CANADIAN NORTH RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Canadian North Resources Inc. (the "Company" or "Corporation" or "Canadian North") constitutes management's review of the factors that affected the Company's financial and operating performance for the years ended December 31, 2023, and 2022.

This MD&A has been prepared in compliance with the requirements of National Instrument 51- 102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the years ended December 31, 2023, and 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 year ended December 31, 2023, are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at April 18, 2024, unless otherwise indicated.

The audited financial statements for the years ended December 31, 2023, 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.

For the purposes of preparing this 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 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 MD&A speak only as of the date of this 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 refer to those risk factors referenced in the "Risks and Uncertainties" section below. Readers are cautioned that the above 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 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. So, 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 because 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), all being the critical minerals for high-tech, clean energy, battery, and electric vehicle (EV) industries. The Company currently owns 100% interest in its flagship Ferguson Lake property in the Kivalliq region of southern Nunavut Territory. It is an advanced exploration project that holds palladium, platinum, rhodium, copper, nickel, and cobalt. In addition, the Company also explores at the Mac Island and Quartzite Lake gold prospects, southwest of the Ferguson Lake property in Nunavut.

Outlook and Overall Performance

The Company has no operating revenues, so its ability to ensure continuing operations is dependent on the discovery of economically recoverable reserves and its ability to obtain necessary financing to complete the exploration activities, development, and future profitable production.

On December 31, 2023, the Company had a net working capital of $5,221,485 (December 31, 2022 – $11,899,343), which excludes the flow-through share liability of $nil (December 31, 2022 - $3,082,559). The Company had cash and cash equivalents of $5,540,312 (December 31, 2022 - $11,067,170). Working capital and cash and cash equivalents decreased during the year ended December 31, 2023, due to exploration and evaluation expenditures, purchase of property and equipment, payment of lease obligations and general and administrative expenses. The decrease was offset by proceeds from share issuance and funds of 375,000 received from a government grant.

The Company has planned for financing subsequent to the year ended December 31, 2023, which includes issuing common shares from private placement. The Company will ensure sufficient capital to meet its ongoing operating expenses and continue to meet its obligations on its current projects for the twelve-month period ending December 31, 2024. 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 Properties

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 staken 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 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.

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.

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.

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, lithogeochemcial sampling of outcrop and historic drill core plus ground magnetic and VLF surveys. 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 of 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 announced 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, NI-43-101 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.
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.

Mac Island and Quartzite Lake Prospects:

The Company staked the exploration claims at Kaminak and Quartzite Lake area. The Mac Island prospect is part of the 29.2 km2 Kaminak exploration claims, with gold showings identified on outcrops. The Quartzite Lake prospect is found with multiple occurrences of gold-copper on outcrops over an area of the 50.3 km2 exploration claims. Quartzite Lake is adjacent to the Kaminak area, located about 80km southwest of Rankin Inlet. The mineralization is associated with shears and quartz veining hosted in mafic volcanics within the 400 km long greenstone belt that hosts several gold and copper deposits such as the Meliadine gold mine (operated by Agnico Eagles).

Corporate Highlights

- On January 7, 2023, the Company reported 5 new mineralized areas identified from the surface sampling programs over the 156.9 km^2 prospecting area surrounding the 96.9 km^2 mining leases of the Ferguson Lake Project. High-grade nickel-copper-PGM (up to 5.0% Cu, 0.99% Ni, 2.70g/t Pd, 0.62g/t Pt, 1.14g/t Au) was found in the gossan samples from the outcrops. The Company also reported high-grade gold assays of up to 52.3g/t found over the area of 600m by 600m at the Mac Island and South Mac Island prospects in the Kaminak Lake area, and multiple anomalous copper and gold values from samples obtained from outcrops over an area of 8,500m by 4,000m area at the Quartzite Lake Project.

- On February 21, 2023, the Company reported the geochemical assay results for the remaining 40 holes (of total 68 holes drilled) totaling 10,550 meters (of the 18,144 metres) for the diamond drilling program completed by the Company at its 100% owned Ferguson Lake property. The results potentially extended the mineralized zones along strike for 1,500 meters outside the block model for the updated mineral resources estimates filed on June 13, 2022.

- On March 6, 2023, the Company reported the identification of extensive granitic pegmatites potentially hosting lithium-bearing minerals over the 253.8 km2 area of the 100% owned Ni-Cu-Co-Pd-Pt Ferguson Lake property. The potential for lithium minerals has never been explored at the Ferguson Lake area. The Company will undertake its first lithium-specific exploration mapping, prospecting, and core re-sampling programs during 2023.

- The Company signed the agreement with the Government of Nunavut on March 22, 2023. The government approved to provide $250,000 to the company to support the exploration expenditures, On March 31, 2023, $125,000 of the total amount has been received by the company.

- In mid-March, the Company opened the field camp at Ferguson Lake, shipped in fuel and drill materials and prepared for the winter/spring drilling program at Ferguson Lake.

- On April 3, 2023, the Company announced a 20,000-meter drilling program in 2023 and commenced diamond drilling at its Ferguson Lake Project. This drilling program was based on the results of the 18,144 meters drilling completed in 2022, to further expand the nickel, copper, cobalt, palladium, and platinum mineral resources along the 15-km long main mineralized horizon and to test the new identified base metal and PGM targets and the prospects for lithium mineralization within the 256.8 km2 area of mining leases and exploration claims.

- On May 5, 2023, the Company granted its directors, officers and consultants, options to purchase a total of 650,000 Common Shares of the Company, at an exercise price of $2.45 per share. The options will expire on May 4, 2028. These options vested immediately.

- On May 5, 2023, the Company granted to consultants' options to purchase a total of 500,000 Common Shares of the Company, at an exercise price of $2.45 per share. The options will expire on May 4, 2024, In the number of options to consultants, 100,000 options will be vested 6 months after granted, 400,000 options will be vested equally every 3 months after granted.

- On May 8, 2023, the Company engaged an investor relations firm, Paradox Public Relations Inc., to enhance the Company's investor relations efforts and increase its visibility in the investment community. It was anticipated that their expertise and connections would help the Company to improve its market performance and achieve a fair market value for our shareholders.

- On May 9, 2023, the Company granted to consultants who signed consulting service agreements with the Company, options to purchase a total of 1,600,000 Common Shares of the Company, at an exercise price of $2.45 per share. The options will be vested after December 31, 2023, and will be expired on December 31, 2024.

- On May 10, 2023, the Company began to trade at OCTQX Market, which provides the Company with a platform to enhance its visibility and liquidity among U.S. investors. This marks an important step forward for the Company as it continues to expand its reach and engage with investors in North America.

- On May 11, 2023, 30,000 share options were exercised at a price of $1.00. The Company received the proceeds of $30,000 and issued 30,000 Common Shares.

- On May 16, 2023, the Company was awarded a $250,000 grant from the Government of Nunavut's Discover, Invest, Grow ("DIG") program.

