble maturing on June 25, 2021. Under the terms of the Loan, should Noble sell any of its Canada Nickel shares, a minimum of 50% of the proceeds of that sale must be used as repayment against the Loan until the principal amount of the Loan has been repaid. If Noble fails to make any payment due under the Loan, interest at 12% per annum will accrue (compounded monthly) retroactive to June 26, 2020 until all principal and interest has been repaid. Noble has the right to prepay the Loan at any time. During fiscal year 2020, Noble repaid $464,776 of the Loan and is in compliance with the requirements of the loan with a remaining balance outstanding of $160,224 as at January 31, 2021 and October 31, 2020.

In the first quarter of 2020, the Company entered into a $250,000 promissory note with Noble and a $400,000 promissory note with Spruce Ridge. The amounts advanced were unsecured, bear no interest and were due on demand. Both notes were fully repaid in 2020.

Cash provided by financing activities

Proceeds from exercise of warrants – Q1 2021

The Company received $24,533 from the exercise of 57,666 broker warrants and $48,300 from the exercise of 23,000 September 30, 2020 warrants.

On March 15, 2021, under the terms of the September 30, 2020 warrant indenture, the Company accelerated the expiry date of the outstanding warrants from September 30, 2022 to April 27, 2021. Each of the warrants entitles the holder thereof to acquire one common share of the Company at a price of $2.10 per common share. As of March 16, 2021, 852,250 of the September 30 warrants have been exercised with proceeds received of $1,789,725. 1,822,750 September 30 warrants remain outstanding to be exercised.

Proceeds from share issuances – Q1 2020

The Company completed numerous private placements and financings through 2020 to fund the consolidation and acquisition of Crawford, to advance the Crawford Project and for general working capital needs. A summary of the transactions from the first quarter of 2020 are as follows:

- Issued 14,632,000 common shares through several private placements at a price of $0.25 per common share for aggregate gross proceeds of $3,590,500.

- Issued 2,013,666 flow-through common shares through several private placements at a price of $0.30 per flow-through common share for aggregate gross proceeds of $604,100.

- Costs of issue amounted to $181,089.

Commitments and contingencies

At January 31, 2021 the Company has $1,318,464 in payables owing with respect to exploration and evaluation assets.

Canada Nickel entered into a Memorandum of Understanding ("MOU") with the Matachewan and Mattagami First Nations in relation to exploration and development operations at Crawford. The MOU establishes a commitment by Canada Nickel to engage in ongoing consultation and establish a mutually beneficial cooperative and productive relationship with the First Nations located in the Project area. The agreement also provides the communities with an opportunity to participate in the benefits of the Project through business opportunities, employment and training, financial compensation and consultation on environmental matters. Financial compensation to the First Nations includes the issuance of 200,000 common shares of the Company, which were issued in January 2021, and a commitment to pay 2% of the annual expenses related to the Company's exploration program.

The Company has entered into other commitments as described in this MD&A (e.g., with Ausenco in connection with the preparation of the PEA and other activities) and otherwise in connection with the normal conduct of its business and exploration & development activities.

Financial Condition

The application of the going concern concept assumes that the Company will continue in operation for at least the next twelve months and will be able to realize its assets and discharge its liabilities in the normal course of operations. As the Company has no revenue producing mines, the Company's ability to continue as a going concern is dependent upon its ability to raise funds in the capital markets, or through the sale of assets. The Company is in the exploration and evaluation stage and as is common with many exploration companies, it raises financing for its exploration and acquisition activities in discrete tranches. The Company has a working capital balance of $7,829,001 at January 31, 2021, but has incurred losses and negative cashflows from operations and has an accumulated deficit of $4,465,289. The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or generate operating profitability and positive cash flow. There can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows. If the Company is unable to obtain adequate financing, the Company may be required to curtail operations, exploration, and development activities. All of these outcomes are uncertain and taken together indicate the existence of material uncertainties that may cast significant doubt over the ability of the Company to continue as a going concern.

As at Janaury 31, 2021, the Company has sufficient cash on hand to meet operational expenses for the next twelve months, but would need additional funds to complete the feasibility study for Crawford. Subsequent to January 31, 2021 and up to the date of this Interim MD&A the Company received proceeds of $1.8 million from the exercise of warrants and on March 15, 2021, the Company, under the terms of the September 30, 2020 warrant indenture, accelerated the expiry date of the remaining outstanding warrants. If the remaining warrants are exercised the Company would receive an additional $3.8 million in proceeds. The Company still plans to raise additional capital to execute its business plan, however the Company may increase or decrease expenditures as necessary to adjust to a changing capital market environment.

