STRATEGIC RESOURCES INC.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED MARCH 31, 2025

TSX-V: SR

www.strategic-res.com

The following management discussion and analysis ("MD&A") of Strategic Resources Inc. ("Strategic" or the "Company") for the three-month and nine-month periods ended March 31, 2025 should be read in conjunction with the unaudited condensed interim consolidated financial statements ("interim consolidated financial statements") for the three-month and nine-month periods ended March 31, 2025, together with the notes thereto. The unaudited condensed interim consolidated financial statements have been prepared in Canadian dollars, which is the Company's presentation and functional currency, in accordance with International Accounting Standards 34, Interim Financial Reporting ("IAS 34"), and International Financial Reporting Standards (''IFRS'') as issued by the International Accounting Standards Board ("IASB"). The Company's material accounting policies are set out in note 2 of the consolidated financial statements for the year ended June 30, 2024 and, where required, in note 3 of the unaudited condensed interim consolidated financial statements for the three-month and nine-month periods ended March 31, 2025.

This MD&A contains forward looking statements that are based on certain estimates and assumptions and involve risks and uncertainties. Actual results may vary materially from management's expectations. See the "Forward Looking Statements" section later in this MD&A for further information. All figures in this MD&A are expressed in thousands of Canadian dollars, unless otherwise stated.

The Board of Directors approved this MD&A on May 27, 2025.

Description of business and overview

The Company is developing a metals and materials manufacturing business from its wholly-owned vanadium and titanium bearing magnetite ("VTM") deposit in Québec, Canada (the "Project"). The mine and concentrator portion of the Project is located approximately 700 km north of Montréal, and 20 km southeast (60 km by road) of Chibougamau, Québec on traditional Cree lands within the James Bay Territory.

The Company's metallurgical facility will be located at Port Saguenay, a Federal deep-sea port and industrial park with access to the St. Lawrence Seaway. Port Saguenay is 380km south of Chibougamau and is connected by existing railway. Both the mine site and metallurgical facility are permitted to commence construction.

The Company intends to produce a number of critical minerals including Vanadium, Titanium and High Purity Pig Iron in an integrated operation. The Project will be the first VTM mine in North America and is planned to be one of the lowest carbon emitting metallurgical facilities in the world. The plant is designed to be green hydrogen ready and the Company's plans call for these critical and strategic minerals to be transformed into green products used by industry to produce high quality metal alloys and advanced batteries, reducing the global greenhouse gas emissions of producing such products.

During the second quarter of fiscal 2024, after initial discussions and feedback from iron ore traders and potential strategic partners, the Company decided to prioritize the construction of a four million tonne per annum ("mtpa") iron ore pellet plant at Port Saguenay.

As a result, the Company's utility needs have been substantially reduced for both natural gas and electricity and the Company decided to release BlackRock's old electrical contract with Hydro-Québec and the associated letters of credit during the year ended June 30, 2024. Through this process, the Company recovered surplus capital into its treasury which can be used to advance the Project.

The Company also holds a VTM project in Finland as follows:

Mustavaara Project

Mustavaara is a large VTM deposit, which was mined by the Finnish state company Rautaruukki Oy between 1976 and 1985. Mustavaara is located in the Municipality of Taivalkoski, 75 kilometres southwest of the city of Kuusamo. The three mineral claim reservations held comprise an area of approximately 2,650 hectares. The vanadium produced from Mustavaara and the nearby Otanmäki deposit accounted for approximately 10% of the world's vanadium production at that time. Mining was suspended due to adverse market conditions and the processing facilities were dismantled in 2001. Mustavaaran Kaivos Oy commissioned Pöyry Finland Oy to complete a Pre-Feasibility Study ("PFS") for the project in 2011. The resulting 2012 PFS outlined a project that would have a concentrator near site and a smelting plant located close to the coast in the city of Raahe.

During the first half of 2021, the Company worked with AFRY Finland Oy to complete a Preliminary Economic Assessment ("PEA") on Mustavaara, the results of which were announced on May 4, 2021 in a news release titled "Strategic Resources Announces Mustavaara PEA; €190M After-tax NPV (8%) with a 20 Year Mine Life." A NI 43-101 technical report, titled "NI 43-101 Technical Report Preliminary Economic Assessment on the Mustavaara Vanadium project, Finland" detailing the PEA for the Mustavaara Project was completed and filed on SEDAR+ and Strategic's website on June 10, 2021, with an effective date of May 4, 2021.

