



NICKEL 28 CAPITAL CORP.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THIRTEEN MONTHS ENDED JANUARY 31, 2022**

(EXPRESSED IN UNITED STATES DOLLARS)



Introduction

The following Management's Discussion & Analysis ("MD&A") of the financial condition and results of the operations of Nickel 28 Capital Corp. (formerly Conic Metals Corp.) (the "Company" or "Nickel 28") constitutes management's review of the factors that affected the Company's financial and operating performance for the thirteen months ended January 31, 2022. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited consolidated financial statements of the Company for the thirteen months ended January 31, 2022 and the twelve months ended December 31, 2020, together with the notes thereto. Results are reported in United States dollars, unless otherwise noted. The Company's consolidated financial statements and the financial information contained in this MD&A, unless otherwise indicated, are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee. Information contained herein is presented as of May 31, 2022, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "**Board**"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Nickel 28's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Information about the Company and its operations can be obtained from the offices of the Company or on the System for Electronic Documents Analysis and Retrieval ("**SEDAR**") and is available for review under the Company's profile on the SEDAR website (www.sedar.com).

Covid19

Since the beginning of 2020, the outbreak of the novel strain of coronavirus known as "Covid19" has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. In addition, at the Company's joint-venture Ramu mine, Ramu NiCo Management (MCC) Limited ("**MCC Ramu**") has implemented several measures to limit the potential spread of Covid19. Papua New Guinea had 44,425 reported cases of Covid19 in the country, and the government is reporting that all but 19 cases have fully recovered with 651 deaths in the country. The duration and impact of the Covid19 pandemic is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its subsidiaries in future periods.

Description of Business

Nickel 28 was incorporated pursuant to the Business Corporations Act (British Columbia) on June 25, 2019, as "Nickel 28 Capital Corp." and changed its name to "Conic Metals Corp." on October 21, 2019 and then back to "Nickel 28 Capital Corp." on March 10, 2021. The head office is located at 4 King Street West, Suite 401, Toronto, Ontario, Canada. The registered office of the Company is 666 Burrard Street, Suite 1700, Vancouver, British Columbia, Canada.

Nickel 28 is a base metals company offering direct exposure to nickel and cobalt, both being critical elements of electric vehicles and energy storage systems. Nickel 28 holds an 8.56% joint-venture interest in the producing, long-life and world-class Ramu Nickel-Cobalt Operation located in Papua New Guinea which provides Nickel 28 with significant attributable nickel and cobalt production. In addition, Nickel 28 manages a portfolio of thirteen nickel and cobalt royalties in Canada, Australia and Papua New Guinea on eleven exploration stage projects and two advanced / development stage projects. Nickel 28 intends to invest in a battery metals-focused portfolio of streams, royalties and direct interests in mineral properties containing battery metals.

On November 15, 2019, the Company commenced trading on the TSX Venture Exchange under the symbol "NKL".

Company Highlights

Effective July 1, 2021, and in conjunction with the completion of the Ramu mine's audit for the half year ended June 30, 2021, the Company received notice from MCC Ramu that it had fully repaid all principal and interest related to its non-recourse Operating Debt. As a result of this repayment, the Company is entitled to 35% of its share of operating surpluses, and on October 10, 2021, the Company received a cash distribution of \$3,183,137 for the first half of the year's operating surplus.

On January 26, 2021, the Company announced that in its continued efforts to reach out to European based investors it had listed on the Frankfurt Stock Exchange ("**FSE**") under the symbol 3JC0. The Company will maintain its primary listing on the TSX Venture Exchange ("**NKL**").

On March 8, 2021, the Company announced that, effective at the open of trading on March 10, 2021, it would formally change its name back to Nickel 28 Capital Corp. The Company's trading symbol remained unchanged as "NKL" and the new CUSIP number is 65401N107. Common share certificates bearing the previous company name "Conic Metals Corp." continue to be valid in the settlement of trades in common shares. There was no consolidation or change in the share capital of the Company and shareholders were not required to transfer existing share certificates into the new name.

On March 15, 2021, Nickel 28 purchased 52,500 carbon offsets on the Verra Registry. The carbon credits offset Nickel 28's 2021 attributable greenhouse gas (GHG) emissions from the Ramu integrated nickel-cobalt mine and refinery. The Company believes it made it the mining industry's first carbon neutral refined nickel-cobalt producer.

On May 27, 2021, the Company announced a normal course issuer bid ("**NCIB**") to repurchase its common shares, which was approved by the TSX Venture Exchange on July 2, 2021. In connection with the NCIB, the Company may repurchase up to 7,478,209 its outstanding common shares. During the thirteen months ended January 31, 2022, the Company repurchased 502,500 common shares at a total cost of \$383,556.

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On September 16, 2021, at the Annual General and Special Meeting, the shareholders of the Company approved:

- (i) the election of four (4) directors, being Justin Cochrane, Anthony Milewski, Maurice Swan and Philip Williams;
- (ii) the re-appointment of Baker Tilly WM LLP as auditor and authorized the directors to fix their remuneration; and
- (iii) the approval of the Omnibus Long-Term Incentive Plan.

On December 8, 2021, the Company granted an aggregate of 1,900,000 stock options and 3,300,000 restricted share units ("RSUs") to certain directors, officers, advisers and consultants.

Effective January 1, 2022, and in conjunction with the completion of the Ramu mine's audit for the half year ended December 31, 2021, the Company received notice from MCC Ramu that the Company is entitled to 35% of its share of operating surpluses, and on April 29, 2022, the Company received a cash distribution of \$3,462,576 for the second half of the year's operating surplus.

Overview and Plan of Operations

Nickel 28 is an innovative battery metals investment vehicle offering exposure to nickel and cobalt, materials integral to key technologies of the electric vehicle ("EV") and energy storage systems ("ESS") markets. The Company's strategy is to build a battery metals supply chain to meet current and future demand by financing or otherwise obtaining exposure to nickel-cobalt production in geopolitically secure mining jurisdictions through the acquisition of metals streams, royalties, and direct interests.

The Company applies a disciplined investing and operating approach to execute its business plan and enhance its exposure to nickel and cobalt through the acquisition of new or existing streams and royalties in producing mines, development projects and exploration properties located in conflict-free jurisdictions. Nickel 28's primary focus is on streaming opportunities that could provide shareholders near-term cash flow, and royalties on production and exploration-stage nickel and/or cobalt properties that could provide longer-term optionality on the price of nickel and cobalt. In the future, Nickel 28 may consider acquisitions of streams, royalties, or direct interests in other minerals properties. The Company intends to fund working capital through existing cash on hand and cash flow generated from its joint venture interest in the Ramu Nickel Mine.

