



Nickel Rock Resources Inc.

(Formerly Nevada Energy Metals Inc.)

Management's Discussion and Analysis

Nickel Rock Resources Inc.

For the three months ended 30 September 2020

NICKEL ROCK RESOURCES INC. (Formerly Nevada Energy Metals Inc.)

Management's Discussion and Analysis of Financial Results

For the three months ended 30 September 2020

The following management discussion and analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements for the year ended 30 June 2020 and the condensed consolidated interim financial statements for the three months ended 30 September 2020. Results have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All monetary amounts are reported in Canadian dollars unless otherwise indicated.

For further information on the Company reference should be made to the Company's public filings which are available on SEDAR.

This MD&A contains forward-looking information. See "Forward-Looking Information" and "Risks and Uncertainties" for a discussion of the risks, uncertainties and assumptions relating to such information.

NICKEL ROCK RESOURCES INC. (Formerly Nevada Energy Metals Inc.)

Management's Discussion and Analysis of Financial Results

For the three months ended 30 September 2020

Introduction

The following discussion of performance and financial condition should be read in conjunction with the audited consolidated financial statements of Nickel Rock Resources Inc. (the "Company" or "BFF") for the year ended 30 June 2020 and the condensed consolidated interim financial statements for the three months ended 30 September 2020. The Company's condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The Company's reporting currency is Canadian dollars unless otherwise stated. This Management's Discussion and Analysis ("MD&A") is dated 27 November, 2020.

Description of Business

The Company was incorporated under the laws of the province of British Columbia on 2 June 2011.

The Company is a reporting issuer in British Columbia and Alberta. The Company has been listed on the TSX Venture Exchange since 28 October 2013 under the trading symbol "BFF". On 9 November 2020, the Company changed its name to Nickel Rock Resources Inc., and its common shares started trading on the TSX Venture Exchange under the new symbol "NICL".

On 24 January 2018, the Company consolidated its share capital on one (1) new common share without par value for every two (2) existing common shares without par value basis. All common shares and per share amounts have been restated to give retroactive effect to the share consolidation.

The head office and principal address is located at Suite 1220, 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

The Company's business consists of the acquisition, exploration and development of brine based lithium exploration targets and mineral resource properties in British Columbia Canada and Nevada, USA.

In March 2020, the World Health Organization declared a global pandemic known as COVID-19. This is causing significant financial market and social dislocation. This has also resulted in significant economic uncertainty and consequently, it is difficult to reliably measure the potential impact of this uncertainty on the Company's future financial results.

