

**SPC Nickel Corp.**  
**Management Discussion & Analysis**  
**For the Nine-Month Period Ended May 31, 2024**

The following is management's discussion and analysis ("MD&A") of the financial condition and interim results of operations of SPC Nickel Corp. ("SPC" or the "Company") for the three and nine months ended May 31, 2024. This discussion and analysis should be read in conjunction with the Company's May 31, 2024 interim financial statements and attached notes, as well as the financial statements, notes, and MD&A for the year ended August 31, 2023, including the section on risks. This MD&A is dated July 26, 2024.

The Company's reporting currency is the Canadian dollar and all monetary amounts in this MD&A are expressed in Canadian dollars unless otherwise stated.

**INTERNAL QUALIFIED PERSON AND QUALITY CONTROL/QUALITY ASSURANCE**

Grant Mourre, P.Geo., President of the Company, is a Qualified Person as defined under National Instrument 43-101 and has reviewed and approved the technical information contained in this MD&A.

**OVERVIEW OF THE COMPANY**

SPC Nickel Corp. is a Canadian public corporation focused on exploring for nickel ("Ni"), copper ("Cu") and platinum group metals ("PGMs") within the world class Sudbury Mining Camp and in Nunavut. SPC is currently exploring its key 100% owned exploration project Lockerby East located in the heart of the historic Sudbury Mining Camp that includes the West Graham Resource and the LKE Resource. SPC also holds three additional projects across Canada including the large camp-scale Muskox Project (located in Nunavut), the past producing Aer-Kidd Project (located in the Sudbury Mining Camp) and the Janes Project (located 50 km northwest of Sudbury). The corporate focus is on Sudbury, and SPC Nickel continues to look for new opportunities to add shareholder value.

**CORPORATE ACTIVITIES**

In January 2024, the Company announced the maiden Mineral Resource Estimate ("MRE") for the West Graham Project, part of the Company's large-scale Ni-Cu property in the southwest corner of the Sudbury Basin, known as the Lockerby East Property. The Mineral Resources at West Graham were estimated by SGS Geological Services and include near surface mineralization with potential for open-pit mining, as well as higher grade mineralization amenable to conventional underground mining methods.

In March 2024, the Company announced the MRE for the LKE Project. The Mineral Resources at LKE were estimated by SGS Geological Services and include high grade mineralization amenable to conventional underground mining methods.

The full technical report, which was prepared in accordance with National Instrument 43-101, was filed on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) under the Company's issuer profile on March 4, 2024.

The West Graham MRE, which is effective as of December 4, 2023, shows "In-Pit" Indicated Resources of 19.3 Mt @ 0.42% Ni, 0.28% Cu and an Inferred Resource of 3.3 Mt @ 0.37% Ni, and 0.28% Cu as well as an "Out-of-Pit" Indicated Resource of 3.2 Mt @ 0.63% Ni, 0.47% Cu and an Inferred Resource of 3.9 Mt @ 3.9 Mt @ 0.69% Ni, 0.43% Cu.

The LKE MRE, which is effective as of December 4, 2023, shows Indicated Resources of 665,000 t @ 1.17% Ni, 0.28% Cu and an Inferred Resource of 124,000 t @ 0.99% Ni, and 0.42% Cu.

The West Graham MRE was developed following the Company signing an agreement (the "Vale Agreement") in January 2023 with Vale Canada Limited ("Vale") that was designed to consolidate and unlock the full potential of the two companies' adjacent and contiguous deposits that comprise the West Graham Project.

The Vale Agreement grants the Company the right to acquire a 100% interest in the surface and mineral rights of the Vale portion of the West Graham Property in consideration for a cash payment of one million dollars and certain rights and royalties that will be extended to Vale across the West Graham Project.

In May, 2024, the Company completed a flow through financing, issuing 8,681,818 flow through shares of the Company for gross proceeds of \$477,500, as well as a unit financing, issuing 30,740,000 units of the Company for gross proceeds of \$1,537,000, for aggregate gross proceeds of \$2,014,500. Each unit consisted of one common share of the Company and one half of one share purchase warrant. Each full warrant entitles the holder to purchase one additional common share of the Company for a period of 18 months at a price of \$0.07 per share.

## **MINERAL PROPERTIES, ACTIVITY AND PLANS**

### **OVERVIEW OF PROJECTS**

SPC holds interests in two properties located in the Sudbury Mining Camp near Sudbury Ontario (Aer-Kidd Property and Lockerby East Property) and one near Espanola Ontario (Owen Nickel Property). In addition, it holds an option to acquire 100% of certain mining claims located 50 kilometres northeast of Sudbury (Janes Property). The Company also holds the mineral rights (Muskox Property) to 49,472 hectares comprised of 17 mining claims and 2 prospecting permits in the territory of Nunavut. Additionally, SPC holds an option with Bathurst Metals Corp. to acquire 100% of 17,840 hectares comprised of 12 mining claims, contiguous to its existing Muskox Property.

#### **AER-KIDD PROPERTY**

SPC owns 100% of the mining rights for the Aer-Kidd Property that is located approximately 20 kilometres southwest of Sudbury, Ontario, along the Worthington Offset Dyke. The property consists of 5 mining patents (mining rights only) representing approximately 403 hectares.

The property remains subject to a pre-existing underlying agreement that provides a 3% Net Smelter Return royalty ("NSR") royalty to SPG Royalties Inc. (the "Aer-Kidd Royalty") of which one half of the Aer-Kidd Royalty, or a 1.5% net smelter returns royalty, can be purchased for \$1,250,000. The Aer-Kidd Royalty includes advanced royalty bi-annual payments of \$50,000 which are deductible from future royalty payments based on production from the Aer-Kidd Property. SPC also holds an option to purchase 100% of the property surface rights from the City of Greater Sudbury at any time prior to December 31, 2024 for a cash payment of \$250,000 and a further cash payment of \$250,000 if a mine is brought into commercial production on the Aer-Kidd Property.

#### **MUSKOX PROPERTY**

In September 2021, the Company staked 11 mining claims (totaling 13,327 hectares) and had previously obtained 2 prospecting permits (totaling 30,350 hectares) in respect of exploration properties located within the Muskox Intrusion (collectively, the "Muskox Property") in the Kitikmeot Region of Nunavut. Additionally, in a separate transaction that closed on November 22, 2021, the Company acquired a 100% interest in a database related to the Muskox Intrusion in exchange for cash payment of \$94,600 (US\$75,000) and 100,000 warrants exercisable into common shares of the Company at an exercise price of \$0.20 per warrant for a period of three years from the closing date. In February and April 2022, the Company staked an additional 4 mining claims (totaling 3,792 hectares) and in June 2024, the Company staked an additional 2 mining claims (totaling 2,003 hectares) resulting in total land holdings of 49,472 hectares in 17 mining claims and 2 prospecting permits.

In March 2023, the Company entered into the "Bathurst Option Agreement, giving the Company the right to acquire a 100% interest in the McGregor Lake and Speers Lake properties located within the Kitikmeot Region of western Nunavut.

Pursuant to the initial terms of the Bathurst Option Agreement, the Company can earn a 100% interest in the McGregor Lake and Speers Lake properties by paying \$1,350,000 in cash (\$300,000 paid) and issuing 7,500,000 shares (2,500,000 issued) over a three year period. If the Company vests its interest, the Vendors will retain a 1% NSR on certain claims with the Company retaining the right to buy back a 0.5% NSR for \$5,000,000 up to the point of commercial production.

If the Company exercises its Option and earns a 100% undivided legal and beneficial interest in the Property (subject to the NSR), the Company is required to pay Bathurst \$5,000,000 within twelve months of the commencement of Commercial Production on the Property.