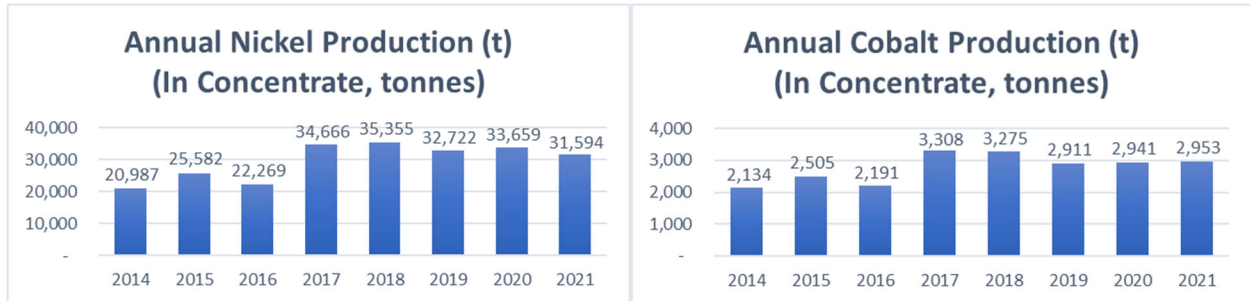
Ramu Nickel Mine

Operating Results

Nickel 28 holds an 8.56% joint venture interest in the producing Ramu Nickel Mine ("**Ramu Mine**"), a long-life, low-cost nickel-cobalt operation located 75km west of the provincial capital of Madang on the north coast of Papua New Guinea ("**PNG**"). The Ramu Mine was financed, constructed, and commissioned in 2012, by majority-owner and operator Metallurgical Corporation of China Limited ("**MCC**"), for US\$2.1 billion which, at the time, was China's largest overseas mining investment.

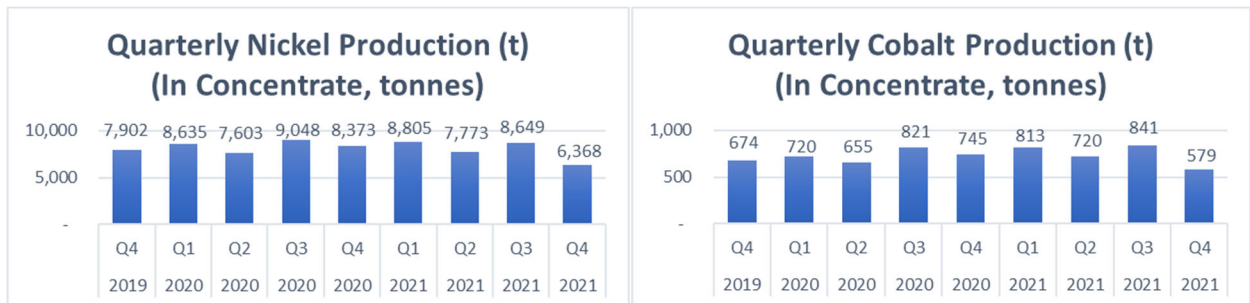
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The Ramu Mine, which has operated at or exceeded design production capacity for the fifth consecutive year, produced 31,594 tonnes of nickel in mixed hydroxide precipitate (“MHP”) for the 12 months to December 31, 2021. Annual cobalt production for the project for the year was 2,953 tonnes. Nickel production at Ramu is expected to be between 31,000-32,000 tonnes in 2022.

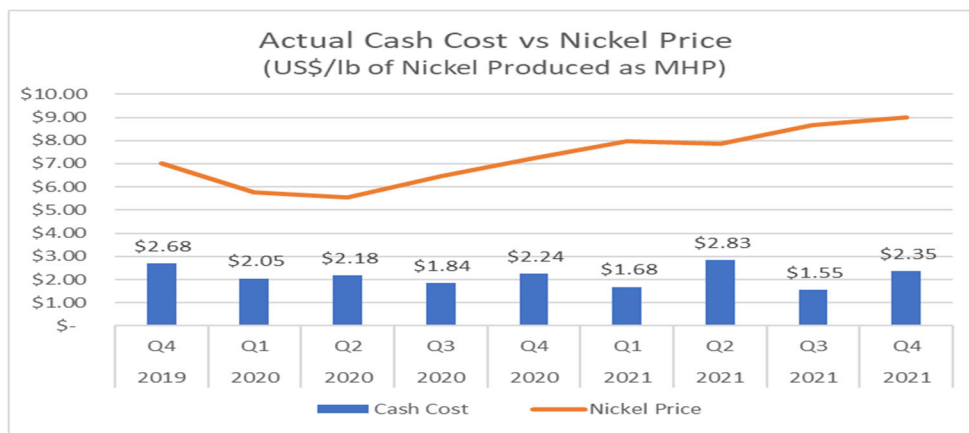


* Totals may not equal due to rounding.

For the fourth quarter ended December 31, 2021, Ramu produced 6,368 tonnes of nickel and 579 tonnes of cobalt, which is below fourth quarter results in the previous two years due to an unplanned outage in the fourth quarter due to the pandemic. The mine site paused production and operations for two weeks to protect its employees against the rising spread of the Covid-19 virus.



The Ramu Mine, which continues to remain one of the lowest cost integrated nickel mines in the world, recorded the following actual cash costs, net of byproduct credit, for the last nine quarters along with relative nickel pricing for the period.



* Cash costs are actual operating costs to produce one pound of contained nickel in MHP. Byproduct credits include cobalt and chromium.

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Actual cash costs of \$2.35 per pound of nickel produced in Q4 2021 were approximately 5% higher than Q4 in 2020 reflecting the decreased nickel production in Q4, increased input commodities prices such as sulphur and fuel oil and partially offset by increased byproduct credits primarily due to higher cobalt prices. Cash costs for twelve months ending December 31, 2021, were \$2.06 per pound of nickel produced consistent with \$2.07 per pound for the twelve months ending December 31, 2020. According to Wood Mackenzie, Ramu remains one of the lowest-cost nickel producers consistently ranking in the bottom quartile of the global cash cost curve.

In addition to Ramu's strong production performance and low cost of production, on February 9, 2021, the Company announced that it had completed an independent analysis on greenhouse gas ("**GHG**") intensity for the Ramu nickel-cobalt operation, confirming the operation is one of the lower GHG emitters in the nickel industry. Ramu's average GHG intensity has been calculated at 15.6 tonnes of carbon dioxide equivalent per tonne of nickel (15.6 tCO₂e/t Ni) in mixed hydroxide product. This compares favourably to a nickel industry average GHG intensity of 36.6 tCO₂e/t Ni as calculated by Wood Mackenzie.

