Canada Nickel Company Inc.

Management's Discussion & Analysis

For the Three Months Ended January 31, 2022

(Expressed in Canadian Dollars, unless otherwise noted)

March 31, 2022

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, 2022 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, 2021 (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 years ended October 31, 2021 and 2020, together with the notes thereto, and unaudited condensed interim consolidated financial statements for the three months ended January 31, 2022 and 2021, 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 with 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 31, 2022.

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.

The results of Crawford's Preliminary Economic Assessment, including statements relating to net present value, future production, estimates of cash cost, proposed mining plans and methods, mine life estimates, cash flow forecasts, metal recoveries, estimates of capital and operating costs, timing for permitting and environmental assessments, realization of mineral resource estimates, capital and operating cost estimates, project and life of mine estimates, ability to obtain permitting by the time targeted, size and ranking of project upon achieving production, economic return estimates, the timing and amount of estimated future production and capital, operating and exploration expenditures and potential upside and alternatives are forward looking statements. Readers should not place undue reliance on forward-looking statements.

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 Arthur G. Stokreef, P.Eng (ON), Manager of Process Engineering & Geometallurgy, both Qualified Persons 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 "CNC" and its common shares also trade on the OTCQX Best Market under the symbol "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 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 owns 19 additional nickel targets located near the Crawford Project.

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 Nickel™, NetZero Cobalt™, and NetZero Iron™ in the United States, Canada, and other jurisdictions related to zero-carbon production of nickel, cobalt, and iron products.

Key Developments During the Three Months Ended January 31, 2022 and up to March 31, 2022

During the first quarter of fiscal 2022, the Company continued its efforts to enhance the value of the Crawford Project and aggressively moved forward on the Crawford feasibility study.

Realize on District Scale Potential

The Company concluded on several acquisitions during the quarter realizing on its strategy to expand and consolidate Crawford's overall footprint, as well as expanding the district scale potential.

On November 22, 2021, the Company announced the acquisition of 13 additional target properties within a 95 kilometre radius of Crawford and on February 15, 2022, announced that it entered into a further four purchase or option agreements within the same Timmins, Ontario nickel-sulphide mining district, consolidating what could be a district scale potential. The combined target surface footprint of the new properties is 37.7 square kilometres – 40 times larger than the current Crawford Main Zone resource of 0.85 square kilometres. Each of the additional properties contains one or more ultramafic targets based on combinations of historical geophysical work and drilling over the past 65 years. Ten of the target properties have a larger footprint than Crawford and nine are confirmed to contain the same host mineralization as Crawford. The Sothman property has an historical higher grade, shallow resource of approximately 190,000 tons of 1.24% nickel (with 300 metres strike length)[1]; the remaining 2.2 kilometres of strike length is largely untested and is interpreted to be a large tonnage, low grade ultramafic intrusion like Crawford. Four of the target areas have yielded drill intersections of > 0.30% nickel including:

- Sothman: 2.31% nickel and 0.19% copper over true width of 3.2 metres within 1.58% nickel and 0.12% copper over true width of 8.6 metres from 41 metres
- Deloro: 0.38% nickel and 0.22 g/t PGM over core length of 15.5 metres within 0.28% nickel and 0.09 g/t PGM over core length of 299 metres from 241 metres
- Midlothian: 0.24% nickel over core length of 345 metres, including 0.30% nickel over 42 metres
- Mann Southeast: multiple 3 metre intervals grading 0.31-0.33% nickel within 111 metres of dunite across entire core length.

The acquisition of these target properties represents a transformational milestone for Canada Nickel, on par with the initial discovery of the flagship Crawford. The consolidation of these properties underscores the Company's strong belief in the district-scale potential of the Timmins region and in the journey to become a leader of the Next Generation of Nickel Supply – large, scalable, and low carbon nickel. Each target has had some historical work, and in some cases, much more than Crawford did initially, confirming that these targets contain the same serpentinized dunite and/or peridotite that hosts the Crawford mineralization and have the potential to permanently sequester CO_2.

Please refer to Canada Nickel press release dated November 22, 2021, for complete transaction details as well as additional information of each acquired property.

On December 17, 2021, the Company acquired from Noble Mineral Exploration Inc. ("Noble") all the properties previously optioned by the Company (Crawford/Nesbitt/Aubin, Nesbitt North, Aubin/Mahaffy, Kingsmill/Aubin, MacDiarmid and Bradburn/Dargavel) plus additional claims held by Noble – all in proximity to the flagship Crawford property. Under the terms of the agreement, the existing option agreements with Noble would be terminated and Canada Nickel would acquire 100% of the optioned claims and other interests in return for 3.5 million of the Company's common shares.

