



NiCAN Limited

Management Discussion and Analysis

December 31, 2025

This Management Discussion and Analysis (“MD&A”) is an overview of all material information about the operations, liquidity and capital resources of NiCAN Limited (the “Company” or “NiCAN”) for the year ended December 31, 2025. The MD&A was prepared as of April 9, 2026 and should be read in conjunction with the annual audited financial statements for the years ended December 31, 2025 and 2024, prepared in accordance with IFRS Accounting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). The Company’s reporting currency is the Canadian dollar, and all monetary amounts in this MD&A are expressed in Canadian dollars unless otherwise stated. References to nickel, copper, cobalt, gold, silver, palladium, and platinum will be shown as Ni, Cu, Co, Au, Ag, Pd, Pt, respectively, and the platinum group metals will be shown as PGM. Nickel equivalent grades include nickel and copper values only and assume recoveries of 85% for nickel and 85% for copper based on comparable deposits. The equivalent calculation uses a 3-year trailing average with a nickel price of US\$8.09/lb and copper price of US\$4.17/lb.

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

COMPANY OVERVIEW

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

2025 HIGHLIGHTS

- **Intersected 1.54% Nickel over 1.45 Meters (“m”) on the Pipy South Project.** Results from nine holes over 1,254 metres completed in the fall of 2025 confirmed high-grade nickel-bearing massive sulphides in the prospective Pipe Formation, which underlays the Pipy South Property, intersecting 1.54% nickel, 0.17% copper and 0.064% Co over 1.45 m at 60 m below surface. An additional hole, one of four completed to test historical results, intersected 19.45 m of 1.00g/t Au and 12.2g/t Ag.
- **Closed a \$1,500,000 Non-Brokered Private Placement** (the “Offering”) on October 15, 2025, consisting of 11,430,000 hard-dollar units of the Company (the “HD Units”) at \$0.05 per HD Unit for gross proceeds of \$571,500, and 18,570,000 flow-through units of the Company (the “FT Units”) for \$0.05 per FT Unit for gross proceeds of \$928,500 (combined, the “Units”). Each Unit was comprised of one common share of the Company and one common share purchase warrant of the Company (a “Warrant”), with each Warrant entitling the holder thereof to purchase an additional common share of the Company at an exercise price of \$0.06 per Warrant for 24 months from the closing of the Offering.

- **Commenced Drilling on the Pipy South Property.** NiCAN received its work permit for the initial reconnaissance drill program at the Pipy South Project. The permitted drill program, which commenced in mid-November, allowed NiCAN to test prospective areas where INCO drilled in the 1960s and identified nickel-bearing massive sulphides. NiCAN also tested a potential gold zone, leading to a new gold discovery which was announced early in 2026.
- **Pipy South Field Work** located 12 historical INCO drill hole casings that will allow NiCAN to carry out downhole electromagnetic (“EM”) surveys to test for potential nearby massive sulphides missed by the original drill hole.
- **Signed an Exploration Agreement with Nisichawayasihk Cree Nation (“NCN”)** for the Pipy Properties in Thompson Manitoba, establishing how the two parties will support and work together to advance exploration activities on the projects within NCN’s Traditional and Ancestral Territory.

REPORT ON OPERATIONS

The Company’s Properties as of December 31, 2025, include:

Project Area	Claims	Area (ha)
	December 31, 2025	
Wine Property	24	5,666
Pipy Property	21	4,039
Total	45	9,705

The following is a breakdown of expenditures during the year ended December 31, 2025:

Amounts in \$	Wine	Pipy	Total
Airborne Geophysics	\$ –	\$ 14,000	\$ 14,000
Assays	1,228	3,592	4,820
Camp supplies and services	–	31,290	31,290
Consulting	32,553	167,608	203,161
Drilling	–	460,952	460,952
Equipment	–	56,446	56,446
Field transportation	7,680	234,293	241,973
General and administrative	–	88,573	88,573
Government Grants	–	(100,000)	(100,000)
Ground geophysics	–	103,477	103,477
Line cutting	–	7,010	7,010
Total Property Expenditures, December 31, 2025	\$ 44,461	\$ 1,067,241	\$ 1,111,702

Wine Property

The Wine Property, comprising 24 mineral claims totalling 5,666 hectares, is located in northwestern Manitoba, within the Flin Flon-Snow Lake greenstone belt on the southern flank of the internal zone of the Trans-Hudson Orogen. The Company staked 22 of the 24 claims in 2021 and acquired the additional two

claims from W.S. Ferreira Limited (“Ferreira”) through a Mineral Property Acquisition Agreement dated May 7, 2021. Consideration for the claims consisted of cash payments totalling \$150,000 and 1,000,000 common shares at a deemed issue price of \$ 0.05 per share. The Company also granted a 2% net smelter royalty, with an option to repurchase 50% (1%) of the royalty for \$1,000,000 at any time and an option to repurchase an additional 50% (0.5%) of the remaining royalty for \$1,000,000 at any time.