Joint Venture Debt

As part of the Joint Venture Agreement with MCC Ramu, MCC Ramu provided financing for construction and development of the Ramu Mine. This resulted in borrowing, on a non-recourse basis, to finance the original construction of the mine ("**Construction Debt**") and borrowing an additional amount, on a non-recourse basis, to finance the ramp up and early operating expenses of the mine ("**Operating Debt**"). As part of the agreement, the Construction Debt and Operating Debt are to be repaid out of the Company's share of the Ramu Mine's operating surpluses (sales revenue less operating costs and ongoing capital expenditure).

Effective July 1, 2021, the Company fully repaid its non-recourse Operating Debt and related interest to MCC Ramu, which triggered a cashflow event for the Company. Now that the Operating Debt is repaid, the Company will receive a cash distribution of 35% of its attributable share of the operating surpluses, with the remaining 65% used to repay the remaining non-recourse Construction Debt and related interest. Furthermore, once the Company's non-recourse Construction Debt is repaid, the Company's participatory share of the Ramu Nickel Mine will automatically increase from 8.56% to 11.3% and the Company will begin receiving 100% of its share of operating surpluses on a monthly basis. Additionally, when the Company has repaid the Construction Debt, the Company will have the option to purchase an additional 9.25% interest in the Ramu Mine at market value, which if exercised would take the Company's interest to 20.55%.

These borrowings represent the Company's 8.56% share of principal repayments (capped to a specified development threshold of \$2.1 billion) and interest repayments made by MCC Ramu to third party lenders on behalf of the Company, plus any accumulated interest charged by MCC Ramu. The amount classified as current represents that portion of the loan estimated to become repayable within 12 months. The borrowings, under the Construction Debt, bear an interest rate of 5.05% annually.

At January 31, 2022, the non-recourse debt balances consisted of the following:

	Current Portion*	Long-term Portion	Total
Non-recourse construction debt	\$12,861,000	\$60,537,024	\$73,398,024

* The amount classified as current represents the portion of the loan estimated to become repayable within 12 months

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The continuity schedule of the non-recourse debt balance between Operating Debt and construction debt is as follows:

	Interest (\$)	Operating Debt Repayment (\$)	Balance (\$)	Interest (\$)	Construction Debt Repayment (\$)	Balance (\$)	Total Loans Balance (\$)
June 30, 2018	1,161,307	(3,940,854)	42,731,297	1,791,580	-	72,002,405	114,733,702
December 31, 2018	1,090,381	-	43,821,678	1,837,296	-	73,839,701	117,661,379
June 30, 2019	1,118,204	-	44,939,882	1,884,179	-	75,723,880	120,663,762
December 31, 2019	1,146,738	-	46,086,620	1,932,257	-	77,656,137	123,742,757
June 30, 2020	722,554	(17,770,206)	29,038,968	1,981,563	-	79,637,700	108,676,668
December 31, 2020	632,134	(4,287,385)	25,383,717	2,032,010	-	81,669,710	107,053,427
March 31, 2021	126,377	(15,415,529) *	10,094,565	1,035,500	-	82,705,210	92,799,775
June 30, 2021	127,539		10,222,104	1,048,597	-	83,753,807	93,975,911
September 30, 2021	-	(10,222,104) **	0	1,112,800	(5,911,540) **	78,955,067	78,955,067
January 31, 2022	-	-	0	873,699	(6,430,742) ***	73,398,024	73,398,024

* The non-recourse debt repayment of \$15,415,529 made during the quarter ended March 31, 2021, represents the operating surplus generated at Ramu and attributable to the Company for the 6-month period ended December 31, 2020.

** The non-recourse debt repayments of \$10,222,104 and \$5,911,540 made during the quarter ended September 30, 2021, represents the debt-portion of the attributable operating surplus generated at Ramu for the 6-month period ended June 30, 2021. The Company's total attributable operating surplus for the 6-month period ended June 30, 2021, was \$19,316,781, with the remaining \$3,183,137 received by the Company as a cash distribution.

*** The non-recourse debt repayment of \$6,430,742 made on January 1, 2022, represents the debt-portion of the attributable operating surplus generated at Ramu and attributable to the Company for the 6-month period ended December 31, 2021.

Royalty and Streaming

The Company holds a material portfolio of royalties. Streaming and royalty opportunities will continue to be the Company's primary focus that could potentially provide the Company with material near-term cash flow, exposure to long life and low-cost operating mines and direct leverage to the nickel and cobalt price with exploration and production upside. The Company believes its current portfolio of thirteen royalties provide shareholders with long-term optionality on the price of nickel and cobalt. Investors are cautioned that in respect of the Company's thirteen royalties, there is no guarantee that (i) the applicable mineral properties will ever be placed into production or (ii) that material quantities of cobalt or nickel will be contained in product extracted from the property.

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Current Royalties

As at the date of this MD&A, the Company's royalties consisted of the following:

Royalty Name	Owner	Property Location	Stage	Primary Metal(s)	Royalty Type and %	Stream ROFR
Dumont ⁽¹⁾	Waterton Global Res. Mgmt	Quebec	Construction Ready	Ni-Co	1.75% NSR	No
Turnagain ⁽²⁾	Giga Metals Corporation	British Columbia	Exploration	Ni-Co	2.0% NSR	Yes
Flemington ⁽³⁾	Australian Mines Ltd.	Australia	Exploration	Ni-Co-Sc	1.5% GRR	No
Nyngan ⁽⁴⁾	Scandium International Mining Corp.	Australia	Advanced/Development	Sc-Ni-Co	1.7%GRR	No
Star Mountains	Freeport Resources	Papua New Guinea	Exploration	Cu-Au	1% NSR	No
Sewa Bay	Pure Minerals	Papua New Guinea	Exploration	Ni-Co	5% FOB GRR	No
Professor & Waldman ⁽⁵⁾⁽⁶⁾	70% Golden Deepes 30% New Found Gold Corp.	Ontario	Exploration	Co-Ag	2% Co NSR	Yes
Triangle ⁽⁶⁾⁽⁷⁾	New Found Gold Corp.	Ontario	Exploration	Co-Ag	2% Co NSR	Yes
Rusty Lake ⁽⁶⁾	iCobalt Ltd.	Ontario	Exploration	Co-Ag	2% Co NSR	Yes
North Canol ⁽⁵⁾	Golden Ridge Resources Ltd.	Yukon	Exploration	Ag-Pb-Zn-Co	2% Co NSR	Yes
Sunset Mineral	Three Individuals	British Columbia	Exploration	Cu-Zn-Co	2% Co NSR	Yes

(1) Dumont - Strategically located in the established Abitibi mining camp, Dumont is a shovel-ready open pit mine and contains one of the largest undeveloped nickel and cobalt reserves. An updated feasibility study released by RNC Minerals in June 2019 envisions a 30-year life-of-mine initially producing 33,000 tonnes per annum ("tpa") of nickel and ramping up to 50,000 tpa of nickel by year 8 with life-of-mine C1 cash costs of \$3.22/lb. Dumont is fully permitted and is in close proximity to roads, rail, airport and a low-cost power supply. The Dumont Nickel-Cobalt Royalty is a life-of-mine 1.75% NSR royalty.

