

**CANADIAN NORTH RESOURCES INC.
(FORMERLY CANADIAN NORTH RESOURCES AND
DEVELOPMENT CORP.)**

**INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS –
QUARTERLY HIGHLIGHTS**

**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER
30, 2022**

Introduction

The following Interim Management's Discussion & Analysis ("Interim MD&A") of Canadian North Resources Inc. (the "Company" or "Corporation" or "Canadian North") has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management's discussion & analysis, being the Management's Discussion & Analysis ("Annual MD&A") for the fiscal year ended December 31, 2021. This MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with the requirements of section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Annual MD&A, the audited annual consolidated financial statements of the Company for the years ended December 31, 2021 and December 31, 2020 and the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2022, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the three and nine months ended September 30, 2021 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at November 17, 2022 unless otherwise indicated.

The unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2022, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.

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

Caution Regarding Forward-Looking Statements

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

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Canadian North’s ability to predict or control. Please also make reference to those risk factors referenced in the “Risks and Uncertainties” section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A.

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

Description of Business

Canadian North is an exploration and development company, focusing on the base metal (nickel, copper, cobalt) and platinum-group metals (PGM, mainly palladium, platinum and rhodium) for high-tech, clean energy, battery and electric vehicle (EV) industries. The Company currently owns 100% interest in the Ferguson Lake property in the Kivalliq region of southern Nunavut Territory. It is an advanced exploration project that contains palladium, platinum, rhodium, copper, nickel and cobalt.

Outlook and Overall Performance

The Company has no revenues, so its ability to ensure continuing operations is dependent on it completing the acquisition of its mineral property interests, the discovery of economically recoverable reserves, confirmation of its interest in the underlying mineral property, and its ability to obtain necessary financing to complete the exploration activities, development and future profitable production.

At September 30, 2022, the Company had a net working capital of \$4,204,543 (December 31, 2021 – \$16,792,080). The Company had cash and cash equivalents of \$6,368,021 (December 31, 2021 - \$19,025,817). Working capital and cash and cash equivalents decreased during the nine months ended September 30, 2022 due to exploration and evaluation expenditures, purchase of property and equipment and general and administrative expenses.

The Company has sufficient capital to meet its ongoing operating expenses and continue to meet its obligations on its current projects for the twelve-month period ending September 30, 2023. Management may increase or decrease budgeted expenditures depending on exploration results and ongoing volatility in the economic environment. See “Liquidity and Financial Position” below.

Qualified Person

Trevor Boyd, Ph.D., P.Geo., a geologist in good standing with the Professional Geoscientists Ontario (PGO) and Northwest Territories and Nunavut Association of Professional Engineers and Geoscientists (NAPEG) is the Qualified Person for the Exploration section within the meaning of National Instrument 43-101 (“NI 43-101”) Standards of Disclosure for Mineral Projects and has reviewed and approved its scientific and technical content.

Mineral Property

The Ferguson Lake Property

On June 7, 2013, the Company completed the acquisition of the Ferguson Lake Property. The property is in the Kivalliq region of southern Nunavut Territory some 250 kilometres west of Rankin Inlet and 170 kilometres south - southwest of Baker Lake.

The Ferguson Lake Property consists of 10 contiguous mining leases comprising an area of 9.686 hectares (96.9 km²), and all the mining leases remain active until 2028. Surrounding these mining leases, the Company has staked 11 exploration claims over an area of 15,694.63 hectares (156.9 km²).

The ongoing management of the Ferguson Lake Property and Project holdings requires the maintenance of careful attention to the care of the environment, historical artifacts, and local community and socio-economic relationships. A series of permits and licenses need to be kept in good standing in order to operate successfully and retain free ownership of the holdings. Canadian North Resources Inc. is a registered incorporated extra-territorial corporation with the Nunavut government and holds a prospecting license in good standing with Department of Aboriginal Affairs and Northern Development Canada.

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The property includes a 15-kilometer-long sulphide mineralization belt encompassing a total of 10 zones, i.e, the South Discovery Zone, 119 Zone, West Zone , West Extension, West Zone South, Central Zone, East Zone I and II , M-Zone, and Anomaly 51. A total of 191,000 metres were drilled in 623 holes mostly on the West Zone and West Extension Zone historically. Since 2021, the Company has been carrying out a \$11 million exploration program including 15,000 metre drilling.