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

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

During the year ended December 31, 2025, the Company did not undertake any significant exploration activity on the Wine Property, as exploration efforts focused on the Pipy Property.

Pipy Property

The Pipy Property, consisting of claim groups Pipy South and North, covers 4,093 hectares in northeastern Manitoba on the northern extent of the Thompson Nickel Belt (the “TNB”). The TNB is a 150-kilometre-long nickel metallotect extending from the Phanerozoic cover in the south to the north of the city of Thompson, Manitoba. The TNB consists of Proterozoic sedimentary and volcanic rocks deposited unconformably on Archean basement. Nickel deposits hosted by the TNB reflect the confluence of Proterozoic sulphur-rich sedimentary rocks comprising the Ospwagan Group and ultramafic intrusive rocks. Several sedimentary sequences overlay the Ospwagan Group, including terrestrial and shallow-water conglomerate and sandstone, which comprise the Grass River Group, as well as sediments of the Kisseynew Basin.

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

The Pipy South Property is underlain by a tightly folded sequence of Archean basement orthogneisses and Ospwagan Group supracrustal rocks. The distribution of Ospwagan supracrustal rocks is delineated by their

geophysical response and local diamond drill confirmation that defines a tight fold interference geometry. Critical to the prospectivity of the property, drilling by INCO, Dunlop, Falconbridge, and others, has identified a sequence of Ospwagan Group, Pipe Formation sulphide facies iron formation and sulphidic sediments in close proximity to ultramafic intrusive rocks. The understanding of the genesis of Ni-Cu deposits hosted by the TNB has evolved significantly since most historical exploration of the Pipy Property took place, and the Company classifies the exploration potential as good to excellent. Geophysics has played a crucial role in identifying targets for diamond drilling due to the thick glacial cover over the area.

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

In 2025 NiCAN received information on a 2017 drill hole that intersected significant gold mineralization just to the west of the Pipy South claim block and additional staking was carried out to cover the area. The historic hole intersected a core length of 47 metres of 1.2 g/t gold including a 2-metre section of 15.35 g/t gold. The historical diamond drill intercept was compiled from an unpublished 2017 report which includes assay results with accredited laboratory certification as well as reliable QAQC data. NiCAN has not yet been able to locate the core from this drill hole.

During the year ended December 31, 2025, the Company signed an Exploration Agreement with NCN and received a work permit for the initial reconnaissance drill program and airborne electromagnetic survey at Pipy South. The drill program and survey were designed to test both historical target areas, including the new gold target, and new anomalies identified in the previously completed high-definition UAV aeromagnetic survey by NiCAN.

The drill program at the Pipy South Property, consisting of nine holes totalling 1,254 metres, commenced on November 19, 2025 and was completed in early 2026. Five holes tested the nickel potential, and four holes tested the new gold zone. One hole testing nickel potential intersected 1.45 metres of massive sulphides grading 1.54% nickel. Follow-up downhole geophysics returned an in-hole conductive anomaly, and four lines of surface TEM revealed a shallow, near-horizontal conductive plate extending for over 400 metres along strike.

The first hole, PIPY25-04, successfully confirmed the new gold zone. It was drilled in the same location as the historical hole, although the exact azimuth and/or dip of the historical hole is unclear. The second hole was drilled above the historical hole and two other holes tested the zone 25 metres to the south. All holes intersected gold mineralization and the results are listed in the table below.

Drill Hole	Azimuth	Dip	From (m)	To (m)	Length (m)	Au g/t	Ag g/t
PIPY25-04	250	-61	20.4	48	27.6	1.25	12.5
PIPY25-04 incl.	250	-61	21.4	35.7	14.3	2.14	19.8
PIPY25-04 incl.	250	-61	33.7	35.7	2	5.39	7.1
PIPY25-05	250	-50	9.6	19.1	9.5	0.65	8.4
PIPY25-07	250	-55	30	38	8	0.21	1.2
PIPY25-07	250	-55	81.5	85.5	4	1.25	3.64
PIPY25-08	256	-80	6.4	11.8	5.4	0.69	4.5
PIPY25-08	256	-80	17.9	37.3	19.45	1	12.2
PIPY25-08 incl.	256	-80	31.8	36.8	5	2.17	28.7