(2) Turnagain - Located in British Columbia, Canada, Turnagain is a nickel-cobalt deposit which is 100% owned by Giga Metals Corporation and is among the world's largest undeveloped nickel-cobalt sulphide deposits. Turnagain's ore is ideally suited to be refined into cobalt and nickel required by battery manufacturers globally. Engineering studies are underway with a goal of having the project shovel-ready by 2023. The Turnagain Royalty is a 2.0% NSR royalty on all future contained metal production from the Turnagain Nickel-Cobalt Project. Under the terms of the royalty agreement, Giga Metals Corporation has a onetime repurchase option to repurchase 0.5% of the 2.0% royalty (resulting in a 1.5% remaining royalty) by paying the Company \$20 million in cash on the fifth (5th) anniversary.

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- (3) **Flemington** - Located 370 km west of Sydney, New South Wales, Australia, Flemington is in a politically stable and mining-friendly jurisdiction. The large-scale nickel cobalt deposit represents an important undeveloped source of cobalt and nickel. The project is currently under option by Australian Mines Ltd. The Flemington Royalty is a life-of-mine 1.5% GRR.
- (4) **Nyngan** - Located 500 km north-west of Sydney, New South Wales, Australia, Nyngan is in a politically stable and mining-friendly jurisdiction. Nyngan is fully permitted and construction ready and is the world's first scandium-only mine development project. It is 100% owned by Scandium International Mining. The Nyngan Royalty is a life-of-mine 1.7% GRR.
- (5) Two separate mineral properties to which a Co NSR applies.
- (6) During the year ended December 31, 2020, the Company recorded an impairment of \$571,081 against the royalties on the Professor & Waldman, Triangle and Rusty Lake Properties.
- (7) On September 20, 2021, the Company received notice from the owner of the Triangle Property mining claim that they have decided to forgo further exploration of the project.

Selected Annual Financial Information

	For the 13 Months Ended January 31, 2022	For the 12 Months Ended December 31, 2020	For the Period June 25, 2019 to December 31, 2019
Total Revenue	\$nil	\$nil	\$nil
Net Income (Loss)	\$11,174,545	\$2,562,412	(\$339,857)
Basic Income (Loss) per share	\$0.13	\$0.03	(\$0.01)
Diluted Income (Loss) per share	\$0.13	\$0.03	(\$0.01)
	As at January 31, 2022	As at December 31, 2020	As at December 31, 2019
Total Assets	\$ 160,126,786	\$176,222,654	\$190,149,811
Non-Current Liabilities	\$63,303,993	\$91,658,105	\$106,581,663
Distributions declared per share	\$nil	\$nil	\$nil

A summary of selected information for each of the eight most recent quarters prepared in accordance with IFRS is as follows:

Three Months Ended	Net Revenues (\$)	Net Income or (Loss)		
		Total (\$)	Per Share - Basic (\$)	Per Share - Diluted (\$)
2022-January 31 ⁽¹⁾	-	(4,739,040)	(0.06)	(0.06)
2021-September 30	-	5,809,946	0.07	0.07
2021-June 30	-	6,142,221	0.07	0.07
2021-March 31	-	3,961,418	0.05	0.05
2020-December 31	-	3,248,516	0.04	0.04
2020-September 30	-	3,140,969	0.04	0.04
2020-June 30	-	(1,502,180)	(0.02)	(0.02)
2020-March 31	-	(2,324,893)	(0.03)	(0.03)

⁽¹⁾ Represents four months due to the change in fiscal year end to January 31, 2022.

Results of Operations

For the four months ended January 31, 2022, compared to the three months ended December 31, 2020

The Company incurred net loss of \$4,739,040 during the four months ended January 31, 2022, compared to net income of \$3,248,516 for the three months ended December 31, 2020. The results for the four months ended January 31, 2022, were primarily due to the following items:

- During the four months ended January 31, 2022, the Company recognized \$4,849,904 for its share of operating profit from the Ramu Mine compared to \$6,084,511 for the comparative 2020 period.
- During the four months ended January 31, 2022, the Company had deferred tax expense of \$2,741,835 compared to \$nil for the 2020 comparative period.
- During the four months ended January 31, 2022, the Company recorded an increase of \$1,870,221 of share-based compensation over the 2020 comparative period. Stock-based compensation expense will vary from period to period depending upon the number of options and RSUs granted and vested during a period and the fair value of the options and RSUs calculated as at the grant date.
- Salaries and fees increased by \$1,296,303 during the four months ended January 31, 2022, compared to the three months ended December 31, 2020, the difference being attributable to an extra month of expenses due to the Company's change in year end and bonuses awarded to senior management.

For the thirteen months ended January 31, 2022, compared to the twelve months ended December 31, 2020

The Company realized net income of \$11,174,545 during the thirteen months ended January 31, 2022, compared to \$2,562,412 for the twelve months ended December 31, 2020. The results for the thirteen months ended January 31, 2022, were primarily due to the following items:

- During the thirteen months ended January 31, 2022, the Company recognized \$27,475,384 for its share of operating profit from the Ramu Mine compared to \$7,727,871 for the comparative 2020 period.
- During the thirteen months ended January 31, 2022, the Company had deferred tax expense of \$2,741,835 compared to \$nil for the 2020 comparative period.
- During the thirteen months ended January 31, 2022, the Company recorded an increase of \$2,309,302 of share-based compensation over the 2020 comparative period. Stock-based compensation expense will vary from period to period depending upon the number of options and RSUs granted and vested during a period and the fair value of the options and RSUs calculated as at the grant date.
- Salaries and fees increased by \$1,733,390 during the thirteen months ended January 31, 2022, compared to the twelve months ended December 31, 2020, the difference being attributable to an extra month of expenses due to the Company's change in year end and bonuses awarded to senior management.
- During the thirteen months ended January 31, 2022, financing costs totaled \$4,324,512 compared to \$5,368,261 for the 2020 comparative period. The financing costs related mainly to interest charges related to the Ramu Mine non-recourse debt. The decrease in financing cost is due to the decrease in the underlying liability.