The Ferguson Lake project had historically undergone a series of resource estimations which cumulated in 2011 with the completion of a Preliminary Economic Assessment (“PEA”) of the Ferguson Lake Property resulting in the filing of a National Instrument 43-101 (“NI43-101”) Independent Technical Report by Roscoe Postle Associates Inc. (“RPA”) for Starfield Resources Inc. In 2021, the Company filed a NI 43-101 Independent Technical Report by Trevor Boyd that provided a thorough review of the historic reports and a summary of the technical work conducted by the Company since 2013. It was concluded that the resource estimate and the PEA filed by RPA in 2011 were outdated, no longer valid and not to be relied upon as being 43-101 compliant. A significant re-evaluation at today's gold prices and economic conditions would have to be completed to upgrade this historic estimate as current mineral resources. In particular, the historic resources were economically assessed at only Cu + Ni + Co NSR cutoffs of C\$75 (open pit); and C\$110 (underground) at 2011 metal prices. Potential to add significant tonnage and value with the addition of PGM (palladium, platinum, and rhodium) grades. The mineral deposit was modeled for massive sulfides (>50%); but significant disseminated sulphide PGM rich mineralization is hosted in the thick gabbro units. There is significant potential for the addition of significant PGM rich tonnage by including these lower sulfide zones. Moreover, the rhodium content of the mineralization zones has never been systematically evaluated. Drill intersections up to 1.25 m of 0.46 g/t Rh and 1.6 g/t Pd in hole FL04-195 and 1.6m of 0.32 g/t Rh and 1.2 g/t Pd in hole FL05-230 hosted in Cu-Ni-Co sulphides are reported.

In June 2022, the Company announces an updated Mineral Resource estimate (Table 1) for its Ferguson Lake Property. In July 2022, the Company filed the NI43-101 Independent Technical Report on the updated resource estimate for the Ferguson Lake Property.

Table 1, NI43-101 Mineral Resources of the Ferguson Lake mining property

Indicated Resources							
Method	Tonnes	Co	Cu	Ni	Pd	Pt	NSR
	(Mt)	(%)	(%)	(%)	(gpt)	(gpt)	(\$US)
Open Pit	22.4	0.07	0.84	0.60	1.37	0.23	255
Underground	1.9	0.07	1.03	0.60	1.49	0.32	275
Total	24.3	0.07	0.85	0.60	1.38	0.23	257

Inferred Resources							
Method	Tonnes	Co	Cu	Ni	Pd	Pt	NSR
	(Mt)	(%)	(%)	(%)	(gpt)	(gpt)	(\$US)
Open Pit	12.1	0.04	0.59	0.40	0.99	0.22	170
Underground	35.1	0.07	1.02	0.57	1.54	0.26	269
Total	47.2	0.06	0.91	0.53	1.40	0.25	244

1. CIM definitions (2014) and CIM Estimation of Mineral Resources & Mineral Reserves Best Practice Guidelines (2019) were followed for Mineral Resources.
2. Mineral Resources were estimated at NSR cutoff values of US\$49.70 for open pit and US\$94.50 for underground.
3. NSR values were calculated using long-term metal prices of US\$8.00/lb for Nickel, \$US3.30/lb for Copper, US\$20.60/lb of Cobalt, US\$900/oz Platinum, and US\$1,910/oz Palladium.

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4. Metallurgical recoveries used in the NSR calculation were 91% for Nickel, 96% for Copper, 90% for Cobalt, 50% for Platinum and 81% for Palladium.
5. Open pit Mineral Resources are reported at a base case NSR value of US\$49.70 within a conceptual pit.
6. Underground Mineral Resources were estimated using a minimum true width of 2.5 metres and US\$94.50 NSR value.
7. The independent Qualified Person for the current Mineral Resource estimate is Mr. Jamie Lavigne, P. Geo.
8. The Mineral Resource block model was peer-reviewed by Allan Armitage, PhD, P. Geo of SGS Geological Services. Dr. Armitage is an Independent Qualified Person as defined in NI-43-101.
9. Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability.
10. All figures are rounded to reflect the relative accuracy of the estimate. Numbers may not add due to rounding.

