Canada Nickel Company Inc.

Audited Consolidated Financial Statements

For the Years ended October 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise noted)

Independent Auditor's Report

To the Shareholders of Canada Nickel Company Inc.:

Opinion

We have audited the consolidated financial statements of Canada Nickel Company Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at October 31, 2025 and October 31, 2024, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at October 31, 2025 and October 31, 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS® Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss and negative cash flows from operations during the year ended October 31, 2025 and, as of that date, the Company had a working capital deficit and an accumulated deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

MNP LLP
50 Burnhamthorpe Road West, Suite 900, Mississauga ON, L5B 3C2 T: 416.626.6000 F: 416.626.8650

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS® Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Blair Michael Mabee.

MNP LLP

Mississauga, Ontario — Chartered Professional Accountants

February 10, 2026 — Licensed Public Accountants

50 Burnhamthorpe Road West, Suite 900, Mississauga, Ontario, L5B 3C2
T: 416.626.6000   F: 416.626.8650   MNP.ca

Canada Nickel Company Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	**October 31 2025**	October 31 2024
		$	$
ASSETS			
Current assets			
Cash and cash equivalents		**1,629,843**	4,655,260
Harmonized sales tax receivable		**283,108**	7,977,727
Other accounts receivable and prepaid expenses		**517,298**	1,256,282
Total current assets		**2,430,249**	13,889,269
Non-current assets			
Exploration and evaluation assets	4	**280,940,567**	249,802,751
Equipment and right-of-use assets	5	**862,748**	862,301
Total assets		**284,233,564**	264,554,321
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	15,16	**9,064,992**	33,165,658
Bridge loan facilities	6	**29,422,374**	21,465,335
Flow-through share premium	8	**319,711**	961,028
Total current liabilities		**38,807,077**	55,592,021
Long-term portion of right-of-use lease liability	5	**82,717**	146,653
Deferred tax liabilities	18	**8,117,588**	1,826,789
Convertible note	7	**11,671,832**	-
Asset retirement obligation		**1,625,832**	1,611,815
Total liabilities		**60,305,046**	59,177,278
Shareholders' equity			
Share capital	8	**248,747,771**	218,465,478
Share-based compensation and warrant reserves	9,10,11	**24,840,048**	19,344,481
Equity portion of convertible note, net of tax		**6,467,397**	-
Non-controlling interest		**2,520,887**	-
Accumulated deficit		**(58,647,585)**	(32,432,916)
Total shareholders' equity		**223,928,518**	205,377,043
Total liabilities and shareholders' equity		**284,233,564**	264,554,321

The accompanying notes are an integral part of these consolidated financial statements.

Nature of operations and going concern (Note 1)
Commitments and contingencies (Note 16)
Subsequent events (Note 19)

Signed on behalf of the Board:

"Mark Selby"
Mark Selby, Director

"David Smith"
David Smith, Director

Canada Nickel Company Inc.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

For the Years Ended October 31

	Note	**2025**	2024
		$	$
Expenses			
Salaries	15	**2,580,744**	2,232,644
Consulting and advisory		**3,495,193**	2,595,459
Professional fees		**945,259**	1,308,041
General and administrative costs		**1,458,302**	1,513,548
Promotion and communication		**642,673**	393,250
Investor relations and marketing		**625,489**	546,279
Incentive compensation	10,11,12,15	**4,662,353**	4,736,080
Travel and other		**516,736**	1,194,714
Foreign exchange gain and interest income		**(97,490)**	(1,091,951)
Transaction costs and interest expense	13	**8,873,745**	3,442,090
		23,703,004	16,870,154
Flow-through share premium	8	**(2,136,351)**	(11,386,972)
Net loss and comprehensive loss before tax		**21,566,653**	5,483,182
Income tax expense (recovery)	18	**4,648,016**	(2,265,598)
Net loss and comprehensive loss		**26,214,669**	3,217,584
Loss per share – basic and diluted	14	**$0.13**	$0.02
Weighted average number of shares outstanding		**197,318,272**	170,817,393

The accompanying notes are an integral part of these consolidated financial statements.

Canada Nickel Company Inc.

Consolidated Statements of Cash Flow

(Expressed in Canadian Dollars)

For the Years Ended October 31	Note	**2025**	2024
		$	$
Operating activities			
Net loss		**(26,214,669)**	(3,217,584)
Add – Transaction costs included in financing activities		**3,002,932**	662,790
Adjustments for non-cash items:			
Share-based compensation		**3,441,978**	3,859,380
Flow-through share premium		**(2,136,351)**	(11,386,972)
Income tax expense (recovery)		**4,648,016**	(2,265,598)
Accretion charges related to bridge loan facilities		**2,461,606**	1,821,635
Accretion charges related to convertible note		**776,616**	-
Expenses paid or payable in shares		**265,806**	126,067
Accretion on warrants		**707,233**	-
Changes in non-cash working capital items:			
Harmonized sales tax receivable		**7,694,619**	(6,393,834)
Accounts receivable and prepaid expenses		**457,259**	84,851
Accounts payable and accrued liabilities		**(93,235)**	1,868,835
Net cash used in operating activities		**(4,988,190)**	(14,840,430)
Investing activities			
Exploration and evaluation expenditures	4	**(45,393,669)**	(56,671,463)
Purchase of equipment	5	**(140,558)**	(238,794)
Net cash used in investing activities		**(45,534,227)**	(56,910,257)
Financing activities			
Proceeds from share issuances, net of costs	8	**22,163,268**	58,735,385
Repayment of lease obligations and interest on note	5,7	**(348,993)**	(85,540)
Repayment of bridge loan facility and related interest and arrangement fees	6	**(23,195,746)**	(17,335,860)
Proceeds from bridge facility, net of transaction costs	6	**26,960,768**	19,901,859
Proceeds from issue of convertible note	7	**20,000,000**	-
Proceeds from exercise of warrants and stock options	9,10	**1,917,703**	756,167
Net cash provided from financing activities		**47,497,000**	61,972,011
Cash and cash equivalents, beginning of year		**4,655,260**	14,433,936
Net change in cash and cash equivalents		**(3,025,417)**	(9,778,676)
Cash and cash equivalents, end of year		**1,629,843**	4,655,260
Supplementary disclosure			
Value of shares issued for acquisitions	4	**6,614,100**	1,193,622
Value of shares issued for settlement of accounts payable and bridge loan facility		**1,085,500**	436,000

