STRATEGIC RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2022

TSX-V: SR

www.strategic-res.com

STRATEGIC RESOURCES

Management's Discussion and Analysis
For the Year Ended December 31, 2022 **March 29, 2023**

INTRODUCTION

Strategic Resources Inc. ("Strategic" or the "Company") is a resource exploration company with a focus on the acquisition, exploration and development of mineral properties containing vanadium and other metals used in batteries and the electrification of the economy. Strategic's head office is in Vancouver, Canada. The Company was incorporated under the Ontario *Business Corporations Act* on October 25, 2004 and was continued under the British Columbia Business Corporations Act on June 7, 2016. The Company is a reporting issuer in each of British Columbia, Alberta, Saskatchewan and Ontario; and its common shares are listed on the TSX Venture Exchange ("TSXV") under the symbol "SR".

This management's discussion and analysis ("MD&A") focuses on significant factors that affected Strategic and its subsidiaries during the relevant reporting period and to the date of this report. This MD&A supplements, but does not form part of, the audited consolidated financial statements of the Company and the notes thereto for the years ended December 31, 2022 and 2021, and, consequently, should be read in conjunction with the aforementioned financial statements and notes thereto.

ADDITIONAL INFORMATION

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

The Company reports its financial information in Canadian dollars and all monetary amounts set forth herein are expressed in Canadian dollars unless specifically stated otherwise. The financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (the "IASB"). The Company's audited consolidated financial statements for the years ended December 31, 2022 and 2021 were prepared in accordance with IFRS.

Leo Hathaway, 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 pertaining to the Company's mineral property interests. Mr. Hathaway is the Vice President, Exploration of the Company.

FORWARD-LOOKING INFORMATION

Information and statements contained in this MD&A that are not historical facts are forward-looking information or forward-looking statements within the meaning of Canadian securities legislation and the *U.S. Private Securities Litigation Reform Act of 1995* (hereinafter collectively referred to as "forward-looking statements") that involve risks and uncertainties. This MD&A contains forward-looking statements such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Examples of forward-looking statements in this MD&A include, but are not limited to, statements with respect to:

- the Company's proposed reverse takeover transaction with BlackRock Metals Inc. and the satisfactory meeting of conditions related to the proposed transaction, including the closing of a $13,500,000 equity private placement and receipt of all required approvals related thereto;
- the Company's going-forward corporate strategy, as well as its strategies for development of its mineral property assets;
- the Company's engagement with local authorities to seek to extend existing permits for the Mustavaara Project and plans to begin environmental monitoring programs;
- the Company's plans and actions required to continue or initiate exploration and drilling programs on its projects;
- timing and prospects of future exploration and development work and expenditures on the Company's projects;
- the Company's plans to conduct other studies on its mineral property interests, including the possibility of future economic studies related thereto;
- 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;
- the Company's ability to continue as a going concern;
- the impact of future accounting standards on the Company;
- the adequacy of the Company's working capital;
- the Company's ability to raise additional financing or find alternative ways to advance its corporate objectives, as well as the use of any financing proceeds;
- the mineral exploration assets acquired by the Company being and remaining attractive investment opportunities; and
- any additional risks and uncertainties with regards to the Company's business.

In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "goal", "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". Any such forward-looking statements are based, in part, on assumptions and factors that may change, thus causing actual results or achievements to differ materially from those expressed or implied by the forward-looking statements. Such factors and assumptions may include, but are not limited to: assumptions concerning vanadium and other base and precious metal prices; cut-off grades; accuracy of mineral resource estimates and resource modeling; timing and reliability of sampling and assay data; representativeness of mineralization; timing and accuracy of metallurgical test work; anticipated political and social conditions; expected government policy; and, ability to successfully raise additional capital.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, and without limitation:

- risks relating to the proposed reverse takeover transaction with BlackRock Metals Inc.;
- risks relating to price fluctuations for vanadium and other precious and base metals;
- risks inherent in mineral resource estimation;
- risks relating to government cancellation or expropriation of the Company's mineral property interests;
- risks relating to all the Company's current mineral concessions and projects being located in Finland, including political, social, economic, security and regulatory instability;
- risks relating to changes in Finland's national, provincial and local political leadership, including impacts these may have on general, environmental, and mining specific public policies, laws and regulations, and other norms or decisions issued by administrative agencies and other governmental institutions, including the judiciary, as well as legal, political, and social stability;
- risks relating to national and local political and social unrest, including opposition to mining, pressure for economic benefits such as employment or social investment programs, access to land for agricultural or artisanal mining use, or for illegal mining or other unlawful purposes, permission to conduct artisanal hard rock or alluvial mining on Company concessions, or other local political and social pressures;
- risks relating to required consultations with local communities;
- risks relating to the political, social, environmental and geological conditions in areas in proximity to the concessions under development;
- risks relating to Strategic's rights or activities being impacted by litigation or administrative processes;
- risks relating to Strategic's ability to secure and maintain social licenses from local communities and access concession surface areas and other properties needed to advance its exploration and development programs;
- risks relating to Strategic's concession being located in areas subject to environmental restrictions or its operations being subject to environmental requirements, including remediation;
- risks relating to Strategic's ability to source qualified human resources, including managers, employees, consultants, attorneys, and sub-contractors, as well as the performances of all such resources (including human error and actions outside of the control of Strategic, such as wilful negligence, including on the part of its counterparties or agents);
- risks of title disputes or claims affecting mining concessions;
- risks relating to adverse changes to laws, regulations or other norms placing increased or changing regulatory burdens or extending timelines for regulatory approval processes, including environmental, safety, social, taxation and other matters;
- risks relating to delays in obtaining governmental approvals or permits necessary for the transfer or licensing of concessions, execution of exploration, development or construction and related activities;
- risks relating to failure of plant, equipment or processes to operate as anticipated;
- risks relating to performance of human resources, such as accidents and labour disputes;
- risks relating to competition inherent in the mining exploration industry;
- risks of impacts from unpredictable natural occurrences, such as adverse weather conditions, fire, natural erosion, landslides, and geological activity, including earthquakes and volcanic activity;
- risks relating to inadequate insurance or inability to obtain insurance;
- risks relating to the fact that Strategic's properties are not yet in commercial production;
- risks relating to the Company's ability to obtain necessary funding for its operations, at all or on terms acceptable to the Company;
- risks relating to the Company's working capital and requirements for additional capital;
- risks relating to currency exchange fluctuations;
- risks relating to fluctuations in interest and inflation rates;
- risks relating to restrictions on access to and movement of capital;
- risks relating to the value of the Company's common shares fluctuating based on market factors;
- risks relating to the impact of epidemics such as COVID-19;
- risks relating to current Russia / Ukraine military conflict in Europe;
- risks relating to the Company's dependence on key personnel; and
- other risks generally associated with the mineral exploration and mining industries,

as well as those factors discussed in the sections entitled "Risks and Uncertainties" in this MD&A.