[1] See Statement Regarding Historical Resource Estimates on page 20 of this Interim MD&A.

Exploration upside at new properties

On January 24, 2022, the Company announced assay results from the drilling at its Mahaffy, Dargavel, Kingsmill and MacDiarmid properties. All 20 holes from the regional drill program intersected thick sequences of peridotite and/or dunite with some holes collared in, or ending in, volcanics. The highest-grade intersection was 0.34% nickel over 28.5 metres in Dargavel hole DAR21-01 (0.30% cutoff) within a larger zone grading 0.30% nickel over 162.0 metres (0.25% cutoff) starting at 375 metres downhole. The thickest interval of mineralization was in Kingsmill drillhole KML21-01 which intersected 0.24% nickel over 334.5 metres starting at 16.5 metres downhole. The overburden encountered was highly variable with as little as 12.5 metres at Nesbitt and as much as 160 metres at Mahaffy.

In addition, first drill hole results were also announced on January 24, 2022 at the Company's newly acquired Deloro property. DEL22-01, collared in the centre of the ultramafic target measuring 1.4 kilometres long by 300 – 500 metres wide, and drilled toward the west contact, intersected mineralized dunite (including some narrow dykes) starting at 1.8 metres downhole. The hole remained in dunite beyond its projected length of 400 metres to 482 metres at the west contact for a total interval of 480 metres.

Please refer to Canada Nickel press release dated January 24, 2022 for further details.

Optimization of Nickel, Iron, Chrome Recovery and Concentrate Grades

A key focus of the feasibility study activities is the continued improvement in flowsheet performance given its potential to add significant value to the project. Since releasing the PEA, two phases of optimization work have been completed: Phase 1 focused on increasing recoveries, while Phase 2 has focused on increasing concentrate quality at increased recovery.

Phase 1

In October 2021, the locked cycle tests (LCT) delivered significant metallurgical improvements in both the High-Grade core and the Low Grade zone:

- Nickel recovery of 62% – an improvement of 10 percentage points or 19% over the PEA
- Iron recovery of 45% – an improvement of 2 percentage points or 5% over the PEA
- Magnetite concentrate grade of 54% iron – an improvement of 6.5 percentage points or 14% over the PEA
- Cobalt recovery of 70% – an improvement of 30 percentage points or 75% over the PEA (note that cobalt will be a payable metal in the Feasibility Study while not in the PEA)

In the open circuit test (OCT), the average increase in flotation recovery was 6 to 16 percentage points in the high grade zone and 14 percentage points in the lower grade zone. The improvements would deliver more than the 4-5 percentage point improvement targeted for the Feasibility Study and would represent a US$92 million improvement to the PEA $NPV_{8\%}$ for each percentage point increase in nickel recovery. Please refer to Canada Nickel press release dated October 5, 2021 for further details.

On December 2, 2021, the Company released further metallurgical results from the OCT at the Low Grade zone demonstrating additional recovery improvements, including:

- Nickel recovery of 61% – an improvement of 19 percentage points or 45% higher than the PEA model
- Iron recovery of 63% - an improvement of 15 percentage points or 31% higher than the PEA model

Phase 2

The conditions and flowsheet used in phase 2 of the testing reflect optimizations for both concentrate quality and recovery. The locked cycle test ("LCT") used for phase 2 optimized the flowsheet which the company expects to take forward into the next phase of metallurgical testing for the feasibility study. The test was conducted at XPS Expert Process Solutions, a Glencore Company ("XPS"), and was the second LCT completed since releasing the PEA. The LCT was completed to measure the impact of flowsheet improvements made over the past eight months using a low-grade sample to test the robustness of the current flowsheet on a lower grade sample from the deposit. The flowsheet utilized in this test included changes to reagents, grind sizes, and position of magnetic separation in the flowsheet.

The test results announced on February 15, 2022, further confirm both significant recovery and excellent nickel sulphide concentrate grades particularly from a low-grade sample. Results from this latest phase of testing are indicating grades of 40-50% for the high grade nickel concentrate can be achieved, well above the current 35% target for this product. A broad range of samples will continue to be tested during the upcoming phase of feasibility study work and a range of recovery results from 30% to 60+% is expected.

Receiving Stakeholder Support

In conjunction with the initiation of the feasibility study and Environmental and Social Impact Assessment ("ESIA") for the Crawford Project, the Company plans to fully engage with local Indigenous Nations and stakeholders in a comprehensive consultation and engagement process aimed at identifying and addressing significant challenges associated with the development of Crawford and maximizing potential social, environmental, and economic benefits for the project.

