

CANADIAN NORTH RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Canadian North Resources Inc. (the "Company" or "Corporation" or "Canadian North") constitutes management's review of the factors that affected the Company's financial and operating performance for the years ended December 31, 2024, and 2023.

This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the years ended December 31, 2024, and 2023, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the year ended December 31, 2024, are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at April 11, 2025, unless otherwise indicated.

The audited financial statements for the years ended December 31, 2024, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statements.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Canadian North's ability to predict or control. Please also refer to those risk factors referenced in the "Risks and Uncertainties" section below. Readers are cautioned that the above does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such

statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Canadian North's actual results, performance, or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. So, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether because of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

Canadian North is an exploration and development company, focusing on the base metal (nickel, copper, cobalt) and platinum-group metals (PGM, mainly palladium, platinum, and rhodium), all being the critical minerals for high-tech, clean energy, battery, and electric vehicle (EV) industries. The Company currently owns 100% interest in its flagship Ferguson Lake property in the Kivalliq region of southern Nunavut Territory. It is an advanced exploration project that holds copper, nickel, cobalt, palladium, platinum, rhodium, gold and silver. In addition, the Company also explores at the Mac Island and Quartzite Lake gold prospects, southwest of the Ferguson Lake property in Nunavut.

Outlook and Overall Performance

The Company has no operating revenues, so its ability to ensure continuing operations is dependent on the discovery of economically recoverable reserves and its ability to obtain necessary financing to complete the exploration activities, development, and future profitable production.

On December 31, 2024, the Company had a net working capital of \$933,418 (December 31, 2023 – \$5,221,485). The Company had cash and cash equivalents of \$1,646,226 (December 31, 2023 - \$5,540,312). Working capital and cash and cash equivalents decreased during the year ended December 31, 2024, due to exploration and evaluation expenditures, payment of lease obligations and general and administrative expenses.

The Company has planned for financing for the year ending December 31, 2025, which includes issuing common shares from private placement. The Company will ensure sufficient capital to meet its ongoing operating expenses and continue to meet its obligations on its current projects for the period ending December 31, 2025. Management may increase or decrease budgeted expenditures depending on exploration results and ongoing volatility in the economic environment. See "Liquidity and Financial Position" below.

Qualified Person

Trevor Boyd, Ph.D., P.Geo., a geologist in good standing with the Professional Geoscientists Ontario (PGO) and Northwest Territories and Nunavut Association of Professional Engineers and Geoscientists (NAPEG) is the Qualified Person for the Exploration section within the meaning of National Instrument 43-101 ("NI 43-101") Standards of Disclosure for Mineral Projects and has reviewed and approved the scientific and technical content in this MD&A.

Mineral Properties

The Ferguson Lake Property

On June 7, 2013, the Company completed the acquisition of the Ferguson Lake Property ("the Property" or "the Ferguson Lake Project"). The property is in the Kivalliq region of southern Nunavut Territory some 250 kilometres west of Rankin Inlet and 170 kilometres south-southwest of Baker Lake.

The Ferguson Lake Property consists of 10 contiguous mining leases comprising an area of 9.686 hectares (96.9 km²), and all the mining leases remain active until 2028. Surrounding these mining leases, the Company has staked 9 exploration claims over an area of 12,909.60 hectares (129.1 km²).

The ongoing management of the Ferguson Lake Project and the holdings requires the maintenance of careful attention to the care of the environment, historical artifacts, and local community and socio-economic relationships. A series of permits and licenses need to be kept in good standing to operate successfully and retain free ownership of the holdings. Canadian North Resources Inc. is a registered incorporated extra-territorial corporation with the Nunavut government and holds a prospecting license in good standing with Department of Aboriginal Affairs and Northern Development Canada.

The Property includes a 15-kilometer-long sulphide mineralization belt encompassing a total of 10 zones, i.e. the South Discovery Zone, 119 Zone, West Zone, West Extension, West Zone South, Central Zone, East Zone I and II, M-Zone, and Anomaly 51, as described in the historical reports. A total of 191,000 metres were drilled in 623 holes mostly on the West Zone and West Extension Zone historically.

Historic Mineral Resource Estimation:

The Ferguson Lake Project had historically undergone a series of resource estimations which culminated in 2011 with the completion of a Preliminary Economic Assessment ("PEA") of the Ferguson Lake Property resulting in the filing of a National Instrument 43-101 ("NI43-101") Independent Technical Report by Roscoe Postle Associates Inc. ("RPA") for Starfield Resources Inc.

Since the Company acquired the Ferguson Lake Project in June 2013, exploration programs and metallurgical tests have been carried out. During the summers of 2013, 2015 and 2018, work programs were conducted on the Ferguson Lake Property by the Company with the main purpose of completing surface explorations and technical evaluations. This work included prospecting, litho-geochemical sampling of outcrop and historic drill cores plus ground magnetic and VLF surveys.

In 2021, the Company filed a NI 43-101 Independent Technical Report by Trevor Boyd that provided a thorough review of the historic reports and a summary of the technical work conducted by the Company since 2013. It was concluded that the resource estimate and the PEA filed by RPA in 2011 were outdated, no longer valid and not to be relied upon as being 43-101 compliant. A significant re-evaluation of today's metal prices and economic conditions would have to be completed to upgrade this historic estimate as current mineral resources. In particular, the historic resources were economically assessed at only Cu + Ni + Co NSR cutoffs of C\$75 (open pit) and C\$110 (underground) at 2011 metal prices. Potential to add significant tonnage and value with the addition of PGM (palladium, platinum, and rhodium) grades. The mineral deposit was modeled for massive sulfides (>50%); but significant disseminated sulphide PGM rich mineralization is hosted in the thick gabbro units. There is potential for the addition of major PGM rich tonnage by including these lower sulfide zones. Moreover, the rhodium content of the mineralization zones has never been systematically evaluated. Drill intersections up to 1.25 m of 0.46 g/t Rh and 1.6 g/t Pd in hole FL04-195 and 1.6m of 0.32 g/t Rh and 1.2 g/t Pd in hole FL05-230 hosted in Cu-Ni-Co sulphides are reported.

CANADIAN NORTH RESOURCES INC.
Management's Discussion & Analysis
For the Year Ended December 31, 2024
Dated April 11, 2025

In June 2022, the Company announced an updated Mineral Resource estimate for its Ferguson Lake Property. In July 2022, the Company filed the NI43-101 Independent Technical Report on the updated resource estimate for the Ferguson Lake Property, prepared by Ronacher McKenzie Geoscience Inc. and Francis Minerals Ltd., and based on their independent review, verification and modeling of exploration and metallurgical data for the Project.

Current Mineral Resource Estimation:

The Company completed core drilling programs in 2021, 2022 and 2023 totalling 39,270 metres in 145 boreholes. The purpose of the drilling was to (1) complete definition drilling of the East and West Zones, (2) test the extensions of the main mineralized zones and to (3) test new targets. Drilling occurred in the historic named West and West Extension zones, the Central Zone on Ferguson Lake, the East Zone as well as the areas of Anomaly 51, Anomaly 51 Extension and the M Zone.

Massive, semi-massive and disseminated sulfide was intersected by numerous drill holes and the mineralization was extended in the east and west of the previously identified, 15-km long main mineralized zone. The drilling also indicated a significant thickening of the host gabbro in the West Zone and West Extension Zone to hundreds of meters thickness. In this zone, the gabbro carries disseminated, semi-massive and massive sulfide mineralization.

Several additional zones, including the M Zone, Anomaly 51 and Anomaly 51 Extension were tested successfully. The host gabbro is thinner in these zones than in the main zones, however, it still hosts massive, semi-massive and disseminated Cu-Ni-Co-PGE mineralization.

On March 19, 2024, the Company announced the results of the updated Mineral Resource estimation (Table 1) in compliant with NI43-101 Standard for the Ferguson Lake Project. The Mineral Resource model prepared by SRK Consulting (Canada) Inc. considers 756 core boreholes (approximately 226,167 metres) drilled by Canadian North and historical operators between 1953 and 2023, and the review of a flotation flowsheet to potentially produce three saleable concentrates. This model is different from the previous models that were based on the hydrometallurgical process with higher metal recoveries but also higher capital and operational costs than the flotation flowsheet.

Table 1: Mineral Resource Statement*, Ferguson Lake Project, Nunavut, SRK Consulting (Canada) Inc., March 19, 2024

Mineral Resource Statement, Ferguson Lake Project, Canada. SRK Consulting (Canada), March 19, 2024

Mining Method Category	Tonnes (Mt)	Grade						Material Content					
		NSR (US\$/t)	Cu (%)	Ni (%)	Co (%)	Pd g/t	Pt g/t	Cu (Mlbs)	Ni (Mlbs)	Co (Mlbs)	Pd ('000oz)	Pt ('000oz)	
Open Pit	Indicated	52.7	149	0.65	0.43	0.05	0.97	0.17	755.7	497.2	57.7	1,647	295
	Inferred	4.0	159	0.65	0.50	0.06	0.88	0.17	56.7	43.4	5.3	111	21
Underground	Indicated	13.5	243	1.13	0.61	0.07	1.60	0.29	336.8	181.0	21.6	692	124
	Inferred	21.9	231	1.04	0.60	0.07	1.53	0.26	501.0	289.7	34.4	1,081	184
Total	Indicated	66.1	168	0.75	0.47	0.05	1.10	0.19	1,092.5	678.2	79.3	2,340	419
	Inferred	25.9	220	0.98	0.58	0.07	1.43	0.25	557.8	333.1	39.6	1,192	205