Corporate Highlights

- On January 17, 2022, the Company completed the share conversion of Series 1 Shares into the Common Shares at the ratio of 1:1. The Series 1 Warrants were converted into the Warrants at the ratio of 1:1. The conversion of the Series 1 Shares which were outstanding as at December 31, 2021 has been applied retrospectively to the loss per share calculation.
- On January 20, 2022, the Company filed a Preliminary Prospectus with the securities regulatory authorities in the Provinces of Ontario, Alberta, British Columbia and New Brunswick.
- On March 28, 2022, the Company filed the final Prospectus with the securities regulatory authorities in the Provinces of Ontario, Alberta, British Columbia and New Brunswick.
- On April 5, 2022, the Company's common shares were listed and admitted to trading on the TSX Venture Exchange. At the opening on April 7, 2022, trading commenced under the trading symbol CNRI.
- On April 5, 2022, the 2,223,698 special warrants of the Company were automatically converted into common shares.
- On April 5, 2022, the Company entered into option agreements with its directors and officers to purchase an aggregate of 771,698 common shares, at an exercise price of \$1.00 per share. These options expire on April 4, 2027.
- On April 11, 2022, the Company announced it has commissioned the new resource estimation in accordance with NI 43 – 101 in respect of its Ferguson Lake Property. The new estimation will include previously excluded PGE mineralization plus diamond drilling and assays completed after the previous resource calculation.
- On April 19, 2022, the Company announced that a 15,000-meter drilling program was planned and two drill rigs have commenced diamond drilling at its Ferguson Lake Property in Nunavut, Canada.
- On April 25, 2022, the Company announced the budget of \$11 million for the exploration programs at the Ferguson Lake project.
- On May 16, 2022, the Company reported the results for the re-sampling and re-assaying of historic drill cores and assaying of core samples newly collected from the Ferguson Lake property.
- On May 19, 2022, the Company announced grant of options to the management and employees with the total number of 2,695,000 with the exercise price of \$1.92 per share. The option will expire on May 18, 2027.

- On June 13, the Company announced the updated resource estimate for the Ferguson Lake project in compliance with NI43-101 standards.
- On June 27, the Company reported the stake of 11 exploration claims over an area of 15,694.63 hectares (156.9 km²) surrounding the 10 mining leases of 9.686 hectares (96.9 km²) at the Ferguson Lake Project.
- On July 13, the Company filed the NI43-101 Independent Technical Report on the updated resource estimate for the Ferguson Lake Project.
- On July 18, the Company reported the listing on the Quotation Board of the Open Market of the Frankfurt Stock Exchange (FSX) under the trading symbol: **EO0**, which is **E-O-zero**, which provides a trading platform for the European investors to invest in the Company.
- On August 29, 2022, the Company announced that the Company has added the third drill rig on Ferguson Lake project to speed up the drilling program and test the deep mineralization zone down to 1,200 meter deep.
- On September 12, 2022, the Company reported the assay results for the first 28 holes totaling 7,594 meters of the drilling program at its Ferguson Lake property, which confirmed significant extension of the mineralized zones outside the recently-released mineral resource model.
- On October 25, 2022, the Company reported that the Company completed 18,144 meters of diamond drilling at its Ferguson Lake property. The completed drilling program was enlarged by 3,144 meters, compared with the planned drilling program of 15,000 meters, as the mineralization zones were confirmed to extend along strike and at depth beyond the presently defined resource boundaries.

Exploration and Metallurgical Tests

Since the Company acquired the Ferguson Lake project in June 2013, exploration programs and metallurgical tests have been carried out. During the summers of 2013, 2015 and 2018, work programs were conducted on the Ferguson Lake Property by the Company with the main purpose of completing surface explorations and technical evaluations. This work included prospecting, lithogeochemical sampling of outcrop and historic drill core plus ground magnetic and VLF surveys. During the programs, in total 410 rock samples were submitted for analysis at accredited laboratories. Standards and blanks were inserted in most of the batches as well as in-house standards and blanks inserted at the laboratories. Duplicates analyses of selected sample pulps were completed at third party laboratories.

During 2013, an independent review was completed by the Company of the Ferguson Lake mineral resource model discussed in the aforementioned 2011 Preliminary Economic Assessment. Within this review, there was a re-examination and re-building of the West and West Extension mineralized zones of the deposit applying five main differences from the previous criteria as follows:

- Wireframes were constructed using a Pd + Pt cut-off grade 1.0 g/t instead of a cut-off based upon NSR of Ni, Cu and Co (but not Pd and Pt) which has been applied for the 2011 resource estimation.
- A minimum mining width of 3 metres instead of 2.5 metres
- Incorporation into the model of the 2011 drilling results completed by Starfield Resources

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- The addition of footwall zones of low-sulphide platinum group metals rich mineralization based upon the 1.0 g/t Pd + Pt cut-off.
- The East Zone was not included in this resource review due to the lack of Pd and Pt analyses in that portion of the deposit. It is noted that based upon its similar mineralization to the West Zone and supported by drilling completed by Starfield, the East Zone is considered to possess similar Pd and Pt grades.