In November 2021, the Company filed exploration permit applications with the Finnish mining authority (Tukes) to transition all the concessions at Mustavaara from reservation status to the exploration license phase. Exploration permits (formerly reservations) were granted to Strategic Explorations Oy by the Finnish Safety and Chemicals Agency (the "**Mining Authority**") on 26 April 2023. A registered association named *Kansalaisten kaivosvaltuuskunta – MiningWatch Finland ry* appealed against all of the said exploration permit decisions. On May 9, 2025, the Administrative Court of Northern Finland rejected the Mining Authority's decisions to grant the exploration permits and returned the cases to the Mining Authority for new, corrected decision-making. Given the Administrative Court's decision, Strategic Explorations Oy must amend its exploration permit applications to include certain information pointed out by the court and a mining waste management plan must also be included.

An application to extend the existing water permit allowing for future construction of mining operations at Mustavaara was delivered to Regional State Administrative Agency for Northern Finland ("PSAVI") in February 2022. On June 21, 2022, PSAVI approved the application to extend the permit for three years to July 2025. The approval was open for public appeals to the Regional Court until July 28, 2022. No appeals were made, and the permit is now legally binding.

A proposal for an environmental baseline monitoring program was sent to the Centre for Economic Development, Transport and the Environment of North Ostrobothnia in November 2021. The monitoring program was open for public comments between May 11, 2022 to June 17, 2022, with no significant matters raised during that period. The monitoring program was approved in October 2022 following which the Company has been in consultation with third-party contractors to define a future program.

In February 2024, the European Union selected the Mustavaara Project to be part of AVANTIS, a €5 million study on vanadium and titanium. The study which is funded by the European Union will evaluate new extraction methods to produce two distinct pre-concentrates: (1) ilmenite-rich, titanium pre-concentrate and (2) ilmenite-free, vanadium pre-concentrate.

The Company is continuing to focus on advancing the local permits and environmental studies which will be required for future permits and operations on the project, as described above.

Additional Information

Additional information about the Company is available under the Company's profile on SEDAR+ at www.sedarplus.ca and on the Company's website at www.strategic-res.com.

Adrian Karolko, P.Geo., is a qualified person as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") and has reviewed and approved for inclusion the scientific and technical disclosure in this MD&A.

Outlook

During the second quarter of fiscal 2024, the Company completed initial rounds of discussions with iron ore traders and potential strategic partners regarding its plans for a standalone 4 mtpa iron ore pellet plant at Port Saguenay. Based on the initial feedback on the pellet project, the Company has decided to prioritize the construction of a 4 mtpa iron ore pellet plant at Port Saguenay in Québec. The Company completed a Pre-feasibility Class 5 level engineering study on the pellet plant and is working on funding and securing iron ore concentrate feed for the project. The pellet project will be located on the Company`s existing leased area at the Federal Port, where the Provincial and Federal Governments are currently building a C$111 million multi-user conveyor system which the pellet project would utilize. The pellet project will focus on direct reduction grade pellet feed that will be used in the green steel industry and will be the only greenfield development project of its kind in Canada. The Company will continue to work to advance economic studies and permitting work on its Mustavaara project in Finland, as well as to evaluate opportunities that may arise for future acquisitions.

The Company has signed definitive agreements with a subsidiary of Javelin Global Commodities ("Javelin") to procure approximately four million tonnes of direct reduction ("DR") grade iron ore concentrate and sell up to four million tonnes a year of DR grade iron pellets from Strategic`s planned High Purity Iron pelletizer facility at Port Saguenay, Québec (the "Plant"). Javelin and Strategic also signed an indicative term sheet for Javelin to provide a secured working capital facility of up to US$150,000 to support the operations of the Plant.

The Company has signed a Collaboration Agreement (the "Agreement") with Tacora Resources Inc. ("Tacora") that will explore using Tacora's iron ore concentrate to feed Strategic's planned High Purity Iron pelletize facility at Port Saguenay. The Agreement will focus on testing of Tacora's iron ore concentrate to determine the suitability for the direct reduction grade pellets that Strategic plans to produce from the pelletizer. The Agreement considers Strategic purchasing up to 25% of Tacora's future expanded throughput capacity.

The Company is also working with Énergir L.P. to prepare a new natural gas distribution contract that will better respond to the Company`s needs in terms of natural gas consumption and timelines for delivery. Accordingly, the existing contract between Énergir L.P. and Strategic was cancelled, enabling Strategic to recover $4,273 of cash from the letter of credit previously issued in favour of Énergir L.P.