***Mineral Resource Estimation Notes**

- The Mineral Resource estimation work including construction of geological solids, grade estimation, associated sensitivity analyses, and Mineral Resource classification was completed by Joycelyn Smith, P.Geol. (PGO#2963), under supervision of Mr. Glen Cole, P.Geol. (PGO#1416) of SRK Consulting, an appropriate independent Qualified Person as this term is defined in National Instrument 43-101.
- The Mineral Resources have been estimated in conformity with generally accepted Canadian Institute of Mining (CIM) *Estimation of Mineral Resource and Mineral Reserves Best Practices Guidelines* (November 2019) and are reported in accordance with the Canadian Securities Administrators' National Instrument (NI) 43-101.
- Mineral Resources are not Mineral Reserves and have not demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate.
- A total of 18 massive sulphide and two low-sulphide platinum group element (LSPGE) domains were modeled within an overall host gabbroic intrusion to constrain the mineralization.
- The Mineral Resources for the Ferguson Lake Project are estimated based 756 boreholes (approximately 226,167 metres) as of November 2, 2023, including 129 boreholes (approximately 35,775 meters) added to the deposit model out of the 39,270 metres completed since the previous Mineral Resource update as on June 13, 2022 (refer to "Independent Technical Report, Updated Mineral Resource Estimate, Ferguson Lake Project, Nunavut, Canada, Prepared by Ronacher McKenzie Geoscience Inc. and Francis Minerals Ltd " filed by the Company to Sedar.com on July 13, 2022).
- All composites have been capped where appropriate.
- The Mineral Resources for the Ferguson Lake Project were estimated using Leapfrog Edge™ software. The estimation parameters consider 3 passes estimated by Ordinary Kriging with progressively relaxed criteria, including a requirement of 3-4 boreholes in the first pass, 2-3 boreholes in the second pass and at least 4 composites in the third pass. Massive sulphide domains were estimated with hard boundaries, and LSPGE domains were estimated with limited (10m) soft boundaries.
- The block classification strategy considers drillhole spacing, geologic confidence and continuity of category. Indicated Mineral Resources were defined for blocks inside geological resource solids estimated within the first two passes and having a nominal drillholes spacing less than 150 metres. Classification results were smoothed to improve continuity.
- Mineral Resources are reported in relation to a conceptual pit shell and underground mining shapes. Open pit Mineral Resources include all blocks inside the conceptual shell. Underground mineral resources include blocks not meeting open pit reporting requirements contained within conceptual mining shapes.
- Open pit Mineral Resources are reported at a NSR cut-off value of US\$33.00 and underground Mineral Resources are reported at a NSR cut-off value of US\$96.00. Cut-off values are based on a price of US\$4.00 per pound of copper, US\$9.00 per pound of nickel, US\$22.00 per pound of cobalt, US\$1,250 per ounce of palladium, and US\$1,150 per ounce of platinum, and recoveries of 95 percent for copper, 51 percent for nickel, 89 percent for cobalt, 76 percent for palladium and 60 percent for platinum for massive sulphide material, and 78 percent for copper, 29 percent for nickel, 48 percent for cobalt, 60 percent for palladium and 70 percent for platinum for LSPGE material, for open pit and underground resources.
- The reported Mineral Resource is inclusive of East, Central and West zones along the 15km-long main mineralized horizon.

Following the release of the updated Mineral Resource estimate, in May the Company has filed its National Instrument 43-101 Technical Report on the Ferguson Lake Project, entitled "Independent Technical Report on the Mineral Resource Estimate for the Ferguson Lake Project, Nunavut, Canada", prepared by SRK Consulting (Canada) Inc. and Ronacher McKenzie Geoscience Inc.

Mac Island and Quartzite Lake Prospects:

The Company staked the exploration claims at Kaminak and Quartzite Lake area. The Mac Island prospect is part of the 29.2 km² Kaminak exploration claims, with gold showings identified on outcrops. The Quartzite Lake prospect is found with multiple occurrences of gold-copper on outcrops over an area of the 50.3 km² exploration claims. Quartzite Lake is adjacent to the Kaminak area, located about 120 km southwest of Rankin Inlet. The mineralization is associated with shears and quartz veining hosted in mafic volcanics within the 400 km long Archean greenstone belt that hosts several gold and copper deposits such as the Meliadine gold mine (operated by Agnico Eagles).

Corporate Highlights

- On January 2, 2024, the Company reported the results from the processing of Borehole Time-Domain Electromagnetic (BHTEM) surveys from deep West Zone drillholes FL22-481A and FL23-481B completed at its 100% owned Ferguson Lake Project. The results demonstrate the continuance of the West Zone greater than 200 metres beyond the historically defined down-dip drilled extent of the zone and show its open potential for continued expansion both laterally and further down-dip at depths of 650 to >800 metres. The Company also announced that Dr. Trevor Boyd retired from the VP Exploration and would continue to be a Technical Advisor and QP for the Company.
- In late January, 2024, the IR team attended the Vancouver Resource Investment Conference (the VRIC) in Vancouver on January 21-22, 2024. During and after the VRIC, the IR team did the road-shows to the investors in Vancouver.
- In early March, 2024, the Company participated in the Prospectors and Developers Association of Canada (PDAC) in Toronto on March 3-6, 2024. Dr. Kaihui Yang, the President of CEO was invited to present an overview of the Company and its Ferguson Lake project at the Corporate Presentation Forum for Investors ("CPFI"). During and after the PDAC, the IR team did the road-shows to the investors in Toronto.
- On March 19, 2024, the Company announced an updated Mineral Resource estimate for its 100% owned Ferguson Lake project. The updated Mineral Resources includes (1) a 172% increase of Indicated Mineral Resources to 66.1 million tonnes (Mt) containing 1,093 million pounds (Mlb) copper at 0.75%, 678Mlb nickel at 0.47%, 79Mlb cobalt at 0.05%, 2.34 million ounces (Moz) palladium at 1.10 g/t and 0.42Moz platinum at 0.19 g/t, of which 80% is the Open pit Indicated Mineral Resources with 52.7Mt at 0.65% Cu, 0.43% Ni, 0.05% Co, 0.97g/t Pd and 0.17% Pt; (2) an Inferred Mineral Resources of 25.9Mt containing 558Mlb copper at 0.98%, 333Mlb nickel at 0.58%, 40Mlb cobalt at 0.07%, 1.12Moz palladium at 1.43 g/t and 0.21Moz platinum at 0.25 g/t. The updated Mineral Resource Model demonstrates a successful major upgrade of Mineral Resource tonnages from Inferred to Indicated category combined with continued expansion of overall Mineral Resource size along strike and down / up dip. The model shows the deposit potential for continued Mineral Resource expansion along strike and at depth over the 15 km long main mineralized horizon and within the open satellite mineralized zones.
- On March 21, 2024, the Company announced the amendment on the exercise price of options to purchase a total of 1,600,000 Common Shares from \$2.45 to \$1.70 per share, for options previously granted to consultants to the Corporation.
- On April 3, 2024, the Company provided an update of the metallurgical test programs. Metallurgical flotation test results indicate the reasonable probability of producing three payable copper, nickel and PGM bearing concentrates from the various types of mineralized materials that comprise its National

instrument 43-101 Mineral Resource of the Ferguson Lake Project, suggesting a potential low-capital cost option for the project development. Alternatively, hydrometallurgy is considered as an effective option albeit with higher capital and operating cost. The Company is focusing on conducting follow-up investigations using new technologies for high metal extraction.

- On April 5, 2024, the Company announced that it has filed with the TSX Venture Exchange a Notice of Intention to Make a Normal Course Issuer Bid ("NCIB") which is proposed to commence on April 10, 2024, and terminate on April 9, 2025 or the earlier of the date all shares which are subject to the Normal Course Issuer Bid are purchased. In the opinion of the Board of Directors of the Company, the market price of the Common Shares does not accurately reflect the value of those shares. As a result, the Company intends to repurchase CNRI's Common Shares that may become available for purchase at prices, which makes them an appropriate use of funds of the Company. The Company intends to attempt to acquire up to an aggregate of 5,726,380 of its Common Shares over the next 12-month period, representing approximately 5% of the issued and outstanding Common Shares of CNRI.
- On April 24, 2024, the Company filed the annual financial results and operational updates for 2023. During the year, the Company raised over \$17 million for exploration, with cash and cash equivalents of \$5,540,312 at the year end. The Company completed an aggressive exploration program with 21,126 meters drilled in 2023 for a cumulative total of 39,270 meters in 145 holes of new diamond drilling to the project database for the updated Mineral Resources estimation reported on March 19, 2024. The statement of the updated Mineral Resources demonstrates that the Ferguson Lake project is one of the highest-grade and largest undeveloped critical mineral projects in North America. The Company plans to continue drilling to expand the mineral resources and to conduct follow-up metallurgical testing, commence economic evaluation, infrastructure and environmental studies for a low-carbon footprint mine development plan at the Ferguson Lake Project.
- On May 6, 2024, the Company filed the Independent Technical Report on the Mineral Resources Estimation for the Ferguson Lake project. The Technical Report supports the definition of the large and high-grade Mineral Resource at the Ferguson Lake Project, including 52.7Mt of high-grade open pit Indicated Mineral Resources at 0.65% Cu, 0.43% Ni, 0.05% Co, 0.97g/t Pd and 0.17g/t Pt, which provides a solid Mineral Resource base for the initial development of a potential large mine. Mineral Resources are estimated for West, Central and East Zones along the 15km-long main mineralized horizon. The Mineral Resource model indicates potential for continued Mineral Resource expansion along strike and at depth over the mineralized horizon. Significant resource upside potential outside the main mineralized zone is also anticipated when sufficient grid definition drilling is completed on additional satellite exploration zones including M-Zone, A51-Zone, A51 Zone Extension, West Zone South and South Discovery Zone
- On May 27, 2024, the Company reported the financial results and operational update for the first quarter ended March 31, 2024. During the quarter, the Company planned geological and geophysical programs and identified new exploration targets with significant resource upside potential along strike and down dip of the 15 km long main mineralized horizon and on additional zones including M-Zone, A51-Zone, A51-Zone Extension, Small Island and Lake Zone, West Zone South and South Discovery Zone. The Company also planned new metallurgical tests, economic evaluation and infrastructure and environmental studies for low-carbon footprint mine development at the Ferguson Lake Project.
- On June 19, 2024, the Company announced the voting results for the election of its Board of Directors at its Annual and Special Meetings of Shareholders held on June 18, 2024.

