NIO STRATEGIC METALS

Management's Discussion and Analysis
For the year ended December 31, 2022

Management's Discussion and Analysis

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") of Nio Strategic Metals Inc. (formerly Niocan Inc.) ("Nio" or the "Company") is a narrative explanation, through the eyes of Nio's management, on how the Company performed during the year ended December 31, 2022, as compared to December 31, 2021.

This MD&A is intended to help the reader understand and assess the significant trends, risks and uncertainties related to the results of operations. These results of operations should be read in conjunction with audited financial statements and accompanying notes as at and for the year ended December 31, 2022. All amounts in this MD&A are in Canadian dollars unless otherwise indicated. This MD&A contains information available as at the disclosure date.

On May 6, 2022, the Company approved its name change for Nio Strategic Metals. The change had no impact on the trading symbol and confirms the Company's intention to expend its activities to source strategic metals and minerals essential to advancing modern life and national security in beneficially environmental, social and ethical manner.

The Company's headquarters are located in Montreal, Canada. Nio Strategic Metals Inc. (formerly Niocan Inc.) is listed on the TSX Venture Exchange ("TSX-V") under the symbol NIO. Additional information relating to the Company can be found on SEDAR at www.sedar.com.

Responsibility of Management and the Board of Directors

Management is responsible for the information disclosed in this MD&A and the audited financial statements and accompanying notes, and has in place appropriate information systems, procedures and controls to ensure that information used internally by management and disclosed externally is materially complete and reliable. Nio's Board of Directors has approved this MD&A and the audited financial statements and accompanying notes. In addition, Nio's Audit Committee, on behalf of the Board of Directors, provides an oversight role with respect to all public financial disclosures made by Nio and has reviewed this MD&A and the audited financial statements and accompanying notes.

Forward-Looking Statements

This document contains forward-looking statements, which reflect the Company's current expectations regarding certain future events. To the extent that any statements in this document contain information that is not historical, the statements are essentially forward-looking and are often identified by words such as "anticipate", "expect", "estimate", "intend", "project", "plan" and "believe". In the interest of providing shareholders and potential investors with information regarding Nio, including management's assessment of future plans and operations, certain statements in this MD&A are forward-looking and are subject to the risks, uncertainties and other important factors that could cause the Company's actual performance to differ materially from that expressed in or implied by such statements. The Company disclaims any obligation to update these forward-looking statements unless required to do so by applicable Securities laws. All subsequent forward-looking statements, whether written or orally attributable to the Company or persons acting on its behalf, are expressly qualified in their entirety by these cautionary statements.

For information identifying known risks and uncertainties, relating to the issuance by the Ministry of Sustainable Development, Environment and Fight against Climate Change ("MDDELCC") of the Certificate of Authorization ("CA") to build the mine in Oka, financial resources, market prices, exchange rates, politico-social conflicts, competition, the purchase of the old St-Lawrence Columbium mine site from the Municipality of Oka should the CA be issued, and other important factors that could cause actual results to differ materially from those anticipated in the forward-looking statements, please refer to the Risk and Uncertainties Section of this Management's Discussion and Analysis. Consequently, actual results may differ materially from the anticipated results expressed in these forward-looking statements.

Value proposition

Nio is a TSX-listed company with a focus on the exploration and the development of critical and strategic minerals projects. Nio is positioning itself to be a significant producer of high-quality critical minerals for use in rapidly developing applications.

The Company's immediate mission is to become a ferroniobium producer, following the issuance of a CA from the MDDELCC. Niobium is a critical material essential for many high-tech products and green technologies because of its unique characteristics and chemical properties that significantly reduce, when combined with steel, weight and increase its resistance. In the long term, the Company will assess if Rare Earth Elements ("REE") identified on its property can be recovered and produced in respect with the environment.

One of the long-term drivers for Nio is the outlook for the booming electric vehicle markets, where Nio has the capacity to make these vehicles even more efficient and greener by reducing their total weight and therefore manage longer distance and use less energy.

Most important, Nio's objectives are:
- Becoming a Quebec-based leader in ferroniobium production
- Implementing green mining concepts that considers crushing and sorting underneath surface
- Noiseless enclosures and minimal footprint
- Reduced impact scenario on agricultural and municipal water resources
- Being a key contributor to a sustainable world by innovating responsibly, giving back to the community and
- Reducing environmental impact for future generations.

