

SPC Nickel Corp.

Management Discussion & Analysis

For the Year Ended August 31, 2024

The following is management's discussion and analysis ("MD&A") of the financial condition and results of operations of SPC Nickel Corp. ("SPC" or the "Company") for the year ended, and as of, August 31, 2024 unless otherwise noted. This discussion and analysis should be read in conjunction with the Company's August 31, 2024 year-end financial statements and attached notes, including the section on risks. This MD&A is dated December 11, 2024.

This MD&A contains forward-looking statements and should be read in conjunction with the risk factors described in the "*Risks and Uncertainties*" and the "*Cautionary Statement Regarding Forward Looking Information*" sections at the end of this MD&A.

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.

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 Lockerby East Property 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) 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 @ 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 52,600 hectares comprised of 19 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) and in September the Company staked an additional 2 mining claims (totaling 3,127 hectares) resulting in total land holdings of 52,600 hectares in 19 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 consisting of 17,840 hectares in 12 mining claims, 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 (\$350,000 paid) and issuing 7,500,000 shares (5,000,000 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 Metals Corp \$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

In June 2024, the Company staked an additional 2 mining claims (totaling 2,003.5 hectares) and in September 2024, the Company staked an additional 2 mining claims (totaling 3,127.8 hectares) resulting in total land holdings of 52,600 hectares in 19 mining claims and 2 prospecting permits.

The total Muskox Property, including those mining claims under option from Bathurst Metals Corp is 70,440.8 hectares in 31 mining claims and 2 prospecting permits.

Upon vestiture, SPC will hold nearly 700 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 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

From June to September 2024, SPC Nickel completed a total of 2,596 metres of drilling in 36 holes (average depth of 72 metres). The program focused on confirming and upgrading the near-surface mineralization and the potential of outlining a higher-grade starter pit at the Project. The majority of the reported mineralized intervals from this new drilling have exceeded the average grade of the in-pit resource published in the maiden Mineral Resource Estimate.

Table #1: Complete assay results from the 2024 drill program on the West Graham Project.

| HOLE ID | From (m) | To (m) | Length (m) ¹ | Ni (%) | Cu (%) | Co (%) | Pt (g/t) | Pd (g/t) | Au (g/t) | Ag (g/t) |
|--|--------------------------------------|---------------------------------------|---------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| WG-24-086 | 10.00 | 40.00 | 30.00 | 0.46 | 0.25 | 0.01 | 0.05 | 0.02 | 0.01 | 1.84 |
| WG-24-087 including | 10.00 32.00 | 51.00 48.00 | 41.00 16.00 | 0.63 1.05 | 0.24 0.30 | 0.02 0.03 | 0.04 0.06 | 0.02 0.02 | 0.02 0.03 | 1.41 1.82 |
| WG-24-088 including including | 9.05 13.00 20.00 | 47.00 42.00 36.00 | 37.95 29.00 16.00 | 0.87 1.03 1.41 | 0.32 0.34 0.33 | 0.03 0.04 0.05 | 0.05 0.05 0.03 | 0.02 0.03 0.01 | 0.02 0.02 0.06 | 1.95 1.98 1.75 |
| WG-24-089 | 3.50 | 21.00 | 17.50 | 0.55 | 0.40 | 0.02 | 0.07 | 0.02 | 0.02 | 2.34 |
| WG-24-090 | 2.80 | 18.00 | 15.20 | 0.52 | 0.33 | 0.02 | 0.04 | 0.04 | 0.02 | 1.84 |
| WG-24-091 including | 2.80 2.80 | 19.00 12.00 | 16.20 9.20 | 0.65 0.81 | 0.38 0.36 | 0.02 0.03 | 0.06 0.07 | 0.02 0.02 | 0.03 0.02 | 2.22 2.24 |
| WG-24-092 including | 1.15 15.00 | 36.00 27.00 | 34.85 12.00 | 0.75 1.15 | 0.24 0.29 | 0.03 0.04 | 0.04 0.06 | 0.02 0.03 | 0.01 0.01 | 1.21 1.38 |
| WG-24-093 | 14.00 | 33.00 | 19.00 | 0.76 | 0.24 | 0.03 | 0.04 | 0.02 | 0.02 | 1.98 |
| WG-24-094 including | 2.00 14.00 | 28.00 23.00 | 26.00 9.00 | 0.54 0.81 | 0.28 0.36 | 0.02 0.03 | 0.03 0.03 | 0.02 0.02 | 0.01 0.02 | 1.62 1.97 |
| WG-24-095 | 17.00 | 23.00 | 6.00 | 0.51 | 0.29 | 0.02 | 0.05 | 0.02 | 0.03 | 1.58 |
| WG-24-096 | 3.00 | 19.00 | 16.00 | 0.73 | 0.26 | 0.03 | 0.04 | 0.02 | 0.02 | 1.34 |
| WG-24-097 | 4.00 | 26.00 | 22.00 | 0.46 | 0.32 | 0.02 | 0.07 | 0.02 | 0.03 | 2.01 |
| WG-24-098 including | 1.00 20.00 | 33.00 29.00 | 32.00 9.00 | 0.51 0.72 | 0.31 0.37 | 0.02 0.02 | 0.06 0.08 | 0.02 0.02 | 0.02 0.02 | 1.53 1.78 |
| WG-24-099 including | 7.00 37.00 | 48.00 43.00 | 41.00 6.00 | 0.46 0.88 | 0.21 0.21 | 0.02 0.03 | 0.04 0.06 | 0.02 0.02 | 0.01 0.01 | 1.00 1.15 |
| WG-24-100 including | 11.30 37.00 | 46.00 43.00 | 34.70 6.00 | 0.35 0.64 | 0.19 0.31 | 0.01 0.02 | 0.03 0.07 | 0.01 0.02 | 0.02 0.03 | 1.24 1.95 |
| WG-24-101 including | 14.00 35.00 | 58.00 49.70 | 44.00 14.70 | 0.53 0.83 | 0.18 0.19 | 0.02 0.03 | 0.04 0.05 | 0.01 0.02 | 0.01 0.01 | 1.28 1.52 |
| WG-24-102 including | 13.50 16.50 | 43.50 19.50 | 30.00 3.00 | 0.65 1.59 | 0.29 0.15 | 0.02 0.06 | 0.03 0.04 | 0.02 0.02 | 0.02 0.004 | 1.79 1.10 |
| WG-24-103 | 15.00 | 36.00 | 21.00 | 0.24 | 0.16 | 0.01 | 0.02 | 0.01 | 0.01 | 1.06 |
| WG-24-104 | 33.00 | 49.50 | 16.50 | 0.33 | 0.18 | 0.01 | 0.02 | 0.01 | 0.01 | 1.01 |
| WG-24-105 | 21.00 | 42.00 | 21.00 | 0.47 | 0.28 | 0.02 | 0.03 | 0.01 | 0.02 | 1.52 |
| WG-24-106 including | 39.00 54.00 | 61.20 61.20 | 22.20 7.20 | 0.54 0.77 | 0.27 0.40 | 0.02 0.03 | 0.03 0.04 | 0.02 0.02 | 0.02 0.02 | 1.64 2.16 |
| WG-24-107 including | 55.50 69.00 | 102.00 75.00 | 46.50 6.00 | 0.59 1.11 | 0.32 0.31 | 0.02 0.04 | 0.03 0.03 | 0.02 0.02 | 0.02 0.02 | 1.81 1.23 |