In order to ensure full participation of the First Nations communities, Canada Nickel has signed Impact Assessment Process Agreements with Taykwa Tagamou Nation, Matachewan First Nation, and Mattagami First Nation. The purpose of the Impact Assessment Process Agreements is to facilitate the full participation of the First Nation communities in Canada Nickel's completion of the federal Impact Assessment Process, anticipated to begin in the coming months with the filing of the Initial Project Description, and to build capacity within the communities to independently complete similar undertakings in the future.

The Impact Assessment Process Agreements outline the distribution of funds from Canada Nickel to the First Nation communities to cover expenses associated with:

- the employment of an Impact Assessment Coordinator (also referred to as an Environmental Coordinator) for each community, who shall coordinate, manage, and participate in studies, activities, meetings, and community engagement programs related to the Impact Assessment;
- the commissioning of First Nation selected consultants to complete Traditional Knowledge, Land Use and Socio-Economic studies (and other studies as deemed relevant by both parties through completion of the Impact Assessment);
- facilitation of community engagement activities related to the Impact Assessment; and
- training and acquisition of expert services relating to the Impact Assessment Process.

These Agreements also cover the creation of an Impact Assessment Consultation and Coordination Committee, which will collaborate to facilitate each parties' performance of their unique obligations and achievements related to the Impact Assessment.

Corporate

Financings

On January 5, 2022, the Company secured a US$10 million bridge facility from Auramet, one of the world's largest precious metals merchants with $22 billion in annual revenues. The facility ensured that the Company was well funded through the first fiscal quarter of 2022 while the Company continued its discussions with strategic and institutional investors. The loan is secured and matures on April 5, 2022, subject to the Company's right to extend the loan for a further three-month period at its option. The interest rate on the facility is 1% per month and has an arrangement fee of 2% of the loan amount. In connection with the loan, the Company issued 325,000 1-year share purchase warrants at a strike price of $3.94 per share.

On March 9, 2022, the Company announced that it entered into an agreement with Red Cloud Securities Inc. to act as lead underwriter and sole bookrunner on behalf of a syndicate of underwriters that includes Clarksons Platou Securities AS. (collectively, the "Underwriters") pursuant to which the Underwriters have agreed to purchase for resale the following equity securities of the Company on a bought deal basis to raise aggregate gross proceeds to the Company of $45,000,000 (the "Offering"):

- 8,325,806 common shares of the Company at a price of $3.10 per common share;
- 3,424,658 flow-through shares of the Company to be sold to traditional flow-through purchasers at a price of $3.65 per traditional flow-through share; and
- 1,500,000 flow-through shares to be sold to charity flow-through purchasers at a price of $4.46 per charity flow-through shares.

A flow-through share is a common share of the Company to be issued as a "flow-through share" within the meaning of the *Income Tax Act* (Canada).

The Company has granted to the Underwriters an option, exercisable for a period of 30 days after and including the closing date of the Offering, to purchase any combination of additional Offered Securities for additional gross proceeds of up to 15% of the gross proceeds raised under the Offering to cover over-allotments, if any, and for market stabilization purposes.

The Company plans to use the net proceeds of the Offering to repay the Company's short-term loan facility with Auramet and to continue to develop the Crawford Project through additional studies, infrastructure design and exploration, including to undertake in-fill drilling to upgrade the current resource and proceed

towards a feasibility study. In addition, the Company plans to use the net proceeds of the Offering on initial exploration work on mineral claims in the same region as Crawford ("District Exploration"). See *Outlook - Use of proceeds from the Offering.*

On February 25, 2022 Canada Nickel entered into a Transmission Service (Wheeling) and Project Development Agreement (the "Crawford TSA") with Transmission Infrastructure Partnerships 1 Limited ("TIP1") pursuant to which TIP1 has agreed to develop, construct and operate a 230kV transmission line and related facilities to connect the Crawford Project to the Hydro One Porcupine Transmission System (the "Crawford Transmission Network") and enable Canada Nickel to receive electricity supply for the Crawford Project.

The initial term of the Crawford TSA will commence on the date of completion of the applicable conditions precedent, discussed below, and end on the twenty-fifth anniversary of the date the Phase 2 System (as defined below) reaches its commercial operation date. The Crawford TSA also includes a renewal term of five additional years, subject to the parties election to renew. The effectiveness of the Crawford TSA is subject to a number of conditions precedent including receipt of all applicable regulatory approvals, commencement of applicable environmental assessments, securing the applicable real property surface rights, and a number of ancillary agreements relating to the development, financing, and operation of the Crawford Transmission Network.