- During the 3rd quarter, the Company carried out technical programs including the completion of an airborne LiDAR survey; upgrading and renewing licenses and permits, community engagement, environmental reconnaissance field assessments, expanding metallurgical tests, and re-modeling and re-interpretation of historical geophysical data to generate new targets for drilling. All the programs were planned with the goal of resource expansion and potential mine development at Ferguson Lake. The execution of these programs was crucial for the advancement of the Ferguson Lake Project. The LiDAR survey data will aid in facilitating precise engineering and infrastructure development, a key milestone for the project. The Company expanded metallurgical tests with both current flotation and new bioleaching low-carbon footprint technologies. In the field, the Company collected additional samples for ongoing and further metallurgical tests and completed environmental reconnaissance for exploration and development. A geophysical review is under the way to generate drilling targets for resource expansion. The Company was actively upgrading and renewing the licenses and permits for the next phase of exploration and development of the Ferguson Lake Project.
- On August 22, 2024, the Company reported receiving a grant for its Community Engagement Support Program (“CESP”) from the Government of Nunavut, represented by the Minister of the Department of Economic Development & Transportation (EDT). The CESP aims to support the Company’s ongoing community engagement activities in Nunavut through contributions to cover costs associated with engagement and consultation work required during the permitting and regulatory stages of an exploration project. Under CESP, the Company has signed the CESP Contribution Agreement (“the Agreement”) that the Government of Nunavut will contribute \$98,875, with an initial payment of \$49,437.50, which has been received. The balance is expected upon the submission of a final report to be completed on January 31, 2025. Canadian North is committed to building strong, respectful, and productive relationships with the people of Nunavut. This support from the Government of Nunavut is appreciated and pivotal in ensuring that our exploration activities are aligned with the values and expectations of local communities.
- On August 27, 2024, the Company reported filing of the financial and operational results during the second quarter ended June 30, 2024. During the 2nd quarter, the Company completed the filing and completion of the new National Instrument 43-101 Technical Report that defines the large and high-grade Mineral Resources at the Ferguson Lake Project. 80% of the Indicated Mineral Resource is Open Pit, which provides a solid Mineral Resource base for initial development studies for a potential large mine. The technical team started working with the consultants on reprocessing of historic geophysical data to generate new exploration targets with significant resource upside potential along strike and down dip of the 15 km long main mineralized horizon and on additional satellite zones including M-Zone, A51-Zone, West Zone Extension, West Zone South and South Discovery Zone. Based on the new Technical Report, the Company planned new metallurgical tests, community engagement programs and economic evaluation, infrastructure and environmental studies for low-carbon footprint mine development at the Ferguson Lake Project.
- On September 24, 2024, the Company announced that following the signing of a Community Engagement Support Program (“CESP”) agreement with the Government of Nunavut, represented by the Minister of the Department of Economic Development & Transportation (“EDT”), the Company has strengthened its community engagement and consultation, with a focus on the communities of Baker Lake and Arviat, in the Kivalliq Region of Nunavut. The Company organized a site visit for the community council members, elders and their families from Baker Lake to the camp and historic sites of great importance to the community. Carrying out this program has reinforced the strong community support for the exploration and potential mine development of the Ferguson Lake Project. Strengthening our relationships with the communities and deepening our understanding of historically significant areas will be key to responsible resource development in the region

- On October 1, 2024, the Company announced that it received the final \$125,000 payment of the \$250,000 exploration grant from the Government of Nunavut's Discover, Invest, Grow ("DIG") program. This grant was awarded to the Company for its successful exploration programs completed in 2023. This grant further highlights the strong potential of the Ferguson Lake project and reinforces our commitment to responsible, sustainable exploration and mine development in Nunavut. We remain dedicated to building lasting relationships with local communities and government as we work together toward developing this valuable resource
- On October 8, 2024, the Company reported the progression of technical programs for the Ferguson Lake copper, nickel, cobalt, palladium and platinum project ("the Ferguson Lake Project") during the 2024 summer season. The technical programs include the completion of the LiDAR survey; upgrading and renewing licenses and permits, environmental reconnaissance fieldwork, expanding metallurgical tests, and re-modeling and re-interpretation of historical geophysical data. The Company opened the Ferguson Lake field camp for maintenance of living quarters and heavy equipment, support field working programs and visit by the council members, elders and families from local communities, as well as the site visit by New Brunswick Research and Productivity Council ("RPC") engineer for the collection of bacterial sample material for bioleaching tests.
- On October 21, 2024, the Company reported the preliminary results from the technical evaluation of bioleaching technology for its Ferguson Lake copper, nickel, cobalt, palladium and platinum project ("the Ferguson Lake Project"). The bioleaching tests were conducted by RPC at its laboratory in Fredericton, New Brunswick. The initial results indicated metal extraction of 96.1 – 98.5% nickel and 96.1 – 97.7% cobalt from bioleaching tests. Bioleaching could offer much higher metal recoveries than flotation (29-51% nickel and 48-89% cobalt), significantly increasing the value of current mineral resources. Both massive sulphides and rougher sulphide tails from flotation tests on the massive sulfides are amenable for bioleaching extraction, potentially producing nickel/cobalt sulphates onsite for battery manufacturing. On-going metallurgical testing was expanded to achieve high recoveries of copper and precious metals (palladium, platinum, gold, etc.) and were to be completed in conjunction with follow-up flotation tests by SGS Canada. The Management believed that bioleaching is a promising, cost-effective, and eco-friendly technology for developing a low- carbon footprint mine at the Ferguson Lake project.
- In late October – early November 2024, the Company presented at the 2024 International Mining and Resources Conference ("IMARC") in Sydney, Australia. The Company joined as part of the Ontario Mining Mission., organized by the Government of Ontario in partnership with the Canadian Consulate General in Sydney. The mission provided visibility and access to potential partners across Australia and the Asia-Pacific region. The event brought together more than 600 leaders and experts from across the industry. Dr. Kaihui Yang, CEO of Canadian North Resources, delivered a presentation at the Section of Investment Mining Spotlight on Wednesday, October 30th at 10:15 AM (local time). Dr. Yang's presentation focused on the Company's flagship Ferguson Lake Project in Nunavut, Canada, highlighting its abundant and high-grade copper, nickel, cobalt, and platinum group metals. Dr. Yang provided an overview of the resource potential, project development, and how Canadian North Resources is positioning itself in the global battery metals and clean energy supply chains. Dr. Yang also communicated with investment bankers, investors and major mining companies in Australia, who showed significant interest in Canadian North's recent technical achievements, especially the preliminary results of the bioleaching tests for the Ferguson Lake project.
- On November 1, 2024, the Company announced the resignation of Rick Brown from the Board of Directors due to his other engagements. On November 15, 2024, the Company announced the appointment of Henderson Tse as a new Director.

- In December 2024, the Company organized another trip to the local communities, as part of the Community Engagement Support Program ("CESP") as supported by the Government of Nunavut, represented by the Minister of the Department of Economic Development & Transportation ("EDT"). The Company further strengthened its community engagement and consultation, with a focus on the communities of Baker Lake and Arviat, in the Kivalliq Region of Nunavut. Carrying out this program has reinforced the strong community support for the exploration and potential mine development of the Ferguson Lake Project.

Subsequent Events:

- On February 20, 2025, the Company provided an update on its Normal Course Issuer Bid ("NCIB") that was announced on April 5, 2024. Since December 5, 2024, the Company has repurchased a total of 162,500 Common Shares at an average price of \$0.97 per share under the NCIB. The Company believes that the current market price does not fully represent the intrinsic value of CNRI's Common Shares. The completion of this initial phase underscores the Management's commitment to returning value to shareholders while optimizing the Company's capital structure.
- On March 3, 2025, the Company announced to start new metallurgical tests using the low-carbon footprint bioleaching technologies. Based on the exceptional initial results that indicated 96-98% extraction of nickel and cobalt, the Company moved forward to expand the bioleaching tests to recover copper and PGM in addition to nickel and cobalt.
- In early March, the Company participated in the PDAC 2025 Annual Conference with a booth to display recent drill cores from the Ferguson Lake project and new metallurgical tests. The team met with investors and potential partners with updated mineral resources and the results of new metallurgical tests using the low-carbon footprint, bioleaching technology for the Ferguson Lake project.

Results of Exploration Programs

Ferguson Lake Project

Mineral Resources Update:

On May 3, 2024, the Company filed its National Instrument 43-101 Technical Report, entitled "Independent Technical Report on the Mineral Resource Estimate for the Ferguson Lake Project, Nunavut, Canada ("the Technical Report")", prepared by SRK Consulting and Ronacher McKenzie Geoscience Inc., effective March 19, 2024, on SEDAR at <http://www.sedar.com>. The Technical Report has also been posted on the Company's website at www.cnresources.com.

The main conclusions of the NI43-101 Technical Report are summarized below:

- The Technical Report supports the definition of the large and high-grade Mineral Resource at the Ferguson Lake Project (Table 1), including 52.7Mt of high-grade open pit Indicated Mineral Resources at 0.65% Cu, 0.43% Ni, 0.05% Co, 0.97g/t Pd and 0.17g/t Pt, which provides a solid Mineral Resource base for the initial development of a potential large mine.