The deposit review demonstrated that the use of a Pt + Pd cut-off grade successfully resulted in the creation of coherent more contiguous wireframe models around the mineralized zones which included enveloping lower sulphide contents resulting in an overall thicker and less variably shaped mineralized bodies. It was concluded that the use of such a cut-off is appropriate for any future resource estimation but must be in conjunction with a demonstration of the viable metallurgical recovery of Pd and Pt from the mineralized material.

During 2013 - 2014, the Company implemented a metallurgical testing program consistent with its change of focus to develop the platinum group metal potential of the deposit. Approximately 250 kilograms of the massive sulphide bulk sample mineralization stored on-site in an enclosed dark building was picked and packed into buckets to be shipped to Toronto for metallurgical testing. The goal of the testing program was to produce at a bench level concentrate from the secondary residue material that had been created from the development of downstream unit processes (Ni, Cu, and Co) from the hydrometallurgical testing program previously completed for Starfield Resources Inc. Analyses of the materials and liquors created from Starfield Resources' previous program suggested most of the Pd and Pt and to a lesser extent Au, Ag and Rh remained in the final residue material for which metallurgical test results indicated overall recoveries of 99% for Cu, 91% for Co, 50% for Pt, 77% for Pd and 94% for Ni.

The purpose of the 2015 Ferguson Lake exploration program was to conduct ground follow-up on potentially metalliferous and/or diamondiferous target areas both within and outside the Company's mineral rights holdings at the time. The program consisted of helicopter supported surface reconnaissance prospecting, rock chip and till sampling and ground geophysical surveys performed by the Company. The program was completed from July 26–August 16, 2015 during which the Ferguson Lake Camp was re-opened to maintain the facilities and equipment and support the exploration work.

During 2015 - 2016, a new series of flotation tests were completed on two massive sulphide composites obtained from the bulk sample material which was stored at the Ferguson Lake camp. The primary objective of the program was to establish flotation conditions suitable to recover most of the copper value into a copper concentrate and the balance of the pay-metals into a bulk Cu / Ni concentrate.

The metallurgical testing program identified two possible flowsheet alternatives for the mineralized material which are outlined as follows:

- The generation of a high-grade saleable copper concentrate plus a low-grade bulk concentrate with high overall recoveries of 99% copper, 87% nickel, 90% cobalt, and 90-95% Pd+Pt. The low-grade bulk concentrate would require further upgrading in a hydrometallurgical circuit.
- The second updated flowsheet produces a high grade copper concentrate and a salable bulk Cu/Ni concentrate (10.1% copper + nickel) with much lower overall recoveries of 98% copper, 61% nickel, 55% cobalt, and 35-75% Pd+Pt.

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For the 2018 program, a helicopter supported follow-up surface rock geochemistry sampling program collecting 55 grab and chip samples was completed for the Property and surrounding area. Nearly all the samples were obtained from outside the present property boundaries thus this work is not considered material. The results were generally low with highest value from a grab sample reported of 2,400 ppm Cu, 1,750 ppm Ni, 290 ppm Co, 0.89 ppm Pd and 0.33 ppm Pt.

In April 2022, the Company announced a \$11 million exploration plan. The exploration plan is based on extensive review of the geology and historic drill results (refer to Chart 1 and Chart 2 below) of the Ferguson Lake Project by the Company. The mineralization includes mainly two styles: the massive sulfides containing base metals (nickel, copper and cobalt) and platinum-group metals ("PGM", mainly palladium and platinum), and low-sulfide material containing low base metals but high-grade PGM. The massive sulfides vary from a meter to tens of meters thick (e.g., 45.9-meter core length at 1.34% copper, 0.76% nickel, 1.99g/t palladium and 0.32g/t platinum, refer to Chart 2 below), which was the target of historic exploration. The low-sulfide and high-grade PGM mineralization (up to 103g/t palladium, 43.3g/t platinum, 2.58g/t rhodium, refer to Chart 1 below) was intersected extensively from surface to a depth of over 1,200 meters and remains open laterally and down dip. The present exploration plan focuses on the expansion of the massive sulfides targets and the delineation of potential economic resources in the high-grade PGM low-sulfide bodies.