The customer charges to be paid by Canada Nickel to TIP1 under the term of the Crawford TSA shall be determined by an independent engineer, consistent with comparable market charges, and are intended to allow TIP1 to recover the full cost of designing, developing, constructing, owning and operating the Crawford Transmission Line over the term and to provide a reasonable rate of return on TIP1's invested capital.

Annual General Meeting

The Company will be holding its annual general meeting of shareholders ("AGM") on Wednesday, April 20, 2022. As a result of the ongoing impact of the COVID-19 pandemic and in accordance with continued public health measures, the Company will host its AGM in a virtual-only format. Holders of record of common shares of the Company as of the close of business on March 11, 2022 will be entitled to receive notice of and vote at the AGM. Detailed instructions for shareholders about how to participate in the AGM and how to duly appoint a proxyholder, will be provided to shareholders in a notice of meeting in advance of the AGM.

Grant of share-based compensation

On March 14, 2022, the Company issued stock options and restricted share units ("RSUs") to executives, employees and directors. 1,040,000 stock options were issued at an exercise price of $3.14 per share vesting over a three year period and 925,362 RSUs were issued vesting over a one year period.

Outlook

Use of proceeds from the Offering

With the expected net proceeds from the Offering of $41.9 million, the Company plans to use approximately $13.1 million to repay the Auramet short-term loan facility, $2.7 million for general corporate and working capital purposes, and $26.1 million towards accomplishing the following objectives:

Use of Proceeds	Expected Costs $	Description and Expected Time Frame to Complete
Feasibility Study	4,200,000	Mine and project design and compilation of the feasibility study expected to complete by December 2022
Net Zero / Metallurgy	900,000	Analysis of carbon sequestration potential on larger scale tailings samples expected to complete by December 2022 Further development of alternative processing paths for the nickel and magnetite products from the Crawford Project expected to be complete by December 2023
Environmental, Permitting and Community Engagement	1,500,000 300,000	Environmental and Social Impact Assessment process (including all related studies) expected to complete by February 2023 Ongoing community engagement process (including First Nations and other community costs)
Crawford Project Resource Definition	5,100,000	The Company plans to complete in-fill drilling programs at Crawford to upgrade and expand resources as well as update the resource model utilizing recent drilling. By June 2022 the Company expects a resource update and a further resource definition by September 2022. In addition, complete geotechnical work to optimize pit design and execute condemnation drilling of the footprints identified for various surface infrastructure, including waste impoundments to be incorporated into the feasibility study.
District Exploration: Geophysics and Pre-Drilling	2,500,000	Programs aimed at geo-physics surveys and pre-drilling to be completed by February 2023 at the following properties/townships: *Southern* (Deloro, Midlothian, Powell and Sothman) - $854,500 *Eastern* (McCool, Moody, Mortimer and Stimson) - $287,500 *Northern* (Mann, Reaume and Reid) - $663,500 *Other* (properties that the Company is proposing to acquire) - $694,500
District Exploration: Drilling	11,600,000	Drilling programs aiming to complete by February 2023 at the following properties/townships: *Southern* - $4,012,000 *Eastern* - $1,990,000 *Northern* - $3,732,000 Other - $1,866,000

Feasibility Study

The feasibility study was initiated in September 2021 and is aggressively advancing with the aim to be completed by December 2022. The feasibility study for the Crawford Project will encompass additional studies including exploration programs aimed at in-fill drilling to upgrade current resources to the measured category and expand the measure and indicated categories as well as additional metallurgical studies.

Exploration

Exploration efforts will focus outside of Crawford on the newly acquired properties with an emphasis on properties closest to the Crawford infrastructure, specifically ones that appear to be more serpentinized, and most importantly, have demonstrated higher grade potential.

Metallurgy and carbon sequestration

The Company will commence the second phase of metallurgical variability testing for the feasibility study to better understand metallurgical performance from samples taken throughout the Crawford resource.

The Company is planning two larger scale pilot tests to continue to evaluate the carbon sequestration potential of tailings as well as to test various strategies for accelerating mineral carbonation. Pilot scale testing will be completed in two phases starting in the first half of 2022, with a tote test loaded with 1-tonne of tailings and then followed by an approximately 25 tonne test starting in the second half of 2022, which will be completed in a dynamic, outdoor environment near to the project site. The Company has already started the design of the 1-tonne tote test and has produced the tailings required for this. The 25-tonne pilot test will require a mineral processing pilot plant to generate the tailings which provides the additional opportunity to demonstrate the metallurgical flowsheet at scale and generate bulk concentrate for testing in flowsheet development efforts aimed at the downstream processes. The larger scale pilot test is being planned for the second half of 2022.