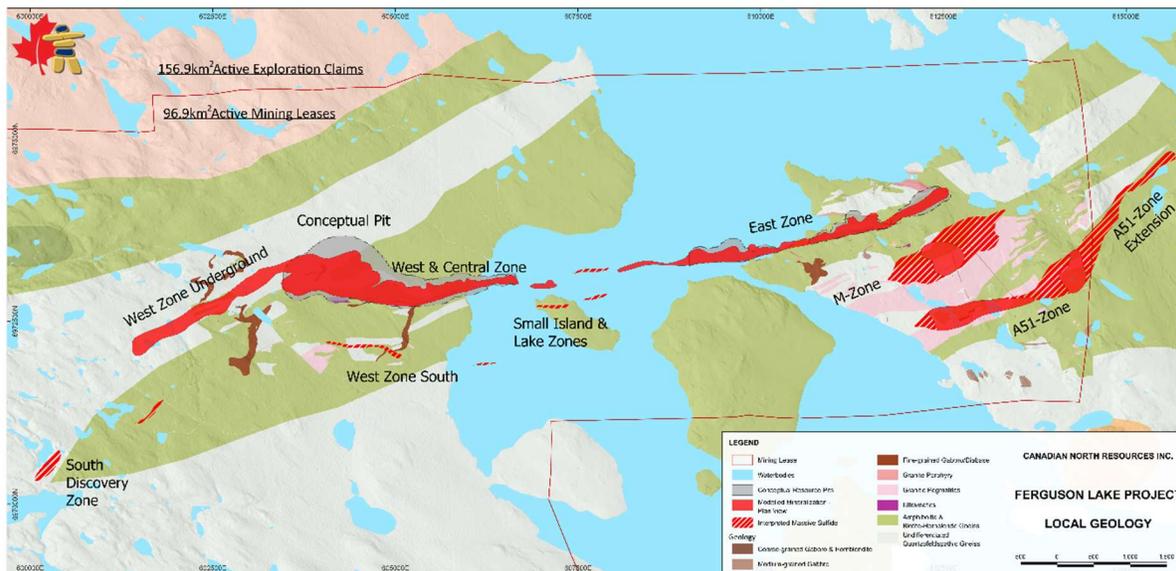


Figure 1a: Geological Map showing Mineralization Zones. The Mineral Resources incorporate West, Central and East Zones.

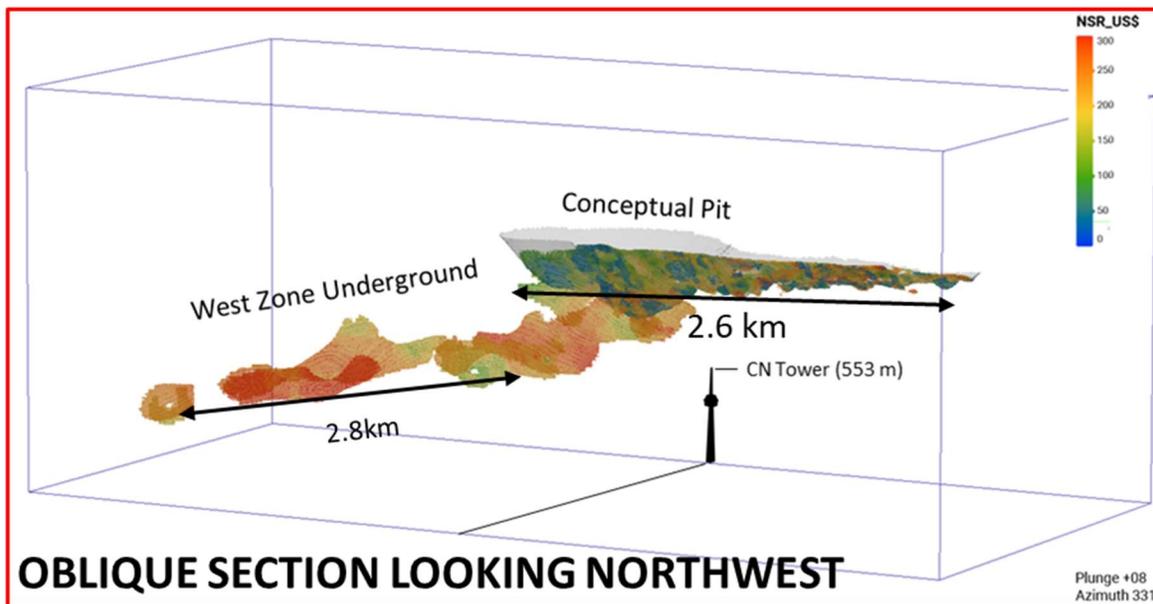


Figure 1b, the 3D model of the mineral resources for the West and Central Zones of the Ferguson Lake Project

- Mineral Resources are estimated for West, Central and East Zones along the 15 km-long main mineralized horizon (Figure 1a, b). The Mineral Resource model indicates potential for continued Mineral Resource expansion along strike and at depth over the mineralized horizon.
- Significant resource upside potential outside the main mineralized zone is anticipated when sufficient grid definition drilling is completed on additional zones including M-Zone, Anomaly 51, Anomaly 51 Extension, West Zone South and South Discovery Zone (Figure 1a).
- The Mineral Resources were estimated based on the flotation-gravity flowsheet, a low-capital cost option for the potential mine development with lower metal recoveries (refer to the Notes below) than hydrometallurgy. The results of hydrometallurgical tests demonstrated much higher recoveries for copper, nickel, cobalt, palladium and platinum. Alternatively, the hydrometallurgy could be a technically highly effective option for the mine development of the Ferguson Lake Project, albeit with potentially higher capital and operating costs.
- The NSR values of the Mineral Resources are sensitive to the metallurgical processing methods. Compared to the flotation-gravity flowsheet, the hydrometallurgical process with very high recoveries of metals significantly increases the NSR values of the Mineral Resources but was not considered for this study due to the higher cut-off values associated with hydrometallurgical processes.
- Mineral Resources are primarily modelled on the occurrence of massive or semi-massive sulphide (MS) as a lithological type, with a total of 18 massive sulphide and 2 low-sulphide PGE domains (LSPGE). Overall, the total volume of the massive sulphide mineralized zones increased by 25% in comparison with a prior 2022 model.
- The MS domains were modeled based on logging criteria and the nickel and copper assays $>1\% \text{ Ni} + \text{Cu}$. The LSPGE domains were modeled with $\text{Pd} + \text{Pt} > 1 \text{ g/t}$.
- Rhodium, gold and silver are not included in the resource modeling due to no systematically collected assay results, although there are significant local assay values in mineralized zones.
- All the Mineral Resources were established within the mining leases. The Project covers an area of 253.8 km², including 96.9 km² of mining leases and 124 km² of exploration claims. This land package covers all the known base metals and PGM mineralized zones and outcrops at the Ferguson Lake area. Drilling and surface programs are being carried out over the area.
- Significant technical programs with an estimated budget of over \$46 million are recommended for the exploration and expansion of Mineral Resources, follow-up metallurgical tests and development and environmental baseline studies at the Ferguson Lake Project.

Drilling Results:

In 2022, a total of 18,144 meters have been drilled in 68 holes to infill or step out from the historic holes that were previously drilled in the West Zone and the East Zone. The mineralized horizon hosting significant metal grades and widths (>2.5 meters) has been intersected in 62 out of the 68 holes. All the holes hit the mineralized zones as expected, confirming that the mineralized zones extend along strike and at depth beyond the presently defined resource boundaries for a total potential extension of the zones of approximately 1,500 metres. The assay results (refer to the news releases on September 12, 2022 and February 21, 2023) will be added to the dataset to expand the block model and to update the Mineral Resource estimate that was announced on June 13, 2022 (Refer to "Independent Technical Report, Updated Mineral Resource Estimate, Ferguson Lake Project, Nunavut, Canada, June 13, 2022, Prepared by Elisabeth Ronacher and Jamie Lavigne." filed by the Company to Sedar.com).

In 2023, the Company completed 21,126 metres of diamond drilling in 77 holes defining and/or upgrading potential volumes of mineral resources along strike to the west extension from the West Zone, the east extension from the East Zone and the extensions of both East and West Zones into Ferguson Lake, and testing satellite mineralized horizons named the M-Zone, Anomaly-51 Zone and its east extension. The drillhole locations and highlights for the 2023 field program are shown in Figure 2.