Although the Company has attempted to identify important factors and risks that could affect the Company and might cause actual actions, events or results to differ, perhaps materially, from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to occur as projected, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this MD&A speak only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by law.

Forward-looking statements and other information contained herein, including general expectations concerning the mining industry, are based on estimates and forecasts prepared by the Company employing data from publicly available industry sources, as well as from market research and industry analysis, and on assumptions based on data and knowledge of this industry and the operating environment in Finland and Peru which the Company believes to be reasonable. Although generally indicative of relative market positions, market shares and performance characteristics, this data is inherently imprecise. While the Company is not aware of any misstatements regarding any data presented herein, the mining industry involves risks and uncertainties and the data is subject to change based on various factors.

OVERVIEW OF SIGNIFICANT EVENTS AND REVIEW OF ACTIVITIES

In order to better understand the Company's financial results, it is important to gain an appreciation of the significant events, transactions and activities involving the Company and its mineral property interests that occurred during the fiscal year ended December 31, 2022 and to the date of this MD&A. This overview should be read in conjunction with the remainder of this MD&A to appreciate more fully the Company's results and activities for the year ended December 31, 2022.

Described in more detail below are the following:

- Reverse takeover transaction with BlackRock Metals Inc. ("BlackRock");
- activities carried out on the Mustavaara mine area in Finland ("Mustavaara");
- work carried out on the Company's Silasselkä Project, including finalizing the property option and joint venture agreement with Aurion Resources Ltd. ("Aurion");
- financing activities undertaken by the Company; and
- COVID-19 matters.

Reverse Takeover Transaction with BlackRock Metals Inc.

On December 13, 2022, Strategic entered into an arm's length share exchange agreement with BlackRock Metals Inc. and the shareholdrs of BlackRock (the "Share Exchange Agreement") pursuant to which Strategic will acquire all of the outstanding shares of BlackRock in exchange for shares of Strategic (the "Transaction"). The Transaction will constitute a reverse takeover of Strategic. Upon completion of the Transaction, BlackRock will become a wholly-owned subsidiary of Strategic. Strategic will continue to trade on the TSXV under its current name.

The Transaction was approved by the board of directors of both BlackRock and Strategic and is subject to various closing conditions including approval of shareholders of Strategic, certain regulatory approvals, including completion of the Offering (as defined below) and approval of the TSXV. Contemplated as part of the Transaction, the Company is required to raise $14,000,000 of equity through a private placement consisting of $13,500,000 of subscription receipts ("Receipts") and $500,000 of convertible notes (collectively the "Offering"). The Receipts have been issued at a price of $0.50 per Receipt. Each Receipt will entitle the holder to receive, without payment of additional consideration or further action, upon closing of the Transaction, one common share of Strategic.

The Transaction will proceed by way of a share exchange where BlackRock's shareholders will receive 280,000,000 common shares of Strategic in exchange for 100% of BlackRock's existing common shares, representing total consideration equal to approximately $140 million, based on a price per Strategic common share of $0.50, which is equal to the issue price of the Receipts.

Concurrent with completion of the Transaction and the Offering, Strategic will consolidate its outstanding common shares at a ratio of six pre-consolidation shares to one post-consolidation share.

On January 23, 2023, the Company issued $500,000 of convertible, unsecured notes with a coupon rate of 10% (the "Notes"). Notes will mature on the earliest of (i) the closing of the Transaction (the "Closing Date"), (ii) that date being six months following the Transaction is terminated, or (iii) 48 months following the date of issuance. The principal and any accrued interest under the Notes are convertible into common shares of the Company on the following bases:

(i) in the event that the Company's common shares remain halted from trading on the TSXV up to and including the Closing Date, the principal under the Notes will automatically convert to common shares upon the Closing Date at $0.50 per common share, and the accrued interest will concurrently, subject to obtaining the prior approval of the TSXV, convert to common shares at $0.50 per common share; or

(ii) in the event that the Company's common shares resume trading on the TSXV prior to the Closing Date, the principal under the Note will automatically convert to common shares upon the Closing Date at $0.50 per common share, and the accrued interest will concurrently, subject to obtaining the prior approval of the TSXV, convert into common shares at a price determined by the Market Price (as defined in Exchange Policy 1.1) as of the Closing Date; or

(iii) if the Transaction is not completed, then at any time after termination of the Transaction, the Subscriber may elect to convert (i) any portion of the principal amount of the Note into common shares at the conversion price of $0.35 per common share, and (ii) any accrued interest to the date of conversion, subject to obtaining the prior approval of the TSXV, at a price determined by the Market Price.

On February 28, 2023, the Company closed the first tranche for $9,200,000 of the $13,500,000 Receipts financing contemplated as part of the Transaction. The final $4,300,000 tranche of the Receipts due from Investissement Québec was received on March 29, 2023. In the event the Transaction fails to close by March 31, 2023 (or such other date as may be agreed upon), the Receipts proceeds will be returned to investors without interest or deduction.

Established in 2008, BlackRock is a privately-owned Canadian company developing a fully integrated, environmentally enhanced, metals and materials manufacturing business from its wholly-owned vanadium and titanium bearing magnetite ("VTM") deposit in Québec, Canada (the "BlackRock Project"). The mine and concentrator portion of the BlackRock 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 metallurgical facility portion of the BlackRock Project is 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 which is connected by existing railway. Both the mine site and metallurgical facility are fully permitted to commence construction. BlackRock has an Impact Benefit Agreement in place with the Cree Nation Government and the Ouje-Bougoumou Cree Nation, Development Agreements in place with the Innu First Nations and Co-operation Agreements in place with nearby municipalities. BlackRock intends to produce a number of critical minerals including Vanadium, Titanium and High Purity Pig Iron in an integrated operation. The BlackRock Project includes what will be the first VTM mine in North America and one of the lowest carbon emitting metallurgical plants in the world. The plant is designed to be green hydrogen ready and BlackRock'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.

Further details around the Transaction can be found in the Company's news releases dated December 13, 2022, January 23, 2023, February 28, 2023 and March 29, 2023, and the Company's Filing Statement dated March 27, 2023, which are all available on the Company's website (www.strategic-res.com) and on SEDAR (www.sedar.com).