In December 2023, the Company and Bathurst Metals Corp agreed to an amendment to the Bathurst Option Agreement whereby the March 2024 Option payment, originally for \$350,000, was reduced to \$50,000 and the remaining \$250,000 was deferred to March 21, 2025. All other cash Option payments were deferred by one year. All other terms of the agreement remained the same. The amended Option Payment schedules is as follows:

- \$300,000 upon execution of this Agreement (paid)
- \$50,000 on or before March 21, 2024 (paid)
- \$250,000 on or before March 21, 2025
- \$350,000 on or before March 21, 2026
- \$400,000 on or before March 21, 2027

Upon vestiture, SPC will hold nearly 650 square kilometres of the highly prospective Muskox Intrusion, representing one of the last remaining camp scale Ni-Cu-PGM opportunities in North America.

### **LOCKERBY EAST PROPERTY**

The Company owns 100% interest in the Lockerby East Property. The property consists of freehold patents located in the south range of the Sudbury Igneous Complex ("SIC"), Sudbury, Ontario, including 100% of the LKE Deposit (formerly known as the Lockerby East Deposit) and 100% of the West Graham Deposit, the latter of which is subject to a 1% NSR to the previous owner of the West Graham portion of the Property.

The Lockerby East Property also includes the Company's right to acquire a 100% interest in the surface and mineral rights of the Crean Hill 3 Property (to a vertical depth of 550 metres), which is underlain by a portion of the the West Graham Deposit, in consideration for a future cash payment of \$1 million and certain rights and royalties that will be extended to Vale across portions of the Project.

### **OWEN NICKEL PROPERTY**

SPC owns 100% of mineral rights of the Owen Nickel Property located 70 kilometres west of Sudbury Ontario near Espanola. The property consists of the mineral rights of 3 mining patents (47.5 hectares) located in Mongowin Township.

### **JANES PROPERTY**

On July 5, 2020, the Company entered into an option agreement to acquire a 100% interest in the Janes Property in Ontario. Pursuant to the terms of the option agreement, the Company holds the option to earn a 100% interest in the property by issuing \$355,000 in cash (\$135,000 paid), \$155,000 in shares (\$101,500 paid) and incurring work expenditures of \$227,000 (all expenditures incurred) over a 5 year period. Upon the Company vesting a 100% interest in the Janes Property, the Optionors would retain a 2% NSR on certain portions of the Janes Property, of which the Company can purchase the first 1% for \$1,000,000 and the remaining 1% for an additional \$500,000 prior to commercial production. Portions of the Janes Property remain subject to a pre-existing underlying agreement that provides a 1% NSR to a previous owner, of which all of the 1.0% NSR can be purchased for \$1,000,000. On claims containing the pre-existing 1% NSR, the NSR awarded to the Optionors is 1%, of which the Company can purchase the first 0.5% for \$500,000 and the remaining 0.5% for an additional \$500,000 up to the point of commercial production.

## **EXPLORATION HIGHLIGHTS**

### **LOCKERBY EAST PROPERTY – WEST GRAHAM/CREAN HILL 3**

In January 2024, the Company released the maiden Mineral Resource Estimate for the West Graham Project. The Mineral Resources at West Graham were estimated by SGS Geological Services and are summarized in the tables below, including sensitivities to cut-off grade and contained metal content. Mineral Resources include near surface mineralization with potential for open-pit mining, as well as higher grade mineralization amenable to conventional underground mining methods (see Figure 1 below).

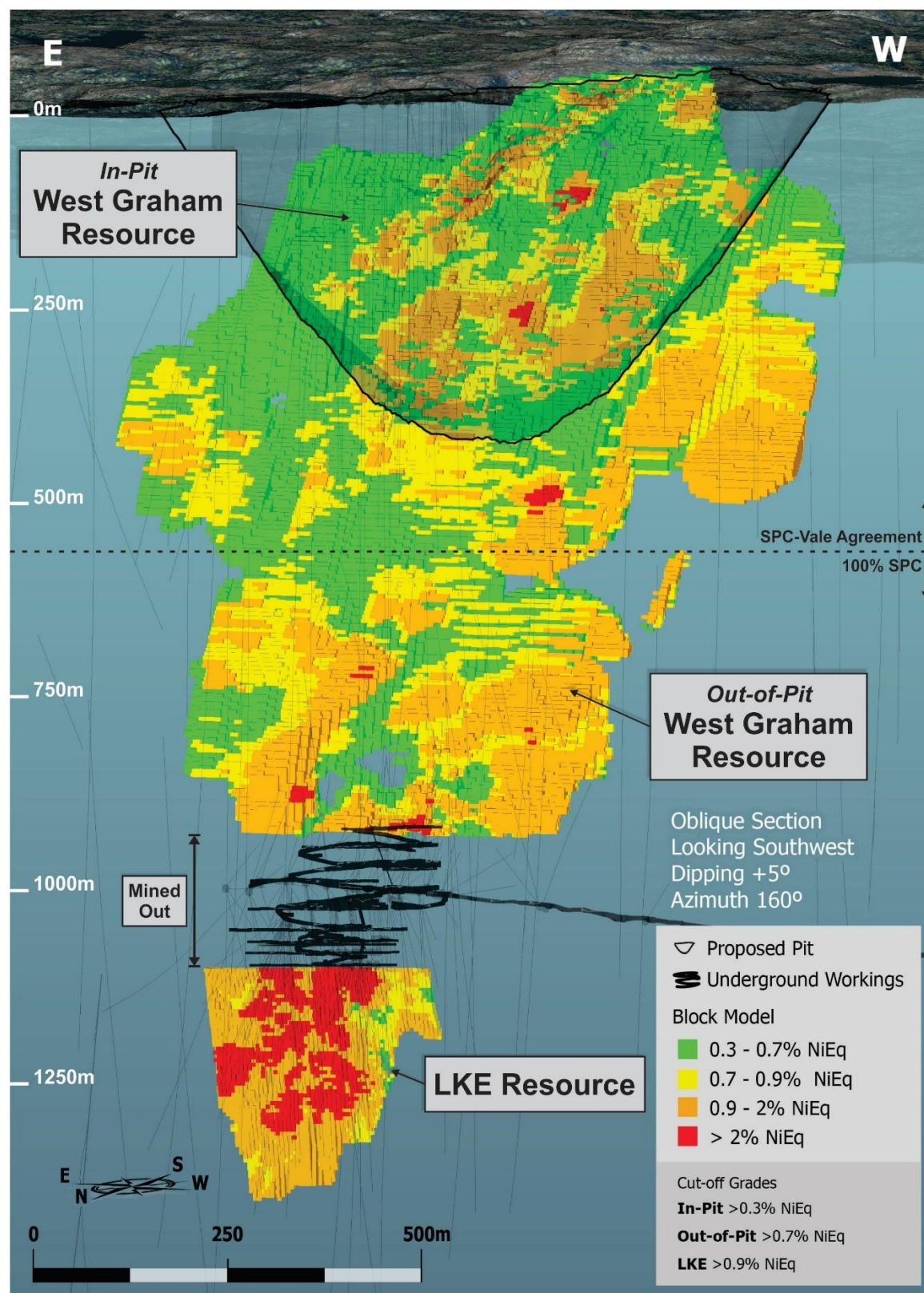
#### **West Graham Project Maiden Mineral Resource Estimate effective December 4, 2023**