| | | | | | | | | | | |
|------------------|--|---------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| WG-24-108 | 25.50 | 40.50 | 15.00 | 0.47 | 0.17 | 0.02 | 0.02 | 0.01 | 0.01 | 0.88 |
| including | 68.00 | 78.00 | 10.00 | 1.04 | 0.50 | 0.03 | 0.07 | 0.02 | 0.02 | 2.57 |
| including | 70.50 | 73.50 | 2.00 | 1.61 | 0.34 | 0.05 | 0.06 | 0.01 | 0.01 | 1.65 |
| WG-24-109 | 72.90 | 118.50 | 45.60 | 0.78 | 0.38 | 0.03 | 0.08 | 0.02 | 0.03 | 2.00 |
| including | 79.50 | 97.50 | 18.00 | 1.17 | 0.37 | 0.04 | 0.07 | 0.03 | 0.03 | 1.57 |
| Including | 85.50 | 96.00 | 10.50 | 1.46 | 0.32 | 0.05 | 0.09 | 0.03 | 0.04 | 1.40 |
| and | 106.50 | 110.82 | 4.32 | 1.16 | 0.52 | 0.04 | 0.23 | 0.03 | 0.05 | 3.01 |
| WG-24-110 | 37.50 | 66.00 | 28.50 | 0.46 | 0.26 | 0.02 | 0.04 | 0.02 | 0.02 | 1.48 |
| WG-24-111 | 31.50 | 58.50 | 27.00 | 0.41 | 0.24 | 0.01 | 0.04 | 0.02 | 0.02 | 1.46 |
| including | 54.00 | 58.50 | 4.50 | 0.75 | 0.48 | 0.02 | 0.08 | 0.04 | 0.05 | 2.70 |
| WG-24-112 | 18.00 | 67.50 | 49.50 | 0.35 | 0.22 | 0.01 | 0.04 | 0.02 | 0.01 | 1.43 |
| and | 84.00 | 91.50 | 7.50 | 0.93 | 0.37 | 0.03 | 0.12 | 0.04 | 0.03 | 2.36 |
| WG-24-113 | 3.00 | 10.50 | 7.50 | 0.87 | 0.32 | 0.03 | 0.09 | 0.02 | 0.03 | 1.98 |
| WG-24-114 | 1.35 | 4.50 | 3.15 | 0.58 | 0.44 | 0.04 | 0.07 | 0.27 | 0.03 | 2.87 |
| WG-24-115 | Not significant mineralization reported | | | | | | | | | |
| WG-24-116 | 1.50 | 36.00 | 34.50 | 0.58 | 0.45 | 0.02 | 0.06 | 0.03 | 0.02 | 2.60 |
| including | 10.50 | 22.50 | 12.00 | 0.81 | 0.77 | 0.03 | 0.07 | 0.05 | 0.03 | 3.74 |
| and | 43.50 | 52.50 | 9.00 | 0.51 | 0.37 | 0.02 | 0.07 | 0.02 | 0.03 | 2.22 |
| WG-24-117 | 18.00 | 33.00 | 15.00 | 0.48 | 0.31 | 0.02 | 0.05 | 0.02 | 0.02 | 1.69 |
| WG-24-118 | 9.00 | 22.50 | 13.50 | 0.66 | 0.28 | 0.02 | 0.06 | 0.02 | 0.02 | 1.80 |
| including | 19.5 | 22.5 | 3.00 | 1.67 | 0.19 | 0.05 | 0.06 | 0.04 | 0.02 | 1.60 |
| WG-24-119 | 51.00 | 66.00 | 15.00 | 0.53 | 0.42 | 0.02 | 0.07 | 0.03 | 0.03 | 2.57 |
| WG-24-120 | 51.00 | 57.00 | 6.00 | 0.63 | 0.43 | 0.02 | 0.09 | 0.10 | 0.03 | 2.38 |
| WG-24-121 | 91.50 | 103.50 | 12.00 | 0.52 | 0.36 | 0.02 | 0.10 | 0.03 | 0.03 | 2.26 |