REVIEW OF FINANCIAL RESULTS

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

For the year ended	December 31, 2025	December 31, 2024
Loss and comprehensive loss	\$ (1,734,675)	\$ (1,409,375)
Basic and diluted loss per share	(0.02)	(0.02)

As at	December 31, 2025	December 31, 2024
Cash and cash equivalents	\$ 1,190,486	\$ 974,493
Total assets	1,330,465	1,023,579
Share capital	11,402,529	10,017,512
Deficit	(11,690,726)	(9,956,051)

During the year ended December 31, 2025, the Company incurred a loss of \$1,734,675, \$325,300 higher than the prior year ended December 31, 2024, primarily due to higher exploration expenses (\$390,807) resulting from the Pipy drill program in the fourth quarter of 2025.

QUARTERLY RESULTS

The following selected financial information is a summary of the recently completed quarters up to December 31, 2025.

	Three months ended Dec 31, 2025	Three months ended Sept 30, 2025	Three months ended Jun 30, 2025	Three months ended Mar 31, 2025	Three months ended Dec 31, 2024	Three months ended Sept 30, 2024	Three months ended Jun 30, 2024	Three months ended Mar 31, 2024
Comprehensive loss	\$ (1,245,203)	\$ (70,448)	\$ (197,619)	\$ (221,405)	\$ (37,106)	\$ (387,676)	\$ (317,620)	\$ (666,973)
Basic and diluted loss per share	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)

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

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

During the year ended December 31, 2025, the Company focused on consultations and engagement with NCN to establish and implement an exploration agreement and preparation and logistical work in support of the planned exploration activities at the Pipy Project. The Company commenced a drill program at the Pipy project area in the fourth quarter of 2025 with funds received from a \$1,500,000 Private Placement completed on October 14, 2025.

LIQUIDITY AND CAPITAL RESOURCES

	December 31, 2025	December 31, 2024
Cash and cash equivalents	\$ 1,190,486	\$ 974,493
Total current assets	1,330,465	1,023,579
Total current liabilities	1,019,413	407,052
Total equity	311,052	616,527

Currently, the Company’s operations do not generate cash flow, and its financial success is dependent on management’s ability to discover and develop economically viable mineral deposits, as well as to raise capital to support the discovery and development of such deposits. The mineral exploration process can take many years and is subject to factors beyond the Company’s control. To continue advancing exploration, the Company will need to raise additional funds in the future. However, there is no assurance that new funding will be available at the times required or desired by the Company. Factors that affect the availability of financing include the progress and results of ongoing exploration at the Company’s mineral properties, the state of debt and equity markets, and investor perceptions and expectations of the global markets, mining, and the precious and base metals sector in particular.

As of December 31, 2025, the Company had net working capital of \$311,052 (December 31, 2024 – \$616,527), which the Company expects to be sufficient to satisfy current liabilities. The Company subsequently raised an additional \$1,270,000 in March of 2026 to fund expected exploration activities during the year as well as fund ongoing corporate activities.

OUTSTANDING SHARE DATA

Authorized: an unlimited number of common shares without par value	Common shares issued and outstanding	Warrants	Stock Options
Outstanding as at April 9, 2026, the date of this report	130,734,902	46,800,000	7,980,000

FINANCIAL INSTRUMENTS

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

Credit Risk

The Company's credit risk is primarily attributable to its accounts receivable. Accounts receivable consists of sales taxes due from the Federal Government of Canada. The Company has no significant concentration of credit risk arising from its operations. Management believes that the credit risk concentration with respect to financial instruments included in other assets is low.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. As at December 31, 2025, the Company had a net working of capital of \$311,052 (December 31, 2024 – 616,527). The Company has liquidity risk.

Interest Rate Risk

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

Commodity price risk

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

Fair value

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

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

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

CONTRACTUAL COMMITMENTS

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the remaining contractual maturities of the Company's financial liabilities and commitments as at December 31, 2025, shown in contractual undiscounted cash flows:

	Within 1 year
Accounts payable and accrued liabilities	\$ 1,019,413
Flow-through expenditures requirements	334,594
Total	\$ 1,354,007

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

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

SUBSEQUENT EVENTS

On March 12, 2026, the Company closed a non-brokered private placement for aggregate gross proceeds of \$1,270,000. The Offering consisted of the sale of 7,900,000 hard dollar units ("HD2 Unit") of the Company at a price of \$0.05 per HD2 Unit for gross proceeds of \$395,000, and 10,000,000 flow-through units ("FT2 Units") of the Company at a price of \$0.0875 per FT2 Unit for gross proceeds of \$875,000. Each HD2 Unit and FT2 Unit is comprised of one common share of the Company and one common share purchase warrant of the Company (a "Warrant"), with each Warrant entitling the holder thereof to purchase an additional common share of the Company at a price of \$0.075 for 36 months from the closing of the Offering.

