NiCAN Limited

Management Discussion and Analysis

December 31, 2021

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") from the date of incorporation to the period ended December 31, 2021. The MD&A was prepared as of March 3, 2022 and should be read in conjunction with the financial statements for the period ended December 31, 2021, prepared in accordance with International Financial Reporting 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.

NiCAN is a private Ontario corporation currently engaged in mineral exploration for nickel in Canada. The Company's registered office is located at 390 Bay St, Suite 700A, Toronto, Ontario. The Company's projects and its history have been disclosed primarily on the Company's website at www.nicanltd.com.

OVERVIEW

NiCAN is a private Ontario corporation founded in 2021 by experienced mining executives in order to acquire and advance a portfolio of high-quality nickel projects in attractive and known jurisdictions for nickel exploration. The Company has since acquired an interest in two highly prospective land packages located in Manitoba, Canada. Both projects are located on geologically significant features in jurisdictions where significant nickel discoveries have been made.

HIGHLIGHTS

- The Company advanced both the Wine and Pipy Projects over this period, completing high-definition unmanned aerial vehicle (UAV) MAG surveys, data compilation and geological reinterpretations. This groundwork will be utilized to build targets for the planned upcoming drill programs.

- NiCAN received the Phase 1 Work Permit for the Wine Project, authorizing the Company's inaugural drill program planned to include approximately 1,500 metres, a ground electromagnetic (EM) survey and 2 downhole EM surveys. This program commenced in January of 2022 with the drill mobilizing to site on January 20, 2022.

- The Company announced the appointment of Saga Williams to the Board of Directors in December 2021. Ms. Williams, LLB is an experienced director who, in her capacity as both legal counsel and as an advisor, has significant experience in communications and negotiations with Indigenous communities as well as governmental agencies.

- NiCAN received $100,000 grant from the Manitoba Mineral Development Fund for exploration work on the Wine Project.

- On October 28, 2021, the Company closed a non-brokered private placement of 6,358,000 flowthrough shares at a subscription price of $0.25 per flowthrough share, for total proceeds of $1,589,500. The Company paid finders fees of $36,735 and issued 331,200 agents' warrants with a fair value of $27,248. Each agents' warrant entitles the holder to acquire one common share of the Company for $0.25 per share on or before October 28, 2022.

- On May 10, 2021, the Company completed a private placement by issuing 33,400,000 common shares for gross proceeds of $1,670,000.

- On May 7, 2021 the Company completed the acquisition of both the Pipy and Wine Properties, located in the Thompson and Flin Flon-Snow Lake districts, respectively. These properties were each acquired for an initial cash payment of $50,000, along with the issuance of 1,000,000 shares. A second cash payment of $100,000 is due on the earlier of May 7, 2022 or, the Company completing a financing of at least $2,000,000, three business days following the closing of the financing. The Company also provided a 2% net smelter returns royalty on each property, 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.

REPORT ON OPERATIONS

From the date of incorporation to the period ended December 31, 2021, the Company acquired two nickel properties in Manitoba, Wine and Pipy (the "Properties"), and focused initially on obtaining and compiling historical data related to the Properties. This was followed by the completion of two airborne unmanned aerial vehicle ("UAV") magnetic surveys in the third quarter of 2021 as well as the completion of a 43-101 resource report on Wine, in preparation for the planned public listing expected in 2022.

The Company's Properties as of December 31, 2021 are as follows:

Project Area	Claims	Area (ha)
	December 31, 2021	
Wine Property	18	4,153
Pipy Property	8	1,272
Total	**26**	**5,425**

The following is a breakdown of expenditures during the period ended December 31, 2021:

Amounts in $	Wine	Pipy	Total
Acquisitions	$ 100,000	$ 100,000	$ 200,000
Airborne Geophysics	216,429	75,791	292,220
Assays	1,630	–	1,630
Camp supplies and field expenses	11,443	–	11,443
Claim staking and maintenance	33,231	8,250	41,481
Consulting	55,394	60,876	116,270
Field transportation	121,940	10,800	132740
General and administrative	2,713	2,625	5,338
Government grants	(50,000)	–	(50,000)
Ground Geophysics	33,154	–	33,154
Line cutting	47,550	–	47,550
Total Property Expenditures, December 31, 2021	**$ 573,484**	**$ 258,342**	**$ 831,826**