*(Please see Mineral Resource Estimate Notes below)*

| Area   | Category  | NiEq Cutoff <sup>1</sup> | Tonnes     | Ni % | Cu % | Co % | Pt g/t | Pd g/t | Au g/t | Ag g/t | NiEq % <sup>2</sup> |
|--|-----------|--------------------------|------------|------|------|------|--------|--------|--------|--------|---------------------|
| <b>West Graham In-Pit Indicated Resource</b> |           |                          |            |      |      |      |        |        |        |        |                     |
| In-Pit                                       | Indicated | <b>0.3</b>               | 19,326,000 | 0.42 | 0.28 | 0.01 | 0.06   | 0.02   | 0.02   | 1.47   | 0.57                |
| In-Pit                                       | Inferred  | <b>0.3</b>               | 3,283,000  | 0.37 | 0.28 | 0.01 | 0.10   | 0.03   | 0.03   | 1.24   | 0.53                |
| <b>West Graham Out-of-Pit Resource</b>       |           |                          |            |      |      |      |        |        |        |        |                     |
| Out-of-Pit                                   | Indicated | <b>0.7</b>               | 3,238,000  | 0.63 | 0.47 | 0.02 | 0.24   | 0.06   | 0.07   | 2.64   | 0.92                |
| Out-of-Pit                                   | Inferred  | <b>0.7</b>               | 3,867,000  | 0.69 | 0.43 | 0.03 | 0.22   | 0.06   | 0.06   | 2.20   | 0.97                |

- (1) NiEq cutoff grades consider metal prices of \$9.50/lb Ni, \$3.50/lb Cu, \$22.00/lb Co, \$1000/oz Pt, \$1,800/oz Pd and \$1,700/oz Au and consider metal recoveries of 90% for Ni, 90% for Cu, 56% for Co, 69% for Pt, 68% for Pd and 68% for Au. Ag is not used.
- (2) NiEq grades are calculated using this formula:  $Ni (\%) + [Cu (\%) * 0.369] + [Co (\%) * 2.318] + [Pt / 31.1 * 4.779] + [Pd / 31.1 * 8.602] + [Au / 31.1 * 8.124]$  with price assumptions of \$9.50/lb Ni, \$3.50/lb Cu, \$22.00/lb Co, \$1000/oz Pt, \$1,800/oz Pd and \$1,700/oz Au. Ag is not used.

**Figure 1:** Oblique long section of the Lockerby East Property showing the location of the West Graham (In-Pit and Out-of-Pit) Resources as well as the LKE Resource. Section is orientated at 060 degrees looking to the southwest.





**West Graham Mineral Resource - Sensitivity to cut-off grade (In-Pit Resource and Out-of-Pit Resource)**

| NiEq Cutoff <sup>1</sup>                     | Tonnes            | Ni %        | Cu %        | Co %        | Pt g/t      | Pd g/t      | Au g/t      | Ag g/t      | NiEq % <sup>2</sup> |
|--|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------------|
| <b>West Graham In-Pit Indicated Resource</b> |                   |             |             |             |             |             |             |             |                     |
| <b>0.2</b>                                   | 20,800,000        | 0.40        | 0.27        | 0.01        | 0.06        | 0.02        | 0.02        | 1.42        | 0.55                |
| <b>0.3</b>                                   | <b>19,326,000</b> | <b>0.42</b> | <b>0.28</b> | <b>0.01</b> | <b>0.06</b> | <b>0.02</b> | <b>0.02</b> | <b>1.47</b> | <b>0.57</b>         |
| <b>0.4</b>                                   | 15,508,000        | 0.46        | 0.31        | 0.01        | 0.07        | 0.02        | 0.03        | 1.54        | 0.63                |
| <b>0.5</b>                                   | 10,330,000        | 0.53        | 0.34        | 0.01        | 0.08        | 0.02        | 0.03        | 1.66        | 0.72                |
| <b>0.6</b>                                   | 6,534,000         | 0.61        | 0.38        | 0.02        | 0.09        | 0.02        | 0.03        | 1.77        | 0.82                |
| <b>0.7</b>                                   | 4,085,000         | 0.69        | 0.41        | 0.02        | 0.10        | 0.03        | 0.03        | 1.85        | 0.92                |
| <b>0.8</b>                                   | 2,618,000         | 0.78        | 0.44        | 0.02        | 0.10        | 0.03        | 0.03        | 1.93        | 1.02                |
| <b>0.9</b>                                   | 1,641,000         | 0.87        | 0.47        | 0.02        | 0.11        | 0.03        | 0.04        | 2.02        | 1.12                |
| <b>1.0</b>                                   | 1,044,000         | 0.95        | 0.48        | 0.02        | 0.11        | 0.03        | 0.04        | 2.11        | 1.22                |
| <b>West Graham In-Pit Inferred Resource</b>  |                   |             |             |             |             |             |             |             |                     |
| <b>0.2</b>                                   | 3,350,000         | 0.37        | 0.28        | 0.01        | 0.10        | 0.03        | 0.03        | 1.22        | 0.53                |
| <b>0.3</b>                                   | <b>3,283,000</b>  | <b>0.37</b> | <b>0.28</b> | <b>0.01</b> | <b>0.10</b> | <b>0.03</b> | <b>0.03</b> | <b>1.24</b> | <b>0.53</b>         |
| <b>0.4</b>                                   | 2,857,000         | 0.39        | 0.30        | 0.01        | 0.10        | 0.03        | 0.03        | 1.29        | 0.56                |
| <b>0.5</b>                                   | 1,723,000         | 0.43        | 0.33        | 0.01        | 0.12        | 0.03        | 0.04        | 1.38        | 0.62                |
| <b>0.6</b>                                   | 758,000           | 0.51        | 0.37        | 0.02        | 0.14        | 0.03        | 0.04        | 1.46        | 0.72                |
| <b>0.7</b>                                   | 341,000           | 0.59        | 0.40        | 0.02        | 0.15        | 0.04        | 0.04        | 1.60        | 0.82                |
| <b>0.8</b>                                   | 151,000           | 0.65        | 0.46        | 0.02        | 0.16        | 0.04        | 0.05        | 1.69        | 0.91                |
| <b>0.9</b>                                   | 68,000            | 0.71        | 0.52        | 0.02        | 0.17        | 0.04        | 0.05        | 1.98        | 1.00                |
| <b>1.0</b>                                   | 24,000            | 0.80        | 0.55        | 0.02        | 0.17        | 0.04        | 0.05        | 2.61        | 1.11                |

| NiEq Cutoff <sup>1</sup>                         | Tonnes           | Ni %        | Cu %        | Co %        | Pt g/t      | Pd g/t      | Au g/t      | Ag g/t      | NiEq % <sup>2</sup> |
|--|------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------------|
| <b>West Graham Out-of-Pit Indicated Resource</b> |                  |             |             |             |             |             |             |             |                     |
| <b>0.6</b>                                       | 5,184,000        | 0.55        | 0.42        | 0.02        | 0.22        | 0.06        | 0.05        | 2.29        | 0.81                |
| <b>0.7</b>                                       | <b>3,238,000</b> | <b>0.63</b> | <b>0.47</b> | <b>0.02</b> | <b>0.24</b> | <b>0.06</b> | <b>0.07</b> | <b>2.64</b> | <b>0.92</b>         |
| <b>0.8</b>                                       | 1,982,000        | 0.72        | 0.52        | 0.02        | 0.25        | 0.06        | 0.06        | 2.95        | 1.04                |
| <b>0.9</b>                                       | 1,240,000        | 0.81        | 0.56        | 0.02        | 0.25        | 0.08        | 0.08        | 3.14        | 1.16                |
| <b>1.0</b>                                       | 794,000          | 0.92        | 0.60        | 0.03        | 0.27        | 0.08        | 0.08        | 3.29        | 1.29                |
| <b>1.1</b>                                       | 596,000          | 0.99        | 0.63        | 0.03        | 0.26        | 0.05        | 0.05        | 3.44        | 1.37                |
| <b>1.2</b>                                       | 451,000          | 1.05        | 0.66        | 0.03        | 0.21        | 0.10        | 0.14        | 3.59        | 1.45                |
| <b>West Graham Out-of-Pit Inferred Resource</b>  |                  |             |             |             |             |             |             |             |                     |
| <b>0.6</b>                                       | 6,152,000        | 0.59        | 0.39        | 0.02        | 0.20        | 0.06        | 0.05        | 2.01        | 0.85                |
| <b>0.7</b>                                       | <b>3,867,000</b> | <b>0.69</b> | <b>0.43</b> | <b>0.03</b> | <b>0.22</b> | <b>0.06</b> | <b>0.06</b> | <b>2.20</b> | <b>0.97</b>         |
| <b>0.8</b>                                       | 2,627,000        | 0.78        | 0.44        | 0.03        | 0.24        | 0.07        | 0.05        | 2.26        | 1.08                |
| <b>0.9</b>                                       | 1,728,000        | 0.90        | 0.45        | 0.03        | 0.24        | 0.07        | 0.05        | 2.18        | 1.21                |
| <b>1.0</b>                                       | 1,298,000        | 0.99        | 0.45        | 0.03        | 0.26        | 0.07        | 0.05        | 2.08        | 1.30                |
| <b>1.1</b>                                       | 993,000          | 1.08        | 0.44        | 0.04        | 0.25        | 0.06        | 0.03        | 1.97        | 1.39                |
| <b>1.2</b>                                       | 756,000          | 1.16        | 0.42        | 0.04        | 0.25        | 0.08        | 0.04        | 1.77        | 1.47                |