Environmental and Social Impact Assessment

Due to the nature and size of the Crawford Project, the company needs to proceed with both the federal and provincial Impact Assessment Process. In order to increase its knowledge of the Crawford property and feed the permitting process, the Company initiated an extensive baseline data acquisition program in March 2021. This program focuses on numerous biophysical components such as fish and wildlife, terrestrial and aquatic habitats, species at risk, air and water quality, hydrology, hydrogeology and environmental geochemistry, as well as human aspects such as land use, archeology and socio-economic components.

The Company plans to formally trigger the federal Impact Assessment Process by submitting the Initial Project Description (IPD) to the Impact Assessment Agency of Canada (IAAC) by April 2022. As required by the new federal process, the project's stakeholders and relevant Aboriginal groups will be consulted on the IPD content. IAAC will then use the IPD integrating consultation inputs to generate tailored guidelines for the Crawford Impact Study. In parallel, the Company will provide a Notice of Project to the provincial authorities to trigger the Provincial Impact Assessment Process.

Review of Operations for the Quarters Ended January 31, 2022

The following is a summary of Canada Nickel's statement of loss on a quarterly basis for the last eight quarters:

Last eight quarters

(Canadian dollars)	Q2 2020	Q3 2020	Q4 2020	**Q1 2021**	Q2 2021	Q3 2021	Q4 2021	**Q1 2022**
	$	$	$	**$**	$	$	$	**$**
Expenses								
Salaries and management fees	60,000	163,995	129,958	**141,560**	211,762	269,087	238,965	**254,845**
General and administrative costs	91,790	56,170	275,230	**223,859**	22,550	156,171	93,568	**242,497**
Professional fees	15,171	157,968	575,621	**107,650**	143,480	146,710	226,103	**111,915**
Consulting and advisory	250,335	231,223	297,892	**304,964**	310,628	201,699	245,085	**230,301**
Promotion and communication	171,907	140,877	130,033	**134,992**	94,090	216,018	193,882	**128,658**
Investor relations and marketing	48,342	62,764	93,632	**65,323**	96,511	45,119	19,463	**76,980**
Share-based compensation	126,381	129,190	887,245	**686,286**	1,155,705	1,425,822	547,385	**1,001,748**
Travel and other	5,165	-	136,082	**5,410**	11	80	117,113	**4,901**
Transaction costs, interest and accretion expense	-	-	-	**-**	-	-	-	**439,654**
	769,091	942,187	2,525,693	**1,670,044**	2,034,737	2,460,706	1,681,564	**2,491,499**
Flow-through share premium	-	-	(1,589,000)	**(282,027)**	-	-	(1,186,921)	**(959,399)**
Net loss	**769,091**	**942,187**	**936,693**	**1,388,017**	**2,034,737**	**2,460,706**	**494,643**	**1,532,100**
Weighted average shares outstanding	51,739,757	67,389,534	72,532,507	**80,097,896**	82,120,009	85,136,310	88,296,658	**91,160,063**
Net loss per share	$0.01	$0.01	$0.01	**$0.02**	$0.02	$0.03	$0.01	**$0.02**

The Company started operating activity in October 2019. Financial information is presented for the last eight quarters to demonstrate the trends. Accounting principles have been applied consistently amongst the periods and some reclassifications were made between expense categories in 2020 to conform to 2021 presentation.

Salaries and management fees

Salaries and management fees have been consistent over the last three quarters with headcount remaining stable. The expenses in the first quarter of 2022 are higher than the first quarter of 2021 because additional management positions were added during the second quarter of 2021.

General and administrative costs

General and administrative costs include general office expenses plus costs in relation to corporate governance requirements, filing and listing fees, and insurance. Variations in costs between quarters tend to be based on timing of payments for annual filing and listing requirements. Costs between the first quarters of 2022 and 2021 are comparable. The first quarter of 2022 includes additional filing fees of approximately $80,000 paid to the TSX-V in relation to approvals required for the property acquisitions made during the same period. The first quarter of 2021 includes additional filing and mailing costs of approximately $100,000 associated with the Company's annual general meeting. Directors' fees for 2021 and 2022 will be paid through the grant of restricted share units and will be expensed as share-based compensation. Third

quarter of 2021 includes annual fee payments for the TSX-V listing. Costs are higher in the fourth quarter of 2020 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.