Wine Property

The Wine property, comprised of 18 mineral claims totaling 4,153 hectares, is located in northwestern Manitoba, in the eastern Flin Flon-Snow Lake greenstone belt on the southern flank of the internal zone of the Trans Hudson Orogen. The Company staked 16 of the 18 claims in early 2021 and acquired the other 2 from W.S. Ferreira Limited ("Ferreira") through a Mineral Property Acquisition Agreement dated May 7, 2021. Consideration for the claims acquired from Ferreira was comprised of the following:

- Initial cash payment of $50,000 and the issuance of 1,000,000 shares at a deemed issue price of $0.05 per share
- Second cash payment of $100,000 due the earlier of a) May 7, 2022, or b) three days following the closing of an equity financing of no less than $2,000,000

- 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 Cu-Ni occurrence in the northern portion of the project area. This potential extends across the property as mafic intrusive rocks occupy a significant proportion of the property. Volcanogenic massive sulphide (VMS), reef-type platinum group metal (PGM) and orogenic gold deposit types are also prospective on the property.

Historical exploration on the Wine property focused initially on VMS mineralization following significant discoveries elsewhere in the Snow Lake area. The nickel potential of the property was not recognized until 1984, when Hudson Bay Exploration and Development discovered copper-nickel mineralization. Subsequent drilling identified a broad zone of copper-nickel ("Cu-Ni") mineralization and follow up drilling completed continued to intersect a broad zone of Cu-Ni mineralization over a relatively short strike length, with most drilling focused on the area of the original discovery. Significant drill intersections include drill hole EEL346 (12.0m @ 1.67% Ni, 1.52% Cu) and RAD07-01 (20.4m grading 2.27% Cu, 1.30% Ni, 0.05% Co, 0.319 gpt Au and 0.402 gpt PGM). Surface outcrop observations in the area previously drilled suggest that the mineralization bears a component of structural control.

With the acquisition of the Wine property, the Company initially focused on obtaining and reprocessing historical surface, drill and existing magnetic survey data in order to compile a complete data set to commence planning for future drill programs. The Company also completed a UAV supported, high-definition, aeromagnetic survey with a 50-meter line spacing in the third quarter. During the fourth quarter of 2021 the Company received the necessary permit to carry out approximately 2,000 metres of drilling, planned to commence in early 2022, and the results obtained from the work to date have generated 20 target areas to focus on, with additional areas possibly added depending on results achieved during the program.

During the fourth quarter the Company also received a $100,000 grant from the Manitoba Mineral Development Fund ("MMDF") in support of the Wine work program, with $50,000 received in December 2021 and the remainder to be received after the program is substantially underway.

Pipy Property

The Pipy property, comprised of 8 mineral claims totaling 1,272 hectares, is located in northeastern Manitoba in the northern extent of the Thompson Nickel Belt (TNB). The Company staked 5 of the 8 claims in early 2021 and acquired the other 3 from Ferreira through a Mineral Property Acquisition Agreement dated May 7, 2021. Consideration for the claims acquired from Ferreira was comprised of the following:

- Initial cash payment of $50,000 and the issuance of 1,000,000 shares at a deemed issue price of $0.05 per share
- Second cash payment of $100,000 due the earlier of a) May 7, 2022, or b) three days following the closing of an equity financing of no less than $2,000,000
- 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 property is located in the northern TNB, which is a 150 km long nickel metallotect extending from Phanerozoic cover in the south, to north of the City of Thompson. 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. Overlying the Ospwagan Group are several sedimentary sequences, including terrestrial and shallow water conglomerate and sandstone comprising the Grass River Group and sediments of the Kisseynew Basin.

The Pipy property is underlain by a tightly folded sequence of Archean basement orthogneisses and Ospwagan Group supracrustal rocks. The distribution of Ospwagan Group supracrustal rocks delineated by their geophysical response and local diamond drill confirmation define 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 historic exploration of the Pipy property took place. Geophysics will play a critical role in the development of targets for diamond drilling due to the thick glacial cover over the area.

From the date of acquisition to December 31, 2021, the Company has focused on obtaining and reprocessing historical data, including all assessment data and existing airborne geophysical data. The work completed to date has generated several targets requiring further exploration. Additionally, the Company completed a UAV supported, high-definition, aeromagnetic survey at a 50-meter line spacing during the third quarter of 2021. NiCAN subsequently updated the interpretation of the geology based on the newly acquired geophysical data, increasing the confidence in the location of the prospective Pipe Formation on the Pipy property.

