fjordland EXPLORATION INC.

Management Discussion and Analysis
For the Three Months Ended March 31, 2020
Dated: May 6, 2020

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Management Discussion and Analysis
For the Three Months Ended March 31, 2020 Form 51-102F1

Introduction

The management's discussion and analysis ("MD&A" or "Report") of Fjordland Exploration Inc. (the "Company" or "Fjordland") has been prepared by management. As at May 6, 2020 ("the Report Date") this document discloses specified information up to that date in accordance with the requirements under National Instrument 51-102 and IAS 34 Interim Financial Reporting. The following information should be read in conjunction with the Company's audited financial statement for the year ended December 31, 2019 together and the Company's condensed interim financial statements for the three months ended March 31, 2020 with the notes thereto. Unless otherwise indicated, all dollar amounts in this document are in Canadian dollars.

The Financial Statements, together with this MD&A, are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as potential future performance and are not necessarily indicative of the results that may be expected in future periods. The information in the MD&A may contain forward looking statements, and the Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, as they are subject to significant risks and uncertainties that may cause projected results or events to differ materially from actual results or events.

Factors that could cause actual results to differ materially from these forward-looking statements include market prices, exploration success, and continued availability of capital and general economic, market or business conditions.

This list is not exhaustive and these and other factors should be considered carefully; readers should not place undue reliance on the Company's forward-looking statements. As a result of the foregoing and other factors, no assurance can be given as to any such future results, levels of activity or achievements and neither the Company nor any other person assumes responsibility for the accuracy and completeness of these forward-looking statements. The Company disclaims any intention and assumes no obligation to update any forward-looking statement contained in this document, even if new information becomes available as a result of future events or for any other reason.

Additional information about the Company and the Company's activities, including the audited financial statements, and the notes thereto, for the year ended December 31, 2019, prepared in accordance with IFRS, can be found on SEDAR at www.sedar.com.

Business of the Company

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.

Mineral properties

South Voisey's Bay, Labrador

The South Voisey's Bay property (29,400 hectares) is located in central Labrador approximately 80 km due south of the operating Voisey's Bay nickel mine and covers parts of the Pants Lake gabbro complex in the South Voisey's Bay area. The Pants lake Complex contains host rocks with alteration and nickel mineralization styles that are similar to the Voisey's Bay hosts.

Exploration activities during 2016 were confined to a reassessment of the mineral tenure in order to reserve funds and holding costs.

The 2017 field exploration program consisted of drilling 1,670 metres designed to test six shallow UTEM geophysical targets.

The 2018 exploration program was completed in August and comprised 1,253.2 metres of core drilling in 11 holes along with property wide geological mapping.

Exploration expenditures for the 2018 program aggregated $1,229,844. and was funded by HPX BC Holdings Ltd. pursuant to their funding obligations in the September 5, 2017 agreement (refer to note 7(a) in the Financial Statement for particulars of this agreement).

The 2018 drilling program was designed to test the role of structure in controlling magma emplacement, and sulphide accumulation. Several drill holes were selected to test conductive structures interpreted from reprocessing of historical geophysical data that occur close to structures interpreted from satellite images and geological mapping. Overall results were geologically encouraging with higher grades being associated with basal accumulations of sulphides. The intersections while narrower than expected are considered significant as semi-massive sulphides comprised primarily of pyrrhotite with minor pentlandite and chalcopyrite occurring at or near the base of gabbro sills.

Geological and structural mapping and property-wide prospecting programs were also completed during the 2018 field operation. Mapping was performed within key target areas to refine drill targets, as well as on a property wide scale to identify and define structures similar to those known to control emplacement of magmatic sulphides in the vicinity of the Voisey's Bay mine located 80 km to the north.

The geological information from drilling and preliminary mapping will guide the refinement of the intrusion history through classification and quantifying of gabbro breccias that will resolve magma pathways and high priority feeders.

As HPX's expenditures, pursuant to the aforementioned agreement, was well in excess of their contracted minimum obligations HPX elected to not contribute to the 2019 recommended exploration program.

As a result of this outcome the field program was amended to consist solely of ground based geological activities including mapping and re-logging of selected portions of previously drilled core. This activity included the systematic collection of density measurements of core which will, in combination with the high resolution digital elevation model created in 2018, allow for a refined gravity model for the property using a property wide database collected in the 1990's. The cost of this activity of $159,640 was funded by government grants and refunds of certain previously funded performance bonds.

