



**FJORDLAND EXPLORATION INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
FOR THE THREE MONTHS ENDED MARCH 31, 2021**

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 May 26, 2021 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 three months ended March 31, 2021 and the Company's audited financial statements as at December 31, 2020 and the related notes thereto, prepared in accordance with International Financial Reporting Standards ("IFRS").

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 17, 2021, the Company announced that it had contracted Geotech Airborne Geophysical Surveys ("Geotech") to conduct a versatile time-domain electromagnetic max ("VTEM") and ground-floor electromagnetic ("EM") survey over the Renzy claims group. In conjunction with the survey, the Company staked an additional 255 claims to increase the total project area to approximately 235 square kilometres.

On April 13, 2021, upon the request of the Kitigan Zibi Anishinabeg ("KZA") Band Council and the recommendation of the KZA Moose Advisory Committee, the Company had suspended the VTEM helicopter survey in order to help protect the fragile moose population in the area. The KZA has agreed that the survey can recommence on or after August 15, 2021. To date, Geotech's VTEM Max has completed flight lines over the main Renzy target in conjunction with the ground-floor EM survey. This has already generated a number of significant anomalies that will be the focus of exploration activities in the field this summer. The regional portion of the program will be completed once the survey recommences in August.



Corporate update

On January 12, 2021, Mr. Ross McDonald tendered his resignation as director and Mr. Mark Gibson joined the board of directors of the Company as the appointee of High Power Exploration ("HPX"). HPX currently owns 19% of Fjordland and has the right to two board seats.

On April 22, 2021, the Company announced that Mr. Mark T. Brown was appointed as the Chief Financial Officer of the Company upon the retirement of Ms. Patricia Tanaka.

QUARTERLY FINANCIAL CONDITION

Capital Resources

On February 12, 2021, the Company completed a non-brokered private placement for the issuance of 2,500,000 units at \$0.10 per unit (the "Units"). Each Unit and finder's unit consists of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.175 per common share until February 12, 2023. The expiry date of each whole warrant is subject to acceleration. The Company paid finder's fees of \$44,850 and issued 171,000 finder's units with a fair value of \$17,100. The Company also paid share issue costs totaling \$31,945.

On January 12, 2021, the Company granted 300,000 stock options to a director and a consultant with an exercise price of \$0.105 exercisable for a period of 5 years.

On April 22, 2021, the Company granted a total of 1,150,000 stock options to its officers, directors and consultants with an exercise price of \$0.125 exercisable for a period of 5 years.

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 2021. If the market conditions prevail or improve, the Company will make adjustment to budgets accordingly.

Liquidity

As at March 31, 2021, the Company's working capital was \$2,337,568 (December 31, 2020 - \$249,010). With respect to working capital, \$2,177,636 was held in cash (December 31, 2020 - \$310,690). The increase in cash of \$1,866,946 was mainly due to the net proceed from the issuance of common shares of \$2,440,305 while being offset by \$294,231 used in operations, \$268,313 used in exploration and evaluation assets and \$10,815 used in lease payments.



Operations

During the three months ended March 31, 2021, the Company reported a loss of \$122,337 (\$0.00 loss per share) (2020 – \$43,550 (\$0.00 loss per share)).

Excluding the non-cash portion depreciation of \$9,779 (2020 - \$5,296) and the share-based compensation of \$28,800 (2020 - \$Nil), the Company's general and administrative expenses amounted to \$83,758 during the three months ended March 31, 2021 (2020 – \$38,254), an increase of \$45,504 mainly due to the increase in management fees (from 2020's \$Nil to 2021's \$37,500) because of the Chief Executive Officer joining in August 2020 only. All the other expenses were incurred to support the exploration activities at the Company's properties.

SIGNIFICANT RELATED PARTY TRANSACTIONS

During the quarter, there was no significant transaction between related parties.

COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES

The Company has remaining commitment of \$61,285 for its office lease expiring on August 31, 2022 payable as to \$43,260 within the next twelve months and \$18,025 after one year.

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 16, 2021 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 March 31, 2021:

	Issued and outstanding	
	March 31, 2021	May 26, 2021
Common shares outstanding	75,284,339	75,284,339
Stock options	4,916,000	6,066,000
Warrants	12,585,500	12,585,500
Fully diluted common shares outstanding	92,785,839	93,935,839

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.