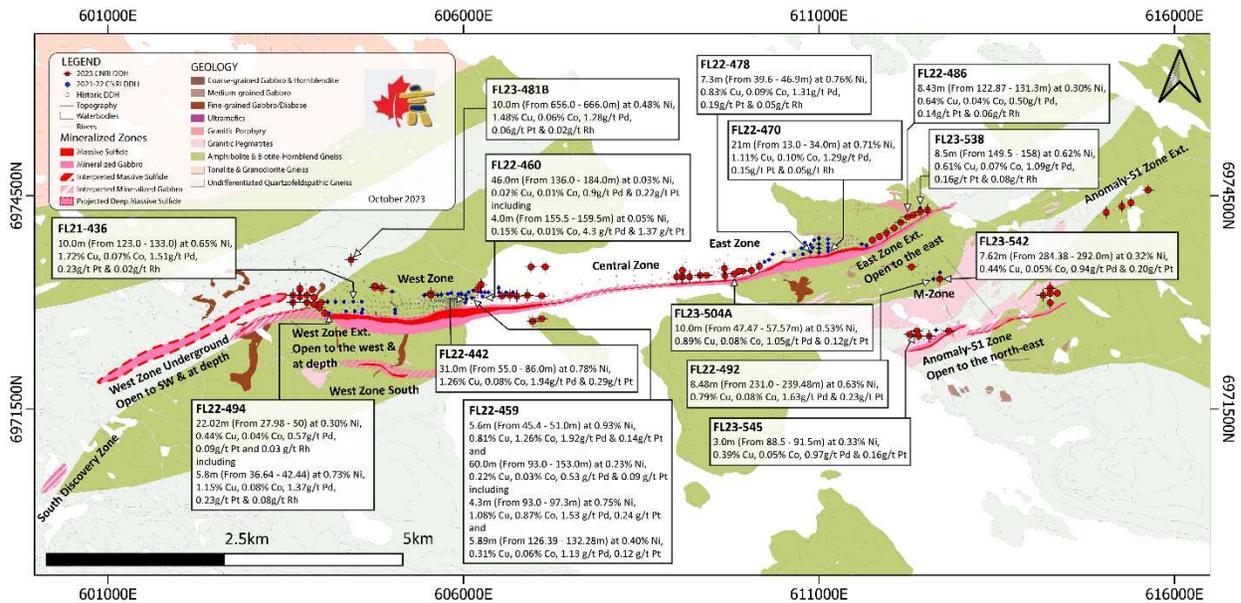


Figure 2: Ferguson Lake Project – mineralized intersections of selected diamond drill holes completed by the Company to 2023.

The Company as well conducted the reprocessing and modelling of historic geophysical electromagnetic UTEM, VTEM, borehole TDEM survey data which aided in the drill targeting during the summer program, as well as successfully completing new borehole TDEM surveys on selected deep drillholes. In addition, surface sampling was completed on selected outcrop on the project site.

The assay results from drill programs to-date confirm the near-surface base metal and PGM massive sulfide zones and the underlying PGM-enriched low sulfide zones. The near-surface sulfide zones are massive sulfide, semi-massive sulfide and stringer sulfide intervals, with variable intersections of up to 42 metres downhole and individual sample grades of up to 10.0% copper, 1.81% nickel, 0.40% cobalt, 2.45g/t palladium, 0.50g/t platinum, 0.19g/t rhodium, and 2.1g/t gold, and 49 g/t silver. Gold, silver and rhodium are intermittently enriched along the mineralization zones in the vicinity of ultramafic rocks.

The underlying PGM-enriched low-sulfide mineralization contains variable intersections of up to 36 metres downhole and individual sample grades of PGM of up to 8.65g/t palladium and 4.43g/t platinum. Copper and nickel are low in general for this type of mineralization but enriched in multiple thin layers <2.5 meters, of massive or semi-massive sulfides within the thick PGM mineralized intersections.

Newly identified Mineralized Areas (Figure 3)

Within the Ferguson Lake Project, surface sampling has focused on the gossan outcrops over a large area (124 km² exploration claims) surrounding the 96.9 km² mining leases. Since 2013, a total of 353 samples have been collected from the mineralized outcrops over the area. The assay results of the surface rock samples indicate at least five new nickel-copper-PGM mineralized areas outside the known 15-km long mineralized horizon as illustrated in Figure 3 (refer to the Company's website www.cnresources.com for more details). All the newly found mineralized zones report anomalous individual sample values of nickel (up to 0.99%), copper (up to 5.0%), cobalt (up to 0.15%), palladium (up to 2.70g/t), platinum (up to 0.62g/t) and gold (up to 1.14g/t). Geologically, the mineralized outcrops are the metamorphosed mafic and ultramafic rocks

similar to the host rocks of the mineral resources established for the known 15km-long mineralized horizon. These encouraging results were followed up with additional sampling and drill tests in 2023, and the results indicate the similar sulfide mineralization extends further to the east from the East Extension and Anomaly-51 Zones beyond the mining lease boundaries onto the Company exploration claims.

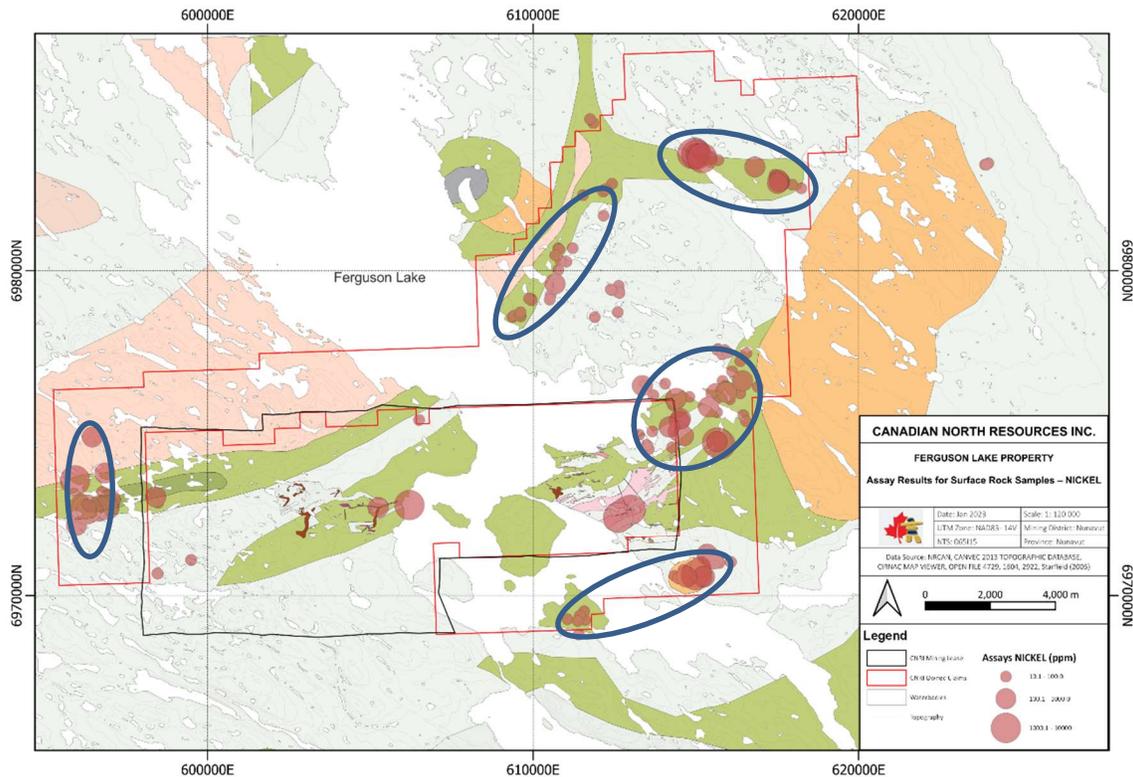


Figure 3 New Nickel-copper-PGM mineralized areas identified from the outcrop samples at Ferguson Lake Project

Mac Island and Quartzite Lake Prospects:

The 2022 surface sampling programs were completed with a total of 194 samples collected from the outcrops at the Mac Island prospect and Quartzite Lake Project. The assay results of the outcrop samples indicate gold mineralization at the Mac Island prospect in the 29.2 km² Kaminak claims area. Gold mineralization occurs as quartz-carbonate-sulfide veins associated with sericitized and sheared mafic volcanics and can be traced over an area of 600 meters by 600 meters, with values of up to 52.5g/t gold from grab samples. Within the 50.3 km² Quartzite Lake claims, multiple copper and gold mineralized outcrops are found over the property, with up to 0.62% copper and 0.74g/t gold as well as anomalous silver (up to 81.3g/t) lead and zinc values. The mineralization is associated with quartz veining and shears hosted by Archean mafic volcanics within the 400 km long Ennadai-Rankin greenstone belt that contain several historic gold and copper deposits and showings including the Meliadine gold mine (operated by Agnico Eagles).

Working Programs Planned

The Company plans in future exploration seasons to expand the resource by diamond-drilling exploration for high-grade PGM and base metal zones testing open zones along strike and down-dip within the West and

East zones along the main mineralized horizon and testing newly defined mineralized satellite horizons to the south and east. The Company will also expand metallurgical testing, complete community consultations, environmental monitoring and permit applications, as it advances the project towards pre-feasibility studies. The proposed and ongoing work programs include:

- Core drilling at the East, Central, West and satellite zones including mob-demob, support and camp costs, helicopter and fixed wing transportation and analyses. Includes geotechnical, delineation and exploration types of drilling.
- Community and government consultations and engagement including presentations, permitting, project assessment and desktop/field survey of project all-weather road access and port infrastructure options, salaries, travel, field support, professional contracting and management.
- Validation and update of baseline environmental studies and continuing monitoring including, wildlife, terrain, aquatic, fisheries, archaeology, heritage including professional services, travel, infrastructure support, field work and reporting.
- Airborne Lidar and detailed satellite imagery for project and regional area to support field survey work.
- Continuing metallurgical and grind testing and mineralogy studies assessing flotation and hydrometallurgical treatment options, including pilot testing.
- Geotechnical studies and collection of surface bulk mineralized material.
- Update Mineral Resource model, mine and infrastructure engineering design and studies, gap analyses studies, economic analyses and preparation of prefeasibility study. Includes site technical surveys, professional consultations and assessments.
- Repair, maintenance, preparation, enlarge, replace and re-supply of Ferguson Lake camp with equipment and fuels for each field season including disposal of waste materials and ongoing remediation of project site.

These work plans have been scheduled from 2021 with expectations for exploration and definition drilling, environmental field studies, metallurgical testing, and development activities into 2024 and beyond.

Metallurgical Testing:

A considerable amount of test work has been conducted on Ferguson Lake samples since 2001, with the majority focussing on a hydrometallurgical flowsheet option for the Massive Sulphide (MS) zone. Hydrometallurgical testing is discussed at length in the 2011 PEA report (Starfield, 2011) as well as the recent Canadian North Resources MRE report (CNRI, 2022).

