



NiCAN Limited

Management Discussion and Analysis

June 30, 2022

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of NiCAN Limited. ("NiCAN" or "the Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the six months ended June 30, 2022. The MD&A was prepared as of August __, 2022 and should be read in conjunction with the Company's condensed interim financial statements ("Financial Statements") and related notes for the six months ended June 30, 2022, the annual audited Financial Statements for the year ended December 31, 2021, which was prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), as well as the annual MD&A for the year ended December 31, 2021. The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

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 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

- NiCAN completed its maiden drill program at the Wine property, completing 17 diamond drill holes, for a total of 1,691.75 metres, with nine holes testing the Wine occurrence area and 8 holes testing geophysical targets in interpreted geologically favourable locations for nickel mineralization.
- On March 30, 2022, the Company completed a non-brokered private placement of 14,483,446 subscription receipts, in a combination of non-flow-through subscription receipts at a price of \$0.40 each, and flow-through subscription receipts at a price of \$0.45 each, for aggregate gross proceeds of \$6,108,676. The common shares underlying the subscription receipts will be exchanged on a one-for-one basis for Resulting Issuer common shares upon completion of the Transaction and public listing of the Resulting Issuers' shares on the TSX Venture Exchange.
- On July 26, 2022, the Company completed the Amalgamation, as described below, with each of the shareholders of 390 and NiCAN received one common share in the capital of the Resulting Issuer for each share held as at the time of Amalgamation, with the former having first consolidated its shares based on the Ratio. The shares commenced trading on the TSXV under the symbol "NICN" on August 3, 2022. Also, in connection with the conversion of the subscription receipts of NiCAN, the subscription receipt agent also released \$5,757,996.19 in escrowed funds to NiCAN and the remaining 50% of the finder's fees payable in connection with the offering of subscription receipts.

REVERSE TAKEOVER ACQUISITION

On March 3, 2022, the Company entered into an amalgamation agreement with 1287390 B.C. Ltd. ("390"), pursuant to which 390 and NiCAN will amalgamate and continue as one corporation (the "Amalgamation"), being the Resulting Issuer, on the terms and subject to the conditions set forth in the Amalgamation Agreement. Each common share of the Company will be exchanged for one common share of the Resulting Issuer. Immediately prior to completing the Amalgamation, 390 will complete a 1:0.728 reverse split (the "Ratio") of their existing shares in the Company. The shareholders of 390 will receive a number of common shares equal to \$1,310,000 of common shares of the Resulting

Issuer, including the exercise of 100,000 options at \$0.10 per share in 390. The Transaction will constitute a reverse takeover of 390 by the Company as defined in TSX-V Policy 5.2 – Change of Business and Reverse Takeovers.

Concurrent Offering

In connection with the Amalgamation, NiCAN completed a non-brokered private placement of 14,483,446 subscription receipts, in a combination of non-flow-through subscription receipts at a price of \$0.40 each, and flow-through subscription receipts at a price of \$0.45 each, for aggregate gross proceeds of \$6,108,676 (collectively, the "Offering"). The Company paid \$362,743 in cash finders' fees in connection with the Offering and issued 843,825 finder's warrants. Each finder's warrant exercisable to acquire one NiCAN share at a price of \$0.40 for a period of 12 months following the closing of the Offering. The common shares underlying the subscription receipts will be exchanged on a one-for-one basis for Resulting Issuer common shares upon completion of the Transaction and public listing of the Resulting Issuers' shares on the TSX Venture Exchange.

On the NiCAN Offering Closing Date, the gross proceeds of the Offering, less \$181,238.35, being 50% of the cash finders fees payable to the Agents in connection with the Offering, were deposited into escrow pending the satisfaction of certain escrow release conditions, including the satisfaction of all conditions precedent to the Transaction and completion of the Amalgamation in accordance with the Amalgamation Agreement. On July 18, 2022, 390 completed a non-brokered private placement ("390 Offering") 70,500 shares of 390 at a price of \$0.307 per share for total proceeds of \$21,643. Shares issued pursuant to the 390 Offering will be subdivided based on the Ratio.

REPORT ON OPERATIONS

The Company's Properties as of June 30, 2022 are as follows:

Project Area	Claims	Area (ha)
	June 30, 2022	
Wine Property	24	5,666
Pipy Property	13	2,456
Total	37	8,122

The following is a breakdown of expenditures during the six months ended June 30, 2022:

Amounts in \$	Wine	Pipy	Total
Property acquisitions	\$ 100,000	\$ 100,000	\$ 200,000
Airborne geophysics	150,908	–	150,908
Assays	2,479	–	2,479
Camp supplies and field expenses	43,923	826	44,749
Claim staking and maintenance	–	22,000	22,000
Consulting	109,000	36,500	145,500
Drilling	708,282	–	708,282
Field transportation	467,173	–	467,173
Government grants	(50,000)	–	(50,000)
Ground geophysics	104,242	–	104,242
Line cutting	5,000	–	5,000
Total Property Expenditures, June 30, 2022	\$ 1,641,007	\$ 159,326	\$ 1,800,333

Wine Property

The Wine property, comprised of 24 mineral claims totaling 5,666 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 22 of the 24 claims in 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 paid on May 7, 2022, one year from the date of the agreement
- 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. The geological setting is also permissive for the formation of Volcanogenic massive sulphide (VMS), reef-type platinum group metal (PGM) and orogenic gold deposit types.