Notes: 1. Length refers to downhole length.

In May 2024, the Company announced the results from a recent trenching program conducted on the Company's West Graham Project. The channel sampling program was completed on two separate surface exposures of the large West Graham Ni-Cu Deposit.

SPC Nickel collected a total of 139 samples at 1.0 metre intervals within 8 continuous channels totalling 138.5 metres in length. Trenching focused on two separate outcrop exposures of mineralized norite along the contact between the Sudbury Igneous Complex and the surrounding footwall granite.

Table #2: Reported assay results from the channel sampling program on the West Graham Project.

| SAMPLE ID | From (m) | To (m) | Length (m)¹ | Ni (%) | Cu (%) | Co (%) | Pt (g/t) | Pd (g/t) | Au (g/t) | Ag (g/t) | Estimated True Width % |
|------------------|-----------------|---------------|-------------------------------|---------------|---------------|---------------|-----------------|-----------------|-----------------|-----------------|-------------------------------|
| CH-01W | 0.00 | 13.00 | 13.00 | 0.20 | 0.25 | 0.01 | 0.03 | 0.02 | 0.02 | 1.68 | 70 |
| CH-02W | 0.00 | 6.00 | 6.00 | 0.14 | 0.09 | 0.01 | 0.02 | 0.01 | 0.01 | 0.70 | 70 |
| CH-03W | 0.00 | 15.00 | 15.00 | 0.28 | 0.29 | 0.01 | 0.04 | 0.02 | 0.03 | 1.76 | 70 |
| CH-04E | 0.00 | 6.50 | 6.50 | 0.42 | 0.26 | 0.02 | 0.03 | 0.01 | 0.09 | 1.26 | 70 |
| CH-05E | 0.00 | 17.00 | 17.00 | 0.94 | 0.44 | 0.04 | 0.05 | 0.02 | 0.02 | 2.33 | 70 |
| CH-06E | 0.00 | 38.00 | 38.00 | 0.62 | 0.31 | 0.02 | 0.04 | 0.02 | 0.01 | 1.43 | 70 |
| CH-07E | 0.00 | 13.00 | 13.00 | 0.21 | 0.18 | 0.01 | 0.02 | 0.01 | 0.00 | 1.30 | 70 |
| CH-08E | 0.00 | 13.00 | 13.00 | 0.64 | 0.34 | 0.02 | 0.04 | 0.03 | 0.01 | 1.90 | NA |

Notes: 1. Length refers to surface length. Estimated true width is expressed as a percentage of total channel sample length.

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 ¹ | Tonnes | Ni % | Cu % | Co % | Pt g/t | Pd g/t | Au g/t | Ag g/t | NiEq % ² |
|--|-----------|--------------------------|------------|------|------|------|--------|--------|--------|--------|---------------------|
| West Graham In-Pit Indicated Resource | | | | | | | | | | | |
| In-Pit | Indicated | 0.3 | 19,326,000 | 0.42 | 0.28 | 0.01 | 0.06 | 0.02 | 0.02 | 1.47 | 0.57 |
| In-Pit | Inferred | 0.3 | 3,283,000 | 0.37 | 0.28 | 0.01 | 0.10 | 0.03 | 0.03 | 1.24 | 0.53 |
| West Graham Out-of-Pit Resource | | | | | | | | | | | |
| Out-of-Pit | Indicated | 0.7 | 3,238,000 | 0.63 | 0.47 | 0.02 | 0.24 | 0.06 | 0.07 | 2.64 | 0.92 |
| Out-of-Pit | Inferred | 0.7 | 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.

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 ¹ | Tonnes | Ni % | Cu % | Co % | Pt g/t | Pd g/t | Au g/t | Ag g/t | NiEq % ² |
|-----------------------------|-----------|--------------------------|---------|------|------|------|--------|--------|--------|--------|---------------------|
| LKE Mineral Resource | | | | | | | | | | | |
| LKE | Indicated | 0.9 | 665,000 | 1.17 | 0.54 | 0.02 | 0.49 | 0.24 | 0.09 | 2.99 | 1.59 |
| LKE | Inferred | 0.9 | 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.

MUSKOX PROPERTY

In July 2024, the Company completed a seven-day prospecting program on the ~70,400 hectares MuskoX Project. SPC Nickel's field crews accessed the Project via daily helicopter flights based out of the coastal Hamlet of Kugluktuk located approximately 75 kilometres to the north of the Project. A total of 112 grab samples were collected across multiple target areas including the Equinox, Pyrrhotite Lake and Speers Lake targets as well as additional target areas across the Project. The breakdown of samples included 97 samples for assay analysis and 15 samples for complete geochemical analysis.