Liquidity and Financial Position

As of January 31, 2022, the Company had a working capital deficit of \$5,423,428, which includes cash and cash equivalents of \$3,961,614, amounts receivable and other assets of \$3,705,622, marketable securities of \$114,003, accounts payable and accrued liabilities of \$318,680, lease liability of \$24,987, and current portion of non-recourse debt of \$12,861,000. The current portion of non-recourse debt represents the expected operating surplus less interest and less the Company's 35% cash share of operating surplus that is expected to be applied to repay the non-recourse debt over the next twelve months. Given the impact of the non-recourse debt on working capital, the Company prefers to use an adjusted working capital measure. The Company's adjusted working capital as at January 31, 2022, was \$7,437,572 (December 31, 2020: \$22,013,252). Please see "Non-IFRS Measures" for more details.

The Company's ability to meet its obligations and execute its business strategy depends on its ability to generate cash flow through its share of operating surpluses from the Ramu mine, the issuance of common shares pursuant to private placements, public offerings of its shares, the exercise of stock options and short-term or long-term loans.

There is no assurance that the Company will be able to access equity funding at the times and in the amounts required to meet the Company's obligations and fund activities. There is no assurance that the Ramu mine will generate operating surpluses. The outlook for the world economy remains uncertain and vulnerable to various events that could adversely affect the Company's ability to raise additional funding going forward.

Cash flows

Operating Activities

Cash used in operating activities was \$5,702,829 for the thirteen months ended January 31, 2022 and resulted from operating expenses during the normal course of business, offset by an increase in accounts payable and an increase in amounts receivable and other assets.

Investing Activities

Cash provided by investing activities was \$ 3,179,672 for the thirteen months ended January 31, 2022, related to the receipt of funds from Ramu Nickel Mine and the purchase of property, plant and equipment.

Financing Activities

Cash provided by financing activities was \$110,975 for the thirteen months ended January 31, 2022, related to cash received from the exercise of stock options offset by repayment of lease liabilities, repurchase of common shares and cash settlement of RSUs and share awards.

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties include key management personnel and may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

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Related party transactions are recorded at the exchange amount, being the amount agreed to between the related parties.

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of the Board.

Remuneration of key management personnel of the Company was as follows:

	Thirteen Months Ended January 31, 2022 (\$)	Twelve Months Ended December 31, 2020 (\$)
Salaries and fees ⁽¹⁾⁽²⁾	3,573,095	1,476,678
Share based compensation	2,867,829	639,278
Change in share award liability	108,665	nil
Total	6,549,589	2,115,956

⁽¹⁾ Management fees and salaries paid to the executive officers and directors for their services.

⁽²⁾ Included in accounts payable and accrued liabilities are fees owing to officers and directors of \$26,667 as at January 31, 2022 (December 31, 2020 - \$26,667).

Share Capital

As of the date of this MD&A, the Corporation has 90,472,145 common shares outstanding.

As of the date of this MD&A, the Company has the following items of share capital outstanding: 2,620,000 stock options; 4,063,330 RSUs; and 80,000 share awards.

Off-Balance Sheet Arrangements

As at the date of this MD&A, the Company did not have any off-balance sheet arrangements.

Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value, by reference to the reliability of the inputs used to estimate the fair values.

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2: Valuations based on directly or indirectly observable inputs for the asset or liability, other than quoted Level 1 prices, such as quoted interest rates or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not observable, such as discounted cash flow methodologies based on internal cash flow forecasts.

As of January 31, 2022, the Company's financial instruments consist of cash and cash equivalents, amounts receivable, marketable securities, accounts payable and accrued liabilities and non-recourse debt. Marketable securities are measured at fair value and classified within Level 1. The fair values of cash and cash equivalents, amounts receivable and other assets, and accounts payable and accrued liabilities approximate their carrying amounts because of the short-term nature of these instruments. The non-recourse debt is stated at amortized cost, the fair value is not materially different to the carrying amounts, as the interest payable is close to current market rates.

Financial risks

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk of loss due to a counter-party's inability to meet its obligations under a financial instrument or contractual agreement that will result in a financial loss to the Company. The Company's credit risk exposure includes the carrying amounts of cash and cash equivalents and amounts receivable. To limit the credit risk exposure on its cash and cash equivalents, the Company holds all its cash and cash equivalents in credit worthy financial institutions. The Company believes no impairment is necessary in respect of amounts receivable and other assets as balances are monitored on a regular basis with the result that exposure to bad debts is insignificant.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Financial liquidity represents the Company's ability to fund future operating activities. The Company may generate cash from the Ramu mine's operating surpluses, the sale of additional equity securities, as well as through debt financing. The Company plans to fund its ongoing operations with its existing cash and cash equivalents balance. Although the Company may enter into commitments to acquire royalties and direct interests in mineral properties those commitments are normally funded by use of the Company's available cash and cash equivalents and are contingent on its ability to raise funds through the sale of additional equity securities or debt financing. The Company's accounts payable and accrued liabilities are due within the next 12 months. The non-recourse debt is estimated to be due as follows: \$12,861,000 within the next 12 months and \$60,537,024 after 12 months, however this loan is repayable from the Company's share of the Ramu Nickel Mine's operating surplus and can be repaid by the Company at any time in its entirety without penalty.

Market risk

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate fluctuations as a result of its cash deposits and borrowings.

Cash deposits, which in turn earn interest income, are subject to the movement of interest rates and the Company does not enter into long-term deposits. The Company has AUD\$111,267 on deposit at rates ranging between 0.15% and 0.28%.

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The rate of the Company's long-term borrowings is 5.05%. Although the rate of the Company's long-term borrowings is fixed, as at January 31, 2022, the Company has estimated that for a theoretical 1% decrease or increase in the interest rate, all other variables remaining constant, the result would be a decrease or increase in net loss before taxes of approximately \$800,000.

(b) Foreign currency risk

Foreign currency risk arises from transactions and recognized assets and liabilities denominated in a currency that is not the Company's functional currency. The Company's functional currency is United States dollars. The Company incurs expenses in Canadian dollars, Australian dollars and Papua New Guinea Kina. As at January 31, 2022, the Company had approximately CAD\$2,311,000, AUD\$536,000 and PGK\$258,000 of net assets. As at January 31, 2022, the Company has estimated that a 10% decrease or increase in the value of the Canadian dollar, Australian dollars and Papua New Guinea Kina, all other variables remaining constant, the result would be a decrease or increase in net loss before taxes of approximately \$131,200.