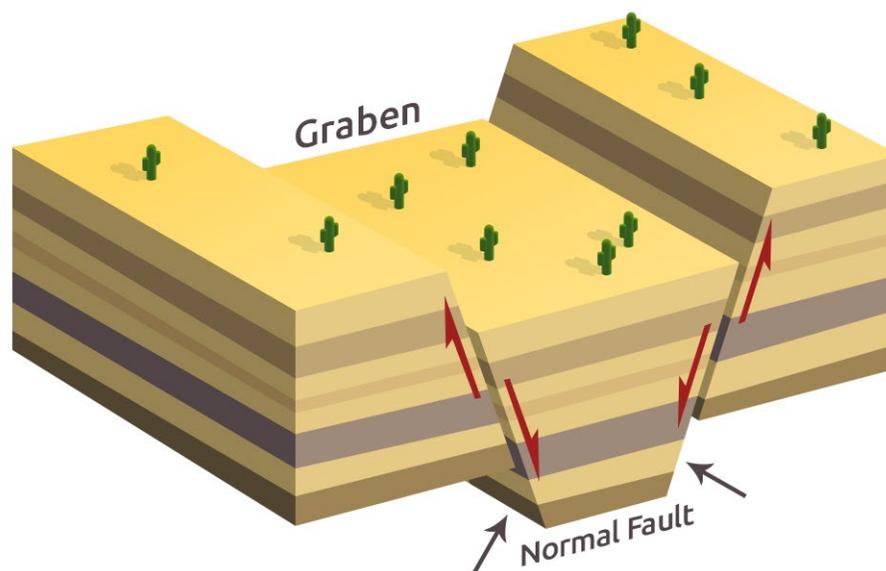
Project Overview

CLAYTON VALLEY BFF-1 PROJECT

The Clayton Valley BFF-1 Lithium Project southern boundary lies 250 meters from Albemarle Corporation's Silver Peak lithium mine and brine processing operations. The mine has been in operation since 1967 and remains the only brine based lithium producer in North America. It is also the location of Pure Energy Minerals' 816,000 metric tonnes Lithium Carbonate Equivalent (LCE) Inferred Resource NI 43-101 announced in July 2015. Clayton Valley's centralized location between Nevada and Reno and its highways, access to power, water and labor provide excellent infrastructure for mineral exploration and development. The Clayton Valley BFF-1 Lithium Project is approximately 3.5 hours away from Tesla's Gigafactory, which has a planned annual lithium-ion battery production capacity of 35 gigawatt-hours per year by 2020.

Clayton Valley is one of the few locations globally known to contain commercial-grade lithium-enriched brine. The Valley is an internally drained closed-basin and is surrounded by mountains, hills and ridges on all sides. It contains an underground unconsolidated water bearing system (or aquifer system) which is host to lithium-enriched brines and is contained by the surrounding rock.

The claims cover an area of playa, including the Goat Island graben (inferred from gravity inversion; Quantec, 2008; Petrick, 2008), that encompasses a portion of a deep-circulation geothermal system beneath basin-fill sediments locally blanketed with travertine in north-western Clayton Valley. The Goat Island graben segments Clayton Valley into a northerly-trending, 1-2 km-wide sub-basin with a distinct escarpment on each side. Geological modeling and assessment of historical drilling results by J.B. Hulen, PG, (31 July 2008 report) concluded that both shallow thermal-gradient and lithium-exploration drilling demonstrates that the northern portion of Clayton Valley contains the valley's highest subsurface temperatures and that these temperatures may be localized in the Goat Island graben and its structural projections to the northeast and south.



A graben is a depressed block of land bordered by parallel faults

Significantly, within the graben and within the boundary of the claim block, a drill hole by Western Geothermal Partners 2007 logged as WGP#2 reported as follows: 'From 280 – to 305 ft., fine grained green sand and silt logged as volcanic ash was encountered. This unit may be correlative to the Main Ash Aquifer, which is a marker bed in other areas of the Clayton Valley Basin.' J.B. Hulen, PG, (31 July 2008.)

Nickel Rock Resources is planning a detailed summer/fall exploration program on the BFF-1 project. The property was acquired for cost of staking with no overriding royalties.

On 17 May 2016 the Company has agreed to grant 1074654 Nevada Ltd. an Option to acquire a seventy (70%) percent interest in the BFF-1 Clayton Valley Property by making certain Cash Payments, issuing Shares upon completion of a "Going Public Transaction", and completing Exploration Expenditures on its property at Silver Peak, Clayton Valley, Nevada.

NICKEL ROCK RESOURCES INC. (Formerly Nevada Energy Metals Inc.)

Management's Discussion and Analysis of Financial Results

For the three months ended 30 September 2020

CLAYTON VALLEY BFF-1 PROJECT(CONTINUED)

In order to earn a 70% interest in the Clayton Valley BFF-1 Property, 1074654 Nevada Ltd. is required to issue shares, make payments and incur exploration expenditures as follows:

		Payments	Shares	Exploration Expenditures
		USD\$		USD\$
Payment on or before 2 June 2016	(received)	\$10,000	-	-
Payment on or before 30 June 2016	(received)	\$15,000	-	-
Payment on 19 July 2016	(received)	\$75,000	100,000	-
On or before 19 July 2017		\$100,000	100,000	\$100,000
On or before 19 July 2018		\$100,000	100,000	\$300,000
On or before 19 July 2019		-	-	\$600,000
		\$300,000	300,000	\$1,000,000

On 19 July 2017, the option agreement with 1074654 Nevada Ltd. expired without being exercised. During the year ended 30 June 2020 the Company dropped 39 claims and recorded an impairment of \$8,179.