The accompanying notes are an integral part of these consolidated financial statements.

Canada Nickel Company Inc.

Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

	Note	Number of common shares	Share capital	Share-based compensation reserve	Warrants reserve	Non-controlling interest	Equity portion of convertible note	Accumulated deficit	Total
		#	$	$	$	$	$	$	$
Balance, October 31, 2023		**141,822,144**	**169,878,160**	**14,786,796**	**590,937**	**-**	**-**	**(29,215,332)**	**156,040,561**
Share issuance - equity offering	8	35,193,802	54,763,151	-	2,172,505	-	-	-	56,935,656
Flow through share premium reserve	8	-	(12,348,000)	-	-	-	-	-	(12,348,000)
Share issuance - stock options exercised	10	296,667	129,504	(55,337)	-	-	-	-	74,167
Share issuance – restricted share units exercised	11	2,187,814	3,591,794	(3,591,794)	-	-	-	-	-
Share issuance - acquisitions	4	874,936	1,193,622	-	-	-	-	-	1,193,622
Share issuance – warrants exercised	6	550,000	851,180	-	(169,180)	-	-	-	682,000
Fair value of share-based compensation	10,11	-	-	5,352,395	-	-	-	-	5,352,395
Fair value of warrants issued	6	-	-	-	258,159	-	-	-	258,159
Shares issued to settle accounts payable		300,090	280,000	-	-	-	-	-	280,000
Shares to be issued to settle accounts payable		-	126,067	-	-	-	-	-	126,067
Net loss for the year		-	-	-	-	-	-	(3,217,584)	(3,217,584)
Balance, October 31, 2024		**181,225,453**	**218,465,478**	**16,492,060**	**2,852,421**	**-**	**-**	**(32,432,916)**	**205,377,043**
Balance, October 31, 2024		**181,225,453**	**218,465,478**	**16,492,060**	**2,852,421**	**-**	**-**	**(32,432,916)**	**205,377,043**
Share issuance - equity offering	8	25,222,009	20,250,163	-	2,299,629	-	-	-	22,549,792
Flow-through share premium reserve, net of tax	8	-	(1,098,851)	-	-	-	-	-	(1,098,851)
Share issuance - stock options exercised	10	950,834	415,414	(177,711)	-	-	-	-	237,703
Share issuance – restricted share units exercised	11	546,333	855,436	(855,436)	-	-	-	-	-
Share issuance – acquisitions	4	6,442,000	6,614,100	-	-	-	-	-	6,614,100
Share issuance – warrant exercised	9	1,750,000	1,940,225	-	(260,225)	-	-	-	1,680,000
Fair value of share-based compensation	10,11	-	-	3,875,785	-	-	-	-	3,875,785
Fair value of warrants issued, net of tax	6	-	-	-	613,525	-	-	-	613,525
Equity portion of convertible note, net of tax	7,18	-	-	-	-	-	6,467,397	-	6,467,397
Non-controlling share of East Timmins Nickel	4	-	-	-	-	2,520,887	-	-	2,520,887
Shares issued to settle accounts payable	8	1,174,438	1,085,500	-	-	-	-	-	1,085,500
Shares to be issued to settle accounts payable		-	220,306	-	-	-	-	-	220,306
Net loss for the year		-	-	-	-	-	-	(26,214,669)	(26,214,669)
Balance, October 31, 2025		**217,311,067**	**248,747,771**	**19,334,698**	**5,505,350**	**2,520,887**	**6,467,397**	**(58,647,585)**	**223,928,518**

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of operations and going concern

Canada Nickel Company Inc. ("Canada Nickel" or the "Company") was incorporated on October 11, 2019 under the laws of the Province of Ontario, Canada, and its head office is located at 130 King Street West, Suite 1900, Toronto, Ontario, M5X 1E3.

On February 27, 2020, the Company's common shares commenced trading on the TSX Venture Exchange ("TSX-V") under the symbol "CNC" and its common shares also trade on the OTCQX Best Market under the symbol "CNIKF".

The Company is engaged in the exploration and discovery of nickel sulphide assets to deliver future supply for the high growth electric vehicle, green energy and stainless steel markets. The Company owns 100 per cent of the Crawford Nickel Sulphide Project ("Crawford" or "the Project"), which is located adjacent to major infrastructure in the world class Timmins-Cochrane mining camp of northern Ontario, Canada. The Company also owns 25 additional nickel targets located near the Project.