(c) Price risk

The Company is exposed to commodity price risk. This arises from the sale of nickel and cobalt that is priced on, or benchmarked to, open market exchanges. The products are sold by MCC Ramu Nico Limited as sales agent on behalf of the Company at prevailing market prices such as the London Metal Exchange (LME) and Metal Bulletin (MB). The products, predominantly nickel and cobalt, are provisionally priced, that is the selling price is determined preceding the month of shipment followed by an adjustment using the average price of the month of shipment after delivery to the customers. As at January 31, 2022, contracts for the physical delivery of commodities are carried in the statement of financial position at their realized prices. Derivative commodity contracts may be used to align realized prices to manage risk exposure although at the date there were no derivative commodity contracts being used.

The Company is also exposed to price risk with respect to the share prices of its marketable securities. The value of the Company's investment in Minerva may be adversely affected by a decline in share price of Minerva. As at January 31, 2022, the Company estimated that a 5% decrease or increase in the share price of Minerva, all other variables remaining constant, would result in a corresponding decrease or increase in net loss before taxes of approximately \$5,700.

Key Sources of Estimation Uncertainty and Critical Accounting Judgments

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, the areas which require management to make significant judgments, estimates and assumptions in determining carrying amounts are:

Carrying amount of the Ramu Nickel Mine

The Company, on each reporting date, considers whether there are indications that the carrying amount of the investment in the Ramu Nickel Mine has suffered any impairment. The assessment of the carrying amount often requires estimates and assumptions such as discount rates, exchange rates, commodity

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prices, operating costs, capital costs and production rates. The impairment testing for the current year for the Company's interest in the Ramu Nickel Mine, has been based on a real discount rate of 12%, proved and probable reserves, long term nickel prices of US\$8.27/lb and cobalt prices of US\$26.01/lb, and operating costs consistent with operator plans and historical data.

Non-recourse debt

The Company, on each reporting date, reclassifies a portion of its non-recourse debt as current. As the Company's non-recourse debt is to be repaid by Ramu Nickel Limited out of its share of operating surpluses, less ongoing capital expenditure requirements, the amount classified as current represents the expected operating surplus less interest that is expected to be applied to repay the non-recourse debt over the next twelve months. Actual results may vary from the estimated current portion of non-recourse debt.

Deferred taxes

The Company recognizes the deferred tax benefit related to tax assets and tax losses to the extent recovery is probable. Assessing the recoverability of deferred income tax assets requires management to make significant estimates of future taxable profit and expected timing of reversals of existing temporary differences. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods from tax assets and tax losses.

Impairment of royalty contracts

Assessment of the royalty contracts for indicators of impairment at the end of each reporting period requires the use of judgments, assumptions and estimates when assessing whether there are any indicators that give rise to the requirement to conduct a formal impairment test on the Company's royalty contracts. Indicators which could trigger an impairment test include, but are not limited to, a significant change in operator reserve and resource estimates, industry or economic trends, current or forecast commodity prices, and other relevant operator information with respect to the underlying mineral resource properties.

Disclosure of Internal Controls

Management has established processes to provide it with sufficient knowledge to support representations that it has exercised reasonable diligence to ensure that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements, and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings ("**NI 52-109**"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

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- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Non-IFRS Measures

The terms "adjusted working capital" and "adjusted net income (loss)" in this MD&A are not standardized financial measures under IFRS and therefore may not be comparable to similar measures presented by other companies where similar terminology is used. These non - IFRS measures should not be considered in isolation or as a substitute for measures of performance or cash flows as prepared in accordance with IFRS. Management believes that these non - IFRS measures, together with measures prepared in accordance with IFRS, provide useful information to investors and shareholders in assessing the Company's liquidity and overall performance.

Adjusted Working Capital

Given the impact of non-recourse debt on working capital, the Company prefers to use an 'adjusted working capital' measure. Adjusted working capital is calculated as current assets, less current liabilities, and adjusted for non-recourse debt which the Company views as having a significant impact on the Company's working capital calculation. The amount classified as current non-recourse debt represents the expected operating surplus less interest and less the Company's 35% cash share of operating surplus that is expected to be applied to repay the non-recourse debt over the next twelve months. Adjusted working capital is used by the Company to monitor its capital structure, liquidity, and its ability to fund current operations. Adjusted working capital is not a standardized financial measure under IFRS and therefore may not be comparable to similar financial measures presented by other companies.

The following table reconciles current assets and liabilities to adjusted working capital:

	As at	
	<u>Jan 31, 2022</u>	<u>Dec 31, 2020</u>
Current assets	\$ 7,781,239	\$ 22,115,835
Current liabilities	13,204,667	15,518,002
Working capital (deficit)	(5,423,428)	6,597,833
Adjustment for select items:		
Non-recourse debt	12,861,000	15,415,419
Adjusted working capital	\$ 7,437,572	\$ 22,013,252

Risk Factors

Overview

An investment in the Company's shares should be considered highly speculative due to the nature of the Company's business. Investments in companies involved in commodities, such as the Company, involve a significant degree of risk, and commodities prices are also subject to significant volatility, which affects the economic viability of the Company. We have no history of earnings, a limited business history, have not paid dividends, and are unlikely to pay dividends in the immediate or near future. Our operations are not sufficiently established such that we can mitigate the risks associated with our planned activities. Anyone investing in the Company must rely on the ability, expertise, judgement, discretion, integrity and good faith of the management of the Company.

The risks and uncertainties described below are not the only risks and uncertainties that the Company faces. Additional risks and uncertainties of which the Company is not aware or that the Company currently believes to be immaterial may also adversely affect the Company's business, financial condition, results of operations or prospects. If any of the possible events described below occur, the Company's business, financial condition, results of operations or prospects could be materially and adversely affected.

This MD&A also contains forward-looking statements that involve risks and uncertainties. The Company's actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this MD&A. See "Forward Looking Statements."

General Risk Factors:

New diseases and epidemics (such as Covid19) may adversely impact the Company's business

In December 2019, a novel strain of coronavirus known as Covid19 surfaced in Wuhan, China, and has spread around the world, with resulting business and social disruption. Covid19 was declared a worldwide pandemic by the World Health Organization on March 11, 2020. The speed and extent of the spread of Covid19, and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain, and such adverse effects may be material. To date, a number of governments have declared states of emergency and have implemented restrictive measures such as travel bans, quarantine and self-isolation. If the operation of the Company's joint-venture Ramu Mine is disrupted or suspended as a result of these or other measures, it may have a material adverse impact on the Company's profitability, results of operations, financial condition and stock price. See "Covid19" on page 2 of this document.