Quebec government announced in 2020 its first-ever Plan for the Development of Critical and Strategic Minerals 2020-2025 to support its leadership into the promotion of a green economy. One of its main orientations considers the identification of the sectors conducive to exploration for CSM deposits in order to support the discovery of new mines.

In December 2022, the Canadian government released its highly anticipated report entitled *The Canadian Critical Minerals Strategy – From Exploration to Recycling: Powering the Green and Digital Economy for Canada and the World*. The strategy recognizes that critical minerals, including niobium, represent a generational opportunity for Canada's workers, economy and net-zero future. Such minerals are the foundation on which our modern economy is built.

For a mineral to be deemed "critical," it must be:

- ✓ essential to Canada's economic security, and in threatened supply; or
- ✓ required for our national transition to a low-carbon economy; or
- ✓ a sustainable source of highly strategic critical minerals for our partners or allies.

Most importantly to the development of these projects is the cooperation of and partnership with Indigenous communities. These discussions were initiated and remain underway.

The Oka project involves the development of a mining complex based on an underground mine, a concentrator and a converter to produce ferroniobium. The project has completed all exploration phases, including two drilling campaigns in 1995, 1996, and 1997 for a total of 22,204 meters, to define two resource ore bodies: the S-60 and the HWM-2 (historical resources). Numerous metallurgical concentration tests and analyses were undertaken throughout the exploration period. These tests, on the various mineralized facies of the principal resource mineral prospect, the S-60, allow for the development of an optimal pyrochlore recovery process. Pyrochlore is the niobium-bearing mineral. A modified NI-43-101 technical report titled *Modèle géologique et estimation des ressources de Niobium de la Zone S-60, Oka Québec was* filed on SEDAR on November 3, 2011 regarding the property.

In 2004, Nio acquired a property with three mineral prospects (historical resources) of magnetite ore, located near the Great Whale River (the "Great Whale Iron Property"). A NI-43-101 technical report titled *Technical Report on Metallurgical Tests of the Great Whale Property* was filed on SEDAR on May 28, 2010 regarding the property.

Management is currently working to obtain all the required permits and authorization to develop the Oka property. Nio is of the view that its project will eventually bring significant financial returns to the local parties involved and it hopes to work with the community to eventually build a mutually beneficial project.

Management is also pursuing financing activities to get the CA in Oka and initiate exploration activities in Great Whale Iron Property.

The Company's Business Model is yet always evolving and improving over next years consisting of very explicit and interrelated goals that drive Nio's day-to-day decisions based on the following salient objectives:

- Continue to support the commercial development, demonstration, and deployment of its Oka project
- REE separation technology platform
- Continue business and geological development efforts towards critical metals projects
- Continue to pursue REE metal, alloy, and strategic relationships
- Continue to work with Aboriginal leaders towards needed funding and support
- Continue to strengthen our relationships with all prospective communities
- Continue with exploration work for the Great-Whale Project in preparation for a feasibility study.

Although the Company will continue to consider potential transactions with respect to the critical metals projects, when the Company is reviewing such proposals, the Company will be prioritizing: (i) its own critical metals business plan; (ii) ESG (environmental, social and governance) objectives; and (iii) the Company's stakeholders and shareholders.

The Company has no significant income at this stage.

Major events

On January 17, 2022, the Company announced its intention to change its name for Nio Strategic Metals. The change would have no impact on the trading symbol but confirms the Company's intention to expend its activities to source strategic metals and minerals essential to advancing modern life and national security in beneficially environmental, social and ethical manner.

On March 1, 2022, the Company announced the conversion of $ 3.6 million of debt into equity (the "Conversion"). The Conversion resulted in immediate interest cost savings and will place the Company in a much stronger financial position for the benefit of all shareholders. Pursuant to the terms of the agreement entered into between the Company and Nio-Metals Holdings LLC ("Nio-Metals"), one of its principal shareholders, $ 3,578,018 in principal and accrued interest owing under the terms of a secured debenture initially issued by the Company to Nio-Metals on February 19, 2013 has been converted into an aggregate of 23,823,470 common shares of the Company (the "Repayment Shares") at a fair value price of $ 0.14 per share in full repayment thereof. Moreover, the maturity date of a loan made to the Company by Nio-Metals on March 17, 2021, in the principal amount of $ 500,000 has been extended from March 17, 2023 to March 17, 2024. This transaction allowed the Company to preserve its cash for use on its current and future projects and for working capital.