REVIEW OF FINANCIAL RESULTS

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

For the period ended	December 31, 2021
Loss and comprehensive loss	$ (1,275,202)
Basic and diluted loss per share	(0.03)

As at	December 31, 2021
Cash and cash equivalents	$ 2,201,254
Total assets	2,332,837
Share capital	2,532,563
Deficit	(1,275,202)

From the date of incorporation to the period ended December 31, 2021, the Company incurred a loss of $1,275,202 primarily as a result of exploration costs ($831,826), including $200,000 for the acquisition of the Wine and Pipy Properties and $292,219 for the UAV magnetic surveys completed on the Properties, together with the related helicopter transportation ($132,740). During the fourth quarter the Company granted 2,500,000 stock options to directors, management, and consultants to the Company for a total share-based compensation cost of $194,312. The Company also commenced preparations for a public listing during 2021, incurring legal fees of $102,984, and retained the necessary personnel to manage the Company and the public listing process, resulting in board and management fees of $147,200.

The Company raised a total of $3,269,500 during the period ended December 31, 2021, including $1,589,500 of flow-through shares, either through private placement or by direct subscription for shares (the latter primarily for founders of the Company). These funds were used for exploration activities at both the Properties in northern Manitoba, as well as for management fees and set up costs for the Company.

QUARTERLY RESULTS

The following selected financial information is a summary of the recently completed quarters up to December 31, 2021.

	Three months ended December 31, 2021	Three months ended September 30, 2021	From incorporation to the period ended June 30, 2021
Comprehensive loss	$ (507,610)	$ (343,390)	$ (424,202)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)

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

During the period ended June 30, 2021, the loss arose primarily from exploration activities ($382,189), which includes the acquisition cost for both the Wine and Pipy Properties. For the three months ended September 30, 2021, the Company incurred an additional $284,780 in exploration costs, primarily from the UAV magnetic survey completed ($185,676) and helicopter support ($59,390). During the fourth quarter of 2021, the Company granted 2,500,000 stock options, incurring share-based compensation expense of $194,312. The Company also completed additional claim staking and line cutting at the Wine Project ($47,551), including helicopter support costs of $52,650, in preparation for the winter drill program as well as commenced an electromagnetic survey at Wine ($33,154).

LIQUIDITY AND CAPITAL RESOURCES

		December 31, 2021
Cash	$	2,201,254
Total current assets		2,332,837
Total current liabilities		875,712
Total equity		1,457,125

The Company has forecast its cash requirements for the next year and believes it has sufficient cash resources and liquidity to support the ongoing sustaining costs for the Company. At present, the Company's operations do not generate cash flow and its financial success is dependent on management's ability to discover and develop economically viable mineral deposits and to raise money to support the discovery and development of such mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. To continue advancing exploration the Company will need to raise additional funds. Although the Company has successfully completed an initial financing as well as a flow-through financing in October 2021 to support planned activities, there can be no assurance that the Company will be able to do so in the future. Factors that affect the availability of financing include the progress and results of ongoing exploration at the Company's mineral properties, the state of debt and equity markets, and investor perceptions and expectations of the global markets, mining, and the base metals sector in particular. There is no assurance that new funding will be available at the times required or desired by the Company.

As of December 31, 2021, the Company had a net working capital of $1,457,125, which management believes is sufficient to satisfy current liabilities and support existing and planned exploration activities throughout the year. Current liabilities includes a flow-through premium liability of $726,207 which will be reduced based on future exploration expenditures on the property. Management is currently anticipating completing a public listing transaction in early 2022, which will provide the Company with improved access to capital markets and additional options for equity financing.

OUTSTANDING SHARE DATA

Authorized: an unlimited number of common shares without par value	Common shares issued and outstanding	Stock Options	Warrants
Outstanding as at March 3, 2022	51,758,000	2,500,000	331,200

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 amounts 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. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

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, 2021, the Company had working capital (current assets less current liabilities) of $1,457,125. The Company is exposed to 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

While the value of the Company's exploration and evaluation assets is related to the price of nickel and other minerals, the Company currently does not have any operating mines and hence does not have any hedging or other commodity-based risks with respect to its operational activities. Nickel and other mineral prices have historically fluctuated widely 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 accounts receivables and accounts payable and accrued liabilities approximates their carrying value because of the short-term nature of the financial instruments. The Company's cash is measured at fair value using Level 1 inputs.