As of the date of this MD&A, the Company has received shareholders' approval, and conditional approval from the TSXV to the Transaction, and has closed on both the Receipt and Note offerings.

Mustavaara

In February 2020, the Company applied for mineral reservations over the Mustavaara mine area in Finland and signed a definitive agreement with the bankruptcy estate of Ferrovan Oy ("Ferrovan") to acquire all of the intellectual property, core samples and storage facilities associated with Mustavaara for €150,000. Closing of the agreement was subject to certain conditions, with the main condition being the granting of fully valid mineral claim reservations from the Finnish mining authority (Tukes). An initial payment of €50,000 ($72,870) was made on February 7, 2020. Tukes rendered its decisions on the claim reservations on April 3, 2020 (comprising Lavotta, Mustavaara West 1-14 and Kalliolampi 1-4). The Company closed the transaction with Ferrovan on July 28, 2020 with a final payment of €100,000 ($156,820), following confirmation that the mineral claim reservations were validly issued.

Mustavaara is a large vanadium-iron-titanium 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 ("km") 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. Ferrovan 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 Tukes to transition all the concessions at Mustavaara from reservation status to the exploration license phase. Tukes is yet to complete the transition process, during which time the reservations remain active.

Also in November 2021, the Company transferred existing environmental permits for Mustavaara from Ferrovan, including the environmental and water permits originally issued to Mustavaaran Kaivos Oy in 2016 by the Regional State Administrative Agency for Northern Finland ("PSAVI"). The water permit was scheduled to lapse in July 2022 and the environmental permit could lapse as early as July 2023.

An application to extend the existing water permit allowing for future construction of mining operations at Mustavaara was delivered to 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 program which is expected to commence in 2024.

During the year ended December 31, 2022, and to the date of this MD&A, the Company has continued 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.

Silasselkä Project ("Silasselkä")

On June 10, 2019, the Company closed on a property option and joint venture agreement with Aurion (the "Aurion Agreement") for Silasselkä which comprised 7 claims, 4 exploration licenses and 2 exploration reservations totaling approximately 25,900 hectares in northern Finland. These have since been amended and reduced to comprise an area of approximately 14,040 hectares consisting of 7 claims, 5 exploration licenses and 2 exploration reservations. The earn-in giving Strategic 100% ownership was completed in June 2022 through the final issuance of 1,166,666 common shares of the Company to Aurion.

A third party holds a 3% net smelter royalty ("NSR") on Silasselkä and other mineral properties owned by Aurion. Until the end of November 2020, Aurion had the right to buy the 3% NSR from the holder for €4,000,000. Following the expiry of this right, Aurion has, for a period of ten years, a right of first refusal to match the amount should a party wish to purchase the NSR. After ten years, Aurion can purchase 1% of the NSR for €4,000,000. In the event Aurion acquires any or all of this NSR, the Company will have the option to purchase up to one-half of such NSR, as it pertains to the Silasselkä property, on a proportionate value basis.

Silasselkä is located in northern Finland, approximately 190 km north of Rovaniemi and 850 km north of Helsinki. Access to Silasselkä is provided by paved highways and a network of gravel forestry roads.

No significant fieldwork was carried out on Silasselkä during the years ended December 31, 2022 and 2021, as the Company determined that drilling activity would be deferred to a later date with primary focus on Mustavaara.

Financing Activity

On October 20, 2020, the Company completed a non-brokered private placement whereby a total of 7,170,000 units ("Units") were issued at a price of $0.35 per Unit for proceeds of $2,447,111, net of issue costs of $62,389. The use of proceeds from this private placement were to fund a PEA on Mustavaara, drilling of the Silasselkä project, and for general corporate purposes and working capital. The Company had fully expended the cash from this financing at December 31, 2022 with the funds being utilized on the PEA for Mustavaara, the Transaction and also for general corporate purposes.

During the year ended December 31, 2022, the Company raised $270,250 from the exercise of options which funds were used for general corporate purposes with $128,847 remaining at December 31, 2022.

OUTLOOK

Following closing of the Transaction with BlackRock, the Company's primary focus will be to advance the BlackRock Project with a view to securing financing and commencing construction of both the BlackRock mine site and metallurgical facility in Québec, Canada. Please refer to the Company's December 13, 2022 press release that describes the BlackRock project and the November 2022 Feasibility Study outlining the planned operations, which has been filed on SEDAR. 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.

SELECTED ANNUAL FINANCIAL INFORMATION

The following summary financial information has been derived from the financial statements of the Company, which have been prepared in accordance with IFRS. The Company's significant accounting policies are outlined within Note 3 to the audited consolidated financial statements of the Company for the fiscal years ended December 31, 2022 and 2021.

	Year Ended December 31, 2022	2021	2020
Consolidated Statements of Comprehensive Loss			
Revenue	$ -	$ -	$ -
Expenses	(1,221,721)	(1,541,956)	(1,641,735)
Other income (expenses)	376	4,619	(1,726,720)
Net loss for the year	(1,221,345)	(1,537,337)	(3,368,455)
Other comprehensive (loss) income	(1,241)	(25,403)	13,530
Total comprehensive loss for the year	$ (1,222,586)	$ (1,562,740)	$ (3,354,925)
Loss per share – basic and diluted	$ (0.03)	$ (0.04)	$ (0.10)
Consolidated Statements of Financial Position			
Cash and cash equivalents	$ 128,847	$ 961,111	$ 2,228,090
Exploration and evaluation assets	4,106,273	3,778,602	3,279,357
Total assets	4,338,153	4,796,868	5,551,608
Total liabilities	254,157	27,537	26,613
Equity:			
Share capital	21,293,667	20,625,735	20,108,235
Contributed surplus – warrants	4,864,517	4,864,517	4,864,517
Contributed surplus – options	3,069,692	3,200,373	2,910,797
Accumulated other comprehensive (loss) income	(16,514)	(15,273)	10,130
Accumulated deficit	$ (25,127,366)	$ (22,368,684)	$ (22,368,684)

A review of the results of operations for the years ended December 31, 2022 and 2021 is presented below in the "Review of Financial Results" section of this MD&A. During the year ended December 31, 2020, the Company added Mustavaara to its mineral exploration assets in Finland and relinquished its interest in Akanvaara. During the year ended December 31, 2021, the Company primarily focussed on the completion of a PEA and a metallurgical testing program for Mustavaara while the year ended December 31, 2022 saw a focus on permitting and planning for environmental programs at Mustavaara.