The Company plans a 15,000-metre drill program in two phases throughout 2022. The Phase 1 program consists of 7,000 meters as recommended in the NI43-101 Technical Report filed on Sedar.com. This drill program is designed to test the historic drill results, define the resources of the massive sulfides zones and the high grade-PGM zones at depth in West Main, West Pit and East II Zones, and test the extension of the West and East zones along strike under Ferguson Lake. Subject to results of this drill program, the Phase 2 drill program will focus on the near surface open-pit resource definition and the expansion of the high grade-PGE mineralization zones at depth along the 15-km-long main mineralized horizon.

Historic metallurgical tests were conducted on massive sulfide samples and only recovered copper, nickel and cobalt, not palladium or platinum. The Company has conducted initial metallurgical tests for the recoveries of base metals and PGM from massive sulfides, which indicated high recoveries of base metals (87-99%) and PGM (90-95%) (ref. NI43-101 Technical Report dated July 18, 2021, filed on Sedar.com or www.cnresources.com). More metallurgical tests will be carried out for both massive sulfides and high-grade PGM low-sulfide samples.

Working Programs Planned

In 2020 winter, the Company moved a pilot plant ore crusher by the snow train to the field camp at Ferguson Lake and took out about 200 kilograms bulk sulfide samples to Toronto for further metallurgical tests. The Company plans to expand the resource by diamond-drilling exploration for high-grade PGM and base metal zones along the mineralization belt, remodel the resource estimates, expand metallurgical testing, update technical reports, advance towards feasibility studies. These work plans were scheduled over the 2021-22 period with expectations for definition drilling, environmental field studies, metallurgical testing, and development activities into 2023 and beyond. The main programs, part of which have been executed, include:

- Re-model and re-estimate resource to include PGM in the cutoff grades.
- Expand metallurgical tests with current and alternative processing technologies for target PGM and base metals.
- Drilling for high-grade nickel-copper massive sulfides with the ultramafic intrusions and high-grade PGM resources in the low-sulfide mineralization zones.

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- Establish high-grade resources for PGM in low sulfide zones with definition drilling along the known mineral zones.
- Environmental / engineering studies and community engagement

Trends

Although there can be no assurance that additional funding will be available to the Company, management is of the opinion that the prices of nickel, copper, cobalt, palladium, platinum and rhodium will be favourable and hence, it may be possible to obtain additional funding for its projects. However, the Company remains cautious in case the economic factors that impact the mining industry deteriorate.

Due to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- Global mineral commodities prices;
- Demand for minerals and the ability to explore for minerals;
- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labour availability and supply lines;
- Availability of government supplies, such as water and electricity;
- Purchasing power of the Canadian dollar; and
- Ability to obtain funding

COVID-19 has impacted the Company's business significantly. Due to COVID-19 pandemic, the Company was unable to visit the camp site last year and had to postpone exploration until 2021. The Company only managed to open the camp in late June 2021. There was also an increase in cost for the exploration programs in 2022. The Company was unable to go through Rankin Inlet in Nunavut due to the COVID restrictions until this passed summer. The Company has had to go through Churchill and Thompson, Manitoba, Yellowknife of Northwest Territory for all the supplies and logistical supports for the field exploration.

The Company has implemented the protocol for COVID-19 at the camp site now. All personnel is required to have at least two vaccine shots and must undergo COVID testing prior to arriving at Camp. There is also a medical technician at the camp who takes the body temperature of all personnel on site and maintains a daily log. Implementation of camp policy for social distancing and good hygiene practice to limit the spread. In addition, the medical technician also has rapid testing kits. All this is to ensure that the Camp is a bubble. If for any reason whatsoever the burst, all personnel at the camp will undergo rapid COVID testing.

At the date of this Interim MD&A, the Canadian government has not introduced measures that have materially impeded the operational activities of the Company. Management believes the business will continue and, accordingly, the current situation has not impacted management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Apart from these and the risk factors noted under the heading "Risks and Uncertainties", the Company is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Off-Balance-Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Proposed Transactions

The Company routinely evaluates various business development opportunities which could entail optioning properties, direct acquisitions, trades and/or divestitures. In this regard, the Company is currently in discussions with various parties, other than the transactions discussed in the "Corporate Highlights" section above, no definitive agreements with respect to any proposed transactions have been entered into as of the date of this MD&A. There can be no assurances that any such transactions will be concluded in the future.

