



**FJORDLAND EXPLORATION INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021**

OVERVIEW AND INTRODUCTORY COMMENT

Fjordland Exploration Inc. (the "Company" or "Fjordland") 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 is focused on exploring and developing base metal projects to meet the upcoming demands of a non-carbon electric centric economy. The Company's massive sulfide nickel projects form the cornerstone of this approach. All indications point to a growing demand for high purity Class 1 nickel to feed the burgeoning battery market. Nickel, along with copper, is a key element in the production of batteries for the automotive and energy storage industries. The ongoing mandate of the Company is to expand its nickel (South Voisey's Bay and Renzy) and copper (West Milligan) assets by upgrading them through exploration and drilling and acquiring additional nickel and copper projects.

This MD&A is dated November 18, 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 nine months ended September 30, 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 suspended the VTEM helicopter survey in order to help protect the fragile moose population in the area. The KZA agreed that the survey could 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. Preliminary review of this data has identified a number of conductive anomalies that have guided exploration activities in the field this year.

On June 17, 2021, the Company announced that it had initiated a ground field EM program on the Renzy project. A ground-based EM survey was conducted on 4 zones as a follow up to the VTEM survey initiated in the spring. While the VTEM survey was suspended until the middle of August, it did generate a number of discrete EM conductor anomalies immediately adjacent to the historic mine site and, more importantly, up to 10 km away.

On September 16, 2021, the Company announced that it restarted the VTEM survey to fly areas south of the original Renzy area. While still in progress, initial results had identified three strong geophysical conductors comparable to those at the Renzy mine site. These three new targets show good continuity across multiple flight lines (initial 200m line spacing) and are 100% owned by the Company and outside the area of interest as defined by the Renzy option agreement with Quebec Precious Metals. In anticipation of an expanded airborne survey, the Company staked an additional 120 claims to the south and east of the original property. The total land area controlled by the Company is now 308 square kilometres.

The VTEM survey was completed on October 15, 2021 for total of 1,800 line kilometres. Final reports for the VTEM survey, the Ground Floor survey and follow-up ground surveying are in progress.

North Thompson Nickel Project, Manitoba

On June 17, 2021, the Company announced that it entered into an agreement with CanAlaska Uranium Ltd. (“CanAlaska”) to terminate the option agreement (the “Option Agreement”) relating to the North Thompson Nickel Project (“NTNP”). The Option Agreement was executed on April 28, 2020 on the basis that a winter drill program could be initiated in early 2021. Despite applying for a drill permit in January 2020, CanAlaska still had not received permission and there did not appear to be any clarity as to when a permit might be received. As a result, the Company and CanAlaska mutually agreed to unwind the Option Agreement. The Company gave up any interest in the NTNP upon the return to treasury of 1,000,000 common shares from CanAlaska in June 2021.

South Voisey’s Bay (“SVB”) Project, Labrador

On September 23, 2021, the Company announced that it entered into an option agreement with Vulcan Minerals Inc. (“Vulcan”) to acquire a 100% working interest in 30 mineral claims (750 hectares) located in the South Voisey’s Bay area. Under the terms of the agreement, Fjordland has the option to pay Vulcan 1,350,000 common shares, \$70,000 cash and incur \$250,000 in exploration expenditures over a period of three years, of which \$25,000 cash and 600,000 common shares are payable upon signing the agreement (paid and issued in October 2021). Vulcan reserves a 2% net smelter return (“NSR”) royalty on the claims subject to the Company’s ability to buy back 50% of the NSR for \$2,000,000.

On October 6, 2021, the Company announced that it contracted Discovery International Geophysics Inc. to conduct a Low Temperature (“LT”) Superconducting Quantum Interference Device (“SQUID”) Moving Loop Transient Electromagnetic (“MLTEM”) survey on its SVB nickel copper cobalt project that is funded by Ivanhoe Electric Inc. (“Ivanhoe”) pursuant to the SVB option agreements as described in detail in the financial statement note 7(a).

This survey was completed in October, 2021 and a preliminary review of geophysical data with project contractors and partners has recognised the presence of conductors but final data processing and contractor reports have not yet been received.

On November 15, 2021, the Company announced that it earned into 75% of the SVB project under its Memorandum of Understanding and a subsequent Letter of Intent with Commander Resources Ltd. (“Commander”). As described in the financial statement note 7(a), Fjordland can earn a 100% interest in the project and also has an agreement with HPX BC Holdings Inc. (“HPX”), a subsidiary of Ivanhoe



whereby Ivanhoe can earn a 65% interest by completing all the cash funding requirements under Fjordland's agreement with Commander.

Corporate update

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.