On May 6, 2022, the Company approved its name change for Nio Strategic Metals. The change had no impact on the trading symbol and confirms the Company's intention to expend its activities to source strategic metals and minerals essential to advancing modern life and national security in beneficially environmental, social and ethical manner.

Results of Operations

(Unaudited - in $)	For the 3 months ended December 31, 2022	2021	For the 12 months ended December 31, 2022	2021
Revenues	**2,400**	1,200	**11,468**	7,800
Expenses	**133,326**	426,764	**679,844**	740,467
Gain on debt settlement	**23,753**	–	**(242,732)**	–
Loan forgiveness	**(10,000)**	–	**(10,000)**	–
Net finance expenses	**12,058**	55,874	**61,554**	258,353
Net loss and comprehensive loss	**(156,737)**	(481,438)	**(477,198)**	(991,020)
Basic and diluted loss per outstanding share	**(0.01)**	(0.01)	**(0.01)**	(0.03)
Weighted average number of outstanding shares	**75,718,338**	47,669,596	**72,520,119**	31,446,868

Oka Niobium Project

The Company has for many years been awaiting the receipt of a CA from the MDDELCC which would allow it to exploit its Oka mine project. The Company considers that it has produced all information required by the MDDELCC for the issuance of a CA; however, in spite of the Company's repeated attempts to obtain an indication from the MDDELCC as to its intentions relatively to the CA, the Company has not received conclusive information to this effect. During 2010, the Company met with different stakeholders in the Oka region to obtain additional support to convince the MDDELCC to issue the CA, which would allow the Company to build its underground Niobium mine in the Ste. Sophie range of Oka, Quebec. In February 2010, representatives of the Company met with representatives of the Deputy Minister of Sustainable Development, Environment and Parks to further discuss the issuance of the CA. While the Company believes that this meeting was constructive and positive, the Company has not received further information as to if and when the CA will be issued by the MDDELCC.

During the fourth quarter of 2009, Nio granted a mandate to Met-Chem for the formal update of the capital/operating costs of the projected mine complex in Oka. This project was completed during the first quarter of 2010 and a press release was issued on this subject in March 2010.

Moreover, the update to the 2000 socio-economic study performed by KPMG relative to the Oka Niobium Project was completed during the first quarter of 2010 to provide additional new information to all the Company's stakeholders, shareholders, government officials and departments and the regional communities. A press release was issued on this subject on March 17, 2010.

As further detailed above, the Company announced a revaluation. Nio plans to complete the remaining segments of the feasibility study as per NI 43-101 only when the CA is issued by the MDDELCC, and this information will be needed at that time for financing purposes. The Company considers that an update of the complete feasibility study which would be compatible with NI 43-101 would require approximately six (6) months and would cost over $ 500,000.

To date, $ 6,372,056 has been spent in the Company's financial statements relative to land, exploration and evaluation expenses for this project. These essentially consist in geotechnical studies, feasibility studies and studies for the design of the Oka Niobium mining project.

The Company is actively pursuing this initiative and a significant amount of work has since been undertaken to advance the project, including:

- Numerous continuing meetings with multiple potential ferro-niobium and REE end-users or business partners

- Reinforced engagement with native communities, and stakeholders to inform the development of Nio's project and create shared value
- Working directly with the Canadian and Quebec governments regarding advancing various initiatives under way in order to increase awareness and social review.

In the meantime, these initiatives will be presented and discussed with local representative to gain social acceptance.

Great Whale Iron Property

On August 31, 2006, Met-Chem produced its technical report which recommends a plan of action on the Great Whale project for the period comprised between 2006 and 2008, which totalised seven million three hundred thousand dollars ($ 7,300,000). The Company has not started this work.

In July 2009, the Company collected new drilled core samples and cores drilled in 1957-60 by Belcher Mining Corporation Ltd from the A, D and E iron mineralized (36% Fe magnetite) sites on the GWIP (17,098 acres) located 80 kilometers from the twin villages of Kuujjuarapik – Whapmagoostui on the Hudson Bay. The objective of the 2009 program, for which $ 183,000 was spent in 2009, was to perform modern metallurgical tests to confirm the optimum ore grain size of the prospects (historical resources) for maximum iron liberation. The Company announced in February 2010 the delivery of this report, the results of which are further detailed above.

To date, $ 975,135 has been spent in the Company's Financial Statements relatively to exploration and evaluation assets for this project. These essentially consist in the study prepared by Met-Chem and fees relating to the land survey made by the Company, as well as costs engaged during 2009 for the metallurgical testing at Corem and more recently the work program which started in the fall of 2012.

