



**Management's Discussion and Analysis
For the three months ended March 31, 2024**

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. ("Nio" or the "Company") is a narrative explanation, through the eyes of Nio's management, on how the Company performed during the three-month period ended March 31, 2024 as compared to the three-month period ended March 31, 2023.

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, 2023. 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. 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 Columbian 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 intensified over the course of the year.

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.

Nio's prospective mineral assets are essentially included in the S-60 mining zone and the adjacent HWM-2 zone. They exceed 10 million tons of mineral resources averaging 0,64% Nb₂O₅ at a minimum 50 USD a kilogram (*price from Globe Metals and Mining, May 2023*) - see below for resources reference. This

represents a conservative value of 3,2 billion USD. These resources are historical in nature, they have not been validated by the qualified person. These historical resources have not been estimated in accordance with sections 1.2 and 1.3 of NI 43-101, are not up-to-date and should not be relied upon.

However, more niobium ore is available in several other carbonatite pyrochlore-enriched zones in Nio-claimed adjacent areas to the prospective S60 mining zone. That 3,2 billion USD figure is therefore likely to significantly increase with more exploration work.

Moreover, for each 4 kilogram of extracted niobium pentoxide (Nb₂O₅), approximately one kg of rare earth oxides (REO) is recoverable (from metallurgical study), mainly cerium, neodyme, lanthanum, praseodyme and europium. These still poorly assessed minerals are growing in price and in importance in today's market. They should contribute to Nio's assets enhancement.

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 event

On March 21, 2024, the Company reported on government initiatives to secure niobium as a critical metal and provided a status update. These initiatives continue to reinforce the value of the Company's niobium resource at the Oka Project in central Quebec

On April 21, 2024, the Company announced that it has amended its \$500,000 unsecured loan agreement with Nio-Metals Holdings LLC dated March 17, 2021 to extend the maturity date to April 30, 2025, subject to no other condition. Following the reimbursement of \$50,000, the amended loan agreement has been reduced to \$450,000. Except for the maturity date, the other material terms and conditions of the amended loan agreement have remained the same

On May 12t, 2024, the Company announced that it has entered into a share purchase agreement (the "SPA") to acquire 100% of the issued and outstanding shares of 1478472 B.C. Ltd., a company holding a 100% interest in the mining claims comprising the Fafnir Project in Quebec, Canada.

The Project is comprised of 90 mineral claims covering approximately 4,956 hectares (50 square kilometers) located approximately 60km north west of Mont Laurier, and 165 km north of Gatineau. There is excellent access to all parts of the property from a logging road off the La Verendrye 13, via the Trans-Canada highway.

The Fafnir project, subject of pass geophysics and ground work has a large intrusive NYF (Niobium-Yttrium-Fluorine) type pegmatite which has returned 9,238 ppm for Niobium, 8,022 ppm of Uranium and 1,288 ppm of Praseodymium (Pr) / Neodymium (Nd). The Structural shear fault that truncates the property's South Western flank, being the likely context for enrichment, also truncates the Petawaga Indice, site of a bulk sample that revealed 3.4% Niobium, 0.7% uranium and ~1% to 1.5% Lithium, is located 30 kilometers south west of Fafnir. The Boxi project located 10 kilometers, North West of Fafnir is further evidence of the strong Rare Earth Elements enrichment in the area, having reported assays of 14% Uranium, 26% Niobium and 3,700 ppm in Pr/Nd.

Results of Operations

(in \$)	For the 3 months ended	
	2024	March 31, 2023
Revenues	400	1,200
Expenses	113,291	202,456
Net finance expenses (income)	(2,072)	630
Net loss and comprehensive loss	(112,891)	(201,886)
Basic and diluted loss per outstanding share	(0.00)	(0.00)
Weighted average number of outstanding shares	79,860,672	75,718,338

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.

St-Lawrence Columbiun mine was the first significant niobium mine in the world. It operated for 16 years, and intensive resource evaluation took place at the time. National Instrument 43-101 was created after the mine closure. Data are therefore not gathered consistently with such today's standard and historical records are not considered as 43-101 compliant although they are geologically realistic.

According to the Resource estimation made by Niocan (now Nio Strategic Metals Inc.) in a Jan 2000 Feasibility report by Met-Chem/SNC Lavalin (abstracts below)

Estimate of Nb₂O₅ Resources made by Niocan

Method	Zone	Proven Resource		Probable Resource		Possible Resource		Total Resource	
		Million Tonnes	% Nb ₂ O ₅	Million Tonnes	% Nb ₂ O ₅	Million Tonnes	% Nb ₂ O ₅	Million Tonnes	% Nb ₂ O ₅
Section	S-60	7.63	0.69	3.11	0.62	3.63	0.62	14.37	0.66
Section	HWM-2	1.32	0.57	2.22	0.57	2.41	0.55	5.95	0.56
Geostat *	S-60	6.77	0.69	3.42	0.65	3.56	0.60	13.76	0.66

Note: * Geostatistical method, with cut off grade of 0.5 % Nb₂O₅

These resources are historical in nature, they have not been validated by the qualified person. These historical resources have not been estimated in accordance with sections 1.2 and 1.3 of NI 43-101, are not up-to-date and should not be relied upon.