With regard to the consolidated statements of financial position at December 31, 2022 compared to December 31, 2021, the main movements relate to a decrease in cash and cash equivalents from $961,111 to $128,847 as the Company funded its operations during 2022, included increased costs relating to the Transaction, without raising additional financing, except from the exercise of stock options. The increase in the exploration and evaluation assets from $3,778,602 at December 31, 2021 to $4,106,273 at December 31, 2022 was primarily as a result of additional common shares of the Company issued to Aurion as described earlier in this MD&A, which completed the earn-in acquisition of Silasselka.

REVIEW OF FINANCIAL RESULTS

This review of the results of operations should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2022 along with other public disclosure documents of the Company.

For the year ended December 31, 2022, the Company reported a net loss of $1,221,345 compared to a net loss of $1,537,337 for the year ended December 31, 2021. Further details of items impacting the Company's net loss are noted in the commentary that follows.

Exploration and Evaluation ("E&E") Assets (Mineral Properties)

The Company capitalizes costs incurred acquiring E&E assets and any required licenses related thereto with a term of more than one year. The Company's E&E assets at December 31, 2022 consisted of Mustavaara with a carrying value of $216,869 (December 31, 2021 – $215,865) and Silasselkä with a carrying value of $3,889,404 (December 31, 2021 - $3,562,737).

E&E expenditures are expensed to profit and loss as incurred. These expenditures are discussed below and are disclosed in Note 6(b) of the audited consolidated financial statements for the year ended December 31, 2022.

Expenses

Exploration and evaluation expenditures

Total E&E expenses for the year ended December 31, 2022 were $191,110 compared to $274,793 for the year ended December 310, 2021. Further details on expenses, by project, are noted below.

	Year ended December 31, 2022		
	Mustavaara	Silasselkä	Total
Environmental	$ 71,712	$ -	**$ 71,712**
Geological consulting / staff	14,964	2,233	**17,197**
Mineral rights / access	-	73,220	**73,220**
Permitting	28,981	-	**28,981**
	$ 115,657	$ 75,453	**$ 191,110**

	Year ended December 31, 2021		
	Mustavaara	Silasselkä	Total
Assays / sampling	$ 1,380	$ -	**$ 1,380**
Geological consulting / staff	48,002	9,058	**57,060**
Metallurgical	74,947	-	**74,947**
Mineral rights / access	-	86,189	**86,189**
Permitting	4,104	-	**4,104**
Project management	47,335	-	**47,335**
Reports	3,778	-	**3,778**
	$ 179,546	$ 95,247	**$ 274,793**

As described earlier in this MD&A, during the years ended December 31, 2022 and 2021, the Company carried out relatively limited activities on its projects. The main activities during the year ended December 31, 2022 included work on permits for Mustavaara along with environmental work related to potential future permitting amendments. During the year ended December 31, 2021, the main activities included ongoing work preparing, overseeing and completing the updated PEA for Mustavaara.

Other operating expenses

The Company's other operating expenses were as follows:

	Year ended December 31,	
	2022	2021
Pre exploration and evaluation expenditures	$ 1,275	$ 471
Fees, salaries and other employee benefits	757,307	917,581
G&A	121,853	170,708
Professional fees	150,176	178,403
	$ 1,030,611	$ 1,267,163

Pre exploration and evaluation expenditures incurred relate to expenditures incurred by the Company evaluating and assessing potential new mineral property interests, such costs being incurred prior to the Company having a legal interest in the mineral property. Only minimal amounts of such costs were incurred in the years ended December 31, 2022 and 2021.

Fees, salaries and other employee benefits for the year ended December 31, 2022 include share-based payment expense of $138,776 compared to $289,576 in the year ended December 31, 2021. The cash portion of fees, salaries and other employee benefits for the year ended December 31, 2022 was $618,531 compared to $628,005 for the year ended December 31, 2021. The amounts are broadly consistent which is indicative of the steady level of personnel since the hiring of the Company's VP, Finland Operations in April 2021, with a slight reduction in year end bonuses in 2022.

G&A expenses were lower in 2022 as the Company sought to minimize spending to the extent possible. Expenses related to professional fees do not include $198,422 that was recorded as share issue costs incurred on the Transaction. Including those costs, professional fees were overall higher in 2022 as a result of the Transaction.

Other income / expenses

The Company's other income / expenses were as follows:

		Year ended December 31, 2022		2021
Interest income and other	$	3,236	$	4,520
Foreign exchange (loss) gain		(2,860)		99
	$	376	$	4,619

The Company earned a small amount of interest income on its cash and cash equivalents during the years ended December 31, 2022 and 2021.

Related Party Transactions

The Company incurred the following expenses with related parties:

Related company	Nature of transactions		Year ended December 31, 2022		2021
Miedzi Copper Corp.	G&A	$	50,446	$	66,609
Lumina Gold Corp.	G&A		-		5,987
Hathaway Consulting Ltd.	Fees		84,000		91,500
Into the Blue Management Inc.	Fees		118,000		120,500
Lyle E Braaten Law Corp.	Fees		89,880		97,905
		$	342,326	$	382,501

Miedzi Copper Corp. and Lumina Gold Corp. are considered companies related by way of directors, officers and shareholders in common. Hathaway Consulting Ltd, Into the Blue Management Inc. and Lyle E Braaten Law Corp. are related by way of being owned by directors or officers of the Company. Related party transactions are recognized at the amounts agreed between the parties. Outstanding balances are unsecured and settlement occurs in cash. There were no amounts owing to related parties at December 31, 2022 or December 31, 2021.

SUMMARY OF QUARTERLY RESULTS (UNAUDITED)

The information presented below highlights the Company's unaudited quarterly results for the past eight quarters.

Three Months Ended:		December 31, 2022		September 30, 2022		June 30, 2022		March 31, 2022
Revenue	$	-	$	-	$	-	$	-
Expenses		(352,997)		(249,333)		(258,750)		(360,641)
Other income (expenses)		440		(1,639)		927		648
Net loss for the period		(352,557)		(250,972)		(257,823)		(359,993)
Basic and diluted loss per share		(0.01)		(0.01)		(0.01)		(0.01)

Three Months Ended:		December 31, 2021		September 30, 2021		June 30, 2021		March 31, 2021
Revenue	$	-	$	-	$	-	$	-
Expenses		(462,134)		(398,779)		(347,454)		(333,589)
Other income (expenses)		873		1,086		1,208		1,452
Net loss for the period		(461,261)		(397,693)		(346,246)		(332,137)
Basic and diluted loss per share		(0.01)		(0.01)		(0.01)		(0.01)

The Company's expenses for the three months ended March 31, June 30 and September 30, 2021 were broadly consistent for each period, reflecting the steady level of activities conducted by the Company over those periods with the primary focus being the work conducted to complete the PEA on Mustavaara. Expenses for the quarter ended September 30, 2021 saw a slight increase due to the hiring of the Company's VP, Finland Operations and some additional G&A and professional advisory fees.