Environmental Contingency

The Company's exploration activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and generally becoming more restrictive. As of September 30, 2022, the Company does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future.

Discussion of Operations

Three months ended September 30, 2022 compared with three months ended September 30, 2021

Canadian North's net loss totaled \$1,264,080 for the three months ended September 30, 2022, with basic and diluted loss per share of \$0.01. This compares with a net loss of \$306,959 with basic and diluted loss per share of \$0.01 for the three months ended September 30, 2021. The increase of net loss was principally because of

- Share-based compensation of \$671,379 for the stock options granted during the three months ended September 30, 2022 compared to \$nil for the three months ended September 30, 2021.
- Increase of office and general to \$451,707 during the three months ended September 30, 2022 from \$35,287 during the three months ended September 30, 2021. The increase was mainly due to the travelling expenses, meals and other sundry expenses, which were reimbursed to the Company's executives and consultants for the increased workload of the Company.
- Increase of professional fees to \$144,240 during the three months ended September 30, 2022 from \$140,828 during the three months ended September 30, 2021. The increase was mainly due to the increased expenses paid to the accountant, auditor, lawyers and consultants, as the exploration programs were enlarged significantly
- The above increases were offset by decrease of management fees to \$18,000 during the three months ended September 30, 2022 from \$134,667 during the three months ended September 30, 2021. The decreased management fee is mainly due to the fact that more people worked on the public offerings during last year.

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Nine months ended September 30, 2022 compared with nine months ended September 30, 2021

Canadian North's net loss totaled \$4,017,213 for the nine months ended September 30, 2022, with basic and diluted loss per share of \$0.04. This compares with a net loss of \$733,973 with basic and diluted loss per share of \$0.01 for the nine months ended September 30, 2021. The increase of net loss was principally because of

- Share-based compensation of \$2,408,129 for the stock options granted during the nine months ended September 30, 2022 compared to \$nil for the nine months ended September 30, 2021.
- Increase of office and general to \$1,150,379 during the nine months ended September 30, 2022 from \$49,068 during the nine months ended September 30, 2021. The increase was mainly due to the travelling expenses, meals and other sundry expenses, which were reimbursed to the Company's executives and consultants for the increased workload of the Company.

The above increases were offset by below:

- Decrease of management fees to \$54,000 during the nine months ended September 30, 2022 from \$155,667 during the nine months ended September 30, 2021. The decreased management fee is mainly due to the fact that more people worked on the public offerings during last year.
- Decrease of professional fees to \$401,072 during the nine months ended September 30, 2022 from 512,842 during the nine months ended September 30, 2021. The decrease was mainly due to the decreased expenses paid to the accountant, auditor, lawyers and consultants, who were working for the listing process of the Company at TSXV.

Liquidity and Financial Position

The activities of the Company, principally the acquisition and exploration of mineral properties, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. There is no assurance that equity capital will be available to the Company in the amounts or at the times desired or on terms that are acceptable to the Company, if at all.

Cash used in operating activities was \$1,917,962 for the nine months ended September 30, 2022. Operating activities were affected by net loss of \$4,017,213 plus non-cash items of \$43,902 of depreciation and \$2,408,129 share-based compensation and the positive change in non-cash working capital balances of \$352,780.

The Company had no cash inflows or outflows in financing activities during the nine months ended September 30, 2022. During the nine months ended September 30, 2021, the Company had net cash provided by financing activities of \$21,822,787 including proceeds from units issuance of \$11,261,590 and deposit for units issuance of \$10,561,197.

Cash used in investing activities was \$10,739,834 for the nine months ended September 30, 2022 for purchase of property and equipment and expenditures on exploration and evaluation assets. During the nine months ended September 30, 2021, the net cash used in investing activities was \$2,602,694 representing expenditures on exploration and evaluation assets.

CANADIAN NORTH RESOURCES INC.
(Formerly Canadian North Resources and Development Corp.)
Interim Management's Discussion & Analysis – Quarterly Highlights
Three and Nine Months Ended September 30, 2022
Dated November 17, 2022

At September 30, 2022, the Company had \$6,368,021 in cash (December 31, 2021 - \$19,025,817).

The Company has no operating revenues and therefore must utilize its funds obtained from equity financing and other financing transactions to maintain its capacity to meet ongoing exploration and operating activities.