On July 21, 2020, the Company incorporated a wholly-owned subsidiary, NetZero Metals Inc. ("NetZero Metals") under the laws of the Province of Ontario. NetZero Metals is intended to develop a downstream nickel processing facility and a stainless steel facility in the Timmins region. On November 3, 2022, the Company incorporated a wholly-owned subsidiary, Central Timmins Nickel Company Inc.; also incorporated under the laws of the Province of Ontario. Central Timmins Nickel Company Inc. holds the interest in the Texmont property. On July 11, 2024, the Company incorporated NetZero Royalty Inc. a wholly owned subsidiary incorporated under the laws of the Province of Ontario. On January 24, 2025, East Timmins Nickel Ltd. ("East Timmins Nickel") was incorporated under the laws of the Province of Ontario. On February 21, 2025, Canada Nickel closed an agreement with Noble Mineral Resources Inc. ("Noble") whereby Canada Nickel and Noble contributed certain mining properties, including the existing Mann joint venture, into East Timmins Nickel to consolidate their respective interests in the portfolio of nickel projects northeast of Timmins.

These consolidated financial statements have been prepared on the basis of a going concern, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As the Company has no revenue producing mines, the Company's ability to continue as a going concern is dependent upon its ability to raise funds in the capital markets, or through the sale of assets. The Company is in the exploration and evaluation stage and as is common with many exploration companies, it raises financing for its exploration and acquisition activities in discrete tranches. The Company has a working capital deficit balance of $36,376,828 at October 31, 2025, and has incurred losses and negative cashflows from operations and has an accumulated deficit of $58,647,585. The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or generate operating profitability and positive cash flow. In December 2025, the Company raised $15 million through a brokered offering (see Note 19 Subsequent events) and since October 31, 2025 to February 10, 2026 has received over $8 million in cash proceeds from the exercise of warrants. On February 9, 2026 the Company repaid its US$20 million loan facilitated by Ber Tov Capital Corporation with proceeds from a US$32 million bridge facility from Auramet International, Inc. (see Note 19 Subsequent events).

There can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows. If the Company is unable to obtain adequate financing, the Company may be required to curtail operations, exploration, and development activities. All of these outcomes are uncertain and taken together indicate the existence of material uncertainties that may cast significant doubt over the ability of the Company to continue as a going concern.

The Company will continue to source other funding and may increase or decrease expenditures as necessary to adjust to a changing capital market environment.

The consolidated financial statements were approved by the Board of Directors ("Directors") on February 10, 2026.

2. Material accounting policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS®") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates.

Certain reclassifications were made to prior year consolidated financial statements to conform to current year presentation.

Basis of consolidation

The consolidated financial statements include the financial statements of Canada Nickel and its subsidiaries, NetZero Metals Inc., Central Timmins Nickel Company Inc., East Timmins Nickel and NetZero Royalty Inc. All intercompany transactions and balances are eliminated on consolidation.

Subsidiaries are entities over which the Company has control, including the power to govern the financial and operating policies to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are de-consolidated from the date that control ceases.

For non-wholly owned subsidiaries, the net assets attributable to outside equity shareholders are presented as non-controlling interests in the equity section of the consolidated statements of financial position. Net earnings for the period that are attributable to non-controlling interests are calculated based on the ownership of the minority shareholders in the subsidiary.

Foreign currencies

The presentation and functional currency of the Company is the Canadian dollar. The individual financial statements of each subsidiary are presented in the currency of the primary economic environment in which the entity operates (functional currency), which is the Canadian dollar. Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At each financial reporting date, monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are recognized in the consolidated statements of loss and comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

2. Material accounting policies (continued)

Flow-through shares

The Company may, from time to time, issue flow-through common shares to finance a portion of its Canadian exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes the premium as other income. A deferred tax liability is recorded for the amount of tax reduction renounced to the shareholders.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resources property exploration expenditures. The Company may also be subject to a Part XII.6 tax on flowthrough proceeds renounced under the Look-back Rule, in accordance with Government of Canada flowthrough regulations. When applicable, this tax is accrued as a financial expense until paid.

Provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Provisions for mine closure and restoration are made in respect of the estimated future costs of closure and restoration and for environmental rehabilitation costs (which include such costs as dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas) in the accounting period when the related environmental disturbance occurs. The provision is discounted using a pre-tax rate and the accretion is included in finance costs or exploration and evaluation asset, depending on the stage of mine life.

Restoration activities will occur primarily upon closure of a mine but can occur from time to time throughout the life of the mine. As restoration projects are undertaken, their costs are charged against the provision as the costs are incurred.

The Company has recorded an asset retirement obligation, which increased during the year due to accretion, and has no other material provisions as at October 31, 2025.

Share capital, warrants and compensation options

Common shares, warrants and compensation options are classified as equity. The share capital represents the amount received upon issuance of shares. Incremental costs directly attributable to the issuance of shares or warrants are recognized as a deduction from the proceeds in equity in the period in which the transaction occurs. Proceeds from unit placements are allocated between shares and warrants issued on a pro-rata basis of their value within the unit. The Black-Scholes option pricing model is used to determine the fair value of warrants and compensation options issued.

Consideration paid by holders on exercise of warrants and compensation options is credited to share capital combined with the fair value attributable to the same warrants and compensation options originally recorded in warrants reserve.

2. Material accounting policies (continued)

Share-based compensation

The Company has share-based compensation plans that grant stock options and restricted share units to employees and non-employees. These plans are equity-settled, however, the Company has the option to cash settle in certain circumstances. For equity-settled share-based payment transactions, the Company measures the goods and services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods or services received, the Company measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted, using an option pricing model. For cash-settled transactions, the Company measures the goods and services received at the quoted market price at the date of grant. The corresponding liability is adjusted for changes in fair value at each subsequent reporting date until the awards are settled.