2024 Highlights:

- Four distinct types of sulphide mineralization were encountered along the margins of the Muskox Intrusion.
 - Massive to semi-massive Ni-Cu-PGM mineralization hosted within the hornfels zone along/near the contact of the intrusion. The massive sulphide zones appear to have formed during the early stages of the intrusion and are localized on contact embayments or fault grabens.
 - Stockwork Cu-Ni-PGM massive sulphide breccias hosted within the hornfels zone near the contact of the intrusion. During a late cooling stage of the intrusion, brecciated country rock and fault structures allowed the migration of sulphides into the footwall.
 - Sharp-walled massive Cu-PGM veins up 20 cm thick, associated in fractures within the strongly metamorphosed footwall to the Muskox Intrusion. These veins are interpreted to represent either a fractionated sulphide melting emplaced into the footwall or potentially hydrothermally remobilized sulphides.
 - High-grade Ag-Zn veins hosted with fractures in the thermally metamorphosed metasedimentary gneisses proximal to the marginal rocks of the Muskox Intrusion. Pyrrhotite Lake Target area sample M017847 assayed **2,940 g/t Ag** and **9.45% Zn**.
- Both the stockwork breccia mineralization and the footwall massive sulphide veins show enrichment in precious metals, especially Pd at a 10:1 ratio relative to Pt.
- Footwall-hosted Cu-PGM massive sulphide veins show enrichment in Au relative to the massive and stockwork hosted mineralization with values as high as 7.57 g/t Au reported (Sample M017823).
- Striking similarities were recognized between the Cu-PGM massive sulphide veins with the footwall of the Muskox Intrusion and the footwall deposits of the world-class Sudbury Mining Camp in terms of style and grade.

Table #3: 2024 Equinox Target selected Grab Sample Assay Results.

| Sample | Cu % | Ni % | Co % | Pd g/t | Pt g/t | Au g/t | Ag g/t | Cu + Ni % | Pd+Pt+Au g/t |
|---------|-------|------|-------|--------|--------|--------|--------|-----------|--------------|
| M017824 | 19.50 | 0.06 | <0.01 | 6.40 | 0.87 | 0.41 | 27.5 | 19.56 | 7.68 |
| M017766 | 9.21 | 9.42 | 0.21 | 11.10 | 0.54 | 0.32 | 34.9 | 18.63 | 11.96 |
| M017821 | 17.35 | 0.32 | 0.02 | 65.00 | 7.79 | 3.62 | 13.8 | 17.67 | 76.41 |
| M017818 | 13.00 | 0.06 | 0.00 | 16.00 | 1.83 | 0.49 | 46.0 | 13.06 | 18.32 |
| M017820 | 8.43 | 0.13 | 0.01 | 42.40 | 4.47 | 3.30 | 25.8 | 8.56 | 50.17 |
| M017823 | 7.89 | 0.26 | 0.01 | 93.10 | 6.69 | 7.57 | 10.7 | 8.15 | 107.36 |
| M017819 | 6.43 | 1.06 | 0.06 | 4.76 | 0.64 | 0.26 | 18.0 | 7.49 | 5.66 |
| M017822 | 6.23 | 0.11 | 0.01 | 29.70 | 1.97 | 2.02 | 17.3 | 6.34 | 33.69 |
| M017835 | 5.27 | 0.47 | 0.02 | 8.20 | 0.81 | 0.75 | 26.7 | 5.74 | 9.76 |
| M017833 | 4.72 | 0.03 | <0.01 | 8.64 | 0.66 | 0.78 | 12.4 | 4.75 | 10.08 |
| M017768 | 2.80 | 1.73 | 0.04 | 9.89 | 1.08 | 0.76 | 7.3 | 4.53 | 11.73 |
| M017769 | 2.81 | 0.43 | 0.03 | 0.46 | 0.06 | 0.05 | 2.9 | 3.24 | 0.57 |
| M017765 | 1.53 | 1.42 | 0.14 | 0.19 | 0.00 | 0.01 | 2.3 | 2.95 | 0.20 |
| M017825 | 1.67 | 0.19 | 0.01 | 1.59 | 0.07 | 0.16 | 5.8 | 1.86 | 1.81 |
| M017827 | 1.61 | 0.12 | 0.00 | 1.98 | 0.10 | 0.13 | 11.4 | 1.73 | 2.21 |
| M017836 | 0.91 | 0.81 | 0.06 | 0.52 | 0.03 | 0.04 | 1.7 | 1.72 | 0.59 |
| M017764 | 1.50 | 0.13 | 0.01 | 2.33 | 0.04 | 0.18 | 2.9 | 1.63 | 2.55 |
| M017767 | 1.01 | 0.14 | 0.01 | 2.37 | 0.12 | 0.19 | 3.0 | 1.14 | 2.68 |
| M017817 | 0.57 | 0.55 | 0.09 | 0.07 | 0.00 | 0.01 | 0.9 | 1.12 | 0.08 |

Grab samples are preferentially selected and are not representative of the entire property.