(Expressed in thousands of Canadian dollars or other currencies, unless otherwise stated)

Financial highlights

	For the three-month periods ended March 31		For the nine-month periods ended March 31	
	2025	2024	**2025**	2024
Expenses				
General and administrative	**(268)**	(329)	**(671)**	(770)
Salaries, benefits and directors' fees	**(215)**	(228)	**(675)**	(869)
Professional fees	**(374)**	(354)	**(1,062)**	(1,134)
Restructuring fees	-	-	-	(2)
Depreciation, amortization and share-based compensation	**(127)**	(709)	**(470)**	(2,988)
Other income (expenses)				
Finance income	**59**	234	**240**	796
Finance expenses	**(302)**	(342)	**(919)**	(1,005)
Change in fair value of restricted share unit liability	**113**	114	**126**	982
Reversal of contribution agreement expenses	-	-	**52**	-
Other income	-	-	**6**	-
Taxes				
Income and mining taxes	-	-	**(3)**	-
Net loss	**(1,114)**	(1,614)	**(3,376)**	(4,990)
Other comprehensive (loss) income	**11**	(1)	**14**	2
Comprehensive loss for the period	**(1,103)**	(1,615)	**(3,362)**	(4,988)
Basic and diluted (loss) income per share	**(0.02)**	(0.03)	**(0.06)**	(0.09)

	March 31, 2025	June 30, 2024
Total assets	91,859	93,684
Non-current liabilities	19,467	18,435
Total liabilities	22,238	21,170
Equity	69,621	72,514

Results for the three months ended March 31, 2025 and 2024

General and administrative

For the three months ended March 31, 2025, general and administrative expenses decreased by $61 to $268 compared with the comparative period due to savings in memberships and associations, property taxes and market communication and promotion. General and administrative expenses is comprised of insurance, rents, telecommunication, information technology costs, travel, investor relations and communications and other administrative expenses.

Salaries, benefits and directors' fees

For the three months ended March 31, 2025, salaries, benefits and directors' fees were in line with the comparative period as there was no change to the head count.

Professional fees
For the three months ended March 31, 2025, professional fees increased by $20 from the comparative period as savings in accounting, legal and other consulting fees were offset by financial advisory services fees incurred for exploring project financing options.

Depreciation, amortization and share-based compensation
For the three months ended March 31, 2025, share-based compensation decreased by $582 from the comparative quarter. The comparative quarter included the calculated fair value of restricted share units ("RSU") issued to management in July 2022 as well as the calculated fair value of stock options granted to directors, officers, employees and consultants in August 2023 whereas the current quarter includes only the remaining fair value of the stock options being expensed over its vesting period. Depreciation and amortization were negligible in both periods.

Finance income
For the three months ended March 31, 2025, finance income decreased by $175 versus the comparative quarter as a result of the settlement of letters of credits issued in favour of Hydro-Québec and redemptions of the associated guaranteed investment certificates ("GICs"). In addition, the interest rates on GICs for the current quarter were lower than the comparative quarter.

Finance expenses
For the three months ended March 31, 2025, finance expenses decreased by $40 from the comparative quarter because of lower financial costs of maintaining the letters of credit due to the Hydro-Québec settlement. Finance expenses include interest on the lease obligation, financial costs of maintaining letters of credit and accretion interest on the asset retirement obligations.

Change in fair value of restricted share unit liability
Change in fair value of restricted share unit liability of $113 relates to revaluation to fair value of the earned portion of the RSUs and was consistent with the comparative quarter. The gain reflects a decrease in the Company's share price during that period.

Development project expenditures
For the three months ended March 31, 2025, the Company incurred development expenditures of $157, including $89 of capitalized amortization, with respect to the development of the proposed metallurgical plant at the Port Saguenay. The total cost was capitalized in the condensed interim consolidated statement of financial position as metallurgical plant under construction.

For the three months ended March 31, 2025, the Company incurred development expenditures of $23 with respect to the development of the future mine and concentrator plant in Chibougamau. The expenditure was capitalized in the condensed interim consolidated statement of financial position as mine under construction.

Results for the nine months ended March 31, 2025 and 2024

General and administrative

For the nine months ended March 31, 2025, general and administrative expenses decreased by $99 to $671 versus the comparative period due to savings in membership and association, property taxes and market communication and promotion. General and administrative expenses is comprised of insurance, rents, telecommunication, information technology costs, travel, investor relations and communications and other administrative expenses.

Salaries, benefits and directors' fees

For the nine months ended March 31, 2025, salaries, benefits and directors' fees decreased by $194 from the comparative period due to the payment of incentive compensation in the previous period.