For the three months ended December 31, 2021, the Company's expenses were $462,134, which included share-based payment expense of $119,544 reflecting the vesting of stock options granted in 2019, 2020 and the stock options granted in November 2021. After adjusting for share-based payment, operating expenses for the three months ended December 31, 2021 were $342,590 which continued to be broadly consistent with prior periods, and which includes annual bonuses paid to the Company's personnel which totalled approximately $48,000.

Expenses during the three months ended March 31, 2022, include $36,691 in share-based payment expense. Excluding that non-cash expense, total expenses for the quarter ended March 31, 2022, were $323,950, which remains consistent with the prior periods noted above given the level of activity carried out by the Company and the stable level of personnel at the Company.

Expenses during the three months ended June 30, 2022, include $35,912 in share-based payment expense. Excluding that non-cash expense, total expenses for the quarter ended June 30, 2022, were $222,838, which was $101,112 lower than the prior quarter reflecting the decrease in spend on the Company's exploration projects with a focus primarily on advancing permitting efforts in Finland which was largely managed by internal staff resource.

Expenses during the three months ended September 30, 2022, include $36,384 in share-based payment expense. Excluding that non-cash expense, total expenses for the quarter ended September 30, 2022, were $212,949, which was in line with the prior quarter reflecting the ongoing focus of the Company to minimize spend on the Company's exploration projects while continuing to advance permitting efforts on Mustavaara.

Expenses for the three months ended December 31, 2022, include $29,789 in share-based payment expense. Excluding that non-cash expense, total expenses for the quarter ended December 31, 2022, were $323,208, representing an increase of $110,259 from the prior quarter. While the Company's exploration efforts remained level, focussing mainly on permitting and environmental matters, the increase in costs arose primarily as a result of the timing of payments in Finland for annual concession fees payable to landowners.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's expenses and mineral property costs is provided earlier in this MD&A and in Note 6 of the Company's audited consolidated financial statements for the year ended December 31, 2022.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2022, the Company had cash and cash equivalents of $128,847 compared to $961,111 at December 31, 2021. The Company's working capital balance at December 31, 2022 was a deficit of $62,037 compared to positive working capital of $954,032 at December 31, 2021. The Company's cash at December 31, 2022, was not sufficient to meet the Company's current accounts payable and accrued liabilities at that date, a situation that arose as a result of increased expenditures incurred relating to the Transaction to acquire BlackRock. Accordingly, subsequent to December 31, 2022, the Company closed a $500,000 convertible note offering (as described in more detail earlier in this MD&A) to provide additional funds through to the conclusion of the Transaction.

Working capital is defined as current assets minus current liabilities. Working capital calculations or changes are not measures of financial performance, nor do they have standardized meanings, under IFRS. Readers are cautioned that this calculation may differ among companies and analysts and therefore may not be directly comparable. Management believes that disclosure of the Company's working capital is of value to assess the available capital resources of the Company at a reporting period end.

At December 31, 2022, approximately $114,000 (or 88%) of the Company's cash and cash equivalents were held at Scotiabank, a major chartered bank in Canada. Management is not aware of any liquidity issues associated with any of the banks in which funds have been deposited.

The Company had no long-term debt obligations or off-balance sheet arrangements at December 31, 2022.

To date, the capital requirements of the Company have been met by equity or loan proceeds. As noted in Note 2(c) to the audited consolidated financial statements of the Company for the year ended December 31, 2022, the Company has incurred cumulative losses of $25,127,366 and will continue to incur losses in the development of its business. The Company's ability to continue as a going concern is dependent upon closing of the Transaction with BlackRock, obtaining additional financing, entering into a joint venture, a merger or other business combination transaction involving a third party, sale of all or a portion of the Company's assets, the outright sale of the Company, the successful development of the Company's mineral property interests, or a combination thereof. The ability to raise additional financing for future activities may be impaired, or such financing may not be available on favourable terms, due to conditions beyond the control of the Company, such as the ongoing impact of the COVID-19 pandemic and geopolitical events such as the conflict between Russia and Ukraine, which have lead to increased uncertainty in the capital markets, depressed commodity prices, rising global inflation, predictions of an upcoming recession and increased country risk factors. This exposure is discussed in more detail in the "Risks and Uncertainties" section of this MD&A. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

FINANCIAL INSTRUMENTS

At December 31, 2022, the Company's financial instruments consist of cash and cash equivalents, receivables, environmental deposits and accounts payable and accrued liabilities. Fair value estimates are made at the statement of financial position date based on generally accepted pricing models, discounted cash flow analysis or using prices from observable current market transactions. These estimates are subjective in nature and may involve significant uncertainties in matters of judgment and, therefore, cannot be determined with precision. The fair values of the Company's financial instruments approximate their carrying values due to their short terms to maturity or capacity for prompt liquidation and the interest rates being charged or earned on these amounts.

The Company's financial instruments have been classified as follows under IFRS:

- Cash and cash equivalents: amortized cost.
- Receivables: amortized cost.
- Environmental deposits: amortized cost.
- Accounts payable and accrued liabilities: amortized cost.

The types of financial risk exposure and the way in which such exposure is managed by the Company is as follows:

Credit Risk

It is management's opinion that the Company is not exposed to significant credit risk arising from the above-noted financial instrument assets, as disclosed in Note 14(a) to the audited consolidated financial statements for the year ended December 31, 2022.

The Company's exposure to credit risk on its cash and cash equivalents is limited by maintaining these assets with high-credit quality financial institutions. The Company may be exposed to the credit risk of its bank in Finland which holds cash for the Company's overseas subsidiary. The Company limits its exposure to this risk by maintaining minimal cash balances in the Finnish bank account, normally sufficient to fund the next month's operations.

Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they become due. The Company manages liquidity risk by ensuring that it has sufficient cash and other financial resources available to meet its obligations. The Company typically forecasts cash flows for a period of twelve months to identify financial requirements. These requirements are met through a combination of cash on hand, disposition of assets, accessing capital markets and/or loan advances.