- On May 29, 2023, the Company announced it completed its spring diamond drilling program on ice consisting of 6,151 meters in 21 holes for its 100% owned Ferguson Lake base metal (nickel, copper, cobalt) and platinum group metal ("PGM", mainly palladium and platinum, project in Nunavut, Canada.

- On June 15, 2023, the Company announced that the Company re-started diamond drilling at its 100% owned Ferguson Lake Project ("Ferguson Lake Project") in Nunavut, Canada after a three week pause for regional caribou migration and after completing the first 6,151 metres of drilling on Ferguson Lake during the spring.

- On June 26, 2023, the Company announced that the Company was granted Depository Trust Company (DTC) eligibility, a significant milestone that will enhance the accessibility and efficiency of the Company's shares for investors in the United States.

- On July 5, 2023, the Company announced that KRE Development Co. Ltd ("KRE"), the biggest shareholder of the Company has elected to exercise their warrants ahead of the scheduled expiration of December 31, 2023. KRE exercised 1,437,198 share purchase warrants (each a "Warrant" to purchase one share at $1.50) for aggregate proceeds of $2,155,797 on June 30, 2023. Warrants were issued in connection with the Company's offering of units completed prior to listing.

- On July 18, 2023, the Company reported the assay results for the 6,151 metres in 21 holes of diamond drilling completed during the spring at its 100% owned Ferguson Lake Project ("Ferguson Lake Project") in Nunavut, Canada. The Ferguson Lake project contains base metals (nickel, copper, cobalt) and platinum-group metals ("PGM", mainly palladium and platinum), as well as potentially lithium minerals, along a 15-km-long main mineralized horizon and numerous additional prospective areas.

- On July 26, 2023, the Company announced the closing of non-brokered private placement of common shares ("Flow-Through Shares") on a flow-through basis pursuant to the Income Tax Act (Canada), of which 1,031,425 Flow-Through Shares were issued at a price of $2.70 per share for gross proceeds of $2,784,847.50.

- On July 31, 2023, the Company further to its news release issued July 27, 2023, the closing of the first tranche of its non-brokered private placement of 1,082,621 common shares ("Charity Flow-Through Shares") on a flow-through basis pursuant to the Income Tax Act (Canada) at a price of $2.877 per share for gross proceeds of $3,114,700.62.

- On Aug 9, 2023, 30,000 share options were exercised at a price of $1.00. The Company received the proceeds of $30,000 and issued 30,000 Common Shares.

- On August 14, 2023, the Company granted to employees and consultants' options to purchase a total of 350,000 Common Shares of the Company, at an exercise price of $2.35 per share. Of these 150,000 options will expire on August 14, 2024, and 200,000 options will expire on August 13, 2028. Options to consultants vest immediately. Options to employees vest as to 25% thereof on each of December 31, 2023, December 31, 2024, December 31, 2025, and December 31, 2026.

- On August 17, 2023, the Company granted options to officers to purchase a total of 110,000 Common Shares of the Company, at an exercise price of $2.35 per share. The options will expire on August 16, 2028. Options shall vest as to 50% thereof on each of December 31, 2023, and December 31, 2024.

- On August 17, 2023, the Company announced that it had received an additional grant of $125,000 from the Government of Nunavut's Discover, Invest, Grow ("DIG") program. This grant comes on the heels of the $250,000 received in May and June 2023, reaffirming the Company's commitment to advancing mineral exploration in the emerging mining region of Nunavut.

- On August 24, 2023, 50,000 Series 1 Warrants were exercised at a price of $1.50. The Company received the proceeds of $75,000 and issued 50,000 Common Shares.

- On September 13, 2023, the Company completed the issuance of Flow-Through Shares of 2,864,046 shares for proceeds of $8,057,298 at the weighted average price of $2.81 per share. The cost of the issuance of $483,438 was offset by the proceeds of Flow-through Shares. A Flow-Through Share premium was recognized as a liability on the statement of financial position for $624,747.

- On September 15, 2023, the Company announced that it has commenced a market awareness program, aimed at enhancing its market visibility and engagement.

- On September 18, 2023, the Company announced it has completed 21,126.50-meter drilling at its 100% owned Ferguson Lake base metal (nickel, copper, cobalt) and platinum group metal ("PGM", mainly palladium and platinum) project in Nunavut, Canada

- On September 26, 2023, the Company reported the return of initial partial assay results from 21 holes drilled during the summer, which is a portion of the 21,126 metre 2023 diamond drilling program completed at its 100% owned Ferguson Lake Project ("Ferguson Lake Project") in Nunavut, Canada.

- On September 26, 2023, 1,000 share options were exercised at a price of $1.92. The Company received the proceeds of $1,920 and issued 1,000 Common Shares.

- On October 3, 2023, the Company announced its participation in the prestigious Mines and Money event, held in conjunction with the International Mining and Resources Conference (IMARC) in Sydney, Australia, October 31 to November 2, 2023.

- On October 11, 2023, the Company announced the launch of its newly redesigned website aimed at providing an enhanced online experience for its stakeholders, investors and broader public.

- On October 11, 2023, 333,334 Series 1 Warrants were exercised at a price of $1.50. The Company received the proceeds of $500,001 and issued 333,334 Common Shares.

- On October 23, 2023, 400,000 Series 1 Warrants were exercised at a price of $1.50. The Company received the proceeds of $600,000 and issued 400,000 Common Shares.

- On November 2, 2023, 400,000 Series 1 Warrants were exercised at a price of $1.50. The Company received the proceeds of $600,000 and issued 400,000 Common Shares.

- On November 2, 2023, 3,000 share options were exercised at a price of $1.92. The Company received the proceeds of $5,760 and issued 3,000 Common Shares.

- On December 12, 2023, 1,437,196 Series 1 Warrants were exercised at a price of $1.50. The Company received the proceeds of $2,155,794 and issued 1,437,196 Common Shares.

- On December 18, 2023, 200,001 Series 1 Warrants were exercised at a price of $1.50. The Company received the proceeds of $300,001.50 and issued 200,001 Common Shares.

- On December 21, 2023, 466,668 Series 1 Warrants were exercised at a price of $1.50. The Company received the proceeds of $700,002 and issued 466,668 Common Shares.

- On December 27, 2023, 666,666 Series 1 Warrants were exercised at a price of $1.50. The Company received the proceeds of $999,999 and issued 666,666 Common Shares.

- On December 28, 2023, 733,335 Series 1 Warrants were exercised at a price of $1.50. The Company received the proceeds of $1,100,002.50 and issued 733,335 Common Shares.

Subsequent Events:

- January 2, 2024, the Company reported the results from the processing of Borehole Time-Domain Electromagnetic (BHTEM) surveys from deep West Zone drillholes FL22-481A and FL23-481B completed at its 100% owned Ferguson Lake Project. The results demonstrate the continuance of the West Zone greater than 200 metres beyond the historically defined down-dip drilled extent of the zone and show its open potential for continued expansion both laterally and further down-dip at depths of 650 to >800 metres. The Company also announced that Dr. Trevor Boyd was retired from the VP Exploration and would continue to be a Technical Advisor and QP for the Company.