The model validation by MetChem provides a similar picture for the S-60 and nearby HWM-2 zones.

Table 2.4

Estimated Geological Resources

Estimated by	S-60		HWM-2*		TOTAL	
	tonnes	%Nb ₂ O ₅	tonnes	%Nb ₂ O ₅	tonnes	%Nb ₂ O ₅
Niocan	14,373,133	0.66	3,288,968	0.58	17,662,101	0.64
MCP	14,783,020	0.65	3,292,196	0.55	18,075,217	0.64

Note : * From sections 3080 E to 3200 E

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, \$ 6,499,736 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 March 31, 2024

Revenues for the first quarter ended March 31, 2024, were \$ 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 first quarter of 2024 were \$ 113,291 as compared with \$ 202,456 in the first quarter of 2023. The decrease of \$ 89,165 in the operating expenses was caused by a decrease of the non-cash share-based compensation and lower mining rights following the reduction of mining claims.

Finance expenses for the first quarter of 2024 considered a net revenue of \$ 2,072 as compared with a net finance charge of \$ 630 in the first quarter of 2023. The \$ 2,702 difference was caused by higher investment in short-term deposits.

The net loss and the comprehensive loss for the first quarter of 2024 was \$ 110,819 or \$ 0.00 per share, compared to a net loss and comprehensive loss of \$ 201,886 or \$ 0.00 per share as explained above.

Selected Quarterly Financial Information (unaudited)

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

(in \$)	2024				2023				2022
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
Revenues	400	1,200	4,200	5,500	1,200	2,400	3,668	4,650	
Net earnings (loss)	(110 816)	(186,762)	(94,489)	(246,155)	(201 ,886)	156,737	(190,074)	(190,351)	
Earnings (loss), per share	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	

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 \$ 1,202,909 of cash as of March 31, 2024, compared to \$ 1,304,411 of cash as of December 31, 2023.

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 flows used in operating activities were \$ 101,502 for the 3-month period ended on March 31, 2024, a similar amount as compared to \$ 101,906 used in the corresponding period of 2023. The net changes in non-cash operating items explains the difference.

Financing Activity Cash Flows

Cash flows provided in financing activities were \$ nil for the 3-month period ended on March 31, 2024, as compared to \$ nil for the same period during the previous year.

Investing Activity Cash Flows

Investing activities resulted in a cash outflow of \$ nil for the 3-month period ended on March 31, 2024, as compared to \$ nil 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 3-month period ended March 31, the Company incurred the following expenses with key management personnel:

	2024	2023
	\$	\$
Salary and management fees included in office and administration	36,670	21,041
Professional fees paid to an officer	–	12,000
Directors' fees	8,089	10,800
Share-based payments	5,043	54,886

The Company has the following amounts owing to its Major shareholder:

	As at March 31, 2024	As at December 31, 2023
	\$	\$
Loan	500,000	500,000
Accrued interest	17,507	10,027

During the 3-month period ended March 31, 2024, interest expenses of \$ 7,479 (March 31, 2023 - \$ 7,397) were incurred on the loan and debentures, of which \$ nil were paid (March 31, 2023 - \$ nil).

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 March 31, 2024 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 63 claims covering 7,687 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.

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 unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") under international accounting standard IAS 34, Interim Financial Reporting, using the same basis of presentation, accounting policies and methods of computation that were applied for the annual financial statements for the year ended December 31, 2023.

The financial statements were authorized for issue by the Board of Directors on May 29, 2024.

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, 2023 and 2022.

Change in accounting policy

With the exception of the adoption of new accounting standard disclosed in the audited financial statements for the years ended December 31, 2023 and 2022, there is no change in accounting policy for the 3-month period ended March 31, 2024.

Off-balance sheet transactions

During the three-month period ended March 31, 2024, the Company did not record any off-balance sheet transaction.

Number of Shares Issued

As at March 31, 2024 the number of issued and outstanding shares of the Company was 79,860,672 and as at the date of publication of the MD&A, the number of issued and outstanding shares of the Company was the same.

Total common shares fully diluted were as follows as at:

	March 31, 2024	December 31, 2023
	#	#
Common shares	79,860,672	79,860,672
Stock options	4,450,000	4,450,000
Total common shares fully diluted	84,310,672	84,310,672

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:

	March 31, 2023	December 31, 2023
	\$	\$
Cash and cash equivalent	1,202,909	1,304,411
Long-term debt	500,000	500,000
Share capital	20,980,963	20,980,963

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 general economic conditions, interest rate fluctuations, key personal, loan default, 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 Columbian 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 March 31, 2024

On April 24, 2024, the Company amended its \$500,000 unsecured loan agreement with Nio-Metals dated March 17, 2021 (the "Amended Loan Agreement") to extend the maturity date to April 30, 2025, subject to no other condition. Following the cash reimbursement of \$50,000, the Amended Loan Agreement has been reduced to \$450,000. Except for the maturity date and the principal amount, the other material terms and conditions of the Amended Loan Agreement have remained the same.

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.SEDARplus.ca or on our web site <https://niostratmet.com>.

Hubert Marleau
Chairman, President and Chief Executive Officer

May 29, 2024