On July 8, 2021, the Company announced that John Sheedy was elected to the board of directors in place of Richard Atkinson who retired after serving the board for 25 years. Mr. Atkinson agreed to remain as an advisor to the Company for the foreseeable future.

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.

On June 8, 2021 the Company announced that it entered into an investor relations agreement with MI3 Communications Financieres Inc. ("MI3"). The agreement is for an initial term of six months renewable on an annual or semi-annual basis and may be terminated upon 30 days' written notice by either party. In consideration for the services of MI3, the Company agreed to pay a fee of \$3,000 per month. Pursuant to the agreement, Fjordland also granted MI3 a stock option to purchase 100,000 common shares of Fjordland at a price of \$0.125 per share for a period of 5 years with one quarter of the options vesting every three months. If the agreement is terminated, the options expire 12 months after termination.

On August 26, 2021, the Company granted a total of 1,025,000 stock options to its directors, officers and consultants with an exercise price of \$0.125 exercisable for a period of 5 years.

On October 5, 2021, the Company issued 600,000 common shares with a fair value of \$54,000 or \$0.09 per share as consideration towards the acquisition of mineral property in South Voisey's Bay area pursuant to the Vulcan option agreement.

On October 6, 2021, the Company issued 400,000 common shares with a fair value of \$44,000 or \$0.11 per share as consideration towards the acquisition of mineral property in South Voisey's Bay area pursuant to the agreement with Commander Resources Ltd.

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 September 30, 2021, the Company's working capital was \$2,350,305 (December 31, 2020 - \$249,010). With respect to working capital, \$2,187,674 was held in cash (December 31, 2020 - \$310,690). The increase in cash of \$1,876,984 was mainly due to the net proceed from the issuance of common shares of \$2,440,305 while being offset by \$485,327 used in operations, \$45,549 used in exploration and evaluation assets and \$32,445 used in lease payments.

Operations

Three months ended September 30, 2021 versus three months ended September 30, 2020

During the three months ended September 30, 2021, the Company reported a loss of \$228,983 (\$0.00 loss per share) (2020 – \$109,759 (\$0.00 loss per share)).

Excluding the non-cash portion depreciation of \$9,778 (2020 - \$6,790) and the share-based compensation of \$113,775 (2020 - \$38,754), the Company's general and administrative expenses amounted to \$105,431 during the three months ended September 30, 2021 (2020 – \$64,215); an increase of \$41,216 mainly due to the increase in accounting and audit fees (from 2020's \$9,000 to 2021's \$15,000), management fees (from 2020's \$25,000 to 2021's \$37,500) because of the Chief Executive Officer joining in August 2020; marketing fees (from 2020's \$6,400 to 2021's \$20,579); and legal fees (from 2020's \$1,241 to 2021's \$8,019). All the expenses were incurred to support the exploration activities at the Company's properties.

Nine months ended September 30, 2021 versus nine months ended September 30, 2020

During the nine months ended September 30, 2021, the Company reported a loss of \$541,664 (\$0.00 loss per share) (2020 – \$336,903 (\$0.00 loss per share)).

Excluding the non-cash portion depreciation of \$29,336 (2020 - \$17,382) and the share-based compensation of \$151,775 (2020 - \$177,485), the Company's general and administrative expenses amounted to \$282,171 during the nine months ended September 30, 2021 (2020 – \$142,036); an increase of \$140,135 mainly due to the increase in accounting and audit fees (from 2020's \$27,244 to 2021's \$44,268), management fees (from 2020's \$25,000 to 2021's \$112,500) because of the Chief Executive Officer joining in August 2020; marketing fees (from 2020's \$22,705 to 2021's \$44,082); legal fees (from 2020's \$1,266 to 2021's \$10,929); and transfer agent fees (from 2020's \$2,535 to 2021's \$7,184). All the expenses were incurred to support the exploration activities at the Company's properties.

During the nine months ended September 30, 2021, the Company wrote off \$78,382 (2020 - \$Nil) in mineral property as a result of the cancellation of the option agreement regarding the NTNP.

SIGNIFICANT RELATED PARTY TRANSACTIONS

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



COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES

The Company has a remaining commitment of \$39,655 for its office lease expiring on August 31, 2022 payable in full within the next twelve months.

As of the date of this MD&A, other than disclosed in this MD&A – Quarterly Highlights, the Company 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 September 30, 2021:

	Issued and outstanding	
	September 30, 2021	November 18, 2021
Common shares outstanding	74,284,339	75,284,339
Stock options	7,191,000	7,191,000
Warrants	12,585,500	12,585,500
Fully diluted common shares outstanding	94,060,839	95,060,839

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.