At December 31, 2022, the Company's current liabilities consisted of accounts payable and accrued liabilities of $254,157 which are due primarily within the next quarter. The Company's cash and cash equivalents of $128,847 at December 31, 2022 were not sufficient to pay the accounts payable and accrued liabilities. As described earlier in this MD&A, the Company concluded a $500,000 convertible note in January 2023 to provide additional funding anticipated to carry the Company through to the conclusion of the Transaction.

Market Risks

The market risks to which the Company is exposed are interest rate risk and currency risk.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of the Company will fluctuate because of changes in market interest rates. Included in net loss for the year ended December 31, 2022 is interest income earned on the Company's cash. Based on the Company's cash and cash equivalents at December 31, 2022, and assuming that all other variables remain constant, a 1% increase or decrease in interest rates would result in an increase or decrease to the Company's interest income of approximately $1,300 (on an annualized basis).

Currency Risk

The functional currencies of the Company and its subsidiaries include the Canadian dollar, Euro and U.S. dollar while the Company's reporting currency is the Canadian dollar. The carrying amounts of monetary assets and liabilities denominated in currencies other than the functional currency for a particular company are subject to fluctuations in the underlying foreign currency exchange rates. Gains and losses on such items are included as a component of net loss for the period.

The Company is exposed to foreign exchange and currency risks arising from fluctuations in foreign exchange rates primarily among the U.S. dollar and Euro and the degree of volatility of these rates. The Company keeps the majority of its cash and cash equivalents in Canadian dollars and purchases foreign currency amounts as needed. The Company does not use derivative instruments to reduce its exposure to foreign exchange and currency risks.

At December 31, 2022, the Company's cash and cash equivalents were primarily held in Canadian dollars as disclosed in Note 4 of the audited consolidated financial statements for the year ended December 31, 2022. The Company estimates that a 1% fluctuation in foreign currency exchange rates compared to the Canadian dollar would not have a material impact to the results of operations based upon the foreign currency financial instruments held at December 31, 2022.

SHARE CAPITAL

As at the date of this MD&A, the Company had the following securities issued and outstanding:

Common shares:	44,833,038	
Common share purchase warrants:	3,585,000	exercisable at $0.55 per warrant.
Stock options:	2,934,000	exercisable at amounts ranging from $0.25 - $0.37 per option.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make certain judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The Company evaluates its estimates on an ongoing basis and bases them on various assumptions that are believed to be reasonable under the circumstances. The Company's estimates are used for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results are likely to differ from these estimates. Should the Company be unable to meet its ongoing obligations, the realizable value of its assets may decline materially from current estimates.

The accounting policy estimates and judgments described below are considered by management to be essential to the understanding and reasoning used in the preparation of the Company's consolidated financial statements and the uncertainties that could have a bearing on its financial results.

Determination of functional currency

The determination of functional currency for each company that comprises the consolidated entity requires an analysis of various indicators which IFRS splits between primary and additional indicators. The primary factors include analyzing (a) the currency that mainly influences sales prices for goods and services, (b) the currency of the country whose competitive forces and regulations mainly determine the sales price of its goods and services and (c) the currency that mainly influences labour, material and other costs of providing goods or services. Management further reviewed the additional factors for consideration under IFRS which included examining (a) the currency of financing activities, (b) the currency in which receipts from operating activities are usually retained, (c) whether the activities of foreign operations are carried out as an extension of the Company or operate with a large degree of autonomy, (d) whether transactions between entities is a high or low proportion of the foreign operation's activities, (e) whether cash flows from activities of a foreign operation directly affect the cash flows of the Company and (f) whether cash flows from the activities of the foreign operation are sufficient to service existing and normally expected debt obligations. Management determined that the functional currency for certain of Strategic's group companies was the Canadian dollar while the functional currency for its Finnish subsidiary is the Euro and its Peruvian subsidiary was the U.S. Dollar.

Going concern

The assessment of the Company's ability to continue as a going concern requires significant judgment. As disclosed in Note 2(c) of the audited consolidated financial statements for the year ended December 31, 2022, the Company has incurred cumulative losses of $25,127,366. The ability of the Company to continue as a going concern is dependent upon closing of the Transaction with BlackRock, obtaining additional financing, entering into a joint venture, a merger or other business combination transaction involving a third party, sale of all or a portion of the Company's assets, the outright sale of the Company, the successful development of the Company's mineral property interests or a combination thereof. Factors that the Company evaluates include forecasts, the ability to reduce expenditures if required, and the Company's historical and anticipated ability to raise additional financing.

Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that costs incurred will be recovered through successful exploration and development or sale of the asset under review. Furthermore, the assessment as to whether economically recoverable resources exist is itself an estimation process. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off to profit or loss in the period when the new information becomes available.

CHANGES IN ACCOUNTING STANDARDS

The Group has not early adopted any amendment, standard or interpretation that has been issued by the IASB but that is not yet effective.

RISKS AND UNCERTAINTIES

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many kinds of risks, including, but not limited to, operational, technical, environmental, labour, social, political, regulatory, security, financial, economic, and metals pricing. Additionally, often due to factors that cannot be predicted or foreseen, few exploration projects successfully achieve development. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage risks to the extent possible and practicable.

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not listed in order of importance, nor are they inclusive of all the risks and uncertainties the Company may be subject to, and therefore other risks may apply.

- *The proposed Transaction with BlackRock is subject to risks around closing.*

The completion of the proposed Transaction with BlackRock is subject to TSXV approval and meeting other closing conditions such as completion of the Receipts financing for $13,500,000. There can be no assurance that all necessary approvals will be obtained. If the proposed Transaction is not completed, the Company will continue to search for other opportunities; however, it will have incurred significant costs associated with the proposed Transaction and may be required to return Receipts funds to investors.

- *Mineral exploration inherently involves a high degree of risk. All of the mineral property interests of the Company are in the exploration 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.

- *Government expropriation may result in the total loss of the Company's mineral property interests.*

Even if the Company's mineral property interests are proven to host economic mineral resources, governmental expropriation may result in the total loss of the Company's mineral property interests without any compensation to the Company. Similarly, expropriation or shutdown of financial institutions or other entities the Company does business with could impact operations. Further, expropriation of or legal uncertainty affecting other businesses, in mining or other industries, could impact the Company's ability to operate and obtain financing, as well as its strategic options. Finally, expropriation need not be outright, there are many forms of creeping expropriation, through taxation and other mechanisms, that if applied could negatively impact the company's operations and prospects.