The expense is recognized over the vesting period of the options or units granted and is recognized as an expense in earnings or capitalized as an exploration and evaluation asset with a corresponding credit to share-based compensation reserve. Any consideration paid by employees and non-employees on exercise of stock options is credited to share capital combined with any related share-based compensation expense originally recorded in share-based compensation reserve.

The Company also grants share-based awards to non-employee Directors in the form of deferred share units (“DSUs”) in exchange for the provision of services. DSUs are liability awards settled in cash and measured at the quoted market price at the grant date. The corresponding liability is adjusted for changes in fair value at each subsequent reporting date until the awards are settled. The fair value of the DSUs are expensed at the grant date and subsequent changes to fair value are charged to the consolidated statement of loss and comprehensive loss.

Loss per share

The Company presents basic and diluted loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares to the extent that they are not anti-dilutive.

In periods that the Company reports a net loss, per share amounts are not presented on a diluted basis as the result would be anti-dilutive.

Exploration and evaluation assets

Exploration and evaluation activities involve the search for minerals, the determination of technical feasibility, and the assessment of commercial viability of an identified resource.

Exploration and evaluation costs incurred prior to obtaining licenses are expensed in the period in which they are incurred. Once the legal right to explore has been acquired, exploration and evaluation costs incurred are capitalized. Acquisition costs incurred in connection with the terms of option agreements and purchase agreements are capitalized. All capitalized exploration and evaluation costs are recorded at acquisition cost and are monitored for indications of impairment. Where there are indications of a potential impairment, an assessment is performed for recoverability. Capitalized costs are charged to the consolidated statements of loss and comprehensive loss to the extent that they are not expected to be recovered.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets are tested for impairment and transferred to “Mines under construction”. There is no amortization during the exploration and evaluation phase.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

2. Material accounting policies (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (a qualifying asset) are capitalized as part of the cost of the respective asset. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Where funds are borrowed specifically to finance a project, the amount capitalized represents the actual borrowing costs incurred.

Where surplus funds are available for a short term from funds borrowed specifically to finance a project, the income generated from the temporary investment of such amounts is also capitalized and deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to relevant general borrowings of the Company during the period.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred. Even though exploration and evaluation assets can be qualifying assets, they generally do not meet the “probable economic benefits” test. Any related borrowing costs incurred during this phase are therefore generally recognized in profit or loss in the period they are incurred.

Convertible note

The convertible note is separated into liability and equity components on the consolidated statements of financial position starting from initial recognition. The liability component is recognized initially at the fair value, which is determined by discounting the future stream of interest and principal payments using the prevailing market rate for a similar liability of comparable credit spread and no associated conversion option. After initial recognition, the liability component is measured at amortized cost using the effective interest method. The liability component is increased over time by accretion of the discounted amounts to reach the nominal value of the debentures at maturity.

The equity component is determined by deducting the carrying amounts of the liability from the total value of the convertible note.

Government grants

Government grants are recognized once there is reasonable assurance that the conditions for receipt will be met, and the grant will be received.

Income-based grants are deferred in the consolidated statements of financial position and released to the consolidated statements of loss and comprehensive loss to match the related expenditure that they are intended to compensate. Asset-based grants are deferred and matched with the depreciation on the asset for which the grant arises. Grants that involve recognized assets are presented in the consolidated statements of financial position by deducting the grant in arriving at the asset’s carrying amount, in which case the grant is recognized as a reduction of depreciation.

2. Material accounting policies (continued)

Equipment and right-of-use assets

Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When parts of an item of plant and equipment have different useful lives, they are accounted for as separate components of property, plant and equipment.

Depreciation is calculated using the using the straight-line method over the estimated useful life of the asset.

An item of equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the consolidated statement of loss and comprehensive loss in the period the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial period end, and adjusted if appropriate.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. After initial measurement, the amount of lease obligations is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company presents right-of-use assets in equipment and right-of-use assets on the consolidated statements of financial position and lease obligations in accounts payable and accrued liabilities, and long-term portion of right-of-use lease liabilities on the consolidated statements of financial position.

The Company has elected to apply the exemptions not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the consolidated statements of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income.

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to income taxes in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2. Material accounting policies (continued)

Income taxes (continued)

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Impairment of non-current assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If there is an indication of impairment, then the asset's recoverable amount is estimated.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statements of loss and comprehensive loss.

2. Material accounting policies (continued)

Financial instruments

Classification

Summary of the Company's classification and measurements of financial assets and liabilities

	Classification	*Measurement*
Cash and cash equivalents	FVTPL	Fair value
Accounts receivable	Amortized cost	Amortized cost
Bridge loan facilities	Amortized cost	Amortized cost
Convertible note	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

The Company classifies its financial assets and financial liabilities in the following measurement categories i) those to be measured subsequently at fair value through profit or loss (FVTPL); ii) those to be measured subsequently at fair value through other comprehensive income (FVOCI); and iii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Financial assets at fair value through other comprehensive income

Equity instruments that are not held-for-trading can be irrevocably designated to have their change in fair value recognized through comprehensive income instead of through profit or loss. This election can be made on individual instruments and is not required to be made for the entire class of instruments.

Attributable transaction costs are included in the carrying value of the instruments. Financial assets at fair value through other comprehensive income are initially measured at fair value and changes therein are recognized in other comprehensive income.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value due to credit risk are recorded in other comprehensive income.