Further information and results of exploration programs can be found on Sedar and the Company's website. www.fjordlandex.com

Milligan West, BC

The Company has a 42.4% interest in this project in partnership with the operator Serengeti Resources Ltd.

The operator recommended that the claims be allowed to lapse on their due date. As sufficient work credits existed to allow the retention for some of the claim group closest to the Mt. Milligan mine it was agreed to do so.

Interim Period Financial Position

(a) Summary of Quarterly Results

	Jun 30 2018 Q2	Sep 30 2018 Q3	Dec 31 2018 Q4	Mar 31 2019 Q1	Jun 30 2019 Q2	Sep 30 2019 Q3	Dec 31 2019 Q4	Mar 31 2020 Q4
Mineral property costs deferred, net	(114,045)	148,500	(245,246)	-	(127,283)	148,511	(25,644)	787
G&A (incl. share-based compensation)	(333,802)	(134,782)	(67,183)	(40,439)	(41,356)	(35,671)	(54,897)	(43,550)
Share-based compensation expense	285,114	97,846	5,147	5,148	5,147	-	-	-
Adjusted G&A (less share-based comp)	(48,688)	(36,936)	(62,039)	(35,291)	(36,209)	(36,671)	(54,897)	(43,550)
Net loss	(333,802)	(132,181)	(292,954)	(40,244)	(82,522)	(38,469)	(54,897)	(43,550)
Loss per share – basic and diluted	(0.01)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Weighted average common shares outstanding - basic	47,213,339	47,213,339	47,337,312	47,463,339	47,463,339	47,688,339	47,595,668	47,763,339

(b) Operations

During the period under review the Company incurred total general and administrative expenses of $43,550 (2019 - $40,439).

Total share-based compensation on options granted and vested during the period ended March 31, 2020 resulted in $Nil (2019 - $5,148) being expensed. Share-based compensation is a non-cash transaction.

Comprehensive loss for the three-month period ended March 31, 2020 was $43,550 (2019 - $40,244).

Exploration expenditures during the period ended March 31, 20120 were $787 (2019- $14,205).

Liquidity

The Company ensures that there is sufficient capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets. As the Company does not have operating cash flow, the Company has relied primarily on equity financings to meet its capital requirements.

The Company is in the exploration stage and commodity prices are not reflected in operating financial results. However, fluctuations in commodity prices may influence financial markets and may indirectly affect the Company.

As at March 31, 2020 the Company had a cash position of $683,355 and working capital of $643,175 compared to a cash position of $685,964 and working capital of $697,285 at December 31, 2019.

Management believes it will be able to raise equity capital as required in the long term, but recognizes the risks attached thereto. The Company continues to use various strategies to minimize its dependence on equity capital, including the securing of joint venture partners where appropriate.

(c) Capital Management

The Company considers its capital structure to be shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. As an exploration stage company, the Company is unable to finance its operations from cash flow and has relied primarily on equity financings to meet its capital requirements.

Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favorable.

The Company's share capital is not subject to any external restriction and the Company did not change its approach to capital management during the period.

Financing Activities

None

Proposed Transactions

None

Off-Balance Sheet Arrangements

None

Related Party Transactions

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

Commitment

The Company has remaining commitment of $12,275 for its office lease expiring on August 31, 2020.

Risks and Uncertainties Related to the Company's Business

As of the date of this Management Discussion and Analysis, the Company had no outstanding commitments or uncertainties.

Risks Factors

In our Management Discussion and Analysis filed on SEDAR April 30, 2020 in connection with our annual financial statements (the "Annual MD&A"), we have set out our discussion of the risk factors 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 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.

Right-of-Use Asset and Liabilities

Under IFRS 16 – *Leases*, the Company assesses whether a contract is, or contains, a lease. For contracts that are, or contain, leases, the Company recognizes a right-of-use asset and lease liability at the commencement date.

The Company identified a single contract that is a lease as defined under IFRS 16. In analyzing the identified agreements in relation to its head office space in Vancouver, BC, the Company applied the lessee accounting model pursuant to IFRS 16 and considered all of the facts and circumstances surrounding the inception of the contract (but not future events that are not likely to occur). Lease liabilities were calculated with a discount rate of 10%.