Professional fees

For the nine months ended March 31, 2025, professional fees decreased by $72 from the comparative period because there were additional public company related costs, tax filings and legal fees as a result of the reverse takeover transaction in the previous period offset by additional audit and valuation fees for the 2024 year end audit and financial advisory services fees incurred for exploring project financing options.

Depreciation, amortization and share-based compensation

For the nine months ended March 31, 2025, share-based compensation decreased by $2,518 from the comparative period. The comparative period included the calculated fair value of restricted share units issued to management in July 2022 as well as the calculated fair value of stock options granted to directors, officers, employees and consultants in August 2023 whereas the current period includes only the remaining fair value of the stock options being expensed over its vesting period. Depreciation and amortization were negligible in both periods.

Finance income

For the nine months ended March 31, 2025, finance income decreased by $556 compared to the comparative period as a result of the settlement of letters of credits issued in favour of Hydro-Québec and redemptions of the associated guaranteed investment certificates (GICs). In addition, the interest rates on GICs for the current period were lower than the comparative period.

Finance expenses

For the nine months ended March 31, 2025, finance expenses were lower by $86 from the comparative period because of lower financial costs of maintaining the letters of credits due to the Hydro-Québec settlement. Finance expenses include interest on the lease obligation, financial costs of maintaining letters of credit and accretion interest on the asset retirement obligations.

Change in fair value of restricted share unit liability

Change in fair value of restricted share unit liability relates to revaluation to fair value of the earned portion of the RSUs and decreased by $856 to $126 for the nine months ended March 31, 2025. The gain reflects the decrease in share price of the Company during the period and is lower for the nine months ended March 31, 2025 relative to the comparative period because additional RSUs were settled on July 1, 2024 and the share price decline in the current period was less than the comparative period.

(Expressed in thousands of Canadian dollars or other currencies, unless otherwise stated)

Contribution agreement expenses

For the nine months ended March 31, 2025, after the cancellation of the contribution agreements with Hydro-Québec, Hydro-Québec finalized the construction costs to be paid by BlackRock and an over provision of $52 was reversed.

Development project expenditures

For the nine months ended March 31, 2025, the Company incurred development expenditures of $528, including $266 of capitalized amortization, with respect to the development of the proposed metallurgical plant at the Port Saguenay. The total cost was capitalized in the condensed interim consolidated statement of financial position as metallurgical plant under construction.

For the three months ended March 31, 2025, the Company incurred development expenditures of $74 with respect to the development of the future mine and concentrator plant in Chibougamau. The expenditure was capitalized in the condensed interim consolidated statement of financial position as mine under construction.

Exploration and evaluation assets

For the period ended March 31, 2025, the Company did not incur any exploration and evaluation expenditure with respect to the Mustavaara property. The Company`s exploration and evaluation assets at March 31, 2025 consisted of the Mustavaara property with a carrying value of $6,735.

Cash-flows

	For the nine months ended March 31	
	2025	2024
Net cash used in operating activities	**(1,599)**	(2,861)
Net cash provided by (used in) investing activities	**1,353**	(1,366)
Net cash used in financing activities	**(111)**	(106)
Net decrease in cash	**(357)**	(4,333)
Effect of foreign exchange rate changes on cash	1	1
Cash – beginning of the period	**560**	6,619
Cash – end of the period	**204**	2,287

Operating activities

For the nine months ended March 31, 2025, operating activities used $1,599 compared to $2,861 in the comparative period. The decrease in cash used is mainly due to lower total expenses incurred as well as movements in non-cash working capital items.

Investing activities

For the nine months ended March 31, 2025, cash provided by investing activities was $1,353 compared to a use of $1,366 in the comparative period. The Company redeemed $1,690 in GICs during the current period compared to an investment of $1,050 in GICs in the comparative period. Additions to development project expenditures were $337 in the current period compared to $353 in the comparative period.

(Expressed in thousands of Canadian dollars or other currencies, unless otherwise stated)

Financing activities

For the nine months ended March 31, 2025, the Company used cash of $111 compared to $106 in the comparative period to repay the lease obligation.

Liquidity and capital resources

As at March 31, 2025, the Company has cash and short-term investments of $5,487 compared to $3,260 at the end of June 2024. The Company had working capital of $3,399 and shareholders' equity of $69,621 as at March 31, 2025. The Company's business plan is dependent on raising additional funds to finance operations within and beyond the next 12 months. To date, the Company has been able to finance its operations through proceeds from the issuance of long-term debt and equity financing. Refer to note 2 (Going concern) to the interim consolidated financial statements for the period ended March 31, 2025 for additional information concerning the going concern basis of presentation.

