



**FJORDLAND EXPLORATION INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

OVERVIEW AND INTRODUCTORY COMMENT

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

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

This MD&A is dated May 25, 2023 and discloses specified information up to that date. Unless otherwise noted, all currency amounts are expressed in Canadian dollars. The following information should be read in conjunction with the unaudited condensed interim financial statements and the related notes for the three months ended March 31, 2023 and the Company's audited financial statements as at December 31, 2022 and the related notes thereto, prepared in accordance with International Financial Reporting Standards ("IFRS").

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

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

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

MAJOR QUARTERLY OPERATING MILESTONES

Exploration update

Renzy, Quebec

On May 18, 2023, the Company announced that it received promising results from a scoping level metallurgical evaluation of the graphite potential at the Renzy Project.

In early 2023, the Company engaged SGS Minerals Lakefield to test a representative graphite sample on drill core derived from its 2022 drill program. The primary objectives of the testing were to develop a preliminary understanding of the metallurgical response of the mineralization and to characterize the graphite concentrate in terms of flake size distribution and total carbon grade of different size fractions. After the third floatation test (F3), the 6th cleaner concentrate grade was 95.6% C(t) with a total carbon recovery of 94.2%. This high concentrate grade was achieved with polishing only, which suggests that the impurities are attached to the surface of the flakes rather intercalated. The flake size distributions of the sample classify the product as relatively coarse with 55% of the concentrate mass reporting to the +100

mesh size fractions. Only 5.1% of the total concentrate mass reported to the very small flake sizes of minus 325 mesh.

The final 2 holes of the 2022 Renzy drill program tested portions of a long surface anomaly referred to as the "S-Conductor" located 6km south-east of the old Renzy mine. The anomaly coincides with a wide zone of graphite mineralization tested by drill holes RZ-22-06 and RZ-22-07 that intersected 34m and 55m core lengths and averaged 0.9% and 0.7% carbon, respectively. Higher grades occurred within the intercepts and the head grade for the metallurgical test measured 1.57% total carbon.

Table 1 : Size x Size Assays on F3 6th Cleaner Concentrate

Size Fraction	Weight		Assay % C(t)	% Distribution C(t)
	g	%		
32 mesh	0.3	0.6	98.2	0.6
48 mesh	6.6	12.2	98.1	12.7
65 mesh	9.9	18.3	96.1	18.6
80 mesh	6.5	12.0	95.5	12.1
100 mesh	6.2	11.5	95.1	11.5
150 mesh	11.2	20.7	93.4	20.5
200 mesh	6.6	12.2	92.6	12.0
325 mesh	3.9	7.2	92.3	7.0
400 mesh	1.2	2.2	93.6	2.2
-400 mesh	1.6	3.0	91.1	2.9
Total Concentrate (calculated)	54	100	94.7	100

SGS Lakefield reported that in order to evaluate the quality of the cleaner concentrates with regards to flake size distribution and total carbon grade of the various size fractions, the final cleaner concentrates from F2 and F3 were submitted for a size fraction analysis. The mass distribution and total carbon grades of the various concentrate size fractions from F3 are depicted in Table 1. There is a trend of higher grade flakes in the coarser fractions, reaching >98% C(t) in the +32 mesh fraction down to ~91% C(t) in the finest -400 mesh fraction. All fractions at +100 mesh or coarser (the classified mesh size for many graphite commercial processing plants) achieved >95% C(t), which is often considered an acceptable flake grade target. Approximately 55% of the concentrate mass was in the +100 mesh fractions, indicating fairly coarse flakes are present in the deposit.

Based on these preliminary results, the Company will concentrate on exploring for locations along the S Conductor where higher grades may occur. The ultimate value of a graphite deposit is a function of grade and the coarseness of the concentrate grade. Coarser higher grade graphite material, generally referred to as Jumbo Flake, commands significantly higher prices compared with finer concentrates. With the recent announcements regarding the introduction of Electric Vehicle battery manufacturing facilities being built in Bécancour, Quebec, the Company believes it is a good position participate in this growth should an economic deposit be developed.

Further information on the Renzy nickel project including drill hole QA/QC information is available from the previous quarterly reports, news releases and on the Company's website.

Kegashka Project, Quebec

During the three months ended March 31, 2023, the Company staked a new project in Quebec, focused on exploration for lithium. As of March 31, 2023, the Company had capitalized \$31,278 in acquisition cost related to this Kegashka lithium project.