Table #4: 2024 Pyrrhotite Lake selected Grab Sample Assay Results.

| Sample | Cu % | Ni % | Co % | Pd g/t | Pt g/t | Au g/t | Ag g/t | Cu + Ni % | Pd+Pt+Au g/t |
|---------|------|------|--------|--------|--------|--------|--------|-----------|--------------|
| M017839 | 9.02 | 0.11 | 0.01 | 0.03 | 1.88 | 0.29 | 5.7 | 9.13 | 2.20 |
| M017840 | 6.45 | 0.05 | 0.00 | 0.07 | 1.02 | 0.19 | 2.9 | 6.50 | 1.28 |
| M017774 | 2.09 | 2.71 | 0.22 | 0.03 | 0.63 | 0.06 | 4.4 | 4.80 | 0.71 |
| M017772 | 2.00 | 2.30 | 0.19 | 0.07 | 0.58 | 0.05 | 3.1 | 4.30 | 0.70 |
| M017773 | 1.37 | 2.25 | 0.18 | 0.05 | 0.63 | 0.06 | 2.5 | 3.62 | 0.73 |
| M017842 | 2.73 | 0.03 | <0.002 | 0.06 | 1.06 | 0.11 | 3.6 | 2.76 | 1.23 |
| M017845 | 2.55 | 0.05 | <0.002 | 11.35 | 27.90 | 5.28 | 16.1 | 2.60 | 44.53 |
| M017779 | 1.72 | 0.73 | 0.07 | 0.04 | 0.51 | 0.02 | 1.2 | 2.45 | 0.57 |
| M017846 | 2.11 | 0.13 | 0.00 | 0.61 | 3.61 | 0.25 | 5.4 | 2.24 | 4.46 |
| M017843 | 1.09 | 0.06 | <0.002 | 2.64 | 12.20 | 2.02 | 16.8 | 1.15 | 16.86 |
| M017841 | 1.06 | 0.06 | <0.002 | 0.10 | 0.74 | 0.37 | 1.4 | 1.12 | 1.21 |
| M017775 | 0.60 | 0.41 | 0.06 | 0.00 | 0.20 | 0.01 | 1.8 | 1.01 | 0.22 |
| M017844 | 0.38 | 0.08 | 0.00 | 1.05 | 3.78 | 0.64 | 6.3 | 0.46 | 5.47 |
| M017847 | 0.01 | 0.01 | 0.01 | 0.01 | 0.02 | 0.00 | 2940 | 0.02 | 0.03 |

Grab samples are preferentially selected and are not representative of the entire property.

Table #5: 2024 Speers Lake selected Grab Sample Assay Results.

| Sample | Cu % | Ni % | Co % | Pd g/t | Pt g/t | Au g/t | Ag g/t | Cu + Ni % | Pd+Pt+Au g/t |
|---------|-------|------|------|--------|--------|--------|--------|-----------|--------------|
| M017788 | 12.40 | 0.04 | 0.00 | 0.96 | 3.85 | 0.58 | 4.4 | 12.44 | 5.39 |
| M017792 | 6.79 | 1.19 | 0.03 | 0.54 | 4.82 | 0.99 | 5.3 | 7.98 | 6.35 |
| M017790 | 7.20 | 0.10 | 0.01 | 0.50 | 2.02 | 0.28 | 3.2 | 7.30 | 2.80 |
| M017793 | 4.18 | 0.07 | 0.00 | 0.42 | 2.61 | 0.74 | 3.1 | 4.25 | 3.77 |
| M017791 | 3.97 | 0.27 | 0.01 | 0.49 | 2.47 | 0.27 | 1.2 | 4.24 | 3.23 |
| M017785 | 2.82 | 0.47 | 0.02 | 1.75 | 4.71 | 0.55 | 13.5 | 3.29 | 7.01 |
| M017786 | 1.06 | 1.94 | 0.15 | 0.04 | 0.84 | 0.05 | 1.1 | 3.00 | 0.93 |
| M017787 | 1.54 | 0.62 | 0.06 | 0.66 | 1.05 | 0.15 | 1.9 | 2.16 | 1.86 |
| M017862 | 1.22 | 0.42 | 0.03 | 0.14 | 1.11 | 0.06 | 3.5 | 1.64 | 1.30 |
| M017856 | 0.76 | 0.68 | 0.14 | 0.01 | 0.24 | 0.01 | 1.0 | 1.44 | 0.26 |
| M017789 | 1.38 | 0.05 | 0.01 | 0.11 | 1.12 | 0.26 | 2.1 | 1.43 | 1.49 |
| M017857 | 0.89 | 0.47 | 0.10 | 0.14 | 0.16 | 0.01 | 1.0 | 1.36 | 0.30 |
| M017858 | 0.93 | 0.40 | 0.07 | 0.15 | 0.49 | 0.08 | 2.5 | 1.33 | 0.71 |
| M017855 | 0.71 | 0.44 | 0.09 | 0.00 | 0.14 | 0.01 | 0.9 | 1.15 | 0.15 |
| M017859 | 0.80 | 0.32 | 0.06 | 0.02 | 0.19 | 0.03 | 0.6 | 1.11 | 0.24 |

Grab samples are preferentially selected and are not representative of the entire property.

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 2025.