- January 18, 2024, the Company announced that its IR team would attend the Vancouver Resource Investment Conference (the VRIC) in Vancouver on January 21-22, 2024. During and after the VRIC, the IR team would do the roadshows to the investors in Vancouver.

- February 27, 2024, the Company announced that its participation in the Prospectors and Developers Association of Canada (PDAC) in Toronto on March 3-6, 2024. Dr. Kaihui Yang, the President and CEO was invited to present an overview of the Company and its Ferguson Lake project at the Corporate Presentation Forum for Investors ("CPFI"). During and after the PDAC, the IR team would do the roadshows to the investors in Toronto.

- March 19, 2024, the Company announced an updated Mineral Resource estimate for its 100% owned Ferguson Lake project. The updated Mineral Resources includes (1) a 172% increase of Indicated Mineral Resources to 66.1 million tonnes (Mt) containing 1,093 million pounds (Mlb) copper at 0.75%, 678Mlb nickel at 0.47%, 79Mlb cobalt at 0.05%, 2.34 million ounces (Moz) palladium at 1.10 g/t and 0.42Moz platinum at 0.19 g/t, of which 80% is the Open pit Indicated Mineral Resources with 52.7Mt at 0.65% Cu, 0.43% Ni, 0.05% Co, 0.97g/t Pd and 0.17% Pt; (2) an Inferred Mineral Resources of 25.9Mt containing 558Mlb copper at 0.98%, 333Mlb nickel at 0.58%, 40Mlb cobalt at 0.07%, 1.12Moz palladium at 1.43 g/t and 0.21Moz platinum at 0.25 g/t. The updated Mineral Resource Model shows the Successful major upgrade of Mineral Resource tonnages from Inferred to Indicated category combined with continued expansion of overall Mineral Resource size along strike and down / up dip, and the potential for continued Mineral Resource expansion along strike and at depth over the 15 km long main mineralized horizon and within the open satellite mineralized zones.

- March 21, 2024, the Company announced the amendment on the exercise price of options to purchase a total of 1,600,000 Common Shares from $2.45 to $1.70 per share, for options previously granted to consultants to the Corporation.

- April 3, 2024, the Company provided an update of the metallurgical test programs. Metallurgical flotation test results indicate the reasonable probability of producing three payable copper, nickel and PGM bearing concentrates from the various types of mineralized materials that comprise its National instrument 43-101 Mineral Resource of the Ferguson Lake Project, suggesting a potential low-capital cost option for the project development. Alternatively, hydrometallurgy is considered as an effective option albeit with higher capital and operating cost. The Company will focus on follow-up investigations using new technologies for metal extraction.

- April 8, 2024, the Company announced that it has filed with the TSX Venture Exchange a Notice of Intention to Make a Normal Course Issuer Bid ("NCIB") which is proposed to commence on April 10, 2024 and terminate on April 9, 2025 or the earlier of the date all shares which are subject to the Normal Course Issuer Bid are purchased. In the opinion of the Board of Directors of the Company, the market price of the Common Shares does not accurately reflect the value of those shares. As a result, the Company intends to repurchase CNRI's Common Shares that may become available for purchase at prices, which make them an appropriate use of funds of the Company. The Company intends to attempt to acquire up to an aggregate of 5,726,380 of its Common Shares over the next 12-month period, representing approximately 5% of the issued and outstanding Common Shares of CNRI.

Results of Exploration Programs

Ferguson Lake Project

Mineral Resources Update:

The "Independent Technical Report, Updated Mineral Resource Estimate, Ferguson Lake Project, Nunavut, Canada, June 13, 2022, prepared by Elisabeth Ronacher and Jamie Lavigne" was filed by the Company to Sedar.com in July 2022.

This Mineral Resource estimation represents approximately 6km of the presently known 15-kilometer-long mineralized belt. The mineral resource model was based on a database that contains 611 historic diamond drill holes and a total of 186,416 metres of drilling and 36,740 assay samples. The resource model does not include the 18,144 meters in 68 holes that were drilled by the Company in 2022 (see below).

Mineral Resources were estimated using net smelter return ("NSR") cutoff values of US$49.70 for Open Pit Mining and US$94.50 for Underground mining. The NSR is calculated using nickel, copper, cobalt, palladium and platinum grades, prices, and assumed metallurgical recoveries. Rhodium and gold are not included in the resource modeling due to no systematic assaying results, although there are significant values in multiple mineralized intersections.

Mineral Resources modelled primarily on the occurrence of massive or semi-massive sulphide as a lithological type. The metal content of intercepts comprising this unit typically results in an NSR value greater than US$180. Mineral resources also include a newly interpreted zone of low sulphide PGM (palladium and platinum) style of mineralization characterized by weakly disseminated sulphide, low to very low base metal values and anomalous to high-grade palladium and platinum values.

The Mineral Resources include a total Indicated Mineral Resources of 24.3 million tonnes with the NSR value of US$257 per tonne, containing 455 million pounds (Mlb) copper at 0.85%, 321Mlb nickel at 0.60%, 37.5Mlb cobalt at 0.07%, 1.08 million ounces (Moz) palladium at 1.38gpt and 0.18Moz platinum at 0.23gpt; and a total Inferred Mineral Resources of 47.2 million tonnes with the NSR value of US$244 per tonne, containing 947Mlb copper at 0.91%, 551.5Mlb nickel at 0.53%, 62.4Mlb cobalt at 0.06%, 2.12Moz palladium at 1.4gpt and 0.38Moz platinum at 0.25gpt;

The Mineral Resources include both open pit and underground resources. High-grade open pit Indicated Mineral Resources were outlined of 22.4 million tonnes with the NSR value of US$255 per tonne, at the grades of 0.84% copper, 0.60% nickel, 0.07% cobalt, 1.37gpt palladium and 0.23gpt platinum.

Based upon the exploration work completed to-date on the Property, including close examination of the deposit model of the Ferguson Lake mineralized zones, and the current resource estimate, it is concluded that the West and East mineralized zones remain open for extension down-plunge to the west, along strike to the east and west and down dip at multiple locations along its mineralized horizon. There is significant potential for resource expansion along strike and at depth over the 15 km long mineralized belt.

<u>Drilling Results:</u>

In 2022, a total of 18,144 meters have been drilled in 68 holes to infill or step out from the historic holes that were previously drilled in the West Zone and the East Zone. The mineralized horizon hosting significant metal grades and widths (>2.5 meters) has been intersected in 62 out of the 68 holes. All the holes hit the mineralized zones as expected, confirming that the mineralized zones extend along strike and at depth beyond the presently defined resource boundaries for a total potential extension of the zones of approximately 1,500 metres. The assay results (refer to the news releases on September 12, 2022 and February 21, 2023) will be added to the dataset to expand the block model and to update the Mineral Resource estimate that was announced on June 13, 2022 (Refer to "Independent Technical Report, Updated Mineral Resource Estimate, Ferguson Lake Project, Nunavut, Canada, June 13, 2022, Prepared by Elisabeth Ronacher and Jamie Lavigne." filed by the Company to Sedar.com).