- (1) NiEq cutoff grades consider metal prices of \$9.50/lb Ni, \$3.50/lb Cu, \$22.00/lb Co, \$1000/oz Pt, \$1,800/oz Pd and \$1,700/oz Au and consider metal recoveries of 90% for Ni, 90% for Cu, 56% for Co, 69% for Pt, 68% for Pd and 68% for Au. Ag is not used.
- (2) NiEq grades are calculated using this formula:  $Ni (\%) + [Cu (\%) * 0.369] + [Co (\%) * 2.318] + [Pt / 31.1 * 4.779] + [Pd / 31.1 * 8.602] + [Au / 31.1 * 8.124]$  with price assumptions of \$9.50/lb Ni, \$3.50/lb Cu, \$22.00/lb Co, \$1000/oz Pt, \$1,800/oz Pd and \$1,700/oz Au. Ag is not used.

## West Graham Mineral Resource - Contained Metal (In-Pit Resource and Out-of-Pit Resource)

| NiEq Cutoff <sup>1</sup>                       | Category  | Tonnes     | Ni lbs (Millions) | Cu lbs (Millions) | Co lbs (Millions) | Pt (ozs) | Pd (ozs) | Au (ozs) | Ag (ozs) |
|--|-----------|------------|-------------------|-------------------|-------------------|----------|----------|----------|----------|
| <b>West Graham In-Pit Contained Metals</b>     |           |            |                   |                   |                   |          |          |          |          |
| <b>0.3</b>                                     | Indicated | 19,326,000 | 179.1             | 121.0             | 5.1               | 39,000   | 12,000   | 15,000   | 911,000  |
| <b>0.3</b>                                     | Inferred  | 3,283,000  | 26.7              | 20.6              | 0.8               | 10,000   | 3,000    | 3,000    | 131,000  |
| <b>West Graham Out-of-Pit Contained Metals</b> |           |            |                   |                   |                   |          |          |          |          |
| <b>0.7</b>                                     | Indicated | 3,238,000  | 45.7              | 34.0              | 1.5               | 25,000   | 6,000    | 7,000    | 275,000  |
| <b>0.7</b>                                     | Inferred  | 3,867,000  | 59.5              | 36.9              | 2.4               | 27,000   | 7,600    | 7,000    | 273,000  |

- (1) NiEq cutoff grades consider metal prices of \$9.50/lb Ni, \$3.50/lb Cu, \$22.00/lb Co, \$1000/oz Pt, \$1,800/oz Pd and \$1,700/oz Au and consider metal recoveries of 90% for Ni, 90% for Cu, 56% for Co, 69% for Pt, 68% for Pd and 68% for Au. Ag is not used.

### Mineral Resource Estimate Notes:

- (1) The Mineral Resource Estimate was estimated by Allan Armitage, Ph.D., P. Geo. of SGS Geological Services and is an independent Qualified Person as defined by NI 43-101. Dr Armitage conducted a site visit to the Lockerby East Property on July 24, 2023.
- (2) The classification of the current Mineral Resource Estimates for the West Graham Deposit into Indicated and Inferred is consistent with current 2014 CIM Definition Standards - For Mineral Resources and Mineral Reserves.
- (3) All figures are rounded to reflect the relative accuracy of the estimate and numbers may not add due to rounding.
- (4) All mineral resources are presented undiluted and in situ, constrained by continuous 3D wireframe models (the constraining volumes), and are considered to have reasonable prospects for eventual economic extraction.
- (5) Mineral resources which are not mineral reserves do not have demonstrated economic viability. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that most of the Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
- (6) The validated database for the West Graham Deposit provided by SPC Nickel for the MRE includes data for 560 surface and underground diamond drill holes and 26 surface rock channels totalling 182,936 m. The database totals 20,294 assay intervals representing 27,388 m of drilling and channeling. The database includes data for 85 drill holes completed by SPC totalling 19,393 m and including 7,093 assay samples. The average assay sample length of all drilling is 1.35 m.
- (7) The West Graham resource model is based on 256 mineralized intercepts from 236 drill holes and 17 rock channels, including mineralized intercepts from all 85 drill holes completed by SPC. The mineralized database included 7,953 assay samples Average length of 1.30) and 7,119 1.5 m composites.
- (8) The West Graham Mineral Resource Estimate is based on a three-dimensional ("3D") resource model, constructed in GEOVIA GEMS version 6.8.3 software ("GEMS").
- (9) Grades for nickel, copper, cobalt, platinum, palladium, gold and silver were estimated were interpolated into a block model, with block dimensions of 10 (x) x 5 (y) x 5 (z) m, using 1.5 m capped composites assigned to that model. To generate grade within the blocks, the inverse distance squared (ID<sup>2</sup>) interpolation method was used. The resource estimate search parameters are based on drill hole spacing, and size, shape and orientation of the resource domain. The classification of resource into Inferred and Indicated is based primarily on drill hole spacing.
- (10) An average density value for the West Graham Deposit was assigned based on a database of 6,295 mineralized samples. A value of 2.92 is used for West Graham. Values ranging from 2.85 to 3.00 are used for waste. Waste densities are based on a database of 7,039 samples.
- (11) The West Graham Deposit mineralization is considered amenable to open-pit and underground extraction.
- (12) It is envisioned that parts of the West Graham Deposit may be mined using open pit mining methods. In-pit mineral resources for the West Graham Deposit are reported at a base case cut-off grade of 0.3 % NiEq within a conceptual pit shell. Whittle™ pit optimization software (GEOVIA Whittle 2022) was used for pit optimization. The results from the pit optimization are used solely for the purpose of testing the "reasonable prospects for economic extraction" by an open-pit and do not represent an attempt to estimate mineral reserves. There are no mineral reserves on the Property. The results are used as a guide to assist in the preparation of a Mineral Resource statement and to select an appropriate resource reporting cut-off grade. The West Graham in-pit Mineral Resource grade blocks are quantified above the base case cut-off grade, above the constraining pit shell, below topography and within the constraining mineralized domain (the constraining volumes).
- (13) Underground Mineral Resources for the West Graham Deposit are estimated from out of the pit shell and are reported at a base case cut-off grade of 0.7 % NiEq. The West Graham underground resource grade blocks were quantified above the base case cut-off grade, out of the constraining pit shell and within the constraining mineralized domain (the constraining volume).