2. Material accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets

Financial assets, other than those classified at fair value through profit and loss, are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

The Company assesses all information available, including on a forward-looking basis the expected credit loss associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information. For trade receivables only, the Company applies the simplified approach as permitted by IFRS 9. The simplified approach to the recognition of expected losses does not require the Company to track the changes in credit risk; rather, the Company recognizes a loss allowance based on lifetime expected credit losses at each reporting date from the date of the trade receivable.

Evidence of impairment may include indications that the counterparty debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. Receivables are reviewed qualitatively on a case-by-case basis to determine whether they need to be written off.

Expected credit losses are measured as the difference in the present value of the contractual cash flows that are due to the Company under the contract, and the cash flows that the Company expects to receive. The Company assesses all information available, including past due status, credit ratings, the existence of third-party insurance, and forward looking macro-economic factors in the measurement of the expected credit losses associated with its assets carried at amortized cost.

The Company measures expected credit loss by considering the risk of default over the contract period and incorporates forward-looking information into its measurement.

3. Material accounting policies (continued)

Critical accounting judgements and estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and related disclosure. Judgement is used mainly in determining how a balance or transaction should be recognized in the consolidated financial statements. Estimates and assumptions are used mainly in determining the measurement of recognized transactions and balances. Actual results may differ from these estimates.

(a) Accounting judgement

Significant areas where management's judgement has been applied include:

(i) Exploration and evaluation assets

Judgement is required to determine whether future economic benefits are likely from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of economic recoverability. In addition, management applies a number of estimates and assumptions in its assessments of economic recoverability and probability of future economic benefit including geologic information, scoping and feasibility studies (if any), accessible facilities, existing permits and estimated future cash flows.

(ii) Functional and presentation currency

The functional and presentation currency for the Company and its subsidiaries applies estimates and assumptions to assess the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgements to determine the primary economic environment. The Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

(iii) Going concern

Significant judgements used in the preparation of these consolidated financial statements include but are not limited to those relating to the assessment of the Company's ability to continue as a going concern. Judgement is required to determine the non-discretionary spending for the next 12 months and the potential cash in-flows for the same period.

(iv) Income taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

2. Material accounting policies (continued)

Critical accounting judgements and estimates (continued)

(v) Deferred taxes

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that is probable that future taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax assets and unused tax losses can be utilized. In addition, the valuation of tax credits receivable requires management to make judgements on the amount and timing of recovery.

(b) Use of estimates

As described above estimates and assumptions are contemplated with the described judgements. In addition, other significant areas requiring the use of management estimates and assumptions include:

(i) Impairment of non-current assets

Non-current assets are tested for impairment if there is an indicator of impairment. The impairment analysis generally requires the use of estimates and assumptions, including amongst others, long-term commodity prices, discount rates, length of mine life, future production levels, future operating costs, future capital expenditures and tax estimates. The estimates and assumptions are subject to risk and uncertainty; hence, there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances the carrying value of the assets may be impaired with the impact recorded in the consolidated statements of loss and comprehensive loss.

(ii) Decommissioning liability

The Company's accounting policy for the recognition of accrued site closure costs requires significant estimates and assumptions such as the requirements of the relevant legal and regulatory framework, the magnitude of possible disturbance and the timing, extent and costs of required closure, rehabilitation activity and applicable discount rates. Changes to these estimates and assumptions may result in actual expenditures in the future differing from the amounts currently provided. The decommissioning liability is periodically reviewed and updated based on the available facts and circumstances.

(iii) Convertible note

Significant estimates and assumptions are required in the accounting for convertible notes, including the determination of the fair value of the liability and equity components at initial recognition, the assessment of whether embedded conversion features meet the definition of a derivative, and the classification of such features as equity or liability instruments.

In measuring the fair value of the liability component, management uses valuation techniques that incorporate assumptions such as market interest rates for similar non-convertible debt instruments, credit risk, expected volatility, and expected timing of conversion or settlement. Changes in these assumptions could have a material impact on the carrying value of the convertible note and related interest expense recognized using the effective interest method.

(iv) Share-based compensation, warrants and compensation options

The Company makes certain estimates and assumptions when calculating the fair values of share- based compensation and warrants granted. The significant estimations and assumptions include expected volatility, expected life, expected dividend rate, forfeiture rate and risk-free rate of return.

(Expressed in Canadian Dollars)

3. Capital management

The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern, to meet its expenditure obligations for its continued operations, and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. The Company manages the capital structure and adjusts it in light of changes in economic and industry conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, or acquire or dispose of assets. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There have been no changes to the Company's capital management approach in the period. The Company considers its Shareholders' Equity as capital which as at October 31, 2025 is $223,928,518 (October 31, 2024 - $205,377,043).

4. Exploration and evaluation assets

	Balance October 31 2023	Additions for the year ended October 31 2024	Balance October 31 2024	Additions for the year ended October 31 31 2025	Balance October 31 2025
	$	$	$	$	$
Acquisition costs:					
Cash paid/payable	9,061,633	540,282	9,601,915	510,000	10,051,665
Shares issued	37,915,234	1,193,622	39,108,856	6,614,100	45,782,956
Surface rights acquisition	-	-	-	2,520,887	2,520,887
Texmont fair value increase	1,530,000	-	1,530,000	–	1,530,000
Drilling	48,447,085	23,856,155	72,303,240	6,441,928	78,745,168
Assays	8,030,194	3,887,538	11,917,732	3,602,481	15,520,213
Geological	6,183,670	289,304	6,472,974	14,275	6,487,249
Consulting	23,348,938	31,491,029	54,839,967	1,945,370	56,785,337
Mineralogy	7,924,412	1,167,290	9,091,702	651,422	9,743,124
Access road	2,335,346	2,199,857	4,535,203	1,088,641	5,623,844
Obligations to stakeholders	7,824,361	12,450,945	20,275,306	2,919,611	23,194,917
Support costs	12,839,348	7,286,508	20,125,856	4,829,101	24,955,207
	165,440,221	**84,362,530(1)**	**249,802,751**	**31,137,816**	**280,940,567**