In addition, the Chinese market is a significant source of global demand for commodities, including nickel, cobalt and copper. A sustained slowdown in China's growth or demand, or a significant slowdown in other markets, could have an adverse effect on the price and/or demand for nickel and cobalt produced at the Company's joint-venture Ramu Mine. Covid19 and efforts to contain it may have a significant effect on commodity prices and demand, and potentially broader impacts on the Company's supply chain or the global economy, which could have a material adverse effect on the Company's cash flows, earnings, results of operations and financial position. While governmental agencies and private sector participants will seek to mitigate the adverse effects of Covid19, and the medical community is seeking to further develop vaccines and other treatment options, the efficacy, timing and distribution of such measures is uncertain.

Finally, the actual and threatened spread of Covid19 globally could adversely affect global economies and financial markets resulting in a prolonged economic downturn and a decline in the value of Company's stock price. The extent to which Covid19 (or any other disease, epidemic or pandemic) impacts business activity or financial results, and the duration of any such negative impact, will depend on future

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developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning Covid19 and the actions required to contain or treat its impact, among others.

Liquidity Concerns and Future Financing Requirements

We may require additional financing in order to fund our business plan. Our ability to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as our business success. There can be no assurance that we will be successful in our efforts to arrange additional financing on terms satisfactory to us, or at all. If additional financing is raised by the issuance of shares from treasury, control of the Company may change, and Shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, we may not be able to operate our businesses at their maximum potential, to expand, to take advantage of other opportunities, or otherwise remain in business.

Volatility of Share Price

Securities markets have a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Factors unrelated to the financial performance or prospects of the Company include global macroeconomic developments, and market perceptions of the attractiveness of particular industries. There can be no assurance that continued fluctuations in the price of nickel or cobalt will not occur. As a result of any of these factors, the market price of the shares at any given point in time may not accurately reflect the long-term value of the Company.

In the past, following periods of volatility in the market price of a company's securities, shareholders have instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial cost and diversion of management attention and resources, which could significantly harm profitability and the reputation of the Company.

The Forward-Looking Statements May Prove to be Inaccurate

This MD&A contains forward-looking statements, including, without limitation, the forward-looking statements listed in "Cautionary Note Regarding Forward-Looking Statements". By their nature, forward-looking statements involve numerous assumptions, known and unknown risk and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. The factors discussed in this section and the section entitled "Forward Looking Statements" should therefore be weighed carefully and prospective investors should not place undue reliance on the forward-looking statements provided in this MD&A.

Future Acquisitions

As part of our business strategy, we may seek to grow by acquiring companies and/or assets or establishing joint ventures that we believe will complement our current or future business. Acquisition transactions involve inherent risks, including but not limited to: accurately assessing the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition candidates; ability to achieve identified and anticipated operating and financial synergies; unanticipated costs; diversion of management attention from existing business; potential loss of our key employees or key employees of any business acquired; unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition; and decline in the value of acquired properties, companies or securities. Any one or more of these factors or other risks could cause us not to realize the anticipated benefits of an acquisition of properties or companies and could have a material adverse effect on our financial condition. We may not effectively select acquisition candidates or negotiate or finance acquisitions or integrate the

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acquired businesses and their personnel or acquire assets for our business. We cannot guarantee that we can complete any acquisition we pursue on favourable terms, or that any acquisitions completed will ultimately benefit our business.

Uncertainty of Additional Funding

There can be no assurance that we will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further business activities and may result in a material and adverse effect on our profitability, results of operation and financial condition. The Company will require new capital to grow its business and there are no assurances that capital will be available when needed, if at all. It is likely that such additional capital will be raised through the issuance of additional equity, which will result in dilution to Shareholders.

Lack of Liquidity in Project Investments

Some of the projects in which the Company may invest may be thinly traded and some may have no market at all. There are no restrictions on the investment of the Company's assets in illiquid securities. It is possible that the Company may not be able to sell portions of such positions without facing substantially adverse prices. If the Company is required to transact in such securities before its intended investment horizon, the performance of the Company could suffer.

Expansion of the Business Activities Outside Areas of Expertise

The Company's operations and expertise are currently focused on the acquisition and management streams, and royalties, or rights to or interest in nickel or cobalt interests. In the future, we may pursue acquisitions outside this area, including acquiring and/or investing in, producing, developing or exploration-stage resource projects. Expansion of the Company's activities into new areas would present challenges and risks that it has not faced in the past. If the Company does not manage these challenges and risks successfully, it may have a material adverse effect on its profitability, results of operation and financial condition.

Market Events and General Economic Conditions May Adversely Affect our Business, Industry and Profitability

Adverse events in global financial markets can have profound impacts on the global economy. Many industries, including the mining industry, are impacted by these market conditions. Some of the key impacts of the financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect our growth and valuation. Specifically, the global credit/liquidity crisis could impact the cost and availability of financing and our overall liquidity; the volatility of nickel, cobalt and other metal prices would impact our revenues, profits, losses and cash flow; continued recessionary pressures could adversely impact demand for the Company's assets; the devaluation and volatility of global stock markets would impact the valuation of our equity and other securities. These factors could have a material adverse effect on our financial condition and operating results.

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Foreign Exchange Rates

While the Company maintains its accounting records, reports its financial position and results, pays certain operating expenses in United States dollars, the Company also pays other operating expenses and has its shares listed on an exchange in Canadian dollars. Accordingly, fluctuation in the US currency exchange rate relative to the Canadian currency could negatively impact the value of the shares. Investment in equity securities denominated in a currency other than United States currency will be affected by the changes in the value of the United States dollar in relation to the value of the currency in which the security is denominated. Because exchange rate fluctuations are beyond our control, there can be no assurance that such fluctuations will not have an adverse effect on the Company's operations or on the trading value of the shares.

Regulatory Change

We may be affected by changes in regulatory requirements, customs, duties or other taxes. Such changes could, depending on their nature, benefit or adversely affect the Company.

Litigation

The Company may from time to time be involved in various claims, legal proceedings and disputes arising in the ordinary course of business. If such disputes arise and we are unable to resolve these disputes favourably, it may have a material and adverse effect on the Company's profitability or results of operations and financial condition.

Leverage

The Company may use financial leverage by borrowing funds against the assets of the Company. The use of leverage increases the risk to the Company and subjects the Company to higher current expenses. Also, if the value of the Company's assets drops to the loan value or less, Shareholders could sustain a total loss of their investment.

Conflicts of Interest

Certain of the Company's Directors may also serve as directors or officers, or have significant shareholdings in, other companies involved in the metals industry and, to the extent that such other companies may participate in ventures in which the Company may participate in, or in ventures which the Company may seek to participate in, the Directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In all cases where Directors and officers have an interest in other companies, such other companies may also compete with us for the acquisition of metals, royalties, streams or other investments. Such conflicts of the Directors and officers may result in a material adverse effect on our profitability, results of operation and financial condition.