- *Governmental regulation may have negative impacts on the Company.*

The Company's assets and activities are subject to extensive Canadian and Finnish federal, state, provincial, territorial and local laws and regulations governing various matters, including, but not limited to:

  - land access, use and ownership;
  - water use;
  - environmental performance and protection;
  - land use designations;
  - social consultation and public referendums;
  - corporate social responsibility;
  - management and use of toxic substances and explosives;
  - rights over and management of natural resources, including minerals and water;
  - prospection, exploration, development and construction of mines, production and reclamation;
  - exports and imports;
  - taxation;
  - mining royalties;
  - restrictions on the movement of capital;
  - importation of equipment and goods;
  - transportation;

- hiring practices and labour standards by the companies and contractors, as well as occupational health and safety, including mine safety;
- reporting requirements related to investment, social and environmental impacts, health and safety, and other matters;
- processes for preventing, controlling or halting artisanal or illegal mining activities; and,
- historic and cultural preservation.

The costs associated with legal and regulatory compliance with laws and regulations are already substantial and future laws and regulations, changes to existing laws and regulations, or more stringent or modified application and enforcement of current laws and regulations by governmental or judicial authorities, could generate additional expenses, capital expenditures, delays in the development of the Company's properties, and even restrictions on or suspensions of Company operations. Moreover, laws and regulations could allow governmental authorities and private parties to bring complaints or lawsuits against the Company based upon alleged damage to property and/or injury to persons resulting from the environmental, health and safety impacts of the Company's past and current operations, or possibly even actions or inaction by third parties, including those from whom the Company acquired its properties, and could lead to the imposition of substantial financial judgments, fines, penalties or other civil or criminal sanctions. It is a challenge to comply strictly with all of the norms that apply to the Company. The Company retains competent and well-trained management, staff, professionals, attorneys, advisors and consultants in the different jurisdictions in which it does business; however, there is no certainty that both it and its contractors will continuously be compliant with all applicable laws and regulations. The failure to comply with all applicable norms could lead to financial restatements, fines, penalties and other material negative impacts on the Company.

- *Failure to comply strictly with applicable mining laws, regulations and local practices may have a material adverse impact on the Company's operations or business.*

While the Company seeks to fully comply with applicable laws, regulations and local practices, failure of the Company or government officials to comply strictly with applicable laws, regulations and local practices, including those relating to mineral rights applications and tenure, could result in processes that threaten loss, reduction, cancellation or expropriation of entitlements, or the imposition of local or foreign parties as joint venture partners with carried or other interests. Any such loss, reduction or imposition of partners could have a material adverse impact on the Company's operations or business. Furthermore, increasing complexity or novel judicial or regulatory interpretations of mining laws and regulations may render the Company incapable of strict compliance.

- *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 Company has no significant source of operating cash flow and failure to generate revenues in the future could cause it to go out of business.*

The Company has no revenues from ongoing operations and has recorded significant accumulated losses. Based upon current plans, the Company expects to incur operating losses in future periods due to ongoing expenses associated with the holding, exploration and development of the Company's mineral property interests. The Company will likely continue to have limited financial resources and its ability to achieve and maintain profitability and positive cash flow will remain dependent upon the Company being able to:

  - develop and/or locate a profitable mineral property;
  - generate revenues in excess of expenditures; and,
  - minimize exploration and administrative costs in the event revenues and/or financing availability are insufficient, in order to preserve available cash.

In order to stay in business, in the absence of positive cash flow from operations, the Company will have to raise funding through financing activities. However, in the event if needs to do so, there is no certainty the Company will be able to raise funds at all or on terms acceptable to the Company. Furthermore, additional funds raised by the Company through the issuance of equity or convertible debt securities would cause the Company's current shareholders to experience dilution. Such securities also may grant rights, preferences or privileges senior to those of the Company's common shareholders.

The Company does not have any contractual restrictions on its ability to incur debt and, accordingly, the Company could incur significant amounts of indebtedness to finance its operations. Any such indebtedness could contain restrictive covenants, which likely would restrict the Company's operations.

- *The mineral exploration industry is intensely competitive in all its phases and the Company competes with many companies, including those possessing greater financial resources and technical capabilities.*

The mineral exploration industry is intensely competitive in all its phases. The Company competes with many companies, including those possessing greater financial resources and technical capabilities, for the acquisition of mineral concessions, claims, leases, other mineral interests, and equipment required to conduct its activities as well as for the recruitment and retention of qualified employees, and contracting of attorneys, consultants and technical experts.

- *Even if the Company makes a discovery of commercial quantities of minerals, there is no assurance that there will be market demand for the resource and that the investment will earn an adequate return.*

There is no assurance that even if commercial quantities of minerals are discovered, a ready market will exist for their sale. Factors beyond the control of the Company may affect the marketability of any minerals discovered. These factors include: market fluctuations; domestic and international economic trends and political events; inflation or deflation; currency exchange fluctuations; interest rates and global or regional consumption patterns; speculative activities; and, government laws and regulations, including those relating to prices, taxes, royalties, land tenure, land use, labour, importing of equipment, importing and exporting of minerals, and environmental protection. The exact effect of any of these factors cannot be accurately predicted, but a combination of them may result in the Company not receiving an adequate return on invested capital or losing its invested capital.

- *Substantial expenditures are required to be made by the Company to establish mineral reserves and the Company may either not discover minerals in sufficient quantities or grades or not be able to obtain the required funds to develop a project on a timely basis.*

Substantial expenditures are required to establish mineral reserves through drilling and the estimation of mineral reserves or mineral resources in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards and Guidelines for Resources and Reserves. Although significant benefits may be derived from the discovery of a major mineralized deposit, the Company may not discover minerals in sufficient quantities or grades to justify a commercial mining operation and the funds required for development may not be obtained on a timely basis or may not be obtainable on terms acceptable to the Company. Estimates of mineral reserves and mineral resources can also be affected by environmental factors, unforeseen technical difficulties and unusual or unexpected geological formations. In addition, the grades of minerals ultimately mined may differ from those indicated by drilling results. Material changes in mineral reserve or mineral resource estimates, grades, stripping ratios or recovery rates may affect the economic viability of any project.

- *Risks relating to inaccurate estimates of mineral resources, production, purchases, costs, decommissioning or reclamation expenses.*

Unless otherwise indicated, mineralization figures presented by the Company, in filings with securities regulatory authorities, press releases and other public statements that may be made from time to time, are based upon estimates made by Company personnel and independent geologists. These estimates are inherently imprecise, as they depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. As a result, there can be no assurance that mineral resource or other mineralization figures or estimates of costs (including initial capital costs and initial capital intensity) and expenses will be accurate, nor that the resource mineralization could be mined or processed profitably.