Financing activities

There were no financing activities during the nine-month period ended March 31, 2025.

Selected quarterly information

The following table sets out selected unaudited interim quarterly financial information of the Company covering the last eight quarters and is derived from the unaudited interim consolidated financial statements of the Company.

Quarter Ended	Revenue	Net loss	Basic and diluted loss per share
March 31, 2025	–	(1,114)	(0.02)
December 31, 2024	–	(1,178)	(0.02)
September 30, 2024	–	(1,084)	(0.02)
June 30, 2024*	–	(68,267)	(1.16)
March 31, 2024	–	(1,614)	(0.03)
December 31, 2023	–	(1,216)	(0.02)
September 30, 2023	–	(2,160)	(0.03)
June 30, 2023	–	(2,182)	(0.04)

*Impairment of property, plant and equipment of $72,871 recorded in quarter ended June 30, 2024

Commitments and obligations

In the normal course of business, the Company enters into contracts that give rise to commitments and contractual obligations. The following table summarizes the Company's contractual obligations as at March 31, 2025:

(Expressed in thousands of Canadian dollars or other currencies, unless otherwise stated)

	Less than one year	One to five years	More than five years	Total
Operating lease payments	17	1	–	18
Services agreement	13	–	–	13
Payables and accrued liabilities	1,409	–	–	1,409
Contractual lease obligation	1,048	4,407	43,878	49,333
Restricted share unit liability	314	–	–	314
Asset retirement obligations	–	–	1,066	1,066
	2,801	**4,408**	**44,944**	**52,153**

Outstanding share capital

The authorized share capital consists of an unlimited number of common shares without par value.

As at May 27, 2025, there were 59,027,995 common shares, 3,225,000 share options, no warrants and 628,304 RSUs issued and outstanding.

Transaction with related parties

For the nine months ended March 31, 2025, the Company incurred management salaries, bonuses and benefits of $694, share-based compensation of $367 and consulting fees of $469 for key management.

Off-balance sheet arrangements

Other than the short-term operating lease and services agreement commitments referred to under 'Commitments and Obligations' above, the Company had no off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments or any obligations that would trigger financing, liquidity, market or credit risk to the Company.

Critical accounting policies and estimates

The preparation of consolidated 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. The Company's critical accounting policies and accounting estimates are disclosed in notes 2 and 4 of the consolidated financial statements for the year ended June 30, 2024.

Financial instruments and risk management

The Company's financial instruments consist of cash, short-term investments, receivables, restricted investments, payables and accrued liabilities. The Company's financial instruments description and disclosure can be found in note 17 of the condensed interim consolidated financial statements for the period ended

March 31, 2025.

The Company’s risk management objectives and policies are disclosed in note 17 of the condensed interim consolidated financial statements for the period ended March 31, 2025.

Subsequent events

There are no subsequent events.

Proposed transactions

There are no proposed transactions.

Risks and uncertainties

The exploration of mineral deposits involves significant risks and uncertainties, which even a combination of careful evaluation, experience and knowledge may not eliminate. Some of the more prominent risk factors that may materially affect the Company’s future performance are listed below.

Strategic depends on one main project.
The Project accounts for most of the Company's mineral resources and mineral reserves and represents mainly the current potential for the future generation of revenue. Mineral exploration and development involve a high degree of risk that even a combination of careful evaluation, experience and knowledge cannot eliminate and few properties that are explored are ultimately developed into producing mines. Any adverse development affecting the Project will have a material adverse effect on our business, prospects, financial position, results of operations and cash flows.

The development of the 4 mtpa pellet plant, the successful start of mining operations and development of the metallurgical plant to produce vanadium and pig iron into commercially viable projects cannot be assured.
Development of mineral properties involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The commercial viability of a mineral deposit is dependent upon several factors which are beyond the Company’s control, including the attributes of the deposit, commodity prices, government policies and regulation and environmental protection. Fluctuations in the market prices of minerals may render resources and deposits containing relatively lower grades of mineralization uneconomic.

There are numerous activities that need to be completed in order to successfully commence development and production at the Project, including, without limitation: completing a feasibility study on the 4 mtpa pellet plant, optimizing the mine plan; recruiting and training personnel; having available funds to finance construction and development activities; avoiding potential increases in costs; negotiating contracts for railway transportation, port loading and handling and for the sale of the Company`s products; updating, renewing and obtaining, as required, all necessary permits, including, without limitation, environmental permits; and handling any other infrastructure issues.