Historic metallurgical tests were conducted on massive sulfide samples and only recovered copper, nickel and cobalt, not palladium or platinum. During 2013 - 2014, the Company implemented a metallurgical testing program consistent with its change of focus to develop the platinum group metal potential of the deposit. Approximately 250 kilograms of the massive sulphide bulk sample mineralization stored on-site in a dry enclosed building was picked and packed into buckets to be shipped to Toronto for metallurgical testing. The goal of the testing program was to produce at a bench level concentrate from the secondary residue material that had been created from the development of downstream unit processes (Ni, Cu, and Co) from the hydrometallurgical testing program previously completed for Starfield Resources Inc. Analyses of the materials and liquors created from Starfield Resources' previous program suggested most of the Pd and Pt and to a lesser extent Au, Ag and Rh remained in the final residue material for which metallurgical test results indicated overall recoveries of 99% for Cu, 91% for Co, 50% for Pt, 77% for Pd and 94% for Ni.

During 2015 - 2016, a new series of flotation tests were completed on two massive sulphide composites obtained from the bulk sample material which was stored at the Ferguson Lake camp. The primary objective of the program was to establish flotation conditions suitable to recover most of the copper value into a copper concentrate and the balance of the pay-metals into a bulk Cu / Ni concentrate. The metallurgical testing

program identified two possible flowsheet alternatives for the mineralized material which are outlined as follows:

- The generation of a high-grade saleable copper concentrate plus a low-grade bulk concentrate with high overall recoveries of 99% copper, 87% nickel, 90% cobalt, and 90-95% Pd+Pt. The low-grade bulk concentrate would require further upgrading in a hydrometallurgical circuit.
- The second updated flowsheet produces a high-grade copper concentrate and an improved bulk Cu/Ni concentrate (10.1% copper + nickel) with much lower overall recoveries of up to 98% copper, up to 61% nickel, up to 55% cobalt, and 35-75% Pd+Pt.

In 2020 winter, the Company moved a pilot plant ore crusher by the snow train to the field camp at Ferguson Lake and took out about 200 kilograms bulk sulfide samples to Toronto for further metallurgical tests. In summary, the Company has conducted initial metallurgical tests for the recoveries of base metals and PGM from massive sulfides, which has indicated high recoveries of base metals (87-99%) and PGM (90-95%) using combined flotation and hydrometallurgical methods (ref. NI43-101 Technical Report dated July 18, 2021, filed on Sedar.com or www.cnresources.com).

During 2023, more metallurgical testing was carried out by the Company for a variety of lower sulphide mineralized domains on the property including PGM enriched disseminated low-sulfide type material at Ferguson Lake.

In September 2023, the Company contracted SRK Consulting (Canada) Inc. to complete an independent update technical review and Mineral Resource estimation of the Ferguson Lake Project for which a site visit and field evaluation by their Qualified Persons was completed during that month.

For this technical report update, XPS Consulting were engaged by CNRI to review historical testwork and recommend suitable metal recoveries for a flotation-only flowsheet. XPS recommended including a gravity concentrate (for PGM recovery) in addition to copper and nickel flotation concentrates already tested for by SGS.

In 2016, SGS investigated options for the selective flotation of copper, nickel and PGMs from two MS samples of Ferguson Lake material. This was continued in 2023 when two samples of low grade (LG) material representing "stringer" and "low sulphide" zones were tested.

Considering the very high pyrrhotite to pentlandite nickel mineralogy reported by SGS in their 2016 report, XPS recommended a revised proposed flowsheet with the goal to produce three saleable Cu, Ni and PGE enriched concentrates: using flotation-gravity methodologies. Base and precious/platinum group metal recoveries were estimated for MS and LG zone materials using this proposed flowsheet which was incorporated in the Mineral Resource Estimate update.

In 2024, the Company continued to conduct follow-up flotation tests to determine a feasible flowsheet for the production of the three saleable concentrates as XPS recommended, with results pending. The Company also started new metallurgical tests using eco-friendly bioleaching technology on the massive sulfides and rougher sulfide tails from the flotation tests for the Ferguson Lake project.

The initial results of the bioleaching tests completed in 2024 indicate high metal extraction of 97.8 – 98.9% nickel and 96.0 – 97.7% cobalt from initial bioleaching tests, offering much higher metal recoveries than flotation (29-51% nickel and 39-55% cobalt), significantly increasing the value of current Mineral Resources. High amenability of massive sulfides and rougher sulfide tails suggests bioleaching is a promising, cost-effective, and eco-friendly technology for developing a low-carbon footprint mine at the Ferguson Lake project.

In 2025, the Company plans to expand the bioleaching tests for the high recoveries of copper, nickel, cobalt and precious metals (palladium, platinum, gold, etc.) for the development of a low-cost, low-carbon footprint producing mine at Ferguson Lake.

Trends

There can be no assurance that additional funding will be available to the Company, which could delay some of the Company's planned or proposed business activities. In addition, external risks like a trade dispute with the U.S. could put significant strain on Canada's broader economy. Tit-for-tat import tariffs are generally inflationary and would raise costs. Management, in conjunction with the Board of Directors, will continue to monitor these developments and their effect on the Company's business.

Strong equity markets are favorable conditions for completing a public merger, financing, or acquisition transactions. Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions.

Inflation increases major operating expenses like service provider costs such as accounting, costs of being a reporting issuer, legal and audit costs. The Company works to counteract rising expenses. Despite the best efforts to control costs where possible, inflationary pressures nonetheless introduce added financial burdens on the Company.

Apart from the risk factors noted under the heading "Risks and Uncertainties", the Company is not aware of any other trends, commitments, events, or uncertainties that would have a material effect on the Company's business, financial condition, or results of operations.

Proposed Transactions

The Company routinely evaluates various business development opportunities which could entail optioning properties, direct acquisitions, trades and/or divestitures. In this regard, the Company is currently in discussions with various parties, other than the transactions discussed in the "Corporate Highlights" section above, no definitive agreements with respect to any proposed transactions have been entered into as of the date of this MD&A. There can be no assurances that any such transactions will be concluded in the future.

Environmental Contingency

The Company's exploration activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and generally becoming more restrictive. As of December 31, 2024, the Company does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future.

Selected Annual Financial Information

	Years Ended December 31,		
	2024(\$)	2023(\$)	2022(\$)
Net loss for the year	1,889,430	6,400,496	3,894,677
Basic and diluted loss per share	(0.02)	(0.06)	(0.04)
Total assets	47,052,042	50,175,182	34,642,590

- Net loss for the year ended December 31, 2022, was comprised of share-based compensation of \$3,061,230, commission of \$9,250, professional fees of \$536,268, management fees of \$72,221, depreciation of \$65,953, rent of \$48,500, insurance of \$32,175 and office and general of \$161,368 offset by interest income of \$92,288.
- Net loss for the year ended December 31, 2023 was comprised of share-based compensation of \$3,685,237, professional fees of \$558,769, management fees of \$72,000, depreciation of \$92,924, rent of \$66,000, accretion of lease liabilities of \$198,473, deferred income tax expense of \$3,140,061 and office and general of \$2,490,891 offset by flow-through share premium of \$3,707,306 and interest income of \$196,553.
- Net loss for the year ended December 31, 2024 was comprised of share-based compensation of \$336,163, professional fees of \$605,458, management fees of \$72,000, depreciation of \$24,213, rent of \$71,160, accretion of lease liabilities of \$157,429 and office and general of \$1,294,128 offset by interest income of \$140,560, other income of \$6,000 and deferred income tax recovery of \$524,561.

Share Capital

As of the date of this MD&A, the Company had issued and outstanding 114,398,717 common shares, and 3,514,000 stock options.

Commitment

Pursuant to the terms of the flow-through share agreements, the Company needs to comply with its flow-through contractual obligations with subscribers with respect to the Income Tax Act (Canada). As at December 31, 2024, the Company is committed to incurring approximately \$nil in qualifying exploration expenditures in Canada by December 31, 2024.

Selected Quarterly Financial Information

As Canadian North has no revenue, the Company's ability to fund its operations is dependent upon its ability to secure financing through equity issues or the sale of assets. The value of any resource property assets is dependent upon the existence of economically recoverable mineral reserves, the ability to obtain the necessary financing to complete exploration and development, and the future profitable production or proceeds from disposition of such properties. See "Trends" above and "Risk Factors" below.