The Company has not commenced production at any of its properties, nor defined or delineated any proven or probable mineral reserves. Therefore, the mineralization estimates for the Company's properties may require adjustments or downward revisions based upon further exploration or development work or actual production experience. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by and inferred from drilling results. Furthermore, there can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or at production scale. As a result, the mineral resource and mineral reserve estimates that may be contained in the Company's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time have been determined and valued based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate. In addition, extended declines in market prices for gold or other metals may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization.

The estimated parameters for the Company's projects may be changed as development and mining plans are generated and refined. These parameters would include estimates of how plants, equipment and processes may operate in the future at the Company's projects, for which cost and productivity estimates may prove to be incorrect. Any material alteration in the above noted estimates, or of the Company's ability to extract mineralization from its projects, could have a material adverse effect on the Company's results or financial condition.

- *The inherent operational risks associated with mining, exploration and development, many of which are beyond the Company's control.*

The Company's activities are subject to a high degree of risk due to factors that, in many cases, cannot be foreseen or anticipated, or controlled. These risks include, but are not limited to, tectonic or weather activity that may provoke landslides, damage infrastructure or other impacts, labour disruptions, legislative and regulatory changes, crime, including corruption, the inability to obtain adequate sources of power, water, labour, suitable or adequate machinery and equipment, and expert attorneys and consultants. In addition, the Company may be unable to acquire or obtain such requirements as water rights and surface rights, which may be critical for the continued advancement of exploration, development and operational activities on its mineral concessions. These processes could generate delays and adverse decisions and could negatively impact project development and the Company's prospects.

- *Inadequate infrastructure may adversely affect the Company's operations and profitability.*

Mining, development, exploration and production activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power and fuel sources, as well as water supplies are important determinants which affect capital, as well as operating costs and safety. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay development of the Company's projects. If adequate infrastructure is not accessible, there can be no assurance that the development of the Company's projects will commence or be completed on a timely basis, if at all. In addition, unusual or infrequent weather phenomena, tectonic activity, sabotage, government, social or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations and profitability.

- *The Company currently has limited insurance covering its assets and operations and, as a consequence, could incur considerable costs.*

Mineral exploration involves risks, which, even with a combination of experience, knowledge and careful evaluation, mining exploration companies may not be able to overcome. Operations in which the Company has a direct or indirect interest may be subject to all the hazards and risks normally incidental to exploration of precious and non-precious metals, any of which could result in work stoppages, damage to property, and possible environmental damage. The Company presently has very limited commercial liability insurance and does not intend to increase its liability insurance. As a result of having limited liability insurance, the Company could incur significant costs that may have a materially adverse effect upon its financial condition and even cause the Company to cease operations.

- *The Company's mineral property interests may be subject to prior unregistered agreements or transfers and therefore title to some of the Company's property interests may be affected.*

Although the Company has sought and received such representations as it has been able to achieve from vendors in connection with the acquisition of, or options to acquire, an interest in its mining properties, and has conducted reasonable investigations of legal title to each such property, the properties in which the Company has an interest may be subject to prior unregistered agreements or transfers or native land claims, or it is possible that title may be affected by undetected defects.

- *The prices of vanadium and base and precious metals have fluctuated significantly in recent years and may adversely affect the economic viability of any of the Company's mineral properties.*

The Company's revenues, if any, are expected to be almost entirely derived from the mining and sale of vanadium. 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.

- *The Company's subsidiaries and its mineral properties are in foreign countries and, therefore, a large portion of the Company's business may be exposed to political, economic, social, security, and other risks and uncertainties.*

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 Company's foreign subsidiary operations may impact its ability to fund operations efficiently, as well as the Company's valuation and stock price.*

The Company conducts operations through foreign subsidiaries and all of its mineral property assets are held in such entities. Accordingly, any limitation on the transfer of cash or other assets between the parent corporation and such entities, or among such entities, could restrict the Company's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Company's valuation and stock price.

- *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.

- *The Company's future performance is dependent on key personnel. The temporary or permanent loss of the services of any of the Company's and its subsidiary's executives or directors could have a material adverse effect on the Company's business.*

The Company's performance is substantially dependent on the performance and continued efforts of the Company's executives and its board of directors. The loss of the services of any of the Company's executives or directors could have a material adverse effect on the Company business, results of operations and financial condition. The Company currently does not carry any key person insurance on any of its executives or directors. The Company has limited resources and is currently unable to compete with larger organizations with respect to compensation and perquisites.

- *The impact and risks arising from epidemic diseases, such as the outbreak of COVID-19 may have a significant impact on the Company.*

The ongoing impact of COVID-19 on the Company has been relatively minor but remains an area of uncertainty for current and future operations. The Company is conducting business as normal with modifications to personnel travel and work locations and is currently evaluating exploration work on its mineral property interests. Rules in all jurisdictions remain subject to change and the Company continues to evaluate and evolve with measures as announced from time to time. Government restrictions on the movement of people and goods may cause exploration work and analysis being done by the Company and its contractors to slow or cease. Such disruptions in work may cause the Company to miss actual or self-imposed deadlines, push out earlier forecasts, and increase fiscal losses. In addition, the ongoing consequences of COVID-19 have caused considerable disruption to the world economy and financial markets which could have a materially adverse impact on the ability of the Company to raise additional funding in the future and could negatively impact, among other factors, the Company's share price.

- *The military conflict between Russia and Ukraine, and the possibility of further escalation, may have a significant impact on the Company.*

All of the Company's current mineral exploration properties are located in Finland, a country that shares a border with Russia. The military conflict between Russia and Ukraine, and the accompanying international response including economic sanctions, continues to be disruptive to the world economy, with increased volatility in commodity markets, international trade and financial markets. There is uncertainty about the extent to which this conflict will continue to impact economic and financial affairs, as the numerous issues arising from the conflict are in flux and there is the potential for escalation of the conflict both within Europe and globally. There is a risk of market and financial disruption arising from the conflict which could have a material adverse effect on the world economy.

- *The Company is exposed to financial risk arising from fluctuations in the exchange rates between the U.S. dollar, Euro and the Canadian dollar.*

While the Company raises funding primarily in Canadian dollars its exploration expenditures are primarily made in either Canadian dollars, U.S. dollars or Euros. Accordingly, the Company is exposed to financial risk arising from fluctuations in the exchange rates between these currencies and the Canadian dollar, and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risks.