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, 2021, shown in contractual undiscounted cashflows:

	Within 1 year
Accounts payable and accrued liabilities	149,505
Flow-through expenditure requirements	726,207
Remaining cash payments related to property acquisitions	200,000
Total	1,801,918

Both the Wine and Pipy Properties are subject to net smelter royalty arrangements which create contractual obligations in the event that 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 1, 2022, the Company entered into an amalgamation agreement with 1287390 B.C. Ltd. ("390"), pursuant to which the Company will amalgamate with 390 and continue as one company ("Amalco") (the "Transaction"). Each common share of the Company and 390 will be exchanged for one common share of Amalco. Upon completion of the Transaction, shareholders of the Company and 390 will become shareholders of Amalco, to continue under the name NiCAN Limited.

The Transaction is subject to the approval of the TSX Venture Exchange ("TSX-V") and is intended to constitute a reverse takeover of 390 by the Company as defined in TSX-V Policy 5.2 – Change of Business and Reverse Takeovers. Completion of the Transaction is subject to certain other conditions including:

(i) Obtaining approval from shareholders of 390 and the Company;

(ii) Completion of a concurrent private placement for a minimum of 13,000,000 common shares for minimum proceeds of $5,200,000 by the Company; and

(iii) Completion of a share consolidation by 390 on a basis of ratio to be determined prior to the closing of the Transaction.

RELATED PARTY TRANSACTIONS

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

		2021
Management fees	$	111,950
Director fees		35,250
Share-based compensation		353,143
	$	500,343

OUTLOOK

The Company has recently completed a flow-through financing for $1,589,500 to support the planned work program for 2022, as well as received a grant for $100,000 from the MMDF. This program will continue to follow-up on the recently completed UAV MAG survey at the Wine property by completing two downhole electromagnetic surveys and a ground electromagnetic survey, additional geological mapping, and further data compilation. During the first quarter of 2022, the Company plans to complete its first drill program at the Wine property with the completion of a minimum of 20 diamond drill holes.

As well, the Company will continue to compile data on both Properties to further refine future drill targeting, as well as look to strategically add land positions within the respective property areas to broaden the exploration program. The Company is continuing to evaluate additional Nickel projects, focusing on areas in stable jurisdictions, preferably in the North American region.

The Company is also actively working with a publicly listed shell to complete a reverse takeover transaction by way of an amalgamation agreement. The Company expects this process to complete by early March of 2022, subject to possible regulatory delays while the necessary transaction documents are being reviewed by the TSX Venture Exchange. In conjunction with the public listing, the Company expects to raise additional funds to provide additional liquidity for the shares, meet the minimum listing requirements, and to fund ongoing exploration.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's interim 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.

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

The Company's significant account policies and accounting standards issued but not yet applied are described in Note 3 and Note 4 of the financial statements for period ended December 31, 2021.

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 as well as 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.

COVID 19 and Other Outbreaks of Communicable Diseases

Our business could be adversely impacted by the effects of the coronavirus or other epidemics. The extent to which COVID-19 impacts our business, including our operations and the market for our securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the outbreak. In particular, the continued spread of COVID-19 globally could materially and adversely impact our business including without limitation, employee health, workforce productivity, supply chain impacts, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, restrictions to our drill program and/or the timing to process drill core samples and other metallurgical testing, requiring a partial or full suspension of tailings re-processing operations and exploration programs for an indefinite amount of time and other factors that will depend on future developments beyond our control, which may have a material and adverse effect on our business, financial condition and results of operations.

There can be no assurance that the Company's personnel will not be impacted by these pandemic diseases and ultimately see its workforce productivity reduced or incur increased medical costs / insurance premiums as a result of these health risks.

In addition, a significant outbreak of COVID-19 or other communicable disease could result in a widespread global health crisis that could adversely affect global economies and financial markets resulting in an economic downturn that could have an adverse effect on the demand for precious metals, our ability to raise capital, and our future prospects.

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 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

Mining operations generally involve a high degree of risk. The Company's operations are subject to the hazards and risks normally encountered in the 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 near 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. 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 its 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 to 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 others 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, 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 future 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 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 there from. 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.