Professional fees

Professional fees include legal, accounting and audit related fees, which are comparable between the first quarter of 2022 and 2021. In 2020, professional fees were largely associated with the consolidation and acquisition of Crawford, most of which were agreed and finalized in the fourth quarter of 2020 which resulted in a higher expense in that quarter.

Consulting and advisory

Fees incurred are with respect to strategic consulting in the areas of media, business development and financing. In general, fees in 2021 increased from 2020 due to additional advisory services to outreach global markets. Outreach to global markets will continue to be a focal area, but fees in 2022 are expected to be somewhat lower than 2021 as is already demonstrated in the first quarter of 2022.

Promotion and communication

Promotion and communication include costs related to website design and maintenance, advertising in trade magazines and communication with shareholders. Costs are comparable between the first quarters of 2022 and 2021. The third quarter of 2021 includes additional communication expenses in relation to the release of the PEA and the fourth quarter of 2021 includes additional expenses related to newswire distribution, which is not expected going forward. 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 and remain stable between periods.

Share-based compensation

Share-based compensation includes non-cash expenses related to both stock options and restricted share units. Share-based compensation tends to fluctuate depending on timing of grants. The first quarter of 2022 has increased from the first quarter of 2021 due to additional grants of stock options and RSUs in February 2021 and December 2021 at a considerably higher share price. First quarter of 2021 includes additional share-based compensation expenses from grants of stock options and RSUs to new employees and new board members at the start of the quarter. In the fourth quarter of 2021 the Company capitalized $650,000 of share-based compensation to *Exploration and evaluation assets*, which was previously expensed in the first three quarters of the year. The increase in the fourth quarter of 2020 includes approximately $500,000 in RSU expense which reflects second and third quarter expenses from RSUs approved in March 2020.

Transaction costs, interest and accretion expense

These costs are directly attributable to the receipt of proceeds from the Auramet short-term loan facility (refer to *Cash provided by financing activities)* and interest expense of $113,499 from January 5, 2022 to January 31, 2022. Transaction costs include the two percent arrangement fee, legal and other fees, and the cost of the warrant. Transaction costs are being amortized as accretion expense over the 3 month maturity period and as such $380,000 will be expensed in the second quarter of 2022.

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.

Spending in relation to exploration and advancement of Crawford are included as *Exploration and evaluation assets* capitalized on the consolidated statements of financial position.

Liquidity and Financial Condition

Cash flows

A summary of the Company's cash flow for the three months ended January 31, 2022 and 2021 are as follows:

(Canadian dollars)	**For the three months ended January 31** **2022**	2021
	$	$
Cash used in operating activities:		
Before working capital changes	**(1,163,596)**	(983,758)
Working capital changes	**2,128,650**	(319,929)
	965,054	(1,303,687)
Cash used in investing activities:		
Exploration and evaluation expenditures	**(12,970,989)**	(2,281,479)
Purchase of equipment	**(51,574)**	(35,161)
	(13,022,563)	(2,316,640)
Cash provided from financing activities:		
Proceeds from loan, net of transaction costs	**12,302,085**	-
Share issuance costs	**-**	(115,000)
Proceeds from exercise of warrants	**-**	72,833
	12,302,085	(42,167)
Change in cash and cash equivalents	**244,576**	(3,662,494)
Opening cash and cash equivalents	**3,334,643**	11,167,265
Closing cash and cash equivalents	**3,579,219**	7,504,771

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, flow-through share premium and accretion of transaction costs. In the first quarter of 2022, the Company received $3.1 million in refunds from harmonized sales taxes ("HST") paid in fiscal 2021 and as of the end of the first quarter of 2022 has $1.5 million outstanding representing three months of HST paid ($1.2 million was collected by March 31, 2022).

Cash used in investing activities

Exploration and evaluation expenditures

Exploration and evaluation expenditures increased to $13.0 million in the first quarter of 2022 from $2.3 million in the first quarter of 2021 largely due to the expenditures incurred for the feasibility study. Approximately $9.0 million was spent in relation to feasibility study work, $6.7 million of which was incurred for drilling.