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Dated April 11, 2025

A summary of selected information for each of the eight most recent quarters is as follows:

Three Months Ended	Total Revenue (\$)	(Loss) income		Total Assets (\$)
		Total (\$)	Per Share (\$)	
2024 – December 31	-	(248,075) ⁽¹⁾	(0.00)	47,052,042
2024 – September 30	-	(413,382) ⁽²⁾	(0.00)	48,211,337
2024 – June 30	-	(436,912) ⁽³⁾	(0.00)	48,598,723
2024 – March 31	-	(791,061) ⁽⁴⁾	(0.01)	49,351,693
2023 – December 31	-	(3,557,966) ⁽⁵⁾	(0.03)	50,175,182
2023 – September 30	-	(1,674,741) ⁽⁶⁾	(0.02)	47,432,299
2023 – June 30	-	(832,054) ⁽⁷⁾	(0.01)	41,115,682
2023 – March 31	-	(335,735) ⁽⁸⁾	(0.00)	34,193,487

- (1) Loss of \$248,075 during the three months ended December 31, 2024 is comprised of professional fees of \$148,919, share-based compensation of \$21,651, management fees of \$18,000, depreciation of (\$52,561), accretion of lease liabilities of \$29,491, rent of \$18,840 and office and general of \$180,916 offset by interest income of \$17,554, other income of \$6,000 and deferred tax recovery of \$93,627.
- (2) Loss of \$413,382 during the three months ended September 30, 2024 is comprised of professional fees of \$144,683, share-based compensation of \$40,679, management fees of \$18,000, depreciation of \$25,676, accretion of lease liabilities of \$36,380, rent of \$19,320, office and general of \$150,951 and deferred tax expense of \$9,976 offset by interest income of \$32,283.
- (3) Loss of \$436,912 during the three months ended June 30, 2024 is comprised of professional fees of \$176,632, share-based compensation of \$54,134, management fees of \$18,000, depreciation of \$25,549, accretion of lease liabilities of \$42,563, rent of \$16,500 and office and general of \$359,180 offset by interest income of \$46,665 and deferred tax recovery of \$208,981.
- (4) Loss of \$791,061 during the three months ended March 31, 2024 is comprised of professional fees of \$135,224, share-based compensation of \$219,699, management fees of \$18,000, depreciation of \$25,549, accretion of lease liabilities of \$48,995, rent of \$16,500 and office and general of \$603,081 offset by interest income of \$44,058 and deferred tax recovery of \$231,929.
- (5) Loss of \$3,557,966 during the three months ended December 31, 2023 is comprised of share-based compensation of \$787,145, professional fees of \$183,299, management fees of \$18,000, depreciation of \$23,799, accretion of lease liabilities of \$55,851, rent of \$16,500, office and general of \$418,283 and deferred tax expense of \$2,111,335 offset by flow-through share premium of \$5,401 and interest income of \$50,845.
- (6) Loss of \$1,674,741 during the three months ended September 30, 2023 is comprised of share-based compensation of \$1,134,348, professional fees of \$113,935, management fees of \$18,000, depreciation of \$22,785, accretion of lease liabilities of \$59,971, rent of \$16,500, and office and general of \$1,450,276 offset by flow-through share premium of \$1,073,027, interest income of \$17,542 and deferred tax recovery \$50,505.
- (7) Income of \$832,054 during the three months ended June 30, 2023 is comprised of share-based compensation of \$1,665,516, professional fees of \$142,397, management fees of \$18,000, depreciation of \$23,867, accretion of lease liabilities of \$82,651, rent of \$16,500, office and general of \$344,732 and deferred tax expense of \$1,076,231 offset by flow-through share premium of \$2,435,958 and interest income of \$104,882.

- (8) Loss of \$335,735 during the three months ended March 31, 2023 is comprised of share-based compensation of \$98,228, professional fee of \$119,138, management fee of \$18,000, depreciation of \$22,473 and office and general of \$277,600 offset by flow-through share premium of \$192,920 and interest income of \$23,284.

The variation of loss over the quarters was mainly due to the timing of office and general and professional fees incurred and there is no seasonality in the Company's business over the past two year.

Discussion of Operations

For the three months ended December 31, 2024, compared with the three months ended December 31, 2023:

Canadian North's net loss totaled \$248,075 for the three months ended December 31, 2024, with basic and diluted loss per share of \$0.00. This compares with a net loss of \$3,557,966 with basic and diluted loss per share of \$0.03 for the three months ended December 31, 2023. The decrease of net loss was principally because of:

- Decrease of share-based compensation to \$21,651 during the three months ended December 31, 2024 from \$787,145 during the three months ended December 31, 2023.
- Decrease of office and general to \$180,916 during the three months ended December 31, 2024 from \$418,283 during the three months ended December 31, 2023.
- Decrease of professional fees to \$148,919 during the three months ended December 31, 2024 from \$183,299 during the three months ended December 31, 2023.
- Decrease of accretion of lease liabilities to \$29,491 during the three months ended December 31, 2024 from \$55,851 during the three months ended December 31, 2023.
- Increase of deferred tax recovery to \$93,627 during the three months ended December 31, 2024 from deferred tax expense \$2,111,335 during the three months ended December 31, 2023.
- Increase of other income to \$6,000 during the three months ended December 31, 2024 from \$nil during the three months ended December 31, 2023.
- Decrease of depreciation to (\$52,561) during the three months ended December 31, 2024 from \$23,799 during the three months ended December 31, 2023.

The above decreases of expenses and increase of income was offset by below decrease of incomes and increase of expenses:

- Decrease of flow-through share premium from \$5,401 during the three months ended December 31, 2023 to \$nil during the three months ended December 31, 2024.
- Decrease of interest income from \$50,845 during the three months ended December 31, 2023 to \$17,554 during the three months ended December 31, 2024.
- Increase of rent to \$18,840 during the three months ended December 31, 2024 from \$16,500 during the three months ended December 31, 2023.

For the year ended December 31, 2024, compared with the year ended December 31, 2023:

Canadian North's net loss totaled \$1,889,430 for the year ended December 31, 2024, with basic and diluted loss per share of \$0.02. This compares with a net loss of \$6,400,496 with basic and diluted loss per share of \$0.06 for the year ended December 31, 2023. The decrease of net loss was principally because of:

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- Decrease of share-based compensation to \$336,163 during the year ended December 31, 2024 from \$3,685,237 during the year ended December 31, 2023.
- Decrease of office and general to \$1,294,128 during the year ended December 31, 2024 from \$2,490,891 during the year ended December 31, 2023.
- Decrease of professional fees to \$605,458 during the year ended December 31, 2024 from \$558,769 during the year ended December 31, 2023.
- Decrease of accretion of lease liabilities to \$157,429 during the year ended December 31, 2024 from \$198,473 during the year ended December 31, 2023.
- Increase of deferred tax recovery to \$524,561 during the year ended December 31, 2024 from deferred tax expense of \$3,140,061 during the year ended December 31, 2023.
- Increase of other income to \$6,000 during the year ended December 31, 2024 from \$nil during the year ended December 31, 2023.
- Decrease of depreciation to \$24,213 during the year ended December 31, 2024 from \$92,924 during the year ended December 31, 2023.

The above decreases of expenses were offset by below increase of expenses and decrease of incomes:

- Decrease of flow-through share premium from \$3,707,306 during the year ended December 31, 2023 to \$nil during the year ended December 31, 2024.
- Increase of rent to \$71,160 during the year ended December 31, 2024 from \$66,000 during the year ended December 31, 2023.

Liquidity and Financial Position

The activities of the Company, principally the acquisition and exploration of mineral properties, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. There is no assurance that equity capital will be available to the Company in the amounts or at the times desired or on terms that are acceptable to the Company, if at all.

Cash used in operating activities was \$1,376,575 for the year ended December 31, 2024. Operating activities were affected by net loss of \$1,889,430 plus non-cash items of \$24,213 of depreciation, \$336,163 share-based compensation, accretion of lease liabilities of \$157,429 and deferred income tax recovery of \$524,561 and add the positive change in non-cash working capital balances of \$519,611.

Cash used in investing activities was \$1,456,483 for the year ended December 31, 2024, including expenditures on exploration and evaluation assets of \$1,627,106 and purchase of property and equipment of \$3,815 offset by funds received from government grant of \$174,438.

Cash used in financing activities was \$1,061,028 for the year ended December 31, 2024, which includes repayment of lease obligation of \$1,117,800, share buy-back under CNIB program of \$124,926 and proceeds from exercise of stock options of \$181,698.

On December 31, 2024, the Company had \$1,646,226 in cash (December 31, 2023 - \$5,540,312).

The Company's use of cash at present occurs, and in the future will occur, principally in two areas, namely, funding of its general and administrative expenditures and funding of its investment activities. Those investing activities include the cash components of the cost of acquiring and exploring the Ferguson Lake Property. For fiscal 2025, the Company's expected operating expenses are estimated to be \$105,000 per month for recurring operating costs. The Company also plans to incur exploration expenditures on its property interests to advance and maintain the Ferguson Lake Property. It is anticipated that \$6 million will be needed to accomplish this in fiscal 2025, subject to the funds being raised.

The Company's working capital of \$933,418 on December 31, 2024, is comprised of current assets less accounts payable and accrued liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether because of a downturn in stock market conditions generally or because of conditions specific to the Company. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. As the Company does not presently generate revenue to cover its costs, managing liquidity risk is dependent upon the ability to secure additional financing. The recoverability of the carrying value of the assets and the Company's continued existence is dependent upon the achievement of profitable operations, or the ability of the Company to raise alternative financing, as necessary. While management and the Board have been successful in raising the necessary capital, it cannot provide assurance that it will be able to execute its business strategy or be successful in future financing activities.

The Company has sufficient cash and cash equivalents to fund its activities for fiscal 2025 at current operating levels.

Related Party Transactions

The Company has identified directors and senior officers as key management personnel. During the year ended December 31, 2024, the Company recognized the following transactions with related parties:

- \$71,160 (2023 - \$66,000) rental expenses paid to companies owned by a director of the Company.
- \$72,000 (2023 - \$72,000) management fee paid to a company owned by a director of the Company.
- \$320,000 (2023 - \$280,000) geological consulting fee paid to a company owned by a director of the Company.
- \$57,435 (2023 - \$74,396) professional fees paid to companies owned by an officer of the Company.
- \$1,200,222 (2023 - \$9,209,384) logistics and equipment rental cost to a company owned by a shareholder of the Company.
- \$Nil (2023 - \$1,076,823) cost of share-based compensation that granted to the directors and managements of the Company.

During the year ended December 31, 2023 the Company paid \$500,000 to a related party for the lease of two rigs, which was included in ROU Assets. The amount receivable from a related party was \$nil (2023 - \$74,968).