There is no certainty that we will be able to successfully complete these activities, since most of these activities require significant lead times, and we will be required to manage and advance these activities concurrently in order to begin production. A failure or delay in the completion of any one of these activities may delay production, possibly indefinitely, at the Project and would have a material adverse effect on our business, prospects, financial position, results of operations and cash flows.

As such, there can be no assurance that the Company will be able to complete development of the Project at all, on time or in accordance with any budgets due to, among other things, the delivery and installation of plant and equipment and cost overruns, or that the current personnel, systems, procedures and controls will be adequate to support operations. Failure to successfully complete these events as expected would have a material adverse effect on our business, prospects, financial position, results of operations and cash flows.

There is no assurance that the Company will ever achieve production or will ever be profitable if production is achieved.

Titles and other rights to the Properties cannot be guaranteed and may be subject to prior unregistered agreements, transfers or claims and other defects.
The Company cannot guarantee that title to the Properties will not be challenged. The Company may not have, or may not be able to obtain, all necessary surface rights to develop the Project. Title insurance generally is not available for mineral properties, and our ability to ensure that we have obtained secure claim to individual mineral properties or mining concessions comprising the Project may be severely constrained. The Project may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. We have not conducted surveys of all the claims in which we hold direct or indirect interests. A successful challenge to the precise area and location of these claims could result in our being unable to operate on all or part of the Company Property as permitted or being unable to enforce our rights with respect to all or part of the Company Property.

This could result in the Company not being compensated for its prior expenditures relating to its properties. In addition, the Company's ability to continue to explore and develop the properties may be subject to agreements with other third parties including agreements with aboriginal groups.

The Company needs to enter into contracts with external service providers.
Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. In order to develop a mine and metallurgical facilities, the Company will need to negotiate and conclude various agreements with external service providers for rail transportation and port loading and handling, and these are important determinants that affect capital and operating costs. The inability to conclude any such agreements and/or the subsequent termination of any such agreements could have a material adverse effect on the Company’s financial position, results of operations and cash flows and render the development of a mine on the Project unviable.

The Company's activities are subject to environmental laws and regulations that may increase its costs of doing business and restrict the Company’s operations.
All of our exploration, potential development and production activities in Canada and Finland are subject to regulation by governmental agencies under various environmental laws, including with respect to air emissions, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining

operations. Compliance with environmental laws and regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in our intended activities.

There can be no assurance that future changes in environmental regulations will not adversely affect our business, and it is possible that future changes in these laws or regulations could have a significant adverse impact on some portion of our business, causing us to re-evaluate those activities at that time. Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulator or judicial authorities, causing operations to cease or to be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

The Company may experience difficulty attracting and retaining qualified management and technical personnel to meet the needs of its anticipated growth.

We are dependent on the services of key executives, including our Chief Executive Officer and other highly skilled and experienced executives and personnel focused on managing the Company's interests and the advancement of the Project and on identifying new opportunities for growth and funding. Due to our relatively small size, the loss of these persons or our inability to attract and retain additional highly skilled employees, on a timely basis or at all, required for the development of our activities may have a material adverse effect on our business or future operations.

We also anticipate that, as we bring the Project into production and, where appropriate, acquire additional mineral rights, we will experience significant growth in our operations. We expect this growth to create new positions and responsibilities for management and technical personnel and to increase demands on our operating and financial systems. There can be no assurance that we will successfully meet these demands and effectively attract and retain additional qualified personnel to manage our anticipated growth. The failure to attract such qualified personnel to manage growth would have a material adverse effect on our business, financial position, results of operations and cash flows.

The Company will require additional capital in the future, and no assurance can be given that such capital will be available at all or available on terms acceptable to the Company.

The Company currently has limited financial resources and no cash flow from production. Further development and exploration of the Project depends upon the Company's ability to obtain financing through strategic partnerships, equity or debt financings, production-sharing arrangements or other dilutive or non-dilutive means. There is no assurance that the Company will be successful in obtaining required financing on acceptable terms, or at all. If the Company is unable to obtain additional financing it may consider other options, such as (i) selling assets, (ii) selling equity, or (iii) selling interests in the Project or Mustavaara Project. If the Company raises additional funding by issuing additional equity securities or other securities that are convertible into equity securities, such financings may substantially dilute the interest of existing or future shareholders. Sales or issuances of a substantial number of securities, or the perception that such sales could occur, may adversely affect the prevailing market price of the Company's common shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in earnings per share. Failure to obtain additional financing could result in an indefinite postponement of further exploration and development of the Project and will have a material adverse effect on the Company's business, prospects, financial position, results of operations and cash flows.