In 2023, the Company completed 21,126 metres of diamond drilling in 78 holes defining and/or upgrading potential volumes of mineral resources along strike to the west extension from the West Zone, the east extension from the East Zone and the extensions of both East and West Zones into Ferguson Lake, and testing satellite mineralized horizons named the M-Zone, Anomaly-51 Zone and its east extension. The drillhole locations and highlights for the 2023 field program are shown in Figure 1.

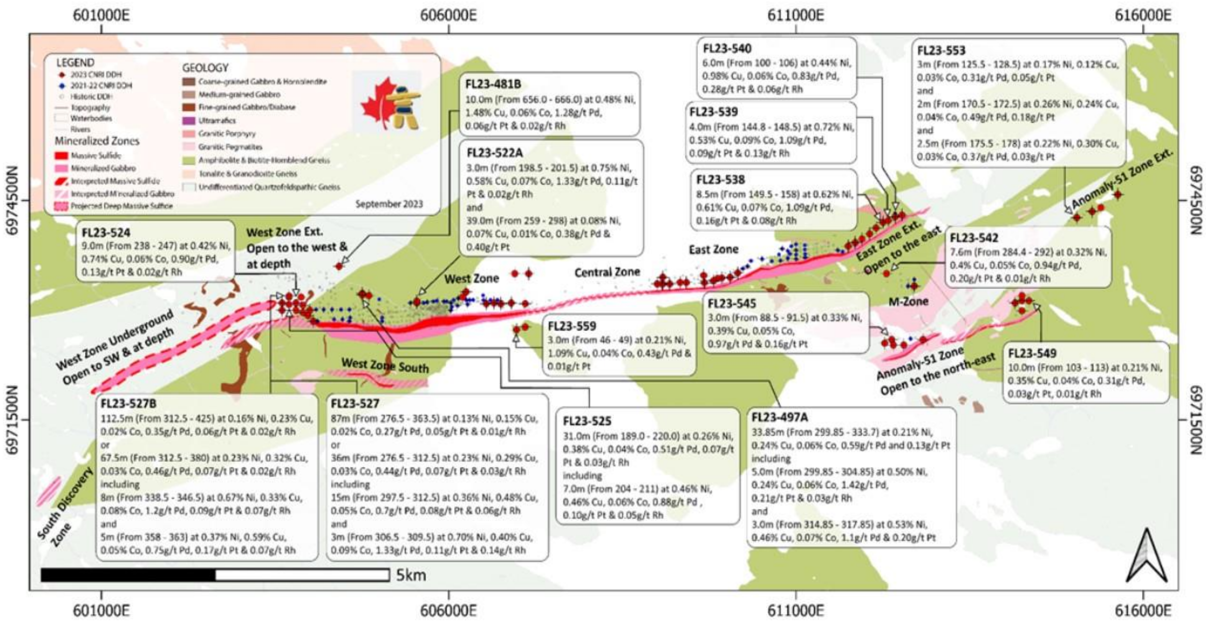

Figure 1: Ferguson Lake Project – diamond drill holes completed by the Company to 2023.

The Company as well conducted the reprocessing and modelling of historic geophysical electromagnetic UTEM, VTEM, borehole TDEM survey data which aided in the drill targeting during the summer program, as well as successfully completing new borehole TDEM surveys on selected deep drillholes. In addition, surface sampling was completed on selected outcrop on the project site.

The assay results from drill programs to-date confirm the near-surface base metal and PGM massive sulfide zones and the underlying PGM-enriched low sulfide zones. The near-surface sulfide zones are massive sulfide, semi-massive sulfide and disseminated sulfide intervals, with variable intersections of up to 42 metres downhole and individual sample grades of up to 10.0% copper, 1.81% nickel, 0.40% cobalt, 2.45g/t palladium, 0.50g/t platinum, 0.19g/t rhodium, and 2.1g/t gold, and 49 g/t silver. Gold, silver and rhodium are intermittently enriched along the mineralization zones in the vicinity of ultramafic rocks.

The underlying PGM-enriched low-sulfide mineralization contains variable intersections of up to 36 metres downhole and individual sample grades of PGM of up to 8.65g/t palladium and 4.43g/t platinum. Copper and nickel are low in general for this type of mineralization but enriched in multiple thin layers usually <2.5 meters, of massive or semi-massive sulfide within the thick PGM-mineralized intersections.

Newly identified Mineralized Areas (Figure 2)

Within the Ferguson Lake Project, surface sampling has focused on the gossan outcrops over a large area (156.9 km^2 exploration claims) surrounding the 96.9 km^2 mining leases. Since 2013, a total of 353 samples have been collected from the mineralized outcrops over the area. The assay results of the surface rock samples indicate at least five new nickel-copper-PGM mineralized areas outside the known 15-km long mineralized horizon as illustrated in Figure 3 (refer to the Company's website www.cnresources.com for more details). All the newly found mineralized zones report anomalous individual sample values of nickel (up to

0.99%), copper (up to 5.0%), cobalt (up to 0.15%), palladium (up to 2.70g/t), platinum (up to 0.62g/t) and gold (up to 1.14g/t). Geologically, the mineralized outcrops are the metamorphosed mafic and ultramafic rocks like the host rocks of the mineral resources established for the known 15km-long mineralized horizon (Refer to "Independent Technical Report, Updated Mineral Resource Estimate, Ferguson Lake Project, Nunavut, Canada, June 13, 2022, prepared by Elisabeth Ronacher and Jamie Lavigne." filed by the Company to Sedar.com). These encouraging results were followed up with additional sampling and drill tests in 2023 with the results pending.