Acquisition of properties

On April 22, 2021, the Company entered into a binding letter of intent with Noble to acquire six option properties (Crawford/Nesbitt/Aubin, Nesbitt North, Aubin/Mahaffy, Kingsmill/Aubin, MacDiarmid and Bradburn/Dargavel) it holds plus additional claims held by Noble and on December 17, 2021 the transaction was closed. Under the terms of the transaction, the option agreements Canada Nickel held with Noble were terminated and Canada Nickel acquired 100% of the optioned claims and other interests in return for 3.5 million of the Company's common shares. The transaction also provided Canada Nickel with the right to re-purchase 1% (half) of the 2% royalty held by Noble in respect of certain properties for a re-purchase price of $1.5 million per property if re-purchased during the one-year period after closing, increasing to $2.5 million per property if re-purchased during the second year after closing.

On November 22, 2021, the Company announced the acquisition of 13 additional target properties within a 95 kilometre radius of Crawford and on February 15, 2022, the Company announced that it entered into four additional purchase and option agreements. The consolidation of these properties underscores the Company's belief in the district-scale potential of the Timmins region.

The Company negotiated 21 separate agreements to directly acquire or earn-in to the properties. Under these agreements, Canada Nickel has agreed to issue the shares and pay the cash listed in the table below and in most agreements has agreed that each of the sellers will retain a net smelter royalty ("NSR") that ranges between 1% and 2%, with Canada Nickel having the right to re-purchase 50% of the royalty for $500,000 (with respect to a 1% NSR) or $1 million (with respect to a 2% NSR).

On signing, the Company will pay an aggregate of $607,000 in cash and issue an aggregate 2,420,000 common shares of the Company. As of March 31, 2022, $462,000 of this cash ($337,000 in the first quarter of 2022) has been paid and 2,033,000 common shares (1,664,000 common shares in the first quarter of 2022) issued. The table below shows the additional aggregate payments required to maintain the acquisition or earn-in to the properties post signing.

	Cash	Shares
	$	#
On signing	607,000	2,420,000
Fiscal year 2022	100,000	-
Fiscal year 2023	415,000	976,000
Fiscal year 2024	325,000	245,000
Fiscal years 2025 and 2026	700,000	245,000
	2,147,000	3,886,000

In addition, there are commitments to fund exploration expenditures of at least $2.3 million in fiscal 2023 and $3.7 million in fiscal 2025/2026 on certain properties to earn-in. Fiscal year 2023 includes a loan payment for $200,000 and an obligation to issue 350,000 common shares of Canada Nickel for one of the purchased properties.

Included in the table above is an agreement with Noble to earn-in and acquire up to an 80% interest in approximately 625 single cell mining claims (the "Claims") in Mann, Hanna, Duff and Reaume Townships (the "Option Agreement") and to acquire 198 mineral rights only patented properties in Kingsmill and Mabee Townships. The definitive agreement was completed in February 2022 with Noble. The Option Agreement requires an initial payment to Noble of $100,000 and 250,000 Common Shares (included in the table above but not yet paid for at March 31, 2022), and provides Canada Nickel the right to acquire a 60% interest in the Claims by incurring at least $500,000 of exploration expenditures on the properties by approximately December 31, 2022, and also making a further payment to the Company of $350,000, or at Noble's option the issuance to Noble of 150,000 common shares of Canada Nickel in lieu of that cash payment. After earning that 60% interest, Canada Nickel would have the option to increase its interest in the claims to 80% by incurring additional exploration expenditures of at least $1,200,000 on the properties by approximately July 15, 2025. In addition, Noble will receive four annual payments of $100,000 and retain a 2% net smelter return royalty on the 304 staked claims that are subject to the Option Agreement (subject to Canada Nickel having the right to purchase 50% of that royalty for a payment of $1,000,000). Noble will also retain the right to purchase up to 25% of the 2% royalty held by third parties on other parts of the claims that are subject to the Option Agreement (with Canada Nickel having the right to purchase another 25% of those royalties).

Cash provided by financing activities

On January 5, 2022, the Company secured a US$10 million bridge facility from Auramet, one of the world's largest precious metals merchants with $22 billion in annual revenues. The facility ensured that the Company was well funded through the first fiscal quarter of 2022 to continue to advance the Crawford Project while the Company continued its discussions with strategic and institutional investors. The loan is secured and matures on April 5, 2022, subject to the Company's right to extend the loan for a further three-month period at its option. The interest rate on the facility is 1% per month and has an arrangement fee of 2% of the loan amount. In connection with the loan, the Company issued 325,000 1-year share purchase warrants at a strike price of $3.94 per share.

The Company received $12,302,085 in funds net of transaction costs of $423,015, which included the arrangement fee, legal fees and other costs. Interest expense of $113,499 was accrued and unpaid as of January 31, 2022. In addition, the warrants were assigned an aggregate fair value of $283,140 using the Black-Scholes valuation model with the following assumptions: dividend yield 0%, expected volatility 65%, risk-free rate of return 1.0% and expected one year life.