On March 5, 2026, NiCAN announced that it has tripled its land position at the Pipy South property, adding 13 new claims or 35.5km².

On February 17, 2026, the Company reported that it has intersected nickel-bearing massive sulfides on the Pipy South property, intersecting 1.54% nickel over 1.45 metres. Follow-up geophysics indicate that this zone is open up and down dip and to the north and south.

On February 9, 2026, the Company confirmed a new gold discovery on the Pipy South property intersecting 27.6 metres of 1.25g/t gold, and 12.5g/t silver.

RELATED PARTY TRANSACTIONS

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

	December 31, 2025	December 31, 2024
Management fees	\$ 348,200	\$ 449,900
Directors' fees	127,874	204,135
Share-based compensation	-	173,014
TOTAL	\$ 476,074	\$ 827,049

OUTLOOK

Exploration activities have continued on the Wine Copper-Nickel Project since 2022. During the first half of 2023, NiCAN completed its Phase II drill program, focusing on untested airborne geophysical anomalies that have a similar signature to the Wine Occurrence. The Company followed up on this drilling with downhole and surface geophysical surveys to identify conductive massive sulphide zones, and where warranted, used this information to design a Phase III drill program to vector in on the nickel-copper bearing horizon. The Phase III drill program at the Wine Project was completed in the fourth quarter of 2023, with 2,209 meters of diamond drilling, focusing on further defining and locating nickel and copper targets within the Wine Gabbro. The late 2023 program was immediately followed up with a March 2024 drill program consisting of 942 meters. Both drilling programs intersected significant nickel-copper mineralization at the Wine Occurrence and further defined the strike and depth extent of the mineralized bodies. Exploration drilling outside of the Wine Occurrence area intersected narrow widths of significant nickel-copper that require further follow up drilling. Drilling in 2024 was followed up with both shallow and deep penetrating geophysical surveys. The drilling and geophysical surveys have been incorporated into the Wine Gabbro mineralization geological model and used to design future follow up exploration/drill programs at the Wine Property. A reinterpretation of the regional geology has significantly improved the understanding of the nickel copper mineralization. The mineralized horizon is interpreted to be significantly more extensive than previously thought and future drilling is designed to verify this interpretation.

Following the signing of the Exploration Agreement at the Pipy Properties in early 2025, a fall diamond drilling program was completed consisting of nine holes totaling 1,254 metres at Pipy South. Five holes tested nickel potential, and four holes tested the new gold zone.

In 2026, the Company plans to continue to compile data on the Pipy South Property to further refine and prioritize future drill targeting for gold, nickel and copper, and to evaluate opportunities for strategic property and project acquisitions within the respective property areas to broaden the exploration program. In addition to further drilling and geophysical surveys at the Pipy South Project, the Company expects to continue drilling at the Wine Copper-Nickel Property to follow up on priority targets identified during previous drill programs. Leveraging the geological expertise of its management team, the Company also continues to evaluate additional nickel and copper projects, focusing on areas in stable jurisdictions,

preferably in the North American region.

QUALIFIED PERSONS

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

CRITICAL ACCOUNTING ESTIMATES

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

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

The Company's material account policies and accounting standards issued but not yet applied are described in Note 3 and Note 4 of the financial statements for the year ended December 31, 2025.

DISCLOSURE CONTROLS AND PROCEDURES

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

RISKS AND UNCERTAINTIES

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

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

Liquidity Concerns and Future Financings

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

Nature of Mining, Mineral Exploration and Development Projects

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

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

No Revenues

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

Licenses and Permits, Laws and Regulations

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

construction or operation of mining facilities.

Mineral Commodity Prices

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

Environmental

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

Title to Properties

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

Uninsured Risks

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

Competition

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

Dependence on Outside Parties

The Company has relied upon consultants, engineers and other experts and intends to rely on these parties for development, construction and operating expertise. Substantial expenditures are required to establish mineral reserves through drilling, to carry out environmental and social impact assessments, and to develop

processes to extract the commodity from the ore. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on NiCAN.

Conflicts of Interest

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

FORWARD LOOKING INFORMATION

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

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