- (14) Based on the size, shape and orientation of the deposit, it is envisioned that the West Graham underground resource may be mined using the longhole open stoping mining method (a bulk mining method that has long been utilized in the Sudbury region).
- (15) NiEq cutoff grades consider metal prices of \$9.50/lb Ni, \$3.50/lb Cu, \$22.00/lb Co, \$1000/oz Pt, \$1,800/oz Pd and \$1,700/oz Au and consider metal recoveries of 90% for Ni, 90% for copper, 56% for Co, 69% for Pt, 68% for Pd and 68% for Au. Silver is not used.
- (16) NiEq grades are calculated using this formula:  $Ni\ (%) + [Cu\ (%) * 0.369] + [Co\ (%) * 2.318] + [Pt / 31.1 * 4.779] + [Pd / 31.1 * 8.602] + [Au / 31.1 * 8.124]$  with price assumptions of \$9.50/lb Ni, \$3.50/lb Cu, \$22.00/lb Co, \$1000/oz Pt, \$1,800/oz Pd and \$1,700/oz Au. Silver is not used.
- (17) For the West Graham Deposit, pit optimization and the in-pit base case cut-off grade of 0.3% NiEq considers a mining cost of US\$2.50/t rock and processing, treatment and refining, transportation and G&A cost of US\$38.00/t mineralized material, and an overall pit slope of 55 degrees, metal prices and process recoveries. The underground base case cut-off grade of 0.7 % NiEq considers a mining cost of US\$45.00/t rock and processing, treatment and refining, transportation, G&A cost of US\$42.50/t mineralized material and process recoveries.
- (18) The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

In March 2024, the Company released the Mineral Resource Estimate for the LKE Project. The Mineral Resources at the LKE Project were estimated by SGS Geological Services and are summarized in the tables below. The LKE MRE was based on a validated historical database containing drill holes completed by both Falconbridge Limited ("Falconbridge") and First Nickel Inc ("FNI"). A revised resource model, economic parameters and cutoff grade were used in the LKE MRE. Since acquiring the property in 2016, the Company has not completed any exploration drilling on the LKE Deposit.

### LKE Project Mineral Resource Estimate effective December 4, 2023

(Please see Mineral Resource Estimate Notes below)

| Area                        | Category  | NiEq Cutoff <sup>1</sup> | Tonnes  | Ni % | Cu % | Co % | Pt g/t | Pd g/t | Au g/t | Ag g/t | NiEq % <sup>2</sup> |
|-----------------------------|-----------|--------------------------|---------|------|------|------|--------|--------|--------|--------|---------------------|
| <b>LKE Mineral Resource</b> |           |                          |         |      |      |      |        |        |        |        |                     |
| LKE                         | Indicated | <b>0.9</b>               | 665,000 | 1.17 | 0.54 | 0.02 | 0.49   | 0.24   | 0.09   | 2.99   | 1.59                |
| LKE                         | Inferred  | <b>0.9</b>               | 124,000 | 0.99 | 0.42 | 0.02 | 0.57   | 0.36   | 0.07   | 2.30   | 1.39                |

(1) NiEq cutoff grades consider metal prices of \$9.50/lb Ni, \$3.50/lb Cu, \$22.00/lb Co, \$1000/oz Pt, \$1,800/oz Pd and \$1,700/oz Au and consider metal recoveries of 90% for Ni, 90% for Cu, 56% for Co, 69% for Pt, 68% for Pd and 68% for Au. Ag is not used.

(2) NiEq grades are calculated using this formula:  $Ni\ (%) + [Cu\ (%) * 0.369] + [Co\ (%) * 2.318] + [Pt / 31.1 * 4.779] + [Pd / 31.1 * 8.602] + [Au / 31.1 * 8.124]$  with price assumptions of \$9.50/lb Ni, \$3.50/lb Cu, \$22.00/lb Co, \$1000/oz Pt, \$1,800/oz Pd and \$1,700/oz Au. Ag is not used.

### LKE Deposit – Geology

Discovered in 1968 by Falconbridge, the LKE Resource is located approximately 1,500 metres east of the former Lockerby Mine and 200 metres down-dip of the West Graham Resource. Mineralization is predominately contact style, with narrow (less than 5 metres thick) high-grade semi-massive to nearly massive breccia sulphide veins anastomosing proximal to the folded granite footwall contact. LKE sulphide mineralization is characterized by a high pentlandite to pyrrhotite ratio with the overall grade, tenor and PGM content of the mineralization increasing with depth. Historical drilling completed by FNI returned values as high as 5.60% Ni and 1.26% Cu over a core length of 10.0 metres (see reference section below).

### LKE Deposit – Exploration Opportunity

In 2016, the Company completed a borehole geophysical program (reported in the Company's news release dated November 21, 2016) on seven historic holes completed by Falconbridge and FNI down-dip of the LKE Resource. The results from the surveys identified a trend of very strong geophysical conductors (2,000-20,000 siemens) over a combined distance of 1,100 metres extending down-dip from the LKE Resource. Of particular interest is a 200 metre by 700 metre area with several >10,000 siemen conductors that remain virtually untested by drilling. Historical hole GRA-21DE, drilling by Falconbridge in 1988, encountered a thick zone of Ni-Cu-PGM mineralization include several high-grade massive sulphide stringers with extremely high nickel tenors (9.5% -12.3%) along the fringes of the modelled EM conductors.

Reference - News Release, First Nickel Reports: 10 Metres Of 5.60% Ni and 1.26% Cu Hosted in Footwall from Lockerby East Zone, February 7th, 2006.



**Table 1: LKE Resource, Sensitivity to cut-off grade.**

| NiEq Cutoff <sup>1</sup>      | Tonnes         | Ni %        | Cu %        | Co %        | Pt g/t      | Pd g/t      | Au g/t      | Ag g/t      | NiEq % <sup>2</sup> |
|-------------------------------|----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------------|
| <b>LKE Indicated Resource</b> |                |             |             |             |             |             |             |             |                     |
| <b>0.8</b>                    | 801,000        | 1.07        | 0.51        | 0.02        | 0.48        | 0.22        | 0.09        | 2.91        | 1.47                |
| <b>0.9</b>                    | <b>665,000</b> | <b>1.17</b> | <b>0.54</b> | <b>0.02</b> | <b>0.49</b> | <b>0.24</b> | <b>0.09</b> | <b>2.99</b> | <b>1.59</b>         |
| <b>1.0</b>                    | 559,000        | 1.28        | 0.56        | 0.02        | 0.51        | 0.25        | 0.09        | 3.02        | 1.71                |
| <b>1.1</b>                    | 453,000        | 1.42        | 0.58        | 0.03        | 0.51        | 0.27        | 0.08        | 3.07        | 1.87                |
| <b>1.2</b>                    | 369,000        | 1.57        | 0.60        | 0.03        | 0.52        | 0.28        | 0.08        | 3.13        | 2.03                |
| <b>1.5</b>                    | 244,000        | 1.90        | 0.66        | 0.03        | 0.50        | 0.30        | 0.08        | 3.19        | 2.39                |
| <b>LKE Inferred Resource</b>  |                |             |             |             |             |             |             |             |                     |
| <b>0.8</b>                    | 142,000        | 0.94        | 0.41        | 0.02        | 0.55        | 0.33        | 0.07        | 2.19        | 1.32                |
| <b>0.9</b>                    | <b>124,000</b> | <b>0.99</b> | <b>0.42</b> | <b>0.02</b> | <b>0.57</b> | <b>0.36</b> | <b>0.07</b> | <b>2.30</b> | <b>1.39</b>         |
| <b>1.0</b>                    | 111,000        | 1.03        | 0.43        | 0.02        | 0.58        | 0.38        | 0.07        | 2.36        | 1.44                |
| <b>1.1</b>                    | 85,000         | 1.14        | 0.43        | 0.02        | 0.59        | 0.41        | 0.07        | 2.38        | 1.57                |
| <b>1.2</b>                    | 66,000         | 1.23        | 0.45        | 0.02        | 0.62        | 0.44        | 0.07        | 2.43        | 1.68                |
| <b>1.5</b>                    | 33,000         | 1.58        | 0.45        | 0.03        | 0.53        | 0.46        | 0.05        | 2.44        | 2.03                |

- (1) NiEq cutoff grades consider metal prices of \$9.50/lb Ni, \$3.50/lb Cu, \$22.00/lb Co, \$1000/oz Pt, \$1,800/oz Pd and \$1,700/oz Au and consider metal recoveries of 90% for Ni, 90% for Cu, 56% for Co, 69% for Pt, 68% for Pd and 68% for Au. Ag is not used.
- (2) NiEq grades are calculated using this formula:  $Ni\ (%) + [Cu\ (%) \times 0.369] + [Co\ (%) \times 2.318] + [Pt / 31.1 \times 4.779] + [Pd / 31.1 \times 8.602] + [Au / 31.1 \times 8.124]$  with price assumptions of \$9.50/lb Ni, \$3.50/lb Cu, \$22.00/lb Co, \$1000/oz Pt, \$1,800/oz Pd and \$1,700/oz Au. Ag is not used.