Qualified Person Statement

“Project Overview” and “Subsequent Event” sections of this report have been reviewed and approved for technical content by Alan Morris, CPG (Certified Professional Geologist), member of the advisory board of the Company and a Qualified Person under the provisions of NI 43-101.

SELECTED ANNUAL FINANCIAL INFORMATION

The following selected financial information is derived from the audited condensed consolidated interim financial statements of the Company. The figures have been prepared in accordance with IFRS.

	Years Ended 30 June (audited)		
	2020	2019	2018
Total revenues	\$ -	\$ -	\$ -
General and administrative expenses	657,417	807,840	408,908
Mineral property cash costs incurred	9,313	39,843	21,564
Mineral property impairment	163,166	-	-
Net income (loss)	(759,467)	(804,502)	461,385
Net Loss per share – Basic & fully diluted	0.073	0.111	0.098
Totals assets	507,022	1,267,472	1,476,070
Total long-term liabilities	21,786	Nil	Nil
Cash dividends declared per share	Nil	Nil	Nil

NICKEL ROCK RESOURCES INC. (Formerly Nevada Energy Metals Inc.)

Management's Discussion and Analysis of Financial Results

For the three months ended 30 September 2020

SELECTED QUARTERLY FINANCIAL INFORMATION

The following selected financial information is derived from the audited condensed consolidated interim financial statements of the Company. The figures have been prepared in accordance with IFRS.

	For the Quarters Ended (unaudited)							
	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec
	2020	2020	2020	2019	2019	2019	2019	2018
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net income (loss)	(320,571)	(257,601)	(155,814)	(163,413)	(182,639)	(151,771)	(215,636)	(227,980)
Net income (loss) per share	(0.029)	(0.025)	(0.015)	(0.016)	(0.024)	(0.003)	(0.024)	(0.039)
Total assets	1,249,642	507,022	768,411	914,084	1,081,464	1,267,472	1,380,656	1,274,985

RESULTS OF OPERATIONS**For the three months ended 30 September 2020 compared to the same quarter in 2019.**

Comprehensive loss for the quarter ended 30 September 2020 was \$320,571 as compared to a \$182,638 Comprehensive loss for the same quarter in 2019. Being at the exploration stage, the Company did not generate any revenue from operations. The increase in comprehensive loss of \$137,933 was mainly attributable to the net effect of:

- Decrease of \$173 in Bank charges and interest, from \$501 in 2019 to \$328 in 2020.
- Increase of \$60,789 in Consulting fees, from \$81,944 in 2019 to \$142,733 in 2020.
- Increase of \$5,572 in Depreciation expense from \$Nil in 2019 to \$5,572 in 2020
- Increase of \$434 in Finance charges from \$Nil in 2019 to \$434 in 2020
- Increase of \$16,059 in Marketing & communications, from \$1,441 in 2019 to of \$17,500 in 2020.
- Decrease of \$23,037 in Office and miscellaneous, from \$30,238 in 2019 to \$7,201 in 2020.
- Decrease of \$13,363 in Professional fees, from \$13,363 in 2019 to \$Nil in 2020.
- Decrease of \$14,884 in Rent, from \$24,221 in 2019 to an expense recovery of \$9,337 in 2020.
- Increase of \$11,662 in Transfer agent fees, from \$Nil in 2019 to \$11,662 in 2020.
- Decrease of \$29,517 in Travel, lodging and food, from \$29,842 in 2019 to \$325 in 2020.
- Increase of \$1,649 in Foreign exchange gain, from a loss of \$1,088 in 2019 to a gain of \$561 in 2020.

Selected Financial Information

To date, the Company has not commenced commercial operations.

Liquidity and Capital Resources,

As at 30 September 2020, the Company had working capital of \$1,142,105 (30 June 2020: \$346,018).