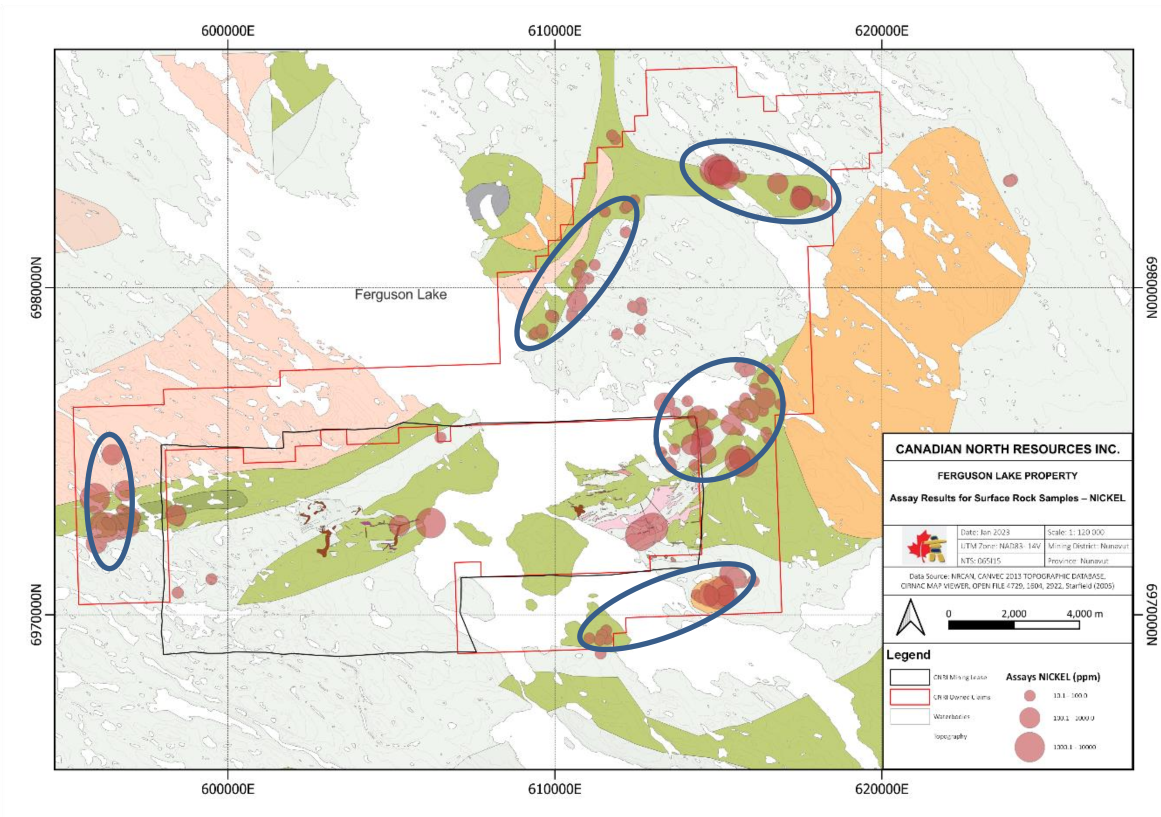

Figure 2 New Nickel-copper-PGM areas identified from the outcrop samples at Ferguson Lake Project

Mac Island and Quartzite Lake Prospects:

The 2022 surface sampling programs were completed with a total of 194 samples collected from the outcrops at the Mac Island prospect and Quartzite Lake Project. The assay results of the outcrop samples indicate gold mineralization at the Mac Island prospect in the 29.2 km^2 Kaminak claims area. Gold mineralization occurs as quartz-carbonate-sulfide veins associated with sericitized and sheared mafic volcanics and can be traced over an area of 600 meters by 600 meters, with values of up to 52.5g/t gold from grab samples. Within the 50.3 km^2 Quartzite Lake claims, multiple copper and gold mineralized outcrops are found over the property, with up to 0.62% copper and 0.74g/t gold as well as anomalous silver (up to 81.3g/t) lead and zinc values. The mineralization is associated with quartz veining and shears hosted by Archean mafic volcanics within the 400 km long Ennadai-Rankin greenstone belt that contain several historic gold and copper deposits and showings including the Meliadine gold mine (operated by Agnico Eagles).

Working Programs Planned

The Company plans in future exploration seasons to expand the resource by diamond-drilling exploration for high-grade PGM and base metal zones testing open zones along strike and down-dip within the West and East zones along the main mineralized horizon and testing newly defined mineralized satellite horizons to the south. The Company also plans to remodel and update its resource estimates and 43-101 Technical Report with the new additional 39,270 metres of drilling completed to-date. The Company will as well expand metallurgical testing, complete community consultations, environmental monitoring and permit applications, as it advances the project towards pre-feasibility studies.

These work plans have been scheduled from 2021 with expectations for exploration and definition drilling, environmental field studies, metallurgical testing, and development activities into 2024 and beyond.

Metallurgical Testing:

Historic metallurgical tests were conducted on massive sulfide samples and only recovered copper, nickel and cobalt, not palladium or platinum. 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 a dry enclosed 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.

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 an improved bulk Cu/Ni concentrate (10.1% copper + nickel) with much lower overall recoveries of up to 98% copper, up to 61% nickel, up to 55% cobalt, and 35-75% Pd+Pt.

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. In summary, the Company has conducted initial metallurgical tests for the recoveries of base metals and PGM from massive sulfides, which has indicated high recoveries of base metals (87-99%) and PGM (90-95%) using combined flotation and hydrometallurgical methods (ref. NI43-101 Technical Report dated July 18, 2021, filed on Sedar.com or www.cnresources.com).

During 2023, more metallurgical testing was carried out by the Company for a variety of lower sulphide mineralized domains on the property including high-grade PGM disseminated low-sulfide material at Ferguson Lake.

In September 2023, the Company contracted SRK Consulting Inc. to complete an independent update technical review and Mineral Resource estimation of the Ferguson Lake Project for which a site visit and field evaluation by their Qualified Persons was completed during that month. The results of this update remain pending.

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 favorable 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.

Apart from 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 December 31, 2023, the Company does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future.

Selected Annual Financial Information

	Years Ended December 31,		
	2023($)	**2022($)**	**2021($)**
Net loss for the year	6,400,496	3,894,677	1,449,069
Basic and diluted loss per share	(0.06)	(0.04)	(0.02)
Total assets	50,175,182	34,642,590	25,311,407

- Net loss for the year ended December 31, 2021, was comprised of management fees of $215,333, rent of $24,000, depreciation of $25,107, professional fees of $734,592, insurance of $43,900, commission of $23,840 and office and general of $402,747 offset by interest income of $20,450.

- Net loss for the year ended December 31, 2022, was comprised of share-based compensation of $3,061,230, commission of $9,250, professional fees of $536,268, management fees of $72,221, depreciation of $65,953, rent of $48,500, insurance of $32,175 and office and general of $161,368 offset by interest income of $92,288.

- Net loss for the year ended December 31, 2023 was comprised of share-based compensation of $3,685,237, professional fees of $558,769, management fees of $72,000, depreciation of $92,924, rent of $66,000, accretion of lease liabilities of $198,473, office and general of $2,490,891 and deferred income tax expense $3,140,061 offset by flow-through share premium of $3,707,306 and interest income of $196,553.

Selected Quarterly Financial Information

As Canadian North has no revenue, the Company's ability to fund its operations is dependent upon its ability to secure financing through equity issues or the sale of assets. The value of any resource property assets is dependent upon the existence of economically recoverable mineral reserves, the ability to obtain the necessary financing to complete exploration and development, and the future profitable production or proceeds from disposition of such properties. See "Trends" above and "Risk Factors" below.