(1) Cash flow spend as per the consolidated statements of cash flows excludes non-cash payments, net payables and net accounts receivable. Consulting includes the recognition of grant money received of $1.8 million and expected to be received of $0.4 million

Exploration and evaluation assets include the Company's interest in the Crawford Project, including the costs related to advance the project, and its interest in regional exploration properties surrounding Crawford. The regional properties are segmented into three regional areas and include:

- **Timmins South** – Sothman, Deloro, Texmont, Midlothian, Van Hise, Bannockburn and Playfair
- **East Timmins Nickel** – Stimson, Mortimer, Moody, McCool, Galna, Mann (North, West, Central and South), Newmarket, Reaume and Calder
- **Timmins Central** – Reid, MacDiarmid, Mahaffy, Nesbitt, Kingsmill and Dargavel.

The regional properties were acquired through fiscal years 2022 to 2024. Most agreements include provisions that allow for each of the sellers to retain a net smelter royalty ("NSR") that ranges between 1% and 2%, with Canada Nickel having the right to re-purchase 50% of the royalty for $500,000 (with respect to a 1% NSR) or $1 million (with respect to a 2% NSR).

4. Exploration and evaluation assets (continued)

Option payments of $860,000 in cash obligations and share obligations of 172,400 Canada Nickel shares are due in fiscal year 2026 to maintain the acquisition or earn-in on two properties, including the Midlothian Property.

Midlothian Property
The Company entered into an option agreement on November 19, 2021 with Canadian Gold Miner Corp. (70% interest) and Laurion Mineral Exploration Inc. (30% interest), collectively the vendors, to acquire the Midlothian Property. Under the terms of the agreement, Canada Nickel can earn a 100% interest in the property through cash and share payments and a commitment on exploration expenditures. To October 31, 2025, the Company has completed the exploration program commitment having a cumulative value of $2.5 million, paid cash obligations of $650,000 and share payments of 310,000 common shares. A further $200,000 and 140,000 common shares were paid in November 2025. An amendment to the option agreement was entered into on November 18, 2025 where the vendors agreed to extend the repayment of the final $200,000 option payment to January 31, 2026 in return for an additional 27,400 common shares. The final cash payment was made in January 2026. The issuance of the 27,400 common shares are subject to final approval from the TSX Venture Exchange. The vendors will retain a net smelter return of 4% for gold and 2% for nickel with a commercial production payment of $4.0 million. Canada Nickel will retain a 1% NSR buy-back right for aggregate payments of $2.5 million.

East Timmins Nickel
On February 21, 2025 Canada Nickel closed an agreement with Noble whereby Canada Nickel and Noble will contribute certain mining properties, including the existing Mann joint venture, into a new company – East Timmins Nickel to consolidate their respective interests in the portfolio of nickel projects northeast of Timmins, Ontario.

As part of the transaction, Canada Nickel consolidated ownership of the mining rights and access to the surface rights for certain key patents in Aubin, Crawford, Carnegie, Dargavel, Kidd, Lennox, Lucas, Nesbitt, Prosser, and Wark townships currently held by Noble ("key surface rights"), which facilitates and simplifies future development of Crawford and other nearby regional properties held by Canada Nickel. East Timmins Nickel will control 1,842 mining claims totaling approximately 40,000 hectares and will include nickel properties in Mann, Newmarket, and Reaume Townships as well as Calder, Galna, McCool, Moody, Mortimer, Stimson, and other properties currently held by Canada Nickel. Costs will be funded by pro rata ownership, which will initially be 80% Canada Nickel and 20% Noble. Canada Nickel and Noble will continue to maintain their existing royalty rights on the East Timmins claims, as will previous claim owners who had vended claims to Noble.

The Mann and other properties were transferred from Canada Nickel to East Timmins Nickel at Canada Nickel's book value of $12.6 million. In return for Noble's 20% interest in East Timmins Nickel, valued at $2.5 million (20% of carrying value), Noble transferred key surface rights to Canada Nickel, which Canada Nickel then valued at the asset acquisition price of $2.5 million. East Timmins Nickel is consolidated effective February 21, 2025 with Noble's interest represented as a non-controlling interest. Canada Nickel continued to fund expenditures to advance exploration on the Mann property and incurred other expenses on behalf of East Timmins Nickel. For Noble to maintain its 20% interest in East Timmins Nickel it must fund East Timmins Nickel $1.3 million.

(Expressed in Canadian Dollars)

Crawford Surface Rights

On January 6, 2025, a definitive agreement was signed with the primary surface rights holder ("Surface Rights Holder") in Crawford and surrounding townships to secure access to 32,000 acres of surface rights required to build Crawford. Securing access to 32,000 acres of surface rights was a critical step for the Company to complete permitting and move toward a construction decision on Crawford in 2026. As part of the surface rights agreement, the Company will transfer 47,750 acres of mining rights in Kingsmill and Mabee townships—where no known exploration targets exist—to the Surface Rights Holder. This transfer aims to create future certainty over a substantial area of land, facilitating the effective development of sustainable forestry and wildlife habitat preservation.