Results of Operations for the three-month period ended December 31, 2022

Revenues for the fourth quarter ended December 31, 2022, were $ 2,400 as compared to a similar amount for the same period during the previous year from the leasing of some properties.

The operating expenses incurred for the fourth quarter of 2022 were $ 133,326 as compared with $ 426,764 in the fourth quarter of 2021. The decrease of $ 293,438 in the operating expenses was caused by no exploration expenses initiated in the fourth quarter of 2022 compared to exploration expenses of $ 157,772 in the fourth quarter of 2021 and a decrease in the share-based compensation expense of $ 76,519.

Finance expenses for the fourth quarter of 2022 were $ 12,058 as compared with $ 55,874 in the fourth quarter of 2021, the decrease of $ 43,816 in the current quarter was mainly attributable to the conversion of the debenture during the year.

The net loss and the comprehensive loss for the fourth quarter of 2022 was $ 156,737 or $ 0.01 per share, compared to a loss of $ 481,438 or $ 0.01 per share, for the fourth quarter of 2021.

Results of Operations for the twelve-month period ended December 31, 2022

Revenues for the twelve-month period ended December 31, 2022, were $ 11,468 as compared to a similar amount for the same period during the previous year from the leasing of some properties.

The operating expenses incurred for the twelve-month period of 2022 were $ 679,844 as compared with $ 740,467 in the twelve-month period ended December 31, 2021. The decrease of $ 60,623 in the operating expenses was caused by lower exploration expenses following the launch of the exploration program on the Great-Whale Property in 2021 offset by larger professional fees of $ 57,330.

Finance expenses for the twelve-month period of 2022 were $ 61,554 as compared with $ 258,353 in the same period of 2021, the decrease of $ 196,799 was mainly attributable to the conversion of the debenture during the period. The net loss and the comprehensive loss for the twelve-month period ended in 2022 was $ 477,198 or $ 0.01 per share, compared to a loss of $ 991,020 or $ 0.03 per share, for the same period in 2021.

Selected Quarterly Financial Information (unaudited)

The table below presents certain extracts of the unaudited condensed quarterly financial statements:

(in $)	Q4	Q3	Q2	2022 Q1	Q4	Q3	Q2	2021 Q1
Revenues	**2,400**	**3,668**	**4,650**	**750**	**1,200**	**1,200**	**4,350**	**1,050**
Net gain (loss)	**(156,737)**	**(190,074)**	**(190,351)**	**59,964**	**(481,438)**	**(196,624)**	**(170,120)**	**(142,838)**
Net gain (loss), per share	**(0.01)**	**(0.00)**	**(0.00)**	**0.00**	**(0.01)**	**(0.01)**	**(0.00)**	**(0.01)**

Since the Company has no mining operations at the present time, except for mining exploration expenses, the Company had no significant revenues over the past years. The variations in net losses result mainly from variations in expenditures relating to exploration works, professional and administration fees as well as registration fees related with claims currently held.

Liquidity and capital resources

The Company had $ 1,636,519 of cash as of December 31, 2022, compared to $ 1,943,289 as of December 31, 2021.

The Company considers that these funds are sufficient to respect all its current commitments and could be sufficient to finalize the CA issuance process. Furthermore, the Company have to raise additional funds to update the feasibility study as per NI 43-101 once the CA is issued by the MDDELCC, before raising substantial funds to proceed to the construction of the mine and the plant.

Operating Activity Cash Flows

Cash flow used in operating activities was $ 273,328 the twelve-month period ended on December 31, 2022, a decrease of $ 542,208 from $ 815,536 used in the corresponding period of 2021. The net changes in non-cash operating items following last year's financing explains the difference.

Financing Activity Cash Flows

Financing activities resulted in a cash outflow of $ 33,442 for the twelve-month period ended on December 31, 2022, as compared to $ 2,747,585 for the same period during the previous year following the loan issuance and the launch of the private placement during that period.

Investing Activity Cash Flows

Investing activities resulted in a cash inflow of $ nil for the twelve-month period ended on December 31, 2022, as compared with same for the same period during the previous year.

Related party transactions

Key management personnel compensation
Key management personnel correspond to the directors and the corporate officers of the Company.