As of September 30, 2022, based on current projections, the Company's working capital of \$4,204,543 is sufficient to meet its planned development activities for the financial year ending December 31, 2022. The table below outlines the Company's planned uses of working capital:

Principal purposes:	Budget	Actual	Remaining to be spent (over-budget)
Total funds available			\$4,204,543
To pay the estimated cost of the recommended exploration program	\$11,000,000 (1)	\$10,282,695 (5)	\$717,305
Prospectus and listing costs	\$250,000	\$nil	\$250,000
Operating expenses for 18 months	\$1,030,000 (2)	\$2,375,101	Over budget
Estimated total funds used:	\$12,280,000 (4)	\$12,657,796	\$967,305
Unallocated working capital	N/A	N/A	\$3,237,238 (3)

Notes:

- (1) Expected to be completed within 10 months from the date work commences.
- (2) The detailed items of the operating activities in the budget over the next 18 months are comprised of (a) management fees of \$108,000; (b) professional fees of \$242,000; (c) office rent of \$36,000; (d) compensation for management and consultants of \$524,000 and (e) office and general of \$120,000.
- (3) This amount will be used in part for additional exploration and development expenditures as necessary, and general working capital.
- (4) Funds that are not immediately required for expenditure will be invested in GICs.
- (5) The total cost of the exploration program is expected to be higher than the budgeted \$11,000,000 due to inflationary pressures.

The Company's working capital of \$4,204,543 at September 30, 2022 is comprised of current assets less current liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. As the Company does not presently generate revenue to cover its costs, managing liquidity risk is dependent upon the ability to secure additional financing. The recoverability of the carrying value of the assets and the Company's continued existence is dependent upon the achievement of profitable operations, or the ability of the Company to raise alternative financing, as necessary. While management and the Board have been successful in raising the necessary capital, it cannot provide assurance that it will be able to execute on its business strategy or be successful in future financing activities.

Related Party Transactions

The Company has identified directors and senior officers as key management personnel. During the nine months ended September 30, 2022, the Company recognized the following transactions with related parties:

- \$32,000 (the nine months ended September 30, 2021 - \$18,000) office rental expenses paid to a company owned by a director of the Company.
- \$54,000 (the nine months ended September 30, 2021 - \$64,000) management fee paid to a company owned by a director of the Company.
- \$83,333 (the nine months ended September 30, 2021 - \$35,000) geological consulting fee paid to a company owned by a director of the Company, and
- \$103,298 (the nine months ended September 30, 2021 - \$222,588) professional fees paid to companies owned by officers of the Company.
- \$0 (the nine months ended September 30, 2021 - \$20,449) interest income from a company owned by a director of the Company.

Transactions with related parties are incurred in the normal course of business and initially measured at fair value.

Share Capital

As of the date of this Interim MD&A, the Company had issued and outstanding 102,039,151 common shares, 13,332,737 warrants and 3,466,698 stock options.

Risks and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk and Uncertainties" in the Company's Annual MD&A for the fiscal year ended December 31, 2021.

Additional Disclosure for Venture Issuers Without Significant Revenue

Expenses:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022 (\$)	2021 (\$)	2022 (\$)	2021 (\$)
Office and general	451,707	35,287	1,150,379	49,068
Share based compensation	671,379	nil	2,408,129	nil
Rent	16,500	6,000	32,000	18,000
Depreciation	20,966	6,262	43,902	18,845
Management fees	18,000	134,667	54,000	155,667
Professional fees	144,240	140,828	401,072	512,842
Total	1,322,792	323,044	4,089,482	754,422

Schedule of Exploration and Evaluation Expenditures

The total exploration and evaluation expenditures of the Company for the three and nine months ended September 30, 2022 and 2021 were for the following properties:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022 (\$)	2021 (\$)	2022 (\$)	2021 (\$)
Exploration claims	nil	nil	250	48,960
Field camp repayments and maintenance	3,688,833	443,575	6,751,620	480,961
Share based compensation	204,518	nil	511,531	nil
Geology and environmental assessments	243,031	882,650	419,096	977,766
Mechanic parts, tools, equipment and shipping	2,355,583	48,102	5,249,289	54,897
Mine leases and permits renewal	nil	75,888	176,886	89,084
On-site administration at the field camp	16,989	944,606	99,339	948,027
Total	6,508,954	2,394,821	13,208,011	2,599,695