Management Experience and Dependence on Key Personnel and Employees

The Company is dependent upon the continued availability and commitment of its key management, whose contributions to immediate and future operations of the Company are of significant importance. The loss of any such members could negatively affect business operations. From time to time, the Company will also need to identify and retain additional skilled management and specialized technical personnel to efficiently operate its business. The number of persons skilled in the acquisition of metals, royalties, streams and interests in the metals industry is limited, and competition for such persons can be intense. Recruiting and retaining qualified personnel is critical to the Company's success and there can be no assurance of such success. If the Company is not successful in attracting and training qualified personnel, the Company's

ability to execute its business model and growth strategy could be affected, which could have a material adverse impact on its profitability, results of operations and financial condition. The Company does not maintain "key man" insurance for any members of its management.

Specific Risks Related to Royalties:

Rights of Third Parties

Some royalty interests may be subject to: (i) buy-down right provisions pursuant to which an operator may buy-back all or a portion of the royalty; (ii) pre-emptive rights pursuant to which parties have the right of first refusal or first offer with respect to a proposed sale or assignment of the royalty; or (iii) claw back rights pursuant to which the seller of a royalty has the right to re-acquire the royalty. Holders of these rights may exercise them such that certain royalty interests would not be available for acquisition.

Costs May Influence Return to Royalty Holder

Net profit royalties, equity interests and similar interests allow the operator to account for the effect of prevailing cost pressures on the project before calculating a royalty. These cost pressures include costs of labour, equipment, electricity, environmental compliance, and numerous other capital, operating and production inputs. Such costs will fluctuate in ways the royalty holder will not be able to predict and will be beyond the control of such holder, and can have a dramatic effect on the revenue payable on these royalties and other interests. Any increase in the costs incurred by the operators on the applicable properties will likely result in a decline in the royalty revenue received by the royalty holder. This, in turn, will affect overall revenue generated by the royalty holder which may have a material adverse effect on its profitability, financial condition, and results of operation.

Dependence on Third Party Property Owners and Operators

Cash flows derived from royalties are based on operations by third parties. These third parties will be responsible for determining the manner in which the relevant properties subject to the royalties are exploited, including decisions to expand, continue or reduce production from a property, decisions about the marketing of products extracted from the property and decisions to advance exploration efforts and conduct development of non-producing properties. As a holder of royalties or other interests, the Company will have little or no input on such matters. The interests of third party owners and operators and those of the Company on the relevant properties may not always be aligned. As an example, it will, in almost all cases, be in the interest of the Company to advance development and production on properties as rapidly as possible in order to maximize near-term cash flow, while third party owners and operators may, in many cases, take a more cautious approach to development as they are at risk on the cost of development and operations. The inability of the Company to control the operations for the properties in which it has a royalty or other interest may have a material adverse effect on the Company's profitability, results of operation and financial condition.

Limited Access to Data and Disclosure

As a holder of royalties and other non-operator interests, the Company neither serves as the mine owner or operator, and in almost all cases the Company has no input into how the operations are conducted. As such, the Company has varying access to data on the operations or to the actual properties themselves. This could affect its ability to assess the value of the royalties or enhance their performance. This could also result in delays in cash flow from that anticipated by the Company based on the stage of development of the applicable properties covered by its royalties. The Company's royalty payments may be calculated by the payors in a manner different from the Company's projections and the Company may or may not have rights of audit with respect to such stream and royalty interests. In addition, some royalties may be subject

to confidentiality arrangements which govern the disclosure of information with regard to royalties and as such the Company may not be in a position to publicly disclose non-public information with respect thereto. The limited access to data and disclosure regarding the operations of the properties in which the Company has an interest, may restrict its ability to assess the value or enhance its performance which may have a material adverse effect on the Company's profitability, results of operation and financial condition.

Royalties May not be Honoured by Operators of a Project

Royalties are largely contractually based. Parties to contracts do not always honour contractual terms and contracts themselves may be subject to interpretation or technical defects. To the extent grantors of royalty and other interests do not abide by their contractual obligations, the Company may be forced to take legal action to enforce its contractual rights. Such litigation may be time consuming and costly, and as with all litigation, no guarantee of success can be made. Should any such decision be determined adversely to the Company, it may have a material adverse effect on the Company's profitability, results of operations and financial condition.

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "**forward-looking statements**"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements. In particular, this MD&A contains forward-looking statements pertaining to the following:

- the impact of the ongoing novel coronavirus disease outbreak (Covid19) on the business, operations, financial results and prospects of the Company;
- future debt levels, financial capacity, liquidity and capital resources;
- anticipated future sources of funds to meet working capital requirements;
- future capital expenditures and contractual commitments;
- Ramu's actual and anticipated GHG intensity;
- expectations respecting future production and financial results;
- expectations regarding benefits of certain transactions and capital investments;
- the Company's objectives, strategies and competitive strengths;
- future development activities, including acquiring streams, royalties, and direct interests in mineral properties containing nickel and cobalt;
- the Company's growth strategy;
- expectations with respect to future opportunities;
- expectations with respect to the Company's financial position;
- the Company's capital expenditure programs and future capital requirements;
- capital resources and the Company's ability to raise capital; and

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- industry conditions pertaining to the nickel and cobalt industry and in the industries in which nickel and cobalt are used.

With respect to forward-looking statements contained in this MD&A, assumptions have been made regarding, among other things:

- market prices of nickel and cobalt;
- future global economic and financial conditions;
- future commodity prices, demand for nickel and cobalt and the product mix of such demand and levels of activity in the battery metals industry and in such other areas in which the Company may operate, and supply of nickel and cobalt and the product mix of such supply; and
- the accuracy and veracity of information and projections sourced from third parties respecting, among other things, future industry conditions and demand for nickel and cobalt.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and included elsewhere in this MD&A, including:

- risks associated with new diseases, epidemics and pandemics, including the effects and potential effects of the global Covid19 pandemic;
- volatility in market prices and demand for nickel and cobalt;
- effects of competition and pricing pressures;
- risks related to interest rate fluctuations and foreign exchange rate fluctuations;
- changes in general economic, financial, market and business conditions in the industries in which nickel and cobalt are used;
- changes in the technologies pertaining to the use of nickel and cobalt;
- alternatives to and changing demand for nickel and cobalt;
- potential conflicts of interests;
- actual production and financial results differing materially from management estimates and assumptions;
- commodity price hedging instruments; and
- the other factors discussed under "*Risk Factors*".

This list of factors should not be construed as exhaustive.

Additional Information

Additional information concerning the Company is available on SEDAR at www.sedar.com.