As at December 31, 2024, the amount owing to related parties was \$3,597 (December 31, 2023 – \$8,267) and included in accounts payable. The amount owing to related party is non-interest bearing, unsecured and due on demand.

Transactions with related parties are incurred in the normal course of business and initially measured at fair value.

Risks and Uncertainties

The Company's financial condition, results of operation and business are subject to certain risks, certain of which are described below (and elsewhere in this MD&A):

Additional Funding Requirements

The Company is reliant upon additional equity financing to continue its business and operations, because it is in the business of mineral exploration and at present does not derive any income from its mineral assets. There is no guarantee that future sources of funding will be available to the Company. If the Company is not able to raise additional equity funding in the future, it will be unable to carry out its business.

Commodity Price Volatility

The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of precious and base minerals and metals. Factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Company's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices. Currency fluctuations may affect the cash flow which the Company may realize from its operations, since most mineral commodities are sold in the world market in United States dollars. Additionally, the current COVID-19 pandemic and efforts to contain it, including restrictions on travel and other advisories issued may have a significant effect on metal prices. Declines in metal prices may have a negative side effect on the Issuer and on the trading value of the common Shares.

Title to Mineral Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed or impugned. Although the Company has investigated its title to the mineral properties for which it holds an option or concessions or mineral leases or licenses, there can be no assurance that the Company has valid title to such mineral properties or that its title thereto will not be challenged or impugned. For example, mineral properties sometimes contain claims or transfer histories that examiners cannot verify; and transfers under foreign law often are complex. The Company does not carry title insurance with respect to its mineral properties. A successful claim that the Company does not have title to a mineral property could cause the Company to lose its rights to mine that property, perhaps without compensation for its prior expenditures relating to the property.

Mineral Exploration

Mineral exploration involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities. The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of some properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining, or to upgrade existing infrastructure. There can be no assurance that the funds required to exploit any mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. The economics of exploiting mineral reserves and resources discovered by the Company are affected by many factors, many outside the control of the Company, including the cost of operations,

variations in the grade of ore mined and metals recovered, price fluctuations in the metal markets, costs of processing equipment, and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. There can be no assurance that the Company's mineral exploration and exploitation activities will be successful.

Country Risk

The Company could be at risk regarding any political developments in the country in which it operates. At present the Company is only active in Canada.

Uninsurable Risks

Mineral exploration activities involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences and political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could negatively affect the Company's profitability and financial position and the value of its common shares. The Company does not maintain insurance against environmental risks.

No Production History

The Ferguson Lake Property is not a producing property. The Corporation's ultimate success will depend on its ability to generate cash flow in the future. The Corporation has not generated any revenue to date and there is no assurance that it will do so in the future. The Corporation's business operations are at a early stage of development and its success will be largely dependent upon the outcome of the exploration programs that the Corporation proposes to undertake.

Infrastructure Risks

Although the Corporation believes that the current facilities and infrastructure are sufficient for the mineral exploration of its current properties, significant improvements and new infrastructure will be needed for the mine development of the properties. As a result, the Corporation will need to expand the infrastructure, which will require additional permits and licenses and additional capital.

Potential Impact of Climate Change

The Corporation believes that the exploration operation at its current properties will not be seriously impacted by the climate change, but the unusual weather will occur and may cause some temporary impacts on the daily operation of its properties. The Corporation focuses on the exploration and development of mineral resources that contain copper, nickel, cobalt, platinum and palladium, the metals needed for green environment. However, the production of these green metals requires consumption of energy, which would have emission of carbon dioxide in the air.

Reliance on management

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. The continued service of some of these key management personnel cannot be guaranteed. However, while the Company believes that it could replace these key personnel, the loss of any such persons or the loss of all of such persons at a single point in time could have a material adverse effect on the operations of the Company, its business, operating results or financial condition. In addition, the Company may not successfully recruit additional personnel and any additional personnel that are recruited may not have the requisite skills, knowledge or experience necessary or desirable to enhance the incumbent management.

Environmental Regulation and Liability

The Company's activities are subject to laws and regulations controlling not only mineral exploration and exploitation activities themselves but also the possible effects of such activities upon the environment. Environmental legislation may change and make the mining and processing of ore uneconomic or result in significant environmental or reclamation costs. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mineral exploitation activities, such as seepage from tailings disposal areas that could result in environmental pollution. A breach of environmental legislation may result in the imposition of fines and penalties or the suspension or closure of operations. In addition, certain types of operations require the submission of environmental impact statements and approval thereof by government authorities. Environmental legislation is evolving in a manner that may mean stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors, officers and employees. Permits from a variety of regulatory authorities are required for many aspects of mineral exploitation activities, including closure and reclamation. Future environmental legislation could cause additional expense, capital expenditures, restrictions, liabilities and delays in the development of the Company's properties, the extent of which cannot be predicted. In the context of environmental permits, including the approval of closure and reclamation plans, the Company must comply with standards and laws and regulations that may entail costs and delays, depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. The Company does not maintain environmental liability insurance.

Regulations and Permits

The Company's activities are subject to a wide variety of laws and regulations governing health and worker safety, employment standards, waste disposal, protection of the environment, protection of historic and archaeological sites, mine development and protection of endangered and protected species, aboriginal title and access and other matters. The Company is required to have a wide variety of permits from governmental and regulatory authorities to carry out its activities. These permits relate to virtually every aspect of the Company's exploration and exploitation activities. Changes in these laws and regulations or changes in their enforcement or interpretation could result in changes in legal requirements or in the terms of the Company's permits that could have a significant adverse impact on the Company's existing or future operations or projects. Obtaining permits can be a complex, time-consuming process. There can be no assurance that the Company will be able to obtain the necessary permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities.

Potential Dilution

The issue of common shares of the Company upon the exercise of the options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional options and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

Competition

Competition in the mineral exploration business is intense and could adversely affect the ability of the Company to suitably develop its properties. The Company will be competing with many other exploration

companies possessing greater financial resources and technical facilities. Accordingly, there is a high degree of competition for desirable mineral leases, suitable prospects for drilling operations and necessary mining equipment, as well as for access to funds. There can be no assurance that the necessary funds can be raised or that any projected work will be completed.

Conflicts of Interest

Certain directors of the Company are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company will be required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the director will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Litigation

The Company may from time to time be involved in various claims, legal proceedings and disputes arising from disputes in relation to its mineral properties, including the Ferguson Lake Property, and in the ordinary course of business. If such disputes arise and the Company is unable to resolve these disputes favorably, it may have a material and adverse effect on the Issuer's profitability or results of operations and financial condition.

Pandemics, Natural Disasters, Terrorism or other Unforeseen Events

The outbreak of infectious disease or occurrence of pandemics, such as the recent outbreak of COVID-19; natural disasters; terrorism or other unanticipated events, in any of the areas in which the Corporation, its customers or its suppliers operate could cause interruptions in the Corporation's operations. In addition, pandemics, natural disasters, terrorism or other unforeseen events could negatively impact global supply chains, project development, operations, labour shortages, and financial markets and cause increase costs to the Corporation, which could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Dividends

The Corporation does not anticipate paying any dividends on its Common Shares in the foreseeable future.

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For the Year Ended December 31, 2024
Dated April 11, 2025

Enforcement of Judgments Against Foreign Persons or Companies

The Corporation has a director and in the future may have officers, directors, experts, and service providers that are resident outside of Canada. It may not be possible for investors to effect service of process within Canada. It may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process in Canada.

Conflicts between Russia and Ukraine and between Israel and Hamas

The military conflicts between Russia and Ukraine and Israel-Hamas may increase the likelihood of supply interruptions and political instability worldwide. Such disruptions could make it more difficult for the Company to source necessary materials and service providers at favorable pricing or at all. As the Company has no business in Russia, Ukraine or the Middle East, the Company believes current or future sanctions on Russia wouldn't have any material impact on the Company's business and financial position, however these sanctions could adversely impact the Company's costs, operations and/or development activities in future periods.

United States Tariffs and Retaliatory Tariffs

In February and March 2025, the new U.S. administration imposed new tariffs, including an additional 25% rate of duty on certain imports from Canada and Mexico and 10% on certain imports from China, subject to various exceptions. In response, Canada has applied tariffs on certain imports from the United States. The international trade disputes sparked by the tariffs imposed by the United States and other countries in response thereto, including a further escalation in tariffs, retaliatory tariffs, and/or the withdrawal from, or changes to, international trade agreements, are expected to have a negative impact on the Canadian and global economy and could adversely affect the Company's financial condition. In addition, general uncertainty regarding possible future tariffs, international trade disputes and restrictive trade policies may have a negative impact on the Canadian and global economy and adversely affect the Company's financial condition.

Additional Disclosure for Venture Issuers Without Significant Revenue

Expenses:

	December 31, 2024 (\$)	December 31, 2023 (\$)
Office and general	1,294,128	2,490,891
Accretion of lease liabilities	157,429	198,473
Share-based compensation	336,163	3,685,237
Rent	71,160	66,000
Depreciation	24,213	92,924
Management fees	72,000	72,000
Professional fees	605,458	558,769
Total	2,560,551	7,164,294

Schedule of Exploration and Evaluation Expenditures

The total exploration and evaluation expenditures of the Company for the years ended December 31, 2024, and 2023 were for the following properties:

	December 31, 2024 (\$)	December 31, 2023 (\$)
Drill equipment rentals and field camp maintenance	1,391,816	10,380,740
Share-based compensation	(148,634)	379,455
Geology and environmental assessments	739,215	809,700
Logistics and transportation cost	228,177	7,164,093
Mine leases and permits renewal	120,225	120,483
On-site administration at the field camp	284,461	861,246
Government assistance	(174,438)	(375,000)
Depreciation	78,300	nil
Total	2,519,122	19,340,717