**Table 2: LKE Resource, Contained Metal.**

| NiEq Cutoff <sup>1</sup>        | Category  | Tonnes  | Ni lbs (Millions) | Cu lbs (Millions) | Co lbs (Millions) | Pt (ozs) | Pd (ozs) | Au (ozs) | Ag (ozs) |
|---------------------------------|-----------|---------|-------------------|-------------------|-------------------|----------|----------|----------|----------|
| <b>LKE MRE Contained Metals</b> |           |         |                   |                   |                   |          |          |          |          |
| <b>0.9</b>                      | Indicated | 665,000 | 17.2              | 7.9               | 0.33              | 11,000   | 5,000    | 2,000    | 64,000   |
| <b>0.9</b>                      | Inferred  | 124,000 | 2.7               | 1.2               | 0.05              | 2,000    | 1,000    | 300      | 9,000    |

- (1) NiEq cutoff grades consider metal prices of \$9.50/lb Ni, \$3.50/lb Cu, \$22.00/lb Co, \$1000/oz Pt, \$1,800/oz Pd and \$1,700/oz Au and consider metal recoveries of 90% for Ni, 90% for Cu, 56% for Co, 69% for Pt, 68% for Pd and 68% for Au. Ag is not used.

**Mineral Resource Estimate Notes:**

- The classification of the current Mineral Resource Estimates for the LKE Deposit into Indicated and Inferred is consistent with current 2014 CIM Definition Standards - For Mineral Resources and Mineral Reserves.
- All figures are rounded to reflect the relative accuracy of the estimate and numbers may not add due to rounding.
- All mineral resources are presented undiluted and in situ, constrained by continuous 3D wireframe models (the constraining volumes), and are considered to have reasonable prospects for eventual economic extraction.
- Mineral resources which are not mineral reserves do not have demonstrated economic viability. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that most of the Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
- The validated database provided by SPC for the MREs includes data for 560 surface and underground diamond drill holes and 26 surface channels totalling 182,936 m. The database totals 20,294 assay intervals representing 27,388 m of drilling and channeling. The average assay sample length is 1.35 m.
- The mineral resource estimate is based on a three-dimensional ("3D") resource domains, constructed in GEOVIA GEMS version 6.8.3 software ("GEMS").
- Nickel, copper, cobalt, platinum, palladium, gold and silver were estimated for each mineralization domain. Blocks within each mineralized domain were interpolated using 1.5 metre capped composites assigned to that model. To generate grade within the blocks, the inverse distance squared (ID2) interpolation method was used for all domains. All estimates are based on variable block dimensions (by deposit area) and estimation search parameters (by domain), which are based on drill hole spacing, and size, shape and orientation of the resource domains. The classification of resources into Inferred and Indicated is based primarily on drill hole spacing.
- An average density value for the LKE Deposit was assigned based on a database of 7,406 mineralized samples. A value of 3.04 for the LKE Deposit. Values ranging from 2.85 to 3.00 are used for waste. Waste densities are based on a database of 7,039 samples.

- (9) *The LKE Deposit is considered amenable to underground extraction.*
- (10) *As the LKE Deposit is deeper and narrower, a selected base case cut-off grade of 0.9 % NiEq is used to determine the underground MRE for the LKE Deposit. The LKE underground resource grade blocks were quantified above the base case cut-off grade and within the constraining mineralized domain (the constraining volume).*
- (11) *Based on the size, shape and orientation of the deposits, it is envisioned that the LKE Deposit underground resource may be mined using the longhole open stoping mining method (a bulk mining method that has long been utilized in the Sudbury region).*
- (12) *(NiEq cut-off grades are based on metal prices of \$9.50/lb Ni, \$3.50/lb Cu, \$22.00/lb Co, \$1000/oz Pt, \$1,800/oz Pd and \$1,700/oz Au and metal recoveries of 90% for Ni, 90% for copper, 56% for Co, 69% for Pt, 68% for Pd and 68% for Au. Silver is not used.*
- (13) *(NiEq grades are calculated using this formula:  $Ni (\%) + [Cu (\%) * 0.369] + [Co (\%) * 2.318] + [Pt / 31.1 * 4.779] + [Pd / 31.1 * 8.602] + [Au / 31.1 * 8.124]$  with price assumptions of \$9.50/lb Ni, \$3.50/lb Cu, \$22.00/lb Co, \$1000/oz Pt, \$1,800/oz Pd and \$1,700/oz Au. Ag is not used.*
- (14) *For the Lockerby East Deposit, underground base case cut-off grade of 0.9 % NiEq considers a mining cost of US\$85.00/t rock and processing, treatment and refining, transportation, and G&A cost of US\$38/t mineralized material.*
- (15) *The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.*

In April of 2024, the Company announced the initiation of a metallurgical test work study, to be performed by Vale Base Metals subsidiary, Vale Canada Limited ('Vale'), on mineralization from the Company's West Graham Ni-Cu Project. The Study will perform a standardized flotation test to assess potential recoveries, mineralogy and grindability of West Graham mineralization based on a simulated Clarabelle Mill flowsheet. The Clarabelle Mill is located in Sudbury, Ontario and is owned and operated by Vale. The planned metallurgical study will focus on mineralization from six shallow drill holes completed by SPC Nickel in 2023 that targeted a 150 metre by 150 metre area immediately down-dip of an extensive surface Ni-Cu gossan. The target area is being evaluated as a potential low-strip ratio, higher-grade starter pit.

In May of 2024, the Company commenced the 2024 West Graham drill program. The drill program is expected to include 2,500 metres of drilling over 40 holes. The goal of the drill program is to fully define the nickel-copper resource within the limits of a conceptual starter open pit, the completion of preliminary geotechnical work on the sulphide mineralization and surrounding host rocks for inclusion within the engineering design of the pit wall slopes and to help refine the West Graham economic viability and development plans.

On July 10, 2024, the Company announced assay results from three of the 14 holes completed as part of this program, which included the following highlights:

- Hole WG-24-087, which intersected **1.05% Ni and 0.30% Cu over 16.0 metres** from 32.0 to 48.0 metres. This interval is part of a wider interval that returned **0.63% Ni and 0.24% Cu over 41.0 metres** from 10.0 to 41.0 metres; and
- Hole WG-24-088, which intersected **1.41% Ni and 0.33% Cu over 16.0 metres** from 20.0 to 36.0 metres. This interval is part of a wider interval that returned **0.87% Ni and 0.32% Cu over 37.95 metres** from 13.0 to 42.0 metres.

The Company anticipates that this drill program will be completed by the end of August and will release additional assay results as they become available.

## MUSKOX PROPERTY

In July 2024, the Company completed a two-week field program on the MuskoX Property. A total of 122 field samples were collected and submitted to the laboratory for analysis. All assay results are pending.

## AER-KIDD PROPERTY

No significant work has been completed on the Aer-Kidd Property since the 2021 drill program when SPC completed 14 holes for a total of 14,111 metres. No work is scheduled for 2024.

## JANES PROPERTY

No significant work has been completed on the Janes Property since the 2023 borehole geophysical program. No work was completed in 2024.