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Due to the worldwide COVID-19 outbreak, material uncertainties may come into existence that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on various external factors such as; global oil prices, demand for base metals, labour availability, availability of essential supplies, value of the Canadian dollar and the ability to obtain funding. At the date of the approval of this Interim MDA, the Canadian government has not introduced measures which impede the activities of the Company. Management believes the business will continue and accordingly, the current situation bears no impact on management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

See ***Caution Regarding Forward-Looking Statements*** and ***Risk Factors***.

Transactions with Related Parties

Related parties and related party transactions impacting the consolidated financial statements are summarized below and include transactions with key management personnel, which includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. Related parties include the Board of Directors and management, close family members and enterprises that are controlled by these individuals; as well as certain persons performing similar functions.

A summary of the related party transactions and balances is as follows:

	For the three months ended January 31	
	2021	2020
	$	$
Management and directors' fees	**154,850**	45,000
Share-based compensation	**471,006**	12,638
Accounting and financial services	**-**	6,760

These transactions are in the normal course of operations and have been valued in these consolidated financial statements at the amount of consideration established and agreed to by the related parties.

Amounts payable to related parties were as follows:

	January 31 2021	October 31 2020
	$	$
Fees owing to management for expense reimbursement	**22,622**	32,287
Fees owing to directors for board fees and advisory	**31,970**	47,970
Marrelli Support Services Inc.	**-**	24,178

Marrelli Support Services Inc. provided bookkeeping and office support services for the Company, including contract Chief Financial Officer ("CFO") services. Robert D.B. Suttie acted as CFO for the Company from December 1, 2019 to October 31, 2020.

Management of Capital

The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern, to meet its expenditure obligations for its continued operations, and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. The Company manages the capital structure and makes adjustments to it in light of changes in economic and industry conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, or acquire or dispose of assets. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There have been no changes to the Company's capital management approach in the period. The Company considers its Shareholders' Equity as capital which as at January 31, 2021 is $31,093,265.

Financial Instruments

Fair values

At January 31, 2021, the Company's financial instruments consist of cash and cash equivalents and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

Fair value hierarchy

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

During the period, there were no transfer of amounts between levels.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

Level 1 – none
Level 2 – cash and cash equivalents
Level 3 - none

The Company has exposure to the following risks from its use of financial instruments:
- Credit risk; and
- Liquidity risk

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfil its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and cash equivalents. All of the Company's cash is held at a Canadian bank, or funds held in trust with legal counsel in which management believes that the risk of loss is minimal, but the Company is subject to concentration of credit risk. Loans and account receivables consist of accounts receivable created in the course of normal business along with recoverable service taxes.

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 currently settles its financial obligations with cash and from time to time with equity. As at January 31, 2021, the Company's financial liabilities consist of accounts payable and accrued liabilities, which have contractual maturity dates within one year. The Company manages its liquidity risk by reviewing its capital requirements on an ongoing basis. There have been no changes in the Company's strategy with respect to credit/liquidity risk in the period.

Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar with minimal exposure to other currencies.

Off-Balance-Sheet Arrangements

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

Share Capital

As at the date of this MD&A, March 16, 2021, the Company had 82,009,942 common shares issued and outstanding, 1,953,076 warrants outstanding, 498,000 compensation options outstanding, 5,719,503 stock options outstanding and 2,951,012 restricted share units outstanding. Each warrant, compensation option, stock option and restricted share unit is exercisable or exchangeable for common shares of the Company on a one for one basis.

Internal Controls Over Financial Reporting

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the unaudited interim condensed consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited interim condensed consolidated financial statements; and (ii) the unaudited interim condensed consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of: i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of unaudited interim condensed consolidated financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

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 such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 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.

Risk Factors

The Company's business contains significant risk due to the nature of exploration and development activities. The Company is a junior resource company focused primarily on the exploration and development of mineral properties located in North America. The Company's properties have no established mineral reserves and there is no assurance that any of the Company's projects can be mined profitably. The Company is also exploring and developing other opportunities and is subject to risks and challenges similar to companies in a comparable stage. These risks include, but are not limited to, the challenges of securing adequate capital in view of exploration, development and operational risks inherent in the mining industry as well as global economic and base mineral price volatility.

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risks and Uncertainties" in the Company's Annual MD&A for the fiscal year ended October 31, 2020, available on SEDAR at www.sedar.com.