JANES PROPERTY

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

DISCUSSION OF OPERATIONS

SELECTED QUARTERLY FINANCIAL INFORMATION

Expenses for the year ended August 31, 2024, were \$2,457,075 compared to \$4,462,258 for the year ended August 31, 2023. This decrease was primarily due to a decrease in property acquisition costs, exploration and evaluation expenditures, office and general expenditures and marketing and investor relations expenditures incurred in fiscal 2024, as compared to the August 2023 fiscal year end. These decreased were partially offset by an increase in stock based compensation, as well as increased consulting expenditures.

Expenses incurred during the three-month period ended August 31, 2024 were lower than the comparative prior year period, with current three-month expenditures totalling \$1,108,547, as compared to \$1,425,224 of expenditures incurred during the fourth quarter of the prior fiscal year. The lower expenditures for the most recent quarter were primarily attributable to reduced exploration expenditures.

A summary of selected quarterly financial information for the past eight quarters is presented as follows:

| | August 31, 2024 | May 31, 2024 | February 29, 2024 | November 30, 2023 |
|--|--------------------|--------------|----------------------|----------------------|
| Operating Expenses | (1,108,547) | (211,850) | (550,424) | (586,254) |
| (Loss) from Operations | (1,108,547) | (211,850) | (550,424) | (586,254) |
| Net (Loss) for the period | (992,407) | (190,502) | (516,980) | (494,810) |
| (Loss) per share – basic and fully diluted | Nil | Nil | Nil | Nil |
| Total Assets | 2,265,075 | 3,119,831 | 1,325,203 | 1,690,959 |
| Total Liabilities | 518,173 | 449,291 | 301,452 | 317,728 |

| | August 31, 2023 | May 31, 2023 | February 29, 2023 | November 30, 2022 |
|--|--------------------|--------------|----------------------|----------------------|
| Operating Expenses | (1,425,224) | (1,921,996) | (506,703) | (608,335) |
| (Loss) from Operations | (1,425,224) | (1,921,996) | (506,703) | (608,335) |
| Net (Loss) for the period | (1,336,398) | (1,917,197) | (500,083) | (600,340) |
| (Loss) per share – basic and fully diluted | (0.01) | (0.02) | Nil | Nil |
| Total Assets | 2,725,497 | 1,911,464 | 3,124,895 | 3,528,022 |
| Total Liabilities | 857,456 | 773,758 | 257,492 | 322,356 |

A summary of selected annual information is presented as follows:

| | August 31, 2024 | August 31, 2023 | August 31, 2022 |
|--|--------------------|--------------------|--------------------|
| Total revenue | Nil | Nil | Nil |
| Loss from continuing operations | (2,457,075) | (4,468,258) | (4,504,960) |
| Loss | (2,191,910) | (4,354,018) | (4,504,960) |
| Loss per share – basic and fully diluted | (0.01) | (0.03) | (0.04) |
| Total assets | 2,340,974 | 2,725,497 | 4,202,500 |
| Total non-current financial liabilities | 19,548 | 54,997 | 86,277 |

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

| | AER Kidd | Owen | Lockerby East | Janes | Muskox | Project Generation | Total |
|--|-------------------|--------------|------------------|------------------|------------------|-----------------------|-------------------|
| Continuity of project expenditures for the year ended August 31, 2024 | | | | | | | |
| Balance August 31, 2023 | 12,466,215 | 5,932 | 4,291,238 | 1,123,123 | 846,368 | 79,644 | 18,812,520 |
| Option Payments | 100,000 | - | - | 66,619 | 162,500 | - | 329,119 |
| Other acquisition and holding costs | 2,027 | 603 | 13,773 | 415 | 6,185 | 415 | 23,418 |
| Total acquisition costs for the period | 102,027 | 603 | 13,773 | 67,034 | 168,685 | 415 | 352,537 |
| Assays logging, and sampling | - | - | 270,701 | 3,706 | 33,060 | - | 307,467 |
| Travel, accommodation, and meals | - | - | 372 | - | 112,921 | - | 113,293 |
| Drilling | - | - | 419,092 | - | - | - | 419,092 |
| Health, Safety, and Environmental | 12 | 12 | 24,727 | 12 | 13 | 12 | 24,788 |
| Equipment Rental | 1,189 | 1,189 | 72,265 | 1,294 | 4,766 | 1,226 | 81,929 |
| Field supplies and consumables | - | - | 6,982 | 148 | 8,450 | - | 15,580 |
| Payroll and Project Management | (643) | - | 333,402 | 36,177 | 75,519 | - | 444,455 |
| Surveys and line cutting | - | - | 17,076 | - | 16,754 | - | 33,830 |
| Vehicles | - | - | 7,294 | - | 2,826 | - | 10,120 |
| Cost recoveries | - | - | (194,149) | - | (22,834) | - | (216,983) |
| Exploration and evaluation expenditures for the period | 558 | 1,201 | 957,762 | 41,337 | 231,475 | 1,238 | 1,233,571 |
| Balance August 31, 2024 | 12,568,800 | 7,736 | 5,262,773 | 1,231,494 | 1,246,528 | 81,297 | 20,398,628 |
| August 31, 2024 balance consists of | | | | | | | |
| Acquisition costs | 2,472,033 | 4,550 | 655,271 | 388,986 | 602,950 | 8,711 | 4,132,501 |
| Exploration expenditures | 10,096,767 | 3,186 | 4,607,502 | 842,508 | 643,578 | 72,586 | 16,266,127 |
| | 12,568,800 | 7,736 | 5,262,773 | 1,231,494 | 1,246,528 | 81,297 | 20,398,628 |