A reconciliation of the carrying amount of the lease liability for the year period ended March 31, 2020 is as follows:

Lease liability		
December 31, 2019 (Note 3(e))	$	15,069
Lease payments		(5,865)
Lease interest (finance costs)		331
March 31, 2020	$	9,535
Current portion of lease liability		9,535
Non-current portion of lease liability		-

Maturity analysis – contractual undiscounted cash flows		
Less than one year	$	9,535
One to five years		-
More than five years		-
Total undiscounted lease liability	$	9,535

Right-of-use asset		
December 31, 2019	$	14,122
Depreciation		(5,296)
March 31, 2020	$	8,826

New Interpretation IFRIC 23 - *Uncertainty over Income Tax Treatments*

On June 7, 2017, the IASB issued IFRIC Interpretation 23 – *Uncertainty over Income Tax Treatments* (“IFRIC 23”). IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments.

There was no impact to the Company’s financial statements as a result of adopting this new standard.

Events After the Reporting Period

(a) Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, 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 physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak 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 in the future.

(b) On May 5, 2020, the Company announced that it has entered into a definitive option agreement with CanAlaska Uranium Ltd. (“CanAlaska”) Subject to regulatory approval, the agreement allows the Company to earn up to an 80% interest in CanAlaska’s 100%-owned North Thompson Nickel Project in Manitoba, Canada.

As summarized below the agreement grants to the Company the option, over a 6-year period, to incur on a graduated basis, exploration expenditures of $9 million, make cash property payments aggregating $150,000 and issue periodically up to 8.5 million common shares.

Option Stage	FEX Interest Earned (%)	Cash Payment ($)	FEX Shares Issued	Exploration Expenditure ($)	Timeline (months)
On signing		25,000	1,000,000		On TSXV Approval
Stage 1	49			1,500,000	24
Stage 2	21	50,000	1,500,000	2,500,000	24
Stage 3	10	75,000	6,000,000	5,000,000	24
Totals	**80**	**150,000**	**8,500,000**	**9,000,000**	**72**
Feasibility Bonus			**10,000,000**		

North Thompson Nickel Project

The project contains a series of high grade nickel drill intersections from historical work that warrant follow-up with modern geophysics and drilling. There are also numerous untested targets. The area is approximately 25 kilometres from the city of Thompson, Manitoba, where there are existing Tier 1 mines and nickel processing facilities owned and operated by Vale.

The Thompson Nickel Belt is the fifth largest sulphide nickel belt in the world based on contained nickel endowment. The North Thompson Project covers much of the north and north-western extension of this belt.

The “Strong” Licence (MEL1067A), the “Hunter” Licence (MEL1118A), and “Hunter Claims” have a total combined area of 18,685 hectares. These licences and claims have seen virtually no exploration drilling since 2005. In 2007 VTEM airborne geophysical survey on the Hunter Claims provided a number of priority drill targets. These have never been drill tested. It is anticipated the first programs under this option agreement will focus on these high priority targets.

(c) The Company entered into a new office lease agreement commencing September 1, 2020 and terminating on August 31, 2025, with monthly payments approximating $3,000 over the term.

Management Responsibility

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the financial statements and this Management Discussion and Analysis, is complete and reliable.

Other MD&A Requirements

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

As of the Report Date, the Company had 47,763,339 issued common shares outstanding and the following unexercised stock options and warrants:

Stock Options

Expiry Date	Exercise Price	Number of Options
September 12, 2022	$0.55	966,000
June 28, 2023	$0.165	1,375,000
		2,341,000

CORPORATE INFORMATION

DIRECTORS AND OFFICERS

Richard C. Atkinson, P.Eng.
President, C.E.O and Director

G. Ross McDonald, C.A.
Director

Peter Krag-Hansen
Director

Victor A. Tanaka
Director

Patricia Tanaka
CFO

Janice Davies
Corporate Secretary

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SHARE LISTING

TSX Venture Exchange
Symbol: FEX

CAPITALIZATION AT MARCH 31, 2020

Shares Authorized: Unlimited
Shares Issued and Outstanding 47,763,339