The Company is pursuing a financing strategy for the Project that includes obtaining a Senior Debt Facility to complete the construction and start-up of the Project. There can be no assurance that the Company will receive commitments from lenders for the Senior Debt Facility or that it will be able to negotiate binding agreements with respect to the Senior Debt Facility. There can be no assurance that the Company will successfully conclude the Senior Debt Facility or any of its financing strategy. The failure of the Company to enter the Senior Debt Facility on reasonable terms, or at all, could delay construction and start-up of the BlackRock Project, which would have a material adverse effect on the Company's business, financial position, results of operations and cash flows.

The Company has a history of losses and expects to incur losses for the foreseeable future.
The Company has incurred operating losses since its inception and expects to incur losses for the foreseeable future. We expect to continue to incur losses unless and until such time as the BlackRock Project enters commercial production and generate sufficient revenues to fund continuing operations. The development of the BlackRock Project will require the commitment of substantial financial resources. The amount and timing of expenditures will depend on a number of factors, including the progress of ongoing exploration, evaluation and development, the results of consultant analysis and recommendations, the rate at which operating losses are incurred, the execution of any agreements with strategic partners and our acquisition of additional properties. Some of these factors are beyond our control. There can be no assurance that the Company will ever achieve profitability.

The Company may become party to litigation from time to time in the ordinary course of business.
The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against it, such a decision could adversely affect its ability to continue operating and could use significant the Company’s resources. Even if the Company is involved in litigation and wins, litigation can redirect significant company resources.

Mineral exploration inherently involves a high degree of risk. All of the mineral property interests of the Company are in the exploration and development stage and, consequently, may not result in any commercial discoveries
Mineral exploration involves a high degree of risk. Few properties which are explored are ultimately developed into producing mines. The property interests owned by the Company are in the exploration stage only, are without known bodies of commercial mineralization and the Company has no ongoing mining production at any of them. The Company’s mineral exploration activities may not result in any discoveries of commercial bodies of mineralization. If the Company’s efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations. As well, the exploration and development activities of the Company may be disrupted by a variety of risks and hazards, which may be beyond the control of the Company. These risks include, but are not limited to, social and political activism and strife, litigation, labour stoppages, the inability to obtain adequate power, water, trained professionals and labour, including consultants or other experts, as well as suitable machinery and equipment. In addition, the Company may be unable to acquire or obtain such necessities as water and surface rights, which may be critical for the continued advancement of exploration and development activities on its mineral property rights.

The exploration and the development of the Company’s property interests are subject to extensive laws and regulations governing health, safety, environment and communities.

The Company's exploration and mine development activities are subject to extensive laws and regulations governing the protection of the environment and water, waste disposal, worker and community safety, employee health, mine development, and preservation of archaeological remains, endangered and protected species, as well as extensive reporting and community engagement requirements, and more. The Company's ability to obtain permits and other approvals and to successfully operate in particular locations may be adversely impacted by real or perceived detrimental events associated with the Company's activities or those of other mining companies or associations, or even artisanal or illegal miners affecting the environment, human health, and safety of nearby communities. Delays in obtaining or failure to secure government permits and approvals, or to secure evictions of illegal miners or other invaders, may adversely affect the Company's ability to access, explore or develop its properties. The Company has made, and expects to make in the future, significant expenditures to comply with laws and regulations and to the extent reasonably possible, generate social and economic benefit in nearby communities. Future changes to environmental laws, regulations and permitting processes or changes in their enforcement or regulatory interpretation could have an adverse impact on the Company's operating and financial condition.

The Company may not be able to obtain or renew permits that are necessary for its operations.
In the ordinary course of business, the Company is required to obtain, as well as renew, government permits for exploration and development activities and any ultimate development, construction and commencement of new mining operations. Obtaining or renewing necessary permits can be a complex and time-consuming process, which at times may involve several political jurisdictions and different government agencies that may not have the necessary expertise, resources or political disposition needed for efficient and timely processing, and may require public hearings and costly undertakings on the Company's part. The duration and success of the Company's efforts to obtain and renew permits are contingent upon many variables not within its control, including the interpretation of applicable requirements implemented by permitting authorities, the expertise or diligence of civil servants, challenges presented by social and political actors, and the timeframes for agency decisions. The Company may not be able to obtain or renew permits that are necessary to its operations, or the cost to obtain or renew permits may exceed what the Company believes it can recover from a given property once in production. Any unexpected delays or costs associated with the permitting process could slow exploration and/or development or impede the eventual operation of a mine and could adversely impact the Company's operations and profitability.