The following table details exploration and evaluation expenditures incurred during the reporting period.

|  | AER Kidd          | Owen         | Lockerby<br>East | Janes            | Muskox           | Project<br>Generation | Total             |
|--|-------------------|--------------|------------------|------------------|------------------|-----------------------|-------------------|
| <b>Continuity of project expenditures for the nine months ended May 31, 2024</b> |                   |              |                  |                  |                  |                       |                   |
| <b>Balance August 31, 2023</b>   | <b>12,466,215</b> | <b>5,932</b> | <b>4,291,238</b> | <b>1,123,123</b> | <b>846,368</b>   | <b>79,644</b>         | <b>18,812,520</b> |
| Option Payments  | -                 | -            | -                | -                | 162,500          | -                     | 162,500           |
| Other acquisition and holding costs  | 1,840             | 416          | 13,586           | 227              | 282              | 227                   | 16,578            |
| Total acquisition costs for the period   | 1,840             | 416          | 13,586           | 227              | 162,782          | 227                   | 179,078           |
| Assays logging, and sampling   | -                 | -            | 192,270          | 3,706            | 32,000           | -                     | 227,976           |
| Travel, accommodation, and meals   | -                 | -            | 274              | -                | 7,377            | -                     | 7,651             |
| Drilling   | -                 | -            | 152,937          | -                | -                | -                     | 152,937           |
| Environmental  | 12                | 12           | 8,480            | 12               | 13               | 13                    | 8,542             |
| Equipment Rental   | 1,012             | 1,012        | 41,472           | 1,117            | 1,049            | 1,049                 | 46,711            |
| Field supplies and consumables   | -                 | -            | 6,206            | 103              | 6,168            | -                     | 12,477            |
| Payroll and Project Management   | (643)             | -            | 254,291          | 36,177           | 33,789           | -                     | 323,614           |
| Surveys and line cutting   | -                 | -            | 26               | -                | 16,086           | -                     | 16,112            |
| Vehicles   | -                 | -            | 5,517            | -                | -                | -                     | 5,517             |
| Cost recoveries  | -                 | -            | (194,149)        | -                | -                | -                     | (194,149)         |
| Exploration expenditures for the period  | 381               | 1,024        | 467,324          | 41,115           | 96,482           | 1,062                 | 607,388           |
| <b>Balance May 31, 2024</b>  | <b>12,468,436</b> | <b>7,372</b> | <b>4,772,148</b> | <b>1,164,465</b> | <b>1,105,632</b> | <b>80,933</b>         | <b>19,598,986</b> |
| May 31, 2024 balance consists of   |                   |              |                  |                  |                  |                       |                   |
| Acquisition costs  | 2,371,845         | 4,363        | 655,084          | 322,180          | 597,048          | 8,522                 | 3,959,042         |
| Exploration expenditures   | 10,096,591        | 3,009        | 4,117,064        | 842,285          | 508,584          | 72,411                | 15,639,944        |
|  | <b>12,468,436</b> | <b>7,372</b> | <b>4,772,148</b> | <b>1,164,465</b> | <b>1,105,632</b> | <b>80,933</b>         | <b>19,598,986</b> |
|  |                   |              |                  |                  |                  |                       |                   |
|  | AER Kidd          | Owen         | Lockerby<br>East | Janes            | Muskox           | Project<br>Generation | Total             |
| <b>Continuity of project expenditures for the nine months ended May 31, 2023</b> |                   |              |                  |                  |                  |                       |                   |
| <b>Balance August 31, 2022</b>   | <b>12,363,119</b> | <b>4,970</b> | <b>1,853,912</b> | <b>757,480</b>   | <b>402,729</b>   | <b>76,187</b>         | <b>15,458,397</b> |
| Option Payments  | 50,000            | -            | -                | -                | 487,500          | -                     | 537,500           |
| Other acquisition and holding costs  | 2,219             | 267          | 7,368            | 394              | (7,185)          | -                     | 3,063             |
| Total acquisition costs for the period   | 52,219            | 267          | 7,368            | 394              | 480,315          | -                     | 540,563           |
| Assays logging, and sampling   | -                 | -            | 290,110          | 23,018           | 10,422           | -                     | 323,550           |
| Travel, accommodation, and meals   | -                 | -            | 648              | 29               | 4,836            | -                     | 5,513             |
| Drilling   | -                 | -            | 832,003          | 203,078          | -                | -                     | 1,035,081         |
| Health, Safety, and Environmental  | 4                 | 4            | 106              | 4                | 4                | -                     | 122               |
| Equipment Rental   | 139               | 139          | 121,952          | 14,046           | 3,917            | -                     | 140,193           |
| Field supplies and consumables   | 216               | 216          | 5,099            | 870              | 14,794           | -                     | 21,195            |
| Field office   | (375)             | -            | (1,125)          | -                | -                | -                     | (1,500)           |
| Payroll and Project Management   | 481               | -            | 186,034          | 46,211           | 33,841           | 3,260                 | 269,827           |
| Surveys and linecutting  | -                 | -            | 16,921           | 14,041           | -                | -                     | 30,962            |
| Vehicles   | 293               | 216          | 4,635            | 1,416            | 293              | 77                    | 6,930             |
| Cost recoveries  | -                 | -            | -                | (200,000)        | -                | -                     | (200,000)         |
| Exploration and evaluation expenditures for the period                           | 758               | 575          | 1,456,385        | 102,712          | 68,107           | 3,337                 | 1,631,874         |
| <b>Balance May 31, 2023</b>  | <b>12,416,096</b> | <b>5,812</b> | <b>3,317,665</b> | <b>860,586</b>   | <b>951,151</b>   | <b>79,524</b>         | <b>17,630,834</b> |
| May 31, 2023 balance consists of   |                   |              |                  |                  |                  |                       |                   |
| Acquisition costs  | 2,319,885         | 3,827        | 635,551          | 75,619           | 546,645          | 8,176                 | 3,589,703         |
| Exploration expenditures   | 10,096,211        | 1,985        | 2,682,114        | 784,967          | 404,506          | 71,348                | 14,041,131        |
|  | <b>12,416,096</b> | <b>5,812</b> | <b>3,317,665</b> | <b>860,586</b>   | <b>951,151</b>   | <b>79,524</b>         | <b>17,630,834</b> |

## DISCUSSION OF OPERATIONS

### SELECTED QUARTERLY FINANCIAL INFORMATION

Expenses for the nine-month period ended May 31, 2024 were \$1,289,062 compared to \$3,018,074 for the nine-month period ended May 31, 2023. This \$1,729,012 decrease was primarily attributable to a \$1,024,486 decrease in exploration and evaluation expenditures, as well as a \$361,485 decrease in property acquisition and holding costs, for the year to date as compared to the prior fiscal year.

Expenses for the three-month period ended May 31, 2024 were \$197,983 compared to \$1,917,197 for the three-month period ended May 31, 2023. This \$1,719,214 decrease was primarily attributable to a \$1,179,599 decrease in exploration and evaluation expenditures, as well as a \$459,082 decrease in property acquisition and holding costs, for the current quarter as compared to the prior fiscal year.

The decrease in exploration and evaluation expenditures for both the current quarter and the year to date is due to the Company having been engaged in an active drill program during the third quarter of the prior fiscal year, in contrast to the third quarter of the current fiscal year, during which the Company was engaged in more modest exploration activities. The decrease in property acquisition costs for both the current quarter and the year to date is due to one-time acquisition costs being incurred during the third quarter of the prior fiscal year, without comparative acquisition costs being incurred during the third quarter of the current fiscal year.