A summary of selected information for each of the eight most recent quarters is as follows:

Three Months Ended	Total Revenue ($)	(Loss) income Total ($)	(Loss) income Per Share ($)	Total Assets ($)
2023 – December 31	-	(4,582,695) (1)	(0.04)	50,175,182
2023 – September 30	-	(1,725,246) (2)	(0.02)	47,432,299
2023 – June 30	-	247,177 (3)	0.00	41,115,682
2023 – March 31	-	(335,735)(4)	(0.00)	34,193,487
2022 – December 31	-	122,536 (5)	0.00	34,392,589
2022 – September 30	-	(1,264,082) (6)	(0.01)	26,627,640
2022 – June 30	-	(2,483,060) (7)	(0.03)	25,237,968
2022 – March 31	-	(270,071) (8)	(0.00)	25,048,585

(1) Loss of $4,582,695 during the three months ended December 31, 2023 is comprised of share-based compensation of $787,145, professional fees of $183,299, management fees of $18,000, depreciation of $23,799, accretion of lease liabilities of $55,851, rent of $16,500, office and general of $414,287 and deferred income tax expense $3,140,061 offset by flow-through share premium of $5,402 and interest income of $50,845.

(2) Loss of $1,725,246 during the three months ended September 30, 2023 is comprised of share-based compensation of $1,134,348, professional fees of $113,935, management fees of $18,000, depreciation of $22,785, accretion of lease liabilities of $59,971, rent of $16,500, and office and general of $1,450,276 offset by flow-through share premium of $1,073,027 and interest income of $17,542.

(3) Income of $247,177 during the three months ended June 30, 2023 is comprised of share-based compensation of $1,665,516, professional fees of $142,397, management fees of $18,000, depreciation of $23,867, accretion of lease liabilities of $82,651, rent of $16,500 and office and general of $344,732 offset by flow-through share premium of $2,435,958 and interest income of $104,882.

(4) Loss of $335,735 during the three months ended March 31, 2023 is comprised of share-based compensation of $98,228, professional fee of $119,138, management fee of $18,000, depreciation of $22,473 and office and general of $294,100 offset by flow-through share premium of $192,920 and interest income of $23,284.

(5) Gain of $122,536 during the three months ended December 31, 2022, is comprised of share- based compensation of $653,101, professional fees of $135,196, management fees of $18,221, rent of $16,500, depreciation of $22,051 and office and general of ($947,586), which represented the reverse of HST adjustments of previous years.

(6) Loss of $1,264,082 during the three months ended September 30, 2022, is comprised of share-based compensation of $671,379, professional fees of $144,240, rent of $16,500, management fees of $18,000, depreciation of $20,966 and office and general of $451,709.

(7) Loss of $2,483,060 during the three months ended June 30, 2022, is comprised of share-based compensation of $1,736,750, professional fees of $171,553, rent of $9,500, management fees of $18,000, depreciation of $16,674 and office and general of $542,868.

(8) Loss of $270,071 during the three months ended March 31, 2022, is comprised of professional fees of $85,279, rent of $6,000, management fees of $18,000, depreciation of $6,262 and office and general of $155,802.

The variation of (loss) income over the quarters was mainly due to the timing of office and general and professional fees incurred and there is no seasonality in the Company's business over the past two year.

Discussion of Operations

For the year ended December 31, 2023, compared with the year ended December 31, 2022

Canadian North's net loss totaled $6,400,496 for the year ended December 31, 2023, with basic and diluted loss per share of $0.06. This compares with a net loss of $3,894,677 with basic and diluted loss per share of $0.04 for the year ended December 31, 2022. The decrease of net loss was principally because of:

- Flow-through share premium of $3,707,306 during the year ended December 31, 2023, compared to $nil during the year ended December 31, 2022.
- Increase of interest income to $196,553 during the year ended December 31, 2023, from $92,288 during the year ended December 31, 2022.

The above increases of income and decreases of expenses were offset by below increases of expenses:

- Increase of office and general to $2,490,891 during the year ended December 31, 2023, from $202,793 during the year ended December 31, 2022.
- Increase of professional fees to $558,769 during the year ended December 31, 2023 from $536,268 during the year ended December 31, 2022.
- Increase of accretion of lease liabilities to $198,473 during the year ended December 31, 2023, from $nil during the year ended December 31, 2022.
- Increase of rent to $66,000 during the year ended December 31, 2023, from $48,500 during the year ended December 31, 2022.
- Increase of share-based compensation to $3,685,237 during the year ended December 31, 2023, from $3,061,230 during the year ended December 31, 2022.
- Increase of depreciation to $92,924 during the year ended December 31, 2023, from $65,953 during the year ended December 31, 2022.
- Increase of deferred income tax expense to $3,140,061 during the year ended December 31, 2023, from $nil during the year ended December 31, 2022.

For the three months ended December 31, 2023, compared with three months ended December 31, 2022

Canadian North's net loss totaled $4,582,695 for the three months ended December 31, 2023, with basic and diluted loss per share of $0.04. This compares with a net income of $122,536 with basic and diluted income per share of $0.00 for the three months ended December 31, 2022. The increase of net loss was principally because of:

- Increase of office and general to $414,287 during the three months ended December 31, 2023, from ($947,586) during the three months ended December 31, 2022.
- Increase of accretion of lease liabilities to $55,851 during the three months ended December 31, 2023 from $nil during the three months ended December 31, 2022.
- Increase of share-based compensation to $787,145 during the three months ended December 31, 2023 from $653,101 during the three months ended December 31, 2022.
- Increase of professional fees to $183,299 during the three months ended December 31, 2023 from $135,196 during the three months ended December 31, 2022.

- Increase of depreciation to $23,799 during the three months ended December 31, 2023 from $22,051 during the three months ended December 31, 2022.
- Increase of deferred income tax expense to $3,140,061 during the three months ended December 31, 2023 from nil during the three months ended December 31, 2022.

The above increases of expenses were offset by below increases of income:

- Flow-through share premium of $5,402 during the three months ended December 31, 2023, compared to $nil during the three months ended December 31, 2022.
- Increase of interest income to $50,845 during the three months ended December 31, 2023, from $20,019 during the three months ended December 31, 2022.

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 $2,800,478 for the year ended December 31, 2023. Operating activities were affected by net loss of $6,400,496 plus non-cash items of $92,924 of depreciation, $3,685,237 share-based compensation, accretion of lease liabilities of $198,473 and deferred tax expense $3,140,061, deduct flow-through premium of $3,707,306, and add the positive change in non-cash working capital balances of $190,629.

Cash used in investing activities was $18,176,267 for the year ended December 31, 2023, for purchase of property and equipment of $114,069, expenditures on exploration and evaluation assets of $18,437,198 and funds received from government grant of $375,000. During the year ended December 31, 2022, the net cash used in investing activities was $15,382,015 representing expenditures on exploration and evaluation assets of $14,920,240 and purchase of property, plant and equipment of $461,775.