As at 30 September 2020, the Shareholders' equity of \$1,190,287 (30 June 2020: \$384,818) consisted of share capital of \$3,993,536 (30 June 2020: \$3,099,458), reserves of \$4,425,920 (30 June 2020: \$4,193,958) and deficit of \$7,229,169 (30 June 2020: \$6,908,598).

NICKEL ROCK RESOURCES INC. (Formerly Nevada Energy Metals Inc.)

Management's Discussion and Analysis of Financial Results

For the three months ended 30 September 2020

Outstanding Share Data

The Company's Authorized Share Capital consists of an unlimited number of common shares without par value.

As at 30 September 2020 and the date of this MD&A, the Company had 32,309,153 (30 June 2020: 10,459,153) common shares issued and outstanding.

The Company has adopted a "fixed" stock option plan (the "Plan"), pursuant to which a maximum of 6,461,830 common shares at 30 September 2020 and at the date of this MD&A, being 20% of the issued and outstanding Common Shares of the Company at the time an option is granted, less any outstanding stock options previously granted, will be reserved for issuance as options and will be granted at the discretion of the Corporation's Board of Directors to eligible optionees (the "Optionees") under the Plan.

As at 30 September 2020 and the date of this MD&A, the Company had 2,730,000 stock options outstanding.

As at 30 September 2020 and the date of this MD&A, the Company had 25,445,000 share purchase warrants outstanding.

Common shares issuances

During the three months ended 30 September 2020, the Company issued common shares through Private Placements:

On 29 September 2020, the Company issued 20,000,000 units at a price of \$0.05 per unit for gross proceeds of \$1,000,000. Each unit consists of one common share and one non-transferrable share purchase warrant. Each full warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.06 per share for five years. Finder's fees in the amount of 1,850,000 common shares and 925,000 share purchase warrants were paid in connection with the private placement.

During the year ended 30 June 2020, the Company didn't issue any common shares.

Financial and Other Instrument

The Company's financial assets and liabilities consist of cash and cash equivalents, trade payables and related party loans. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The fair value of these instruments approximates their carrying value due to the short-term nature of their maturity.

Related Party Transactions

For the periods ended 30 September 2020 and 2019, the Company had related party transactions with the following companies related by way of management, directors or shareholders in common:

- TCF Ventures Corp., a company controlled by the former Chief Operating Officer of the Company.
- Zeus Capital Ltd., a company controlled by the Chief Financial Officer of the Company.

As at 30 September 2020, included in accrued liabilities is a balance of \$Nil (30 June 2020: \$24,000) payable to related parties as follows:

	30 September 2020	30 June 2020
As at	\$	\$

NICKEL ROCK RESOURCES INC. (Formerly Nevada Energy Metals Inc.)

Management's Discussion and Analysis of Financial Results

For the three months ended 30 September 2020

Corporate Secretary	-	24,000
CEO	908	3,008
Total trade payable and accrued liabilities due to related parties	908	27,008

The Company's related party expenses are for the three months ended 30 September summarized as follows:

Three months ended	30 September 2020	30 September 2019
	\$	\$
Consulting fees to Zeus Capital Ltd.	6,000	6,000
Consulting fees to the Corporate Secretary	16,000	12,000
Consulting fees to TCF Ventures Corp.	-	12,000
Consulting fees to a director	70,733	-
Consulting fees to the CEO	9,000	-
Total related party expenses	101,733	30,000

Related Party Transactions (continued)

The remuneration of directors and other members of key management for the three months ended 30 September 2020 and 2019 were as follows:

Three months ended	30 September 2020	30 September 2019
	\$	\$
Short-term benefits – management and consulting fees	101,733	30,000
Total key management personnel compensation	101,733	30,000

Critical Accounting Estimates

The preparation of condensed consolidated interim financial statements requires the Company to select from possible alternative accounting principles, and to make estimates and assumptions that determine the reported amounts of assets and liabilities at the balance sheet date and reported costs and expenditures during the reporting period. Estimates and assumptions may be revised as new information is obtained and are subject to change. The Company's accounting policies and estimates used in the preparation of the condensed consolidated interim financial statements are considered appropriate in the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process.

