



**FJORDLAND EXPLORATION INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022**

OVERVIEW AND INTRODUCTORY COMMENT

Fjordland Exploration Inc. ("the Company") is an exploration stage company engaged in the acquisition and exploration of prospective mineral deposits primarily in Canada. The Company acquires properties directly by staking, through option agreements with prospectors or other exploration companies, and through reconnaissance programs. The Company trades as a Tier Two company on the TSX Venture Exchange ("Exchange") under the symbol "FEX" and is a reporting issuer in British Columbia and Alberta.

The Company has reaffirmed its commitment to become a nickel focused base metal company. All indications point to a growing demand for high purity Class 1 nickel to feed the burgeoning battery market. Nickel is a key element along with lithium and cobalt in the production of batteries for the automotive and energy storage industries.

This MD&A is dated November 24, 2022 and discloses specified information up to that date. Unless otherwise noted, all currency amounts are expressed in Canadian dollars. The following information should be read in conjunction with the unaudited condensed interim financial statements and the related notes for the nine months ended September 30, 2022 and the Company's audited financial statements as at December 31, 2021 and the related notes thereto, prepared in accordance with International Financial Reporting Standards ("IFRS").

Data Verification: All technical data presented herein is either accompanied by a reference to the original public disseminated news release which contains the detailed QA/QC data for the data, or the QA/QC is presented here. Historical data is, when referenced as such, treated as valid for exploration purposes only by the Company following review by Qualified Persons, Robert Cameron, P.Geo. or other stated Qualified Persons.

Additional information relevant to the Company and the Company's activities can be found on SEDAR at www.sedar.com, and/or on the Company's website at www.fjordlandex.com.

All currency amounts are expressed in Canadian dollars unless otherwise noted.

MAJOR QUARTERLY OPERATING MILESTONES

Exploration update

Renzy, Quebec

On March 8, 2022, the Company announced that it had initiated a drill program at the Renzy nickel project based on the results of the VTEM survey. The Company plans to drill a minimum of 2,500 meters. Equity Exploration Consultants Ltd. ("Equity") has been contracted to manage the program and Cartwright Drill Inc supplied the drill rig and personnel. The initial budget for the program was \$1 million. The first phase of the drill program was completed at the end of April.

On July 18, 2022, the Company and Quebec Precious Metals Corporation ("QPM") agreed that the Company completed its 100% earn-in to the property by completing the exploration expenditures of \$1 million. As a result, QPM retains a 1% NSR of which the Company may repurchase 0.5% of the NSR for consideration of \$500,000 and the remaining 0.5% for \$2,500,000. A pre-existing 1% NSR is payable to



Jacques Duval and 1% NSR payable to Andre Gauthier of which the Company may repurchase 0.5% for the sum of \$250,000; and the remaining 0.5% for the sum of \$250,000, to each of Gauthier and Duval.

On October 24, 2022, the Company announced that in the spring of 2022, the Company completed a 7-hole, 1,678-meter drill program on targets near the historic Renzy nickel mine. These holes were designed to test previously undrilled targets identified by the 2021 VTEM airborne geophysical survey. While greatly expanding the geological interpretation of the area, none of the holes intersected potential economic mineralization. Only targets proximal to the Renzy mine access road were tested during this program. A significant number of high potential targets remain untested. The Company's personnel also conducted a soil sampling program to help add additional information to refine future drill targets. The Company is planning for a future drill program for 2023. Fjordland's 2022 Renzy exploration program was managed by Equity Exploration Consultants Ltd. of Vancouver, B.C., which provided qualified Quebec-registered geoscience professionals.

Further information on the Renzy nickel project is available from the previous quarterly reports, news releases and on the Company's website.

Witch Project, BC

On February 8, 2022, the Company announced that it acquired a 100% interest in the Witch copper-gold porphyry project (also referred to as the South Chuchi project) located in the Quesnel Trough of central British Columbia, 35 kilometers due west of Centerra's Mount Milligan mine.