South Voisey's Bay ("SVB"), Labrador

On April 17, 2023, the Company received notice from Ivanhoe to terminate effective immediately the SVB option agreement dated September 5, 2017. The Company currently owns a 75% interest in the project,



with Commander Resources Ltd. (“Commander”) owning the balance. Under the existing agreement with Commander, the Company has the option to increase its interest to 100% by expending \$4,000,000 in exploration expenditures, together with additional cash and shares, by October 31, 2024. The 150 square kilometer SVB project is in good standing with the Newfoundland and Labrador government until at least mid-2027.

Corporate update

On April 17, 2023, Mark Gibson, Ivanhoe’s Chief Operating Officer, resigned from the Company’s Board of Directors pursuant to the termination of the SVB Option Agreement.

On April 27, 2023, the Company appointed Scott Broughton to be a director of the Company. Mr. Broughton joined the Board as an accomplished and engaged senior executive and engineer with North American and international experience in the mining and minerals exploration sectors.

QUARTERLY FINANCIAL CONDITION

Capital Resources

On April 27, 2023, the Company granted 2,075,000 options under the Company’s stock option plan to its directors, officers, and advisors, with each option representing the right to receive one common share of the Company. The options are exercisable at a price of \$0.06 per share for a period of 5 years vesting immediately, and are subject to the policies of the Exchange and the Company’s stock option plan.

From December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which included the implementation of travel bans, self-imposed quarantine periods and physical distancing, caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The full impact of the COVID-19 outbreak is unknown at this time. It is not possible to reliably estimate the severity of these developments and the impact on the financial results and condition of the Company in the future.

In February 2022, Russian military forces invaded Ukraine. The outcome of the conflict is uncertain and is likely to have wide-ranging consequences on the peace and stability of the region and the world economy. The Company does not have operations within Russia or Ukraine and it is not expected that the conflict will directly impact the Company’s operations. However, the long-term impacts of the conflict and the sanctions imposed on Russia remain uncertain and could adversely affect the Company’s business, operation costs, and financial condition including the Company’s ability to access capital.

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 will allow its efforts to continue throughout 2023. If the market conditions prevail or improve, the Company will make adjustment to budgets accordingly.

Liquidity

As at March 31, 2023, the Company’s working capital was \$565,768 (December 31, 2022 - \$668,533). With respect to working capital, \$649,111 was held in cash (December 31, 2022 - \$894,607). The decrease in cash of \$245,496 was mainly due to \$93,186 used in operations, \$10,815 used in lease payments, and \$141,495 used in investing activities, including posting an environmental bond of \$38,400 for the Witch project in British Columbia.



Operations

Three months ended March 31, 2023 versus three months ended March 31, 2022

During the three months ended March 31, 2023, the Company reported a net loss of \$99,770 (\$0.00 loss per share) (2022 – \$120,157 (\$0.00 loss per share)). The decrease in net loss is mainly due to (a) a slight decrease on general and administrative expenses, (b) no share-based compensation expense incurred during the three months ended March 31, 2023.

Excluding the non-cash portion depreciation of \$9,779 (2022 - \$9,779) and the share-based compensation of \$Nil (2022 - \$15,200), the Company's general and administrative expenses amounted to \$89,991 during the three months ended March 31, 2023 (2022 – \$95,178), a decrease of \$5,187. The decrease is mainly due to a decrease in the marketing fees (from 2022's \$17,972 to 2023's \$6,411) while being offset by an increase in the office and printing fees (from 2022's \$2,388 to 2023's \$7,034).

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

SIGNIFICANT RELATED PARTY TRANSACTIONS

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

COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES

The Company has remaining commitment of \$61,285 for its office lease expiring on August 31, 2024 payable as to \$43,260 within the next twelve months, and \$18,025 during the period from April 1, 2024 to August 31, 2024.

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

RISK FACTORS

In our MD&A filed on SEDAR March 23, 2023 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 May 25, 2023:

	Issued and outstanding	
	March 31, 2023	May 25, 2023
Common shares outstanding	82,935,531	82,935,531
Stock options	6,125,000	8,200,000
Warrants	12,500,000	12,500,000
Fully diluted common shares outstanding	101,560,531	103,635,531

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.