Adoption of New and Revised Standards and Interpretations

The IASB issued a new and revised IFRSs, amendments and related IFRIC interpretations which are effective for the Company's financial year beginning on 1 July 2019. For the purpose of preparing and presenting the condensed consolidated interim financial statements, the Company has consistently adopted all these new standards for the three months ended 30 September 2020.

NICKEL ROCK RESOURCES INC. (Formerly Nevada Energy Metals Inc.)

Management's Discussion and Analysis of Financial Results

For the three months ended 30 September 2020

IFRS 16 Leases ("IFRS 16")

IFRS 16 has replaced IAS 17 – Leases ("IAS 17") and IFRIC 4 – Determining whether an arrangement contains a lease. The Company adopted IFRS 16 effective 1 July 2019. The standard was applied using the modified retrospective method, which does not require restatement of prior year financial information, as it recognized the cumulative effect, if any, as an adjustment to opening retained earnings and applies the standard prospectively. Accordingly, comparative information in the condensed consolidated interim financial statements are not restated and continue to be reported under IAS 17.

Transition

On adoption of IFRS 16, a right-of-use ("ROU") asset and a corresponding lease liability has been recognized in relation to all lease arrangements, excluding commitments in relation to arrangements not containing leases (such as service agreements) and excluding short-term leases, leases of low-value assets, and variable lease payments. Leases were measured at the present value of the remaining lease payments as at 1 July 2019, using the Company's incremental borrowing rate as of 1 July 2019, which is 4.29% per annum.

Adoption of New and Revised Standards and Interpretations (continued)

The following table summarizes the impact of adopting IFRS 16 on the condensed consolidated interim financial statements:

	Balance	Adoption of	Balance
	30 June 2019	IFRS 16	1 July 2019
	\$	\$	\$
Right-of-use asset	-	65,004	65,004
Current portion of lease liability	-	21,110	21,110
Lease liability	-	43,896	43,896

Significant accounting policy

The Company assesses new contracts at inception to determine whether a lease is present. This assessment involves significant judgement about whether an asset is specified for the Company, whether the Company obtains substantially all the economic benefits from use of that asset, and whether the Company has the right to control the use of the asset.

Leases are recognised as ROU assets with a corresponding liability at the date the leased asset becomes available for use by the Company. Each lease payment is allocated between the lease liability and finance expense. The finance expense is charged to the statement of comprehensive loss over the lease term to present a constant yearic rate of interest on the remaining balance of the liability for each reporting year. ROU assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from leases are initially measured at present value. Lease liabilities include the net present value of fixed payments less any lease incentives receivable, variable lease payments that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option, and

NICKEL ROCK RESOURCES INC. (Formerly Nevada Energy Metals Inc.)

Management's Discussion and Analysis of Financial Results

For the three months ended 30 September 2020

payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, if there is a change in the amount expected to be payable under a residual value guarantee, or if there is a change in the assessment of whether the Company will exercise a purchase, extension, or termination option that is within the control of the Company. Lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or at the Company's incremental borrowing rate.

ROU assets are measured at cost comprising of the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date, or any initial direct costs and restoration costs.

Payments associated with short-term leases (term of 12 months or less) of low-value assets are recognised on a straight -line basis as an expense in the statement of comprehensive loss. The Company applies a single discount rate to portfolios of leases with similar characteristics.

Adoption of New and Revised Standards and Interpretations (continued)

Lease modifications will be accounted for as a separate lease, if the modification increases the scope of the lease, and if the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope. For modifications that don't justify a separate lease, or where the increase in consideration is not commensurate, at the effective date of the lease modification, the Company will remeasure the lease liability with a corresponding adjustment to the ROU asset using the rate implicit to the lease, if that rate can be determined, or the Company's incremental borrowing rate. A modification that decreases the scope of the lease will be accounted for by decreasing the carrying amount of the ROU asset, and recognising a gain or loss in the net loss and comprehensive loss that reflects the proportionate decrease in scope.