Cash provided by financing activities was $15,449,887 for the year ended December 31, 2023, which includes proceeds from share issuances of $17,311,575 offset by share issuance cost $483,438, prepayment of lease obligation of $500,000 and repayment of lease obligation of $878,250.

On December 31, 2023, the Company had $5,540,312 in cash (December 31, 2022 - $11,067,170).

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.

Below table represents the comparison of budget and actual spending during the year ended December 31, 2023:

Principal purposes:	Budget	Actual	Remaining to be spent (over-budget)
To pay the estimated cost of the recommended exploration program, net of government grants	$21,624,000	$18,961,262	$2,662,738 (1)
Legal and listing cost	$421,500	$377,526	$43,974 (2)
Operating expenses	$3,920,000	$3,101,199	$818,801 (3)
Estimated total funds used:	**$25,965,500**	**$22,439,987**	**$3,525,513**

Notes:

(1) On September 18, 2023, the Company has completed 21,126.50-meter drilling at its 100% owned Ferguson Lake base metal and platinum group metal project in Nunavut, Canada.

(2) The detailed items of the legal and listing cost in the budget over 12 months are comprised of (a) Lawyer services cost of $150,000; (b) TSXV-listing related charge of $80,000; (c) oversea listing cost of $121,500; (d) filing cost of $20,000; (e) financing cost of $30,000 and (f) other services cost of $20,000.

(3) The detailed items of the operating activities in the budget over 12 months are comprised of (a) investor relationship $250,000; (b) public relation $500,000; (c) conference and tradeshow $135,000; (d) strategic management services $1,000,000; (e) brand awareness expense $180,000; (f) corporate advisory services $1,104,000; (g) management fees of $72,000; (h) professional fees of $70,000; (i) office rent of $66,000; (j) compensation for management and consultants of $90,000; (k) insurance policy premium of $33,000; (l) payroll cost of $160,000; (m) travelling cost of $170,000 and (n) office and general of $90,000. These discretionary activities do have considerable scope for flexibility in terms of the amount and timing of expenditure, and expenditures may be adjusted accordingly.

The Company has revised its funds expected to be spent for the year ending December 31, 2024 to the following:

Principal purposes:	Budget
To pay the estimated cost of the recommended exploration program	$21,395,000(1)
Australia dual listing cost	$500,000
Legal cost	$644,680(2)
Operating expenses	$3,034,340(3)
Estimated total funds used:	**$25,574,020**

(1) The budget for exploration program will subject to the funds raised in year 2024.

(2) The detailed items of the legal cost in the budget over 12 months are comprised of (a) Lawyer services cost of $320,000; (b) TSXV-listing related charge of $140,000; (c) OTCQX cost of $34,680; (d) filing cost of $100,000; (e) financing cost of $30,000 and (f) other services cost of $20,000.

(3) The detailed items of the operating activities in the budget over 12 months ending December 31, 2024 are comprised of (a) investor relationship $60,000; (b) public relation $204,000; (c) conference and tradeshow $200,000; (d) strategic management services $1,500,000; (e) management fees of $72,000; (f) professional fees of $85,000; (g) office rent of $66,000; (h) compensation for management and consultants of $256,340; (i) insurance policy premium of $41,000; (j) payroll cost of $150,000; (k) travelling cost of $250,000 and (l) office and general of $150,000. These discretionary activities do have considerable scope for flexibility in terms of the amount and timing of expenditure, and expenditures may be adjusted accordingly.

The Company's working capital of $5,221,485 on December 31, 2023, is comprised of current assets less accounts payable and accrued 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 because of a downturn in stock market conditions generally or because 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 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 year ended December 31, 2023, the Company recognized the following transactions with related parties:

- $66,000 (2022 - $48,500) office rental expenses paid to a company owned by a director of the Company.
- $72,000 (2022 - $72,000) management fee paid to a company owned by a director of the Company.
- $280,000 (2022 - $200,000) geological consulting fee paid to a company owned by a director of the Company, and
- $74,396 (2022 - $47,834) professional fees paid to companies owned by officers of the Company.
- $9,209,384 (2022 - $Nil) logistics costs and equipment rental costs paid to company owned by a shareholder of the Company.
- $1,076,823 (2022 - $1,564,721) cost of share-based compensation that granted to the directors and managements of the Company.

As at December 31, 2023, the amount of deposit paid to a related party for the two rigs was $500,000 (2022 – $Nil) and was included in ROU Assets. The amount receivable from a related party was $74,968 (2022 – $Nil) and included in other receivables.

As at December 31, 2023, the amount owing to related parties was $8,267 (2022 – $814) and included in accounts payable and accrued liabilities. The amount owing to related parties are non-interest bearing, unsecured and due on demand.

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 MD&A, the Company had issued and outstanding 114,527,617 common shares, and 6,149,825 stock options.

Commitment

Pursuant to the terms of the flow-through share agreements, the Company needs to comply with its flow-through contractual obligations with subscribers with respect to the Income Tax Act (Canada). As at

December 31, 2023, the Company is committed to incurring approximately $1,159,924 in qualifying exploration expenditures in Canada by December 31, 2024.

Risks and Uncertainties

The Company's financial condition, results of operation and business are subject to certain risks, certain of which are described below (and elsewhere in this MD&A):

Additional Funding Requirements
The Company is reliant upon additional equity financing to continue its business and operations, because it is in the business of mineral exploration and at present does not derive any income from its mineral assets. There is no guarantee that future sources of funding will be available to the Company. If the Company is not able to raise additional equity funding in the future, it will be unable to carry out its business.

Commodity Price Volatility
The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of precious and base minerals and metals. Factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Company's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices. Currency fluctuations may affect the cash flow which the Company may realize from its operations, since most mineral commodities are sold in the world market in United States dollars. Additionally, the current COVID-19 pandemic and efforts to contain it, including restrictions on travel and other advisories issued may have a significant effect on metal prices. Declines in metal prices may have a negative side effect on the Issuer and on the trading value of the common Shares.

Title to Mineral Properties
Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed or impugned. Although the Company has investigated its title to the mineral properties for which it holds an option or concessions or mineral leases or licenses, there can be no assurance that the Company has valid title to such mineral properties or that its title thereto will not be challenged or impugned. For example, mineral properties sometimes contain claims or transfer histories that examiners cannot verify; and transfers under foreign law often are complex. The Company does not carry title insurance with respect to its mineral properties. A successful claim that the Company does not have title to a mineral property could cause the Company to lose its rights to mine that property, perhaps without compensation for its prior expenditures relating to the property.

Mineral Exploration
Mineral exploration involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities. The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of some properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining, or to upgrade existing infrastructure. There can be no assurance that the funds required to exploit any mineral reserves and resources discovered by the Company will be obtained on a

timely basis or at all. The economics of exploiting mineral reserves and resources discovered by the Company are affected by many factors, many outside the control of the Company, including the cost of operations, variations in the grade of ore mined and metals recovered, price fluctuations in the metal markets, costs of processing equipment, and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. There can be no assurance that the Company's mineral exploration and exploitation activities will be successful.