The Witch project is 10,336 hectares in size (103 square kilometers) and accessible via a network of forestry roads. Fjordland acquired the core claims, representing one-third of the property from Equity for 100,000 Fjordland common shares (issued on February 15, 2022). The Equity claims were subject to a Net Smelter Royalty ("NSR") that Fjordland renegotiated with the royalty holders. Fjordland and the royalty holders have agreed to a 1% NSR on the Equity claims subject to a one-time reduction of either 0.5% upon the payment of \$4 million or 0.25% upon the payment of \$1.5 million. The Equity claims are in good standing until December 31, 2025 resulting from Fjordland applying unused assessment credits. The remaining 6,952 hectares were staked to the east and west of the Equity claims to cover the known mineral potential within the area. In October, the Company contracted Peter E. Walcott & Associates Ltd. to complete a 1,126 line kilometer helicopter airborne magnetic survey over the property.

South Voisey's Bay, Labrador

On July 7, 2022, the Company announced that in conjunction with Ivanhoe Electric Inc. ("IE"), and Commander Resources Ltd, the Company is preparing for a summer drill program on the South Voisey's Bay nickel project located in Labrador. In order to earn its 65% interest in the project, IE is required to spend \$5 million on exploration by October 31, 2024. For the 2022 field season, IE has committed to a maximum \$2.5 million drill program. This represents the first drill program in the area since 2018. Potential targets to be tested have been derived from extensive processing of historical and recent geophysical data including a significant property-wide gravity inversion study and the recently completed Squid EM survey performed in 2021.

On August 16, 2022, the Company announced that drilling at South Voisey's Bay was underway however on September 15, 2022, the Company announced that the Company's drill program on the South Voisey's Bay nickel project had been concluded for 2022. The program operated out of the community of Hopedale Labrador. Initially the plan was to complete up to 2,500 meters of diamond core drilling by the fall; however, operational and safety issues curtailed this to approximately 500 meters.



Corporate update

On January 25, 2022, Fjordland announced that David Corrigan, PhD, has agreed to join Fjordland as a geological advisor, specializing in nickel related terrain similar to the Renzy and South Voisey's Bay project areas.

QUARTERLY FINANCIAL CONDITION

Capital Resources

On January 25, 2022, the Company granted 100,000 stock options to a geological advisor exercisable at \$0.10 for a period of five years.

On February 8, 2022, the Company issued 100,000 common shares with a fair value of \$8,500 or \$0.085 per share as consideration towards the acquisition of Witch Project.

On April 1, 2022, the Company completed the first tranche of the non-brokered private placement issued 5,496,192 flow-through units ("FT Shares") at \$0.13 per FT Share for the total consideration of \$714,505. All the securities issued pursuant to the FT Shares carry a legend and may not be traded until August 2, 2022. The Company paid finder's fees of \$41,700.

On April 25, 2022, the Company completed the final tranche of the non-brokered private placement issued 1,405,000 FT Shares at \$0.13 per FT Share for the total consideration of \$182,650. All the securities issued pursuant to the FT Shares carry a legend and may not be traded until August 26, 2022. The Company paid finder's fees of \$1,560.

On May 5, 2022, 400,000 options were exercised at a price of \$0.07.

In November 2022, the Company issued 250,000 shares to Vulcan Minerals Inc. and paid \$10,000 pursuant to the September 2021 option agreement to acquire certain claims in the South Voisey's Bay area.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

The Company is aware of the current conditions in the financial markets and has planned accordingly. The Company's current treasury and the future cash flows from warrants and options, along with the planned developments within the Company as well as with its JV partners will allow its efforts to continue throughout 2022. If the market conditions prevail or improve, the Company will make adjustment to budgets accordingly.

Liquidity

As at September 30, 2022, the Company's working capital was \$829,360 (December 31, 2021 - \$1,531,945). With respect to working capital, \$1,006,364 was held in cash (December 31, 2021 - \$1,725,697). The decrease in cash of \$719,333 was mainly due to \$745,430 used in operations, \$32,445 used in lease payments, and \$823,353 used in investing activities, while being offset by \$881,895 net proceeds from issuance of common shares.

A significant portion of the trade payables balance of \$672,897 will be funded by the SVB JV partner upon the next cash call being issued to them.



Operations

Three months ended September 30, 2022 versus three months ended September 30, 2021

During the three months ended September 30, 2022, the Company reported a net loss of \$66,255 (\$0.00 loss per share) (2021 – \$228,983 (\$0.00 loss per share)). The decrease in net loss is mainly due to (a) other income of \$23,304 from the proceeds of fuel drums sold in fiscal 2022, (b) no share-based compensation amount during the three months ended September 30, 2022.