Finance expense comprises interest expense on the bank indebtedness and interest on the lease liability.

Significant accounting judgements, estimates, and assumptions – Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs, which affects this assessment.

IFRIC 23 Uncertainty over Income Tax Treatments

On June 7, 2017, the IASB issued IFRIC 23 Uncertainty over Income Tax Treatments. The interpretation provides guidance on the accounting for current and deferred income tax liabilities and assets when there is uncertainty over income tax treatments. IFRIC 23 was applicable for annual years beginning on or after January 1, 2019.

IFRIC 23 requires an entity to determine whether uncertain tax positions are assessed separately or as a group; and assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings. If the treatment is likely to be accepted, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings. If not, the entity should reflect the effect of uncertainty in determining its accounting tax position. The Interpretation is effective for annual years beginning on or after January 1, 2019.

NICKEL ROCK RESOURCES INC. (Formerly Nevada Energy Metals Inc.)

Management's Discussion and Analysis of Financial Results

For the three months ended 30 September 2020

The Company adopted IFRIC 23 in its condensed consolidated interim financial statements for the annual year beginning on 1 July 2019, with no impact on the condensed consolidated interim financial statements

Off-Balance Sheet Arrangements

The Company did not enter into any off-balance sheet arrangements during the period.

Subsequent Events

On 15 October 2020, the Company entered into an option agreement to earn 100% interest in the Klone Group of mineral claims located in Fort St. James in British Columbia. The Company may exercise the option by making a total of \$305,000 cash payments, issuing 550,000 common shares and incurring \$1,200,000 in exploration expenditures over 5 years. The agreement is subject to TSXV approval.

On 23 October 2020, the Company has entered into two purchase and sale agreements with John Malcolm Bell to acquire 100% interest, subject to a 2% net smelter royalty, in each of two nickel exploration projects located in British Columbia, Canada. Pursuant to the terms of the agreement the company will pay cash in the amount of \$8,500 and issue five million common shares. The agreement is subject to TSXV approval.

On 4 November 2020, Mr. James Hellwarth resigned as a director of the company. He will continue to serve as a strategic adviser.

On 9 November 2020, the Company changed its name from Nevada Energy Metals Inc. to Nickel Rock Resources Inc. Along with the name change, the Company's common shares started trading under the new symbol NICL on the same date.

On 25 November 2020, the Company has been approved by Mergent Inc.'s editorial board and is now blue-skied with a new listing in Mergent Manuals and News Reports. Nickel Rock's corporate profile, which includes descriptive text, data, news and financial statements, will be accessible through Mergent's online and print products.

Management's Responsibility for Condensed consolidated interim financial statements

The information provided in this report, including the condensed consolidated interim financial statements, is the responsibility of Management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying Condensed consolidated interim financial statements.

Risks

The Investment in the common shares must be regarded as highly speculative due to the proposed nature of the Company's business and its present stage of development.

There can be no assurance that an active and liquid market for the Company's common shares will develop and an investor may find it difficult to resell the common shares.

Controls and Procedures

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's condensed consolidated interim financial

NICKEL ROCK RESOURCES INC. (Formerly Nevada Energy Metals Inc.)

Management's Discussion and Analysis of Financial Results

For the three months ended 30 September 2020

statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this MD&A.

Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company's financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and work load will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial reports.

Outlook

Although current management has demonstrated its ability to raise funds in the past, with the current financial market conditions and global economic uncertainty, there can be no assurance they will be able to do so in the future. The financial results and discussion do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

Caution Regarding Forward Looking Statements

Except for historical information contained in this discussion and analysis, disclosure statements contained herein are forward-looking. Forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially, from those in such forward-looking statements. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.

Other Information

Additional information about the Company is available on SEDAR at www.sedar.com.