Country Risk
The Company could be at risk regarding any political developments in the country in which it operates. At present the Company is only active in Canada.

Uninsurable Risks
Mineral exploration activities involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences and political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could negatively affect the Company's profitability and financial position and the value of its common shares. The Company does not maintain insurance against environmental risks.

No Production History
The Ferguson Lake Property is not a producing property. The Corporation's ultimate success will depend on its ability to generate cash flow in the future. The Corporation has not generated any revenue to date and there is no assurance that it will do so in the future. The Corporation's business operations are at a early stage of development and its success will be largely dependent upon the outcome of the exploration programs that the Corporation proposes to undertake.

Infrastructure Risks
Although the Corporation believes that the current facilities and infrastructure are sufficient for the mineral exploration of its current properties, significant improvements and new infrastructure will be needed for the mine development of the properties. As a result, the Corporation will need to expand the infrastructure, which will require additional permits and licenses and additional capital.

Potential Impact of Climate Change
The Corporation believes that the exploration operation at its current properties will not be seriously impacted by the climate change, but the unusual weather will occur and may cause some temporary impacts on the daily operation of its properties. The Corporation focuses on the exploration and development of mineral resources that contain copper, nickel, cobalt, platinum and palladium, the metals needed for green environment. However, the production of these green metals requires consumption of energy, which would have emission of carbon dioxide in the air.

Reliance on management
The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. The continued service of some of these key management personnel cannot be guaranteed. However, while the Company believes that it could replace these key personnel, the loss of any such persons or the loss of all of such persons at a single point in time could have a material adverse effect on the operations of the Company, its business, operating results or financial condition. In addition, the Company may not successfully recruit additional personnel and any additional personnel that are recruited

may not have the requisite skills, knowledge or experience necessary or desirable to enhance the incumbent management.

Environmental Regulation and Liability

The Company's activities are subject to laws and regulations controlling not only mineral exploration and exploitation activities themselves but also the possible effects of such activities upon the environment. Environmental legislation may change and make the mining and processing of ore uneconomic or result in significant environmental or reclamation costs. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mineral exploitation activities, such as seepage from tailings disposal areas that could result in environmental pollution. A breach of environmental legislation may result in the imposition of fines and penalties or the suspension or closure of operations. In addition, certain types of operations require the submission of environmental impact statements and approval thereof by government authorities. Environmental legislation is evolving in a manner that may mean stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors, officers and employees. Permits from a variety of regulatory authorities are required for many aspects of mineral exploitation activities, including closure and reclamation. Future environmental legislation could cause additional expense, capital expenditures, restrictions, liabilities and delays in the development of the Company's properties, the extent of which cannot be predicted. In the context of environmental permits, including the approval of closure and reclamation plans, the Company must comply with standards and laws and regulations that may entail costs and delays, depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. The Company does not maintain environmental liability insurance.

Regulations and Permits

The Company's activities are subject to a wide variety of laws and regulations governing health and worker safety, employment standards, waste disposal, protection of the environment, protection of historic and archaeological sites, mine development and protection of endangered and protected species, aboriginal title and access and other matters. The Company is required to have a wide variety of permits from governmental and regulatory authorities to carry out its activities. These permits relate to virtually every aspect of the Company's exploration and exploitation activities. Changes in these laws and regulations or changes in their enforcement or interpretation could result in changes in legal requirements or in the terms of the Company's permits that could have a significant adverse impact on the Company's existing or future operations or projects. Obtaining permits can be a complex, time-consuming process. There can be no assurance that the Company will be able to obtain the necessary permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities.

Potential Dilution

The issue of common shares of the Company upon the exercise of the options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional options and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

Competition

Competition in the mineral exploration business is intense and could adversely affect the ability of the Company to suitably develop its properties. The Company will be competing with many other exploration companies possessing greater financial resources and technical facilities. Accordingly, there is a high degree of competition for desirable mineral leases, suitable prospects for drilling operations and necessary mining equipment, as well as for access to funds. There can be no assurance that the necessary funds can be raised or that any projected work will be completed.

Conflicts of Interest

Certain directors of the Company are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company will be required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the director will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Litigation

The Company may from time to time be involved in various claims, legal proceedings and disputes arising from disputes in relation to its mineral properties, including the Ferguson Lake Property, and in the ordinary course of business. If such disputes arise and the Company is unable to resolve these disputes favorably, it may have a material and adverse effect on the Issuer's profitability or results of operations and financial condition.

Pandemics, Natural Disasters, Terrorism or other Unforeseen Events

The outbreak of infectious disease or occurrence of pandemics, such as the recent outbreak of COVID-19; natural disasters; terrorism or other unanticipated events, in any of the areas in which the Corporation, its customers or its suppliers operate could cause interruptions in the Corporation's operations. In addition, pandemics, natural disasters, terrorism or other unforeseen events could negatively impact global supply chains, project development, operations, labour shortages, and financial markets and cause increase costs to the Corporation, which could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Dividends

The Corporation does not anticipate paying any dividends on its Common Shares in the foreseeable future.

Enforcement of Judgments Against Foreign Persons or Companies

The Corporation has a director and in the future may have officers, directors, experts, and service providers that are resident outside of Canada. It may not be possible for investors to effect service of process within Canada. It may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process in Canada.

Conflicts between Russia and Ukraine and between Israel and Hamas

The military conflicts between Russia and Ukraine and Israel-Hamas may increase the likelihood of supply interruptions and political instability worldwide. Such disruptions could make it more difficult for the Company to source necessary materials and service providers at favorable pricing or at all. As the Company has no business in Russia, Ukraine or the Middle East, the Company believes current or future sanctions on Russia wouldn't have any material impact on the Company's business and financial position, however these sanctions could adversely impact the Company's costs, operations and/or development activities in future periods.

Additional Disclosure for Venture Issuers Without Significant Revenue

Expenses:

	December 31, 2023 ($)	December 31, 2022 ($)
Office and general	2,490,891	202,793
Accretion of lease liabilities	198,473	nil
Share-based compensation	3,685,237	3,061,230
Rent	66,000	48,500
Depreciation	92,924	65,953
Management fees	72,000	72,221
Professional fees	558,769	536,268
Total	**7,164,294**	**3,986,965**

Schedule of Exploration and Evaluation Expenditures

The total exploration and evaluation expenditures of the Company for the years ended December 31, 2023, and 2022 were for the following properties:

	December 31, 2023 ($)	December 31, 2022 ($)
Drilling cost and field camp maintenance	10,380,740	8,107,040
Share-based compensation	379,455	531,180
Geology and environmental assessments	809,700	534,111
Logistics and transportation cost	7,164,093	6,073,919
Mine leases and permits renewal	120,483	122,280
On-site administration at the field camp	861,246	307,150
Government assistance	(375,000)	nil
Total	**19,340,717**	**15,675,680**