A summary of selected unaudited financial information for the past eight quarters is presented below:

| <b>Three Months Ending (Unaudited)</b>     | <b>May 31,<br/>2024</b> | <b>February 29,<br/>2024</b> | <b>November 30,<br/>2023</b> | <b>August 31,<br/>2023</b> |
|--|-------------------------|------------------------------|------------------------------|----------------------------|
| Operating Expenses                         | (197,983)               | (536,816)                    | (554,263)                    | (1,413,250)                |
| Loss from Operations                       | (197,983)               | (536,816)                    | (554,263)                    | (1,413,250)                |
| Loss for the period                        | (190,502)               | (516,980)                    | (494,810)                    | (1,336,398)                |
| (Loss) per share – basic and fully diluted | Nil                     | Nil                          | Nil                          | (0.01)                     |
| Total Assets                               | 3,119,831               | 1,325,203                    | 1,690,959                    | 2,725,497                  |
| Total Liabilities                          | 449,291                 | 301,452                      | 317,728                      | 857,456                    |

| <b>Three Months Ending (Unaudited)</b>     | <b>May 31,<br/>2023</b> | <b>February 28,<br/>2023</b> | <b>November 30,<br/>2022</b> | <b>August 31,<br/>2022</b> |
|--|-------------------------|------------------------------|------------------------------|----------------------------|
| Operating Expenses                         | (1,917,197)             | (500,214)                    | (600,663)                    | (990,143)                  |
| Loss from Operations                       | (1,917,197)             | (500,214)                    | (600,663)                    | (990,143)                  |
| Loss for the period                        | (1,917,197)             | (500,083)                    | (600,340)                    | (1,003,871)                |
| (Loss) per share – basic and fully diluted | (0.01)                  | Nil                          | Nil                          | (0.01)                     |
| Total Assets                               | 1,911,464               | 3,124,895                    | 3,528,022                    | 4,202,500                  |
| Total Liabilities                          | 773,758                 | 257,492                      | 322,536                      | 396,674                    |

## LIQUIDITY AND CAPITAL RESOURCES

As at May 31, 2024, the Company had cash balances of \$2,844,143 compared with \$2,076,414 as at August 31, 2023. The Company had current assets of \$3,033,402 and current liabilities of \$420,327, for net working capital of \$2,613,075 as at May 31, 2024.

Currently, the Company's operations do not generate cash flow and its financial viability is dependent on management's ability to discover and develop economically viable mineral deposits and to raise money to support the discovery and development of such mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

In order to finance the Company's exploration programs and to cover administrative and overhead expenses, the Company raises money through equity sales. Many factors influence the Company's ability

to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond their control. There is no assurance that new funding will be available at the times required or desired by the Company. See "Risk Factors". Currently, the Company holds exploration projects and it is anticipated that additional equity financing will be available going forward. Equity markets do fluctuate which could affect timing of future financings. The Company continues to source other avenues of financing, including strategic partnerships in relation to its non-material properties, which may reduce the Company's reliance on equity financing.

## OUTSTANDING SHARE DATA

As at July 26, 2024, the Company had the following securities outstanding:

|                          |             |
|--------------------------|-------------|
| • Common Shares          | 191,991,444 |
| • Options                | 12,140,000  |
| • Warrants               | 17,090,452  |
| • Restricted Share Units | 2,000,000   |
| • Deferred Share Units   | 850,000     |

## FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, receivables, and accounts payable and accrued liabilities. The fair values these financial instruments approximate their carrying values due to their short-term nature.

### Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and receivables. The Company maintains its cash with high-credit quality financial institutions, thus limiting its exposure to credit risk on such financial assets.

### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company maintains sufficient cash balances to meet current working capital requirements. The Company is considered to be in the exploration and evaluation stage, thus, it is dependent on obtaining regular financings in order to continue its exploration and evaluation programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash is available on demand for the Company's programs and is not invested in any asset-backed commercial paper. The Company believes it has sufficient cash resources to pay its obligations associated with its financial liabilities as at May 31, 2024.

### Interest Rate Risk

The Company's exposure to interest rate risk arises from the interest rate impact on its cash. The Company's practice has been to invest cash at floating rates of interest, in cash equivalents, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in cash, and restricted cash as they are generally held with large financial institutions.



## Price Risk

The Company is not currently exposed to price risk, as it does not currently hold Investments in equity instruments.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities or derivative financial obligations.

## RISKS AND UNCERTAINTIES

Exploration for mineral resources involves a high degree of risk. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. In addition to exploration risk, the Company is faced with a number of other risk factors. See "Risk Factors" below, as well as the discussion regarding risks and uncertainties in the Company's most recent annual Management Discussion and Analysis for the year ended August 31, 2023.

## TRANSACTIONS WITH RELATED PARTIES

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties). The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, to similar transactions to non-key management personnel related entities on an arm's length basis.

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Pursuant to IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key management of the Company for the nine-month periods ended May 31, 2024 and 2023 was as follows:

|  | <u>2024</u>       | <u>2023</u>       |
|--|-------------------|-------------------|
| Short term benefits - consulting fees and salaries | \$ 193,161        | \$ 279,716        |
| Share based payments                               | 55,000            | 99,000            |
|  | <u>\$ 248,161</u> | <u>\$ 378,716</u> |

Short term benefits are expensed as consultant fees and exploration and evaluation expenditures, as applicable.

Included in accounts payable and accrued liabilities as at May 31, 2024, is \$13,820 (August 31, 2023 - \$9,983) owing to management and a company that is related by significant influence. The amounts are unsecured, non-interest bearing, and are due on demand.

During the nine-month period ended May 31, 2024, the Company incurred a \$60,000 (2023 – \$Nil) expense related to fees charged by a financial advisory firm in respect of which one of the directors of the Company is a partner.

## COMMITMENTS AND CONTINGENCIES

### *Environmental Contingencies*

The Company's exploration activities are subject to various federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

### *Flow-through Expenditures*

In connection with a flow through financing completed in June 2023, the Company has committed to incur qualifying Canadian Exploration Expenditures totaling \$1,788,146 by December 31, 2024. The Company has indemnified subscribers for any tax related amounts that become payable by the subscriber in the event that the Company does not fulfill its expenditure commitment. As at May 31, 2024, the Company had incurred approximately \$1,250,000 of this expenditure commitment. The Company anticipates that it will satisfy its full commitment prior to December 31, 2024.

In connection with a flow through financing completed in May 2024, the Company has committed to incur qualifying Canadian Exploration Expenditures totaling \$477,500 by December 31, 2025. The Company has indemnified subscribers for any tax related amounts that become payable by the subscriber in the event that the Company does not fulfill its expenditure commitment. As at May 31, 2024, the Company has not incurred any expenditures in connection with this commitment. The Company anticipates that it will satisfy its full commitment prior to December 31, 2025.

## RISKS FACTORS

The operations of the Company are speculative due to the high-risk nature of its business, which are the acquisition, financing, exploration and development of mining properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking information relating to the Company. See "Risk Factors" in the Prospectus.

## Outlook

The Company will continue to explore and develop its Sudbury properties with a primary near term focus on the Lockerby East Project. The Company will also be advancing its Muskox property, while continuing to pursue other Ni-Cu-PGM opportunities in Canada. The vision of the company is to build a publicly listed energy metals company focused on nickel, copper, and PGM opportunities in Canada.

## Responsibility for financial statements

The information provided in this report, including information from the related financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properly reflected in the financial statements.

As part of the oversight role of the Board of Directors to ensure the Company's disclosures contain no misrepresentations, the Board as a whole reviews the interim and annual financial statements and MD&A prepared by management before approving them.

## Additional Information

Additional information relating to the Company is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

*Except for statements of historical fact relating to SPC certain information contained herein constitutes forward-looking information under Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the Company's proposed acquisitions and strategy, development potential and timetable of the Company's properties; the Company's ability to raise required funds; future mineral prices; mineralization projections; conclusions of economic evaluation; the timing and amount of estimated future*

exploration and development; costs of development; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of exploration activities are based on previous industry experience and regional political and economic stability. Capital and operating cost estimates are based on extensive research of the Company, recent estimates of exploration costs and other factors that are set out herein. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to risks related to: unexpected events and delays during exploration and development; acquisition risks; regulatory risks; revocation of government approvals; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of minerals; accidents, labour disputes and other risks of the mining industry. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.