| | AER Kidd | Owen | Lockerby East | Janes | Muskox | Project Generation | Total |
|--|-------------------|--------------|------------------|------------------|----------------|-----------------------|-------------------|
| Continuity of project expenditures for the year ended August 31, 2023 | | | | | | | |
| Balance August 31, 2022 | 12,363,119 | 4,970 | 1,853,911 | 757,480 | 402,730 | 76,187 | 15,458,397 |
| Option Payments | 100,000 | - | - | 246,214 | 375,000 | - | 721,214 |
| Other acquisition and holding costs | 2,339 | 387 | 13,316 | 514 | (7,065) | 120 | 9,611 |
| Total acquisition costs for the period | 102,339 | 387 | 13,316 | 246,728 | 367,935 | 120 | 730,825 |
| Assays logging, and sampling | - | - | 473,442 | 38,041 | 10,422 | - | 521,905 |
| Travel, accommodation, and meals | - | - | 1128 | 29 | 88 | - | 1,245 |
| Drilling | - | - | 1,575,116 | 203,078 | - | - | 1,778,194 |
| Health, Safety, and Environmental | 4 | 4 | 425 | 4 | 4 | - | 441 |
| Equipment Rental | 139 | 139 | 205,742 | 14,097 | 4,521 | - | 224,638 |
| Field supplies and consumables | 216 | 216 | 8,995 | 949 | 16,477 | - | 26,853 |
| Field office | (375) | - | (1,125) | - | - | - | (1,500) |
| Payroll and Project Management | 481 | - | 298,796 | 47,261 | 43,888 | 3,260 | 393,686 |
| Surveys and line cutting | - | - | 82,212 | 14,040 | 10 | - | 96,262 |
| Vehicles | 292 | 216 | 9,588 | 1,416 | 293 | 77 | 11,882 |
| Cost recoveries | - | - | (230,308) | (200,000) | - | - | (430,308) |
| Exploration and evaluation expenditures for the period | 757 | 575 | 2,424,011 | 118,915 | 75,703 | 3,337 | 2,623,298 |
| Balance August 31, 2023 | 12,466,215 | 5,932 | 4,291,238 | 1,123,123 | 846,368 | 79,644 | 18,812,520 |
| August 31, 2023 balance consists of | | | | | | | |
| Acquisition costs | 2,370,005 | 3,947 | 641,498 | 321,953 | 434,266 | 8,296 | 3,779,965 |
| Exploration expenditures | 10,096,210 | 1,985 | 3,649,740 | 801,170 | 412,102 | 71,348 | 15,032,555 |
| | 12,466,215 | 5,932 | 4,291,238 | 1,123,123 | 846,368 | 79,644 | 18,812,520 |

LIQUIDITY AND CAPITAL RESOURCES

As at August 31, 2024, the Company has a cash balance of \$2,030,765 compared with \$2,076,414 as at August 31, 2023. The Company has current assets of 2,265,075 and current liabilities of \$498,625 for net working capital of \$1,766,450 as at August 31, 2024.

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

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 state of the equity markets, 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, WARRANT AND OPTION DATA

As at December 11, 2024 the Company had the following securities outstanding:

| | |
|--------------------------|-------------|
| • Common Shares | 192,300,825 |
| • Options | 12,140,000 |
| • Warrants | 16,051,272 |
| • Restricted Share Units | 2,000,000 |
| • Deferred Share Units | 850,000 |

RISKS AND UNCERTAINTIES

The business and operations of the Company are subject to a number of risks. The Company considers the risks set out below to be the most significant operating risks facing the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects are likely to be materially and adversely affected.

Going Concern

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. Accordingly, they do not give effect to the adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its obligations and commitments in other than the normal course of business.

The business of mining and exploration for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the achievement of profitable operations, or the ability of the Company to raise additional financing as necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

The Company has raised capital for working capital and the planned exploration and development of its mineral properties. The Company's continuation as a going concern is dependent upon successful results from its planned exploration and evaluation activities, its ability to attain profitable operations to generate funds and its ability to raise equity capital or borrowings sufficient to meet its current obligations and fund future operations. Although the Company has been successful in raising funds to date there is no assurance that it will be able to do so in the future. These matters represent material uncertainties that cast significant doubt about the Company's ability to continue as a going concern.

Title Risks

Although the Company has taken steps to verify title to the properties on which it will conduct exploration and in which it has an interest in accordance with industry standards to the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing, requirements, or regulations, unregistered prior agreements, unregistered claims, first nations' claims and non-compliance with regulatory requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contacts and political uncertainties.

Exploration and Mining Risks

Resource exploration and development and mining operations are highly speculative and characterized by a number of significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but from finding mineral deposits which, though present, are insufficient in quantity and quality to be mined profitably. Few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development programs will result in any discoveries of bodies of commercial mineralization. There is also no assurance that even if commercial quantities of mineralization are discovered, a mineral property will be brought into commercial production. The Company will continue to rely upon the advice and work of consultants and others for exploration, development, construction, and operating expertise.

Substantial expenditures are required to establish and upgrade mineral resources, to establish mineral reserves, to develop metallurgical processes to extract metals from mineral resources and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that the funds required for development can be obtained on a timely basis. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size and grade; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. Unsuccessful exploration and development programs could have a material adverse impact on the Company's operations and financial condition.