The definitive agreement with the Surface Rights Holder (the "Surface Rights Transaction") provides Canada Nickel with an option to acquire 32,000 acres of surface rights in Crawford and surrounding townships. As part of the transaction, Canada Nickel issued 5.5 million shares valued at $5.7 million and transferred mining rights (not required for any exploration target) to approximately 47,750 acres in Kingsmill and Mabee townships. Additional consideration will be paid to exercise the option on a construction decision. The Company has the right to exercise the option by December 31, 2026 and can extend the option annually up to a further five years for an additional payment for each extension.

5. Equipment and right-of-use assets

	Right-of-use assets	Equipment	Total
	$	$	$
Balance, October 31, 2023	290,469	546,290	836,759
Additions	-	238,794	238,794
Depreciation	(91,776)	(121,476)	(213,252)
Balance, October 31, 2024	198,693	663,608	862,301
Additions	102,802	140,558	243,360
Depreciation	(100,434)	(142,479)	(242,913)
Balance, October 31, 2025	**201,061**	**661,687**	**862,748**

Depreciation for equipment and right-of-use assets is recorded in Exploration and evaluation assets on the consolidated statements of financial position. At October 31, 2025, a lease liability of $138,225 (October 31, 2024 - $70,705) related to the right-of-use assets is recorded in accounts payable and accrued liabilities and $82,717 recorded as a long-term liability (October 31, 2024 - $146,653).

(Expressed in Canadian Dollars)

6. Bridge loan facilities

The following table reflects the continuity of the short-term loans for the year ended October 31, 2025 and 2024:

	2025	2024
	$	$
Balance, beginning of year	**21,465,335**	16,673,070
Interest expense and accretion on arrangement fee	**2,804,955**	1,075,539
Repayment of loan with shares	**(1,040,000)**	-
Foreign exchange	**(34,544)**	(412,749)
Repayment of loan	**(23,195,746)**	(17,335,860)
Proceeds received, net of arrangement fee	**26,960,768**	19,901,859
Interest expense and accretion on arrangement fee	**2,210,815**	1,129,579
Foreign exchange	**250,791**	433,897
Balance, end of year	**29,422,374**	21,465,335

<u>BT Capital</u>

On May 9, 2025, the Company closed a US$20 million bridge loan facilitated by Ber Tov Capital Corporation ("BT Capital"). The financing was used to repay the Auramet Inc. July 2024 loan facility and for general working capital purposes. The loan was provided by BT Strategic Mineral Assets LP, whose anchor investor is Baronet Capital. It matures on February 9, 2026, carries interest at 1.00% per month, and includes a 2.5% arrangement fee. The BT Capital loan includes customary positive and negative covenants for a transaction of this nature, of which the Company was in compliance with at October 31, 2025, and holds security over all personal property and real property of the Company. The loan was repaid on February 9, 2026 (see Note 19).

As part of the transaction, BT Strategic Mineral Assets LP received 5,000,000 one-year warrants ("BT Capital warrants"). Each BT Capital warrant entitles BT Capital to acquire one common share of the Company at a price of $0.94 per share until May 9, 2026. The BT Capital warrants issued were assigned an aggregate fair value of $869,000 using the Black-Scholes valuation model with the following assumptions: dividend yield 0%, expected volatility 47%, risk-free rate of return 3.1% and expected one year life. The fair value of the warrants as well as the arrangement fee and other transaction costs are being amortized over the nine-month loan maturity in transaction costs and interest expense in the consolidated statements of loss and comprehensive loss, of which $550,164 was amortized in 2025.

6. Bridge loan facilities (continued)

Auramet Inc. July 2024

On July 9, 2024 the Company closed a secured loan facility with Auramet International Inc. (“Auramet Inc.”) for US$15 million (“Auramet Inc. July 2024”). The loan was secured and matured on January 9, 2025. Interest expense accrued on the unpaid principal amount at a rate of 12% per annum monthly in arrears until January 9, 2025. The loan was subject to such terms and conditions including certain specified positive and negative covenants that are customary for a transaction of this nature.

The Company paid an arrangement fee equal to 2.5% of the loan amount ($511,178) and issued 750,000 common share purchase warrants (“Auramet Inc. July 2024 warrants”). Each of the Auramet Inc. July 2024 warrants entitled Auramet Inc. to acquire one common share of the Company at a price of $1.42 per share until July 9, 2025. The Auramet Inc. July 2024 warrants issued were assigned an aggregate fair value of $166,500 using the Black-Scholes valuation model with the following assumptions: dividend yield 0%, expected volatility 62%, risk-free rate of return 3.95% and expected one year life. The fair value of the warrants as well as the arrangement fee and other transaction costs were amortized over the six-month loan maturity in transaction costs and interest expense in the consolidated statements of loss and comprehensive loss.

On January 9, 2025, the Company extended the repayment date of the Auramet Inc. July 2024 US$15 million loan facility from January 9, 2025, to March 14, 2025. An extension fee of US$438,465 ($633,831) was due on the March 14, 2025 repayment date and 1,750,000 warrants with a strike price of $0.96 per share were issued with a 9 month expiry (“Auramet Inc. January 2025 warrants”) replacing and cancelling the Auramet Inc. July 2024 warrants. The loan carried an interest rate of 1.25% per month for the extension period. The interest payable on the original loan amount was also deferred to March 14, 2025.