During the twelve-month period ended December 31, the Company incurred the following expenses with key management personnel:

Unaudited	**2022**	2021
	$	$
Salary and management fees included in office and administration	**77,202**	67,880
Professional fees paid to an officer	**48,000**	44,950
Professional fees paid to a corporation controlled by an officer	**35,000**	10,000
Directors' fees	**35,576**	21,602
Share-based payments	**130,571**	132,677

The Company has the following amounts owing to its Major shareholder as at December 31:

Unaudited	**2022**	2021
	$	$
Debenture	**–**	2,345,000
Loan	**500,000**	500,000
Accrued interest	**22,603**	1,225,290

During the twelve-month period ended December 31, 2022, a gain on settlement was recognized of $242,732 (2021 - $nil) and interest expenses of $ 57,058 (2021 - $ 258,353) were incurred on the debenture, of which $ 31,225 were paid ($ nil in 2021).

Going concern

The Company is in a development stage and has mineral exploration and development properties in the province of Quebec. The Company does not capitalize the exploration and evaluation expenses. As at December 31, 2022, the Oka mining property consisted of mining rights comprised of 98 claims covering 5,429 acres and the Great Whale property consisted of surface and mining rights comprised of 98 claims covering 11,964 acres on the Hudson Bay territory. Substantially, all the Company's efforts are currently devoted to financing, developing and obtaining permits for its niobium property in Oka.

Financial statements have been prepared on a going concern basis which supposed that the Company will pursue its activities in a foreseeable future and will be able to realize its assets or discharge its obligations in the ordinary course of operations. The Company is in the process of exploring and evaluating its mineral properties and projects and has not yet determined whether its properties and projects contain ore reserves that are economically recoverable. The Company does not have any revenues coming from its operations that would enable the Company to discharge its obligations in the ordinary course of its operations. The financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to realize its assets or discharge its obligations in the ordinary course of operations.

With respect to the niobium property in Oka, the Company has determined in 1999 that the property contains ore resources which provide a conceptual indication of the potential of the property. The Company's application is under study with the MDDELCC and the community of Oka in order to obtain all permits, certificates and other authorizations to allow the Company to operate the niobium property. Management is currently working in order to obtain all the required permits and authorization to develop the Oka property.

In March 2022, $ 2,345,000 in principal and $ 1,233,018 accrued interest owing under the terms of a secured debenture initially issued by the Company to Nio-Metals on February 19, 2013 has been converted into an aggregate of 23,823,470 common shares of the Company.

The Company's ability to meet its commitments as they come due, including the final acquisition of properties and the development of mining projects, depends on its ability to obtain the necessary financing. These factors raise the existence of a material uncertainty that could cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not reflect the adjustments that would be necessary to make to the carrying values of assets and liabilities if the Company were unable to realize its assets and discharge its obligations in the normal course of its activities. Although the Company has taken steps to verify title to mineral properties in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Basis of preparation:

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (''IFRS''), as issued by the International Accounting Standards Board (''IASB''). The financial statements were authorized for issue by the Board of Directors on April 27, 2023.

Basis of measurement

The financial statements have been prepared on the historical cost basis.

Functional and presentation currency

These financial statements are presented in Canadian dollars, unless otherwise stated, which the Company's functional currency is.

Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year include, but are not limited to:

Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. Estimates and assumptions are continually assessed and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Black & Scholes valuation

The calculation of the fair value of units, stock options and warrants granted require management to make estimates and assumptions about the fair value of the underlying common shares of the Company, expected volatility, expected life and expected forfeiture rates, which could affect the Company's results if the current estimates change. Expected volatility was based on the Company's historical volatility.

Significant accounting policies:

The preparation of annual financial statements in conformity with IFRS requires management to apply accounting policies and make estimates and assumptions that affect amounts reported in the consolidated financial statements and accompanying notes. There is full disclosure of the Company's critical accounting policies and accounting estimates in note 3 of the audited financial statements for the years ended December 31, 2022 and 2021.

Change in accounting policy

There is no change in accounting policy for the year ended December 31, 2022.

Future accounting standards:

Several new standards, amendments to standards and interpretations are effective for annual periods beginning on or after January 1, 2023 and have not been applied in preparing these financial statements.

Those which may be relevant to the Company are set out below:

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current
The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted.

Amendment to IAS 12 – Income taxes
The amendments clarify that the initial recognition exemption under IAS 12 does not apply to transactions that give rise to equal taxable and deductible temporary differences, such as leases. The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with early adoption permitted.

Off-balance sheet transactions

During the year, the Company compensated a subscription receivable against accrued payable of $10,000 to an officer.