Excluding the non-cash portion depreciation of \$9,671 (2021 - \$9,778) and the share-based compensation of \$Nil (2021 - \$113,775), the Company's general and administrative expenses amounted to \$79,888 during the three months ended September 30, 2022 (2021 – \$105,431), a decrease of \$25,542. The decrease is mainly due to decreases in:

- a) legal fees (from 2021's \$8,019 to 2022's \$1,952), and
- b) marketing fees (from 2021's \$20,579 to 2022's \$5,723).

All the expenses were incurred to support the exploration activities at the Company's properties.

Nine months ended September 30, 2022 versus nine months ended September 30, 2021

During the nine months ended September 30, 2022, the Company reported a net loss of \$313,057 (\$0.00 loss per share) (2021 – \$541,664 (\$0.01 loss per share)). The decrease in net loss is mainly due to (a) other income of \$23,304 from the proceeds of fuel drums sold in fiscal 2022, (b) a smaller amount of share-based compensation recorded in fiscal 2022, while being offset by (c) write-off of a mineral property of \$78,382 in fiscal 2021.

Excluding the non-cash portion depreciation of \$29,229 (2021 - \$29,336) and the share-based compensation of \$15,200 (2021 - \$151,775), the Company's general and administrative expenses amounted to \$291,932 during the nine months ended September 30, 2022 (2021 – \$282,171), a slight increase of \$9,761. The increase is mainly due to increases in:

- a) accounting and audit fees (from 2021's \$44,268 to 2022's \$58,105),
- b) filing fees (from 2021's \$8,271 to 2022's \$19,261),
- c) office and printing fees (from 2021's \$11,674 to 2022's \$19,242);

while being offset by decreases in:

- d) legal fees (from 2021's \$10,929 to 2022's \$3,257),
- e) marketing fees (from 2021's \$44,082 to 2022's \$36,436), and
- f) travel expenses (from 2021's \$4,178 to 2022's \$1,637).

All the expenses were incurred to support the exploration activities at the Company's properties.

SIGNIFICANT RELATED PARTY TRANSACTIONS

During the quarter, there were no significant transactions between related parties.

COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES

The Company has remaining commitment of \$82,915 for its office lease expiring on August 31, 2024 payable as to \$43,260 within the next twelve months, and \$39,655 during the period from October 1, 2023 to August 31, 2024.

As of the date of this MD&A, other than disclosed in this MD&A – Quarterly Highlights, the Company has does not have any commitments, expected or unexpected, or uncertainties.



RISK FACTORS

In our MD&A filed on SEDAR March 23, 2022 in connection with our annual financial statements (the “Annual MD&A”), we have set out our discussion of the risk factors, such as *Exploration risks*, *Market risks* and *Financing risk*, which we believe are the most significant risks faced by the Company. An adverse development in any one risk factor or any combination of risk factors could result in material adverse outcomes to the Company’s undertakings and to the interests of stakeholders in the Company including its investors. Readers are cautioned to take into account the risk factors to which the Company and its operations are exposed. To the date of this document, there have been no significant changes to the risk factors set out in our Annual MD&A.

DISCLOSURE OF OUTSTANDING SHARE DATA

The authorized share capital of the Company consists of an unlimited number of common shares without par value. The following is a summary of the Company’s outstanding share data as at September 30, 2022:

	Issued and outstanding	
	September 30, 2022	November 24, 2022
Common shares outstanding	82,685,531	82,935,531
Stock options	6,125,000	6,125,000
Warrants	12,585,500	12,585,500
Fully diluted common shares outstanding	101,396,031	101,646,031

QUALIFIED PERSON

Robert Cameron is a qualified person as defined by NI 43-101 and reviewed the preparation of the scientific and technical information in this MD&A disclosure. Further information and results of exploration programs can be found on www.sedar.com and the Company’s website. www.fjordlandex.com.

Cautionary Statements

This document contains “forward-looking statements” within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration results and plans, and our other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, our estimates of exploration investment, the scope of our exploration programs, and our expectations of ongoing administrative costs. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company’s documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change, except as required by law. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks. Readers are cautioned not to place undue reliance on forward-looking statements.