Reliance on Independent Contractors

The Company's success depends to an extent on the performance and continued service of certain independent contractors. The Company has or will be contracting the services of professional drillers and others for exploration, environmental, engineering, and other services. Poor performance by such contractors or the loss of such services could have a material and adverse effect on the Company, its business and results of operations and result in the Company failing to meet its business objectives.

Factors beyond the Company's Control

The mining exploration business is subject to several factors beyond the Company's control including changes in economic conditions, intense industry competition, variability in operating costs, changes in government and in rules and regulations of various regulatory authorities. An adverse change in any one of such factors would have a material adverse effect on the Company, its business and results of operations which might result in the Company not identifying a body of economic mineralization, completing the development of a mine according to specifications in a timely, cost-effective manner or successfully developing mining activities on a profitable basis.

Additional Funding Required

Exploration and development of the Company's mineral properties will require significant additional financing. Accordingly, the continuing development of the Company's mineral properties will depend upon the Company's ability to obtain financing through equity financing, debt financing, the joint venturing of projects or other external sources. Failure to obtain sufficient financing may result in a delay or an indefinite postponement of exploration, development, or production on any or all of the Company's mineral properties, or even a loss of property interest, or have a material adverse impact on the Company's future cash flows, earnings, results of operations and financial condition or result in the substantial dilution of its interests in its mineral properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company. If the Company was required to arrange for debt financing it could be exposed to the risk of leverage, while equity financing may cause existing shareholders to suffer dilution. There can be no assurance that the Company will be successful in overcoming these risks or any other problems encountered in connection with such financings. Failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition, and results of operations.

The Company has and will continue to have negative operating cash flow from operations until its mineral properties commence commercial production should exploration and development efforts demonstrate that commercial production from such mineral properties is feasible.

Fluctuating Mineral Prices

The Company's revenues in the future, if any, are expected to be in large part derived from the extraction and sale of precious and base minerals and metals, which in turn depend on the results of the Company's exploration on these properties and whether development will be commercially viable or even possible. 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, partially due to the significant market reaction to COVID-19. 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.

Competition

The mining industry is intensely competitive in all its phases. The Company competes for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees with many companies possessing greater financial resources and technical facilities than the Company. The competition in the mineral exploration and development business could have an adverse effect on the Company's ability to hire or maintain experienced and expert personnel or acquire suitable properties or prospects for mineral exploration in the future.

Community Groups

There is an ongoing level of public concern relating to the effects of mining on the natural landscape, on communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs") who oppose resource development can be vocal critics of the mining industry. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company or its relationships with the communities in which it operates, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

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 have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at August 31, 2024 the Company had working capital of \$1,766,450 and has sufficient cash to meet its obligations as at August 31, 2024.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

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.

In accordance with 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 periods ended August 31, 2024 and August 31, 2023 was as follows:

| | <u>2024</u> | <u>2023</u> |
|--------------------------|-------------------|-------------------|
| Short term benefits | \$ 260,273 | \$ 346,215 |
| Stock based compensation | 145,963 | 154,000 |
| | <u>\$ 406,336</u> | <u>\$ 761,509</u> |

Short term benefits are included in office and general, consultant fees, and exploration and evaluation expenditures.

Included in accounts payable and accrued liabilities as at August 31, 2024, is \$12,475 (August 31, 2023 - \$7,200) owing to management. These amounts are unsecured, non-interest bearing, and are due on demand.

During the year ended August 31, 2024, the Company incurred at \$75,000 (2023 – Nil) fee to a financial advisory firm in respect of which one of the directors of the Company is a partner. As at August 31, 2024 the related party balance in prepaid expense was nil (August 31, 2023 – \$30,000). During the year ended August 31, 2024, the associated services were performed and the \$30,000 previously in prepaid expense was expensed (August 31, 2023 – Nil).

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.

The Company, through its interest in the Aer Kidd property (Note 10(a)), may be subject to certain statutory rehabilitation and closure obligations imposed by the Ontario Mining Act related to historical reclamation, restoration and abandonment obligations. Management does not believe that the Company has a material obligation at August 31, 2024 and 2023.

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 August 31, 2024, the Company had incurred approximately \$1,767,463 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 August 31, 2024, the Company has not incurred any expenditures related to this expenditure commitment. The Company anticipates that it will satisfy its full commitment prior to December 31, 2025.

Termination payments

Pursuant to respective employment or consulting agreements entered into by the Company with each of the CEO of the Company, the CFO of the Company and Chairman of the Company (or their respective consulting companies), in the event that there is a change of control of the Company, each of these parties shall be entitled to a payment equal to their respective aggregate compensation paid to them over the previous 24 months by the Company. The aggregate of such amounts calculated as at August 31, 2024 is approximately \$607,000.

Outlook

With the increasing global demand for energy metals, the vision for the Company is to become an energy metals company focused on nickel and PGM opportunities in Canada. The Company will continue to explore and develop its Sudbury portfolio and will also pursue other Ni-Cu-PGM properties across 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.

INTERNAL QUALIFIED PERSON AND QUALITY CONTROL/QUALITY ASSURANCE

Grant Moure, P.Geo., President and CEO 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.

Additional Information

Additional information relating to the Company is available on SEDAR+ www.sedarplus.com.

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.