Since the Company was incorporated it has received all its funding through a series of private and brokered equity placements. From November 2019 to July 2021, the Company received $24.9 million in net proceeds from the sale of flow-through shares and $10.6 million from the sale of common shares of Canada Nickel. The proceeds have been used to advance the Crawford Project, including Canadian exploration expenses, such as drilling and resource definition, completion of the preliminary economic analysis, the start of the feasibility study and for general corporate purposes.

Commitments and contingencies

As at January 31, 2021 the Company has $4.9 million in payables owing with respect to exploration and evaluation assets and has lease obligations of $120,027 related to the remaining nine months of fiscal 2022 and $111,481 in fiscal years 2023 and 2024.

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 Crawford 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. 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 a certain percentage 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 feasibility study and other activities) and otherwise in connection with the normal conduct of its business and exploration and 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 deficit balance of $12,813,637 as at January 31, 2022, and has incurred losses and negative cashflows from operations and has an accumulated deficit of $10,987,475. 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 January 31, 2022, the Company did not have sufficient cash on hand to meet operational expenses for the next twelve months, but on March 9, 2022 announced that it would enter into a $45 million equity financing expected to close in early April 2022. The Company will use the funds to repay the bridge loan facility and continue to execute its business plan and complete the feasibility study for Crawford. 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 MD&A, 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 are as follows:

	For the three months ended January 31	
	2022	2021
	$	$
Management and directors' fees	**216,323**	154,850
Share-based compensation	**775,269**	471,006

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. No amounts were payable to related parties at January 31, 2022 or October 31, 2021.

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 adjusts 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 was $65,634,114 as at January 31, 2022.

Financial Instruments

Fair values

At January 31, 2022, the Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and short-term loan facility. The short-term loan facility has been measured at amortized cost. 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 – cash and cash equivalents
Level 2 – none
Level 3 - none

The Company has exposure to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Foreign currency 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, and accounts receivable. 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. Harmonized sales tax receivable and accounts receivable consist of receivables created in the course of normal business, including 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, 2022, the Company's financial liabilities consist of accounts payable and accrued liabilities, and a short-term loan facility, 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 except for the short-term loan facility from Auramet which is denominated in US dollars. The Company converted US$8.8 million to Canadian dollars at an exchange rate of $1.27. The short-term loan facility is repayable on April 5, 2022 in US dollars. To alleviate the foreign currency risk the Company acquired a European call option which allows the Company to buy, without obligation, US$8.8 million at the equivalent Canadian/US dollar exchange rate of $1.27.

Off-Balance-Sheet Arrangements

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

Share Capital

As at the date of this Interim MD&A, March 31, 2022, the Company had 94,336,044 common shares issued and outstanding, 495,460 warrants outstanding, 6,398,919 stock options outstanding and 3,725,815 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.

The PEA results are estimates only and are based on a number of assumptions, any of which, if incorrect, could materially change the projected outcome. There are no assurances that Crawford will be placed into production. Factors that could affect the outcome include, among others: the actual results of development activities; project delays; inability to raise the funds necessary to complete development; general business, economic, competitive, political and social uncertainties; future prices of metals or project costs could differ substantially and make any commercialization uneconomic; availability of alternative nickel sources or substitutes; actual nickel recovery; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; accidents, labour disputes, the availability and productivity of skilled labour and other risks of the mining industry; political instability, terrorism, insurrection or war; delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities; mineral resource estimates relating to Crawford could prove to be inaccurate for any reason whatsoever; additional but currently unforeseen work may be required to advance to the feasibility stage; and even if Crawford goes into production, there is no assurance that operations will be profitable.

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.

Statement Regarding Historical Resource Estimates

The Sothman historical resource estimate is unclassified and does not comply with CIM Definition Standards on Mineral Resources and Mineral Reserves as required by NI 43-101. The historical resource was reported by D. R. Bell for Sothman Mines Limited on Oct. 1, 1969, as 189,753 tons of 1.24% nickel and 0.15% copper over an average width of 17.8 feet (undiluted) using a 1.00% nickel cut-off. The reliability of the historical resource is considered reasonable, but a qualified person has not done sufficient work to classify the historical resource estimate as a current mineral resource and the Company is not treating the historical resource estimate as a current resource. The Company plans on conducting an exploration program, including twinning of historical drill holes, to redefine the historical resource as a current mineral resource category.