The prices of iron ore concentrate, pellets, pig iron and vanadium have fluctuated significantly in recent years and may adversely affect the economic viability of any of the Company's projects.
The Company's revenues, if any, are expected to be almost entirely derived from the processing of third-party iron ore concentrate and sale of iron ore pellets, during the operation of the 4 mtpy pellet plant. In subsequent phases, the Company may develop its VTM deposit and metallurgical facility resulting in the mining and transformation of VTM concentrate into saleable vanadium and pig iron. The prices of commodities have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the Company's control, including: international economic and political trends; expectations of inflation; currency exchange fluctuations; interest rates; consumption patterns; speculative activities; and, increased production due to new mine developments and improved mining and production methods. The effect of these factors on the price of commodities, and, therefore, on the economic viability of any of the Company's mining properties, cannot be accurately predicted, but nonetheless may adversely impact the Company's ability to raise capital and conduct its operations.

One of the Company's subsidiaries and its mineral properties are in foreign countries and, therefore, a portion of the Company's business may be exposed to political, economic, social, security, and other risks and uncertainties.
Some of the Company's mineral properties are located in Finland. It may, therefore, be exposed to various types and degrees of security, economic, labour, political, social and other risks and uncertainties that could arise in this foreign jurisdiction.

The value of the Company's common shares, as well as its ability to raise equity capital, may be impacted by future issuances of shares
The Company is authorized to issue an unlimited number of common shares without par value. The Company may issue more common shares in the future. Sales of substantial amounts of common shares (including shares issuable upon the exercise of stock options or warrants), or the perception that such sales could occur, could materially adversely affect prevailing market prices for the common shares and the ability of the Company to raise equity capital in the future.

CAUTIONARY NOTE TO UNITED STATES INVESTORS CONCERNING ESTIMATES OF MEASURED, INDICATED AND INFERRED RESOURCES

This MD&A uses the terms "Measured", "Indicated" and "Inferred" Mineral Resources. United States investors are advised that while such terms are recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission ("SEC") does not recognize them. "Inferred Mineral Resources" have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or pre-feasibility studies. **United States investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. United States investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists or is economically or legally mineable.**

FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws concerning anticipated developments and events that may occur in the future.

Forward looking information contained in this MD&A includes, but is not limited to, statements with respect to: (i) the estimation of mineral reserves and mineral resources; (ii) permitting time lines; (iii) the sufficiency of working capital; (iv) requirements for additional capital; (v) development, construction and production timelines and estimates; (vi) the timing of long lead equipment items; (vii) the supply of power and gas for the Project; (viii) the use of financing proceeds; (ix) the results of our Feasibility Study, including statements about estimated future production, future operating and capital costs, the projected internal rate of return (“IRR”), net present value (“NPV”), payback period, construction timelines and production timelines for the Project (as defined below); (x) forecasts for future expenditures; (xi) the Company’s financing strategy for the development of the Project, including the anticipated amount, timing and successful completion of the financing for the construction of the Project, the expected timeline for the commencement of construction and its duration, the negotiation and conclusion of infrastructure contracts, implementation of agreements and ongoing consultation with aboriginal groups and initiatives to secure off-take partners; (xii) the engagement with local authorities to seek to extend existing permits for the Mustavaara Project and plans to begin environmental monitoring programs; (xiii) the Company’s plans and actions required to continue or initiate exploration and drilling programs on its projects; (xiv) the Company’s ability to comply with permitting and regulatory requirements related to exploration and development and related operations, as well as any associated costs and timing; and (xv) any additional risks and uncertainties with regards to the Company’s business.

In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance.

Forward-looking information contained in this MD&A is based on certain factors and assumptions regarding, among other things, the estimation of mineral reserves and resources, the realization of resource estimates, pig iron and other metal prices, the timing and amount of future exploration and development expenditures, the estimation of initial and sustaining capital requirements, the estimation of labour and operating costs, the availability of necessary financing and materials to continue to explore and develop the BlackRock Project in the short-and long-term, the progress of exploration and development activities, the receipt of necessary regulatory approvals, the estimation of insurance coverage, and assumptions with respect to currency fluctuations, environmental risks, title disputes or claims, and other similar matters. While the Company considers these assumptions to be reasonable based on information currently available to it, these assumptions may prove to be incorrect.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The forward-looking information is made as of the date of this MD&A.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. Except as required by applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking information, and readers should also carefully consider the matters discussed under the heading, " Risks and uncertainties ", in this MD&A.

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