Number of Shares Issued

As at December 31,2022 and as at the date of publication of the MD&A, the number of issued and outstanding shares of the Company was 75,718,338.

As at December 31, total common shares fully diluted were as follows:

Unaudited	**2022**	2021
	$	$
Common shares	**75,718,338**	51,894,868
Warrants	**13,968,750**	13,968,750
Stock options	**3,750,000**	3,550,000
Total common shares fully diluted	**93,437,088**	69,413,618

Capital Management

The Company's objectives when managing its capital are to safeguard the Company's ability to continue as a going concern in order to support ongoing exploration programs and development of its mining assets, to provide sufficient working capital to meet its ongoing obligations and to pursue potential investments.

The Company's capital items are the following as at December 31:

Unaudited	**2022**	2021
	$	$
Cash	**1,636,519**	1,943,289
Debenture	**–**	2,345,000
Long-term debt	**530,000**	540,000
Share capital	**20,295,543**	16,989,649

The Company manages its capital structure and adjusts it in accordance with the objectives, as well as considering changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new debentures, shares, acquire or dispose of assets or adjust the amount of cash and cash equivalents. There is no dividend policy. The Company is not subject to externally imposed capital requirements. The Company's management of capital remained unchanged since the last year.

Risks and uncertainties

The Company needs to obtain a Certificate of Authorization from the MDDELCC in order to build the Oka mine project. There is no assurance that the MDDELCC will issue this CA or that the CA will be issued in the near future.

The Company's mining lease on the Oka Property expired in 2020 and converted in mining claims covering 60.3 acres. The Company can maintain its mineral rights by securing mining claims on the Oka Property. Since the Oka Property considers only mining claims, additional regulatory requirements will apply in order to convert the mining claims to a Mining Lease.

The Regional County Municipality of Deux-Montagnes (the "MRC") is in the process of assessing whether lands in its region could be considered incompatible with mining activities and may propose changes to its regional land use plan designating parts of its territory as incompatible with mining activities. Although, the area covered by the Company's mining lease cannot be designed as "mining incompatible" territory while the lease is in force, if the lease expires and if the Company acquires claims on the property, the MRC could initiate the process for the designation of such area as "mining incompatible" territory.

In 2001 the agricultural land use commission ("CPTAQ") authorized the non-agricultural use of specific parcels in the area of the Mining Lease. The authorization for non-agricultural use expired on June 26, 2022

The Company needs to secure new equity and debt financing in order to ultimately realize the Oka Project and pursue the exploration/development of other properties it has acquired, particularly that of the Great Whale Iron mineral prospect. Given the nature of the speculative investment it is seeking in the capital markets, there is no assurance that the required financing will be available.

Management serves to maintain a sufficient amount of cash and cash equivalents, and to ensure that the Company has at its disposal sufficient sources of financing such as private placements. The Company establishes cash budgets to ensure it has the necessary funds to fulfill its obligations. Being able to obtain new funds allows the Company to pursue its activities and even though the Company was successful in the past, there is no guarantee that it will succeed in the future.

There are many factors that could affect the Company's results that are not controlled by management, such as market prices, exchange rates, politico-social conflicts, competition and regulatory approvals.

The Company has not renewed its option to the purchase part of the old St-Lawrence Columbium mine site from the Municipality of Oka, which expired on June 30, 2008, pending a decision from the MDDELCC relating to the issuance of the Certificate of Authorization. While the Company has a verbal understanding with the municipality of Oka that the parties will wait for the issuance of the CA before finalizing the purchase agreement, there is no assurance that the municipality of Oka will accept to extend this offer to purchase in the future should the Certificate of Authorization be issued by the MDDELCC. A letter from the Ministry of Energy and Natural Resources ("MENR") to the MRC dated May 9, 2017 confirms that the SLC site is included in the MENR's mine sites rehabilitation program and that rehabilitation work is planned for 2019. The letter indicates that the MENR has the intention of completing the rehabilitation of the site. The rehabilitation of the site may create an impediment to its sale.

The Company takes great care to minimize these risks by carefully choosing consultants and advisors that are experienced leaders in their field of environment, mining engineering and law.

Subsequent event to December 31, 2022

There are no subsequent events.

Other

The reader is referred to financial statements and notes to financial statements for more details. Additional information relating to the Company may be consulted on SEDAR at www.SEDAR.com or on our web site https://niostratmet.com.

Hubert Marleau
Chairman, President and Chief Executive Officer

April 27, 2023