Historical exploration on the Wine property focused initially on VMS mineralization following significant discoveries elsewhere in the Snow Lake area. The nickel potential was not recognized until 1984, when Hudson Bay Exploration and Development discovered copper-nickel (“Cu-Ni”) mineralization at the Wine Property (???. Subsequent drilling campaigns identified a broad zone of Cu-Nimineralization 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 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 of 2021. During the fourth quarter of 2021 the Company received permits to carry out approximately 2,000 metres of diamond drilling, subsequently completed in the first quarter of 2022. The results obtained from the work to date identified 20 priority target areas and contingent on results additional targets may be generated for follow-up.

During the six months ended June 30, 2022, NiCAN completed an extensive exploration program at the Wine property. This included a downhole electromagnetic (EM) survey on two historical drill holes along with a ground time domain electromagnetic (TDEM) survey in the region of the historic Wine occurrence. Following this the Company commenced its first drill program at Wine, completing 17 diamond drill holes, for a total of 1,691.75 metres, with nine holes testing the Wine occurrence area and 8 holes testing geophysical targets in interpreted geologically favourable locations. Assays are pending on these drill holes. The Company also received the remaining \$50,000 related to the \$100,000 grant from the Manitoba Mineral Development Fund (“MMDF”) provided in 2021 to support the Wine exploration program.

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 paid on May 7, 2022, one year from the date of the agreement
- 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 Kiskeynew 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.

To date the Company has focused primarily on obtaining and reprocessing historical data, including all assessment data and existing airborne geophysical data. 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 understanding of the Pipy property. During the second quarter of 2022 the Company staked an additional 5 claims 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	June 30, 2022	June 30, 2021
Loss and comprehensive loss	\$ (1,513,996)	\$ (424,202)
Basic and diluted loss per share	(0.03)	(0.01)

As at	June 30, 2022	December 31, 2021
Cash and cash equivalents	\$ 298,027	\$ 2,201,254
Total assets	7,737,997	2,332,837
Share capital	2,532,563	2,532,563
Deficit	(2,789,198)	(1,275,202)

During the six months ended June 30, 2021, the Company incurred a loss of (\$1,513,996) primarily from exploration costs (\$1,800,333) incurred during the period, mostly due to drilling (\$708,282), helicopter support (\$467,173), and the remaining payments for the Wine and Pipy projects (\$200,000). These were offset by the premium flowthrough

recovery amount of \$726,027 as the exploration costs incurred reduced the liability associated with flowthrough shares issued in 2021.

QUARTERLY RESULTS

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

	Three months ended June 30, 2022	Three months ended March 31, 2022	Three months ended December 31, 2021	Three months ended September 30, 2021	From incorporation to the period ended June 30, 2021
Comprehensive loss	(\$677,922)	\$ (836,074)	\$ (507,610)	\$ (343,390)	\$ (424,202)
Basic and diluted loss per share	(0.01)	(0.02)	(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).

During the six months ended June 30, 2022, NiCAN completed its first drill program at Wine, a helicopter supported program completing 17 diamond drill holes, as well as a downhole EM geophysical survey on two historic holes with significant intercepts.

LIQUIDITY AND CAPITAL RESOURCES

	June 30, 2022	December 31, 2021
Cash	\$ 298,027	\$ 2,201,254
Total current assets	6,558,538	2,332,837
Total current liabilities	6,518,877	875,712
Total equity	39,661	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 June 30, 2022, the Company had a net working capital of \$39,661, which, in addition to the funds received with the completion of the Amalgamation, is sufficient to satisfy current liabilities and support existing and planned exploration activities throughout the year. Also, with the completion of the public listing on July 26, 2022, the Company will have 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 August 4, 2022 and date of this report	69,398,902	2,500,000	843,823

FINANCIAL INSTRUMENTS

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

Credit Risk

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

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. As at June 30, 2022, the Company had working capital (current assets less current liabilities) of \$39,661. 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

The Company is exposed to price risk with respect to commodity prices. Precious 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 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 June 30, 2022, shown in contractual undiscounted cashflows:

	Within 1 year
Accounts payable and accrued liabilities	410,201
Total	410,201

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 July 26th, 2022, the Company completed the Amalgamation, with each of the shareholders of 390 and NiCAN received one common share in the capital of the Resulting Issuer for each share held as at the time of Amalgamation, with the former having first consolidated its shares based on the Ratio. The shares commenced trading on the TSXV under the symbol “NICN” on August 3, 2022, with a total of 69,398,902 shares outstanding as a result of the transaction. Also, in connection with the conversion of the subscription receipts of NiCAN, the subscription receipt agent also released \$5,757,996 in escrowed funds to NiCAN and the remaining 50% of the finder’s fees payable in connection with the offering of subscription receipts.

RELATED PARTY TRANSACTIONS

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

	June 30, 2022
Management fees	\$ 115,600
Director fees	36,000
	\$ 151,600

OUTLOOK

The Company has recently completed a significant drill program at the Wine Property and will look to use the information from those results to build the model for future exploration programs at the property. The Company is also completing an airborne EM survey at 100-metre line spacings over the entire property to outline conductive zones that may host sulphide mineralization that could be nickeliferous. This will build on data obtained from the previously flown aeromagnetic survey and should define additional targets that are both conductive and have a subtle magnetic signature indicative of pyrrhotite.

Downhole TDEM surveys are currently underway on five drill holes at the Wine occurrence to assist in determining the overall configuration of the mineralized zones and the potential of defining additional zones in the immediate area.

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.

With the completion of the Amalgamation on July 26, 2022, the Company has sufficient funding to support plans for advancing both nickel properties in Manitoba as well as continue to pursue opportunities in the nickel sector to identify and acquire additional interests.

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. Investors are urged to review the discussion of risk factors associated with the Company's business as set out in the Company's annual Management Discussion and Analysis for the year ended December 31, 2021 as well as in the Company's audited financial statements for the year ended December 31, 2021.

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.