The Auramet Inc. January 2025 warrants issued were assigned an aggregate fair value of $260,225 using the Black-Scholes valuation model with the following assumptions: dividend yield 0%, expected volatility 52%, risk-free rate of return 2.9% and expected 9-month life. The fair value of the warrants less the $166,500 expensed from the Auramet Inc. July 2024 warrants, and the arrangement fee were amortized over the 64-day maturity in transaction costs and interest expense in the consolidated statements of loss and comprehensive loss. In October 2025 the Auramet Inc. January 2025 warrants were exercised with proceeds of $1,680,000 received by the Company.

On March 14, 2025, the Company again extended the repayment date of the Auramet Inc. July 2024 loan to April 25, 2025. An extension fee of US$168,233 ($241,959) was to be paid by April 25, 2025 along with the previous extension fee of US$438,465 and outstanding interest. The loan continued to carry an interest rate of 1.25% per month until expiry.

A final extension was made on April 25, 2025 with no additional fees. The loan along with previous extension fees and interest were repaid on May 9, 2025, of which US$750,000 ($1,040,000) of the loan repayment was settled through the issuance of 1,050,909 Canada Nickel common shares.

6. Bridge loan facilities (continued)

Auramet Inc. September 2023

On September 18, 2023, the Company closed a secured 3-month loan facility with Auramet Inc. for US$12 million ("Auramet Inc. September 2023"). Interest expense accrued on the unpaid principal amount at a rate of 12% per annum monthly in arrears until December 18, 2023.

The Company paid an arrangement fee equal to 2.3 percent of the loan amount ($371,995) and issued 550,000 common share purchase warrants ("Auramet Inc. September 2023 warrants"). Each of the Auramet Inc. September 2023 warrants entitled Auramet Inc. to acquire one common share of the Company at a price of $1.24 per share until September 18, 2024. The Auramet Inc. September 2023 warrants issued were assigned an aggregate fair value of $169,180 using the Black-Scholes valuation model with the following assumptions: dividend yield 0%, expected volatility 61%, risk-free rate of return 4.74% and expected one year life. The fair value of the warrants as well as the arrangement fee and other transaction costs were amortized over the three-month maturity in transaction costs and interest expense in the consolidated statements of loss and comprehensive loss. In January 2024 the Auramet Inc. September 2023 warrants were exercised with proceeds of $682,000 received by the Company.

On December 18, 2023, at the Company's option it extended the Auramet Inc. September 2023 US$12 million short-term debt facility for a further 30 day period and matured January 18, 2024. Upon extension of the facility, the Company paid an additional arrangement fee equal to $248,457 and issued 350,000 common share purchase warrants ("Auramet Inc. September 2023 extension warrants"). Each of the Auramet Inc. September 2023 extension warrants entitles Auramet Inc. to acquire one common share of the Company at a price of $1.19 per share until September 18, 2024. The Auramet Inc. September 2023 extension warrants issued were assigned an aggregate fair value of $65,765 using the Black-Scholes valuation model with the following assumptions: dividend yield 0%, expected volatility 45%, risk-free rate of return 4% and expected nine-month loan life. The fair value of the warrants as well as the arrangement fee were amortized over the one-month maturity in transaction costs and interest expense in the consolidated statements of loss and comprehensive loss. In addition, interest accrued on the short-term debt outstanding, which included interest accumulated and the additional arrangement fee, at a rate of 15% per annum monthly in arrears. The Auramet Inc. September 2023 extension warrants expired unexercised.

On January 15, 2024 Auramet Inc. extended the maturity a further 30 days with no additional fees except the interest. The loan payable including interest and the additional arrangement fee was paid on February 6, 2024 in full in the amount of $17,335,860.

(Expressed in Canadian Dollars)

6. Bridge loan facilities (continued)

A summary of the transaction costs and interest expense for the years ended October 31, 2025 and 2024 for the bridge loan facilities are as follows:

	For the years ended October 31	
	2025	2024
	$	$
BT Capital		
Interest expense	**1,629,697**	-
Amortization of arrangement fee	**581,118**	-
Amortization of warrant value	**550,164**	-
Foreign exchange	**250,791**	-
	3,011,770	-
Auramet Inc. July 2024		
Interest expense	**1,712,618**	790,851
Amortization of arrangement and other fees	**1,092,337**	338,999
Amortization of warrant value	**157,069**	103,156
Foreign exchange	**(34,544)**	342,252
	2,927,480	1,575,258
Auramet Inc. September 2023		
Interest expense	**-**	617,736
Amortization of arrangement and other fees	**-**	457,803
Amortization of warrant value	**-**	155,003
Foreign exchange	**-**	(180,010)
	-	1,050,532
Transaction costs and interest expense	**5,939,250**	2,625,790

7. Convertible note

On December 16, 2024, Taykwa Tagamou Nation ("TTN") and Canada Nickel announced an investment reflecting a shared commitment to advancing the Crawford Project while fostering economic empowerment and long-term collaboration. The Convertible Note (the “Note) was signed on December 13, 2024 and closed on May 27, 2025. TTN invested $20 million in the Note, that at the option of TTN can be convertible into 16.67 million Canada Nickel common shares at a price of $1.20 per share. The Note has a five-year term from closing and a variable coupon equal to TTN’s cost of borrowing plus 1% per annum (at October 31, 2025 was 4.65%) paid quarterly prior to conversion. The Note is secured by all personal and real property of the Company, second to the BT Capital bridge loan.

The convertible note is a compound financial instrument comprised of a debt and equity component. The fair value of the liability component was determined using a valuation approach consistent with market-accepted methodologies for convertible instruments, which incorporate option pricing techniques and separately consider the credit risk associated with the debt component and the equity characteristics of the conversion feature. These techniques were used to inform the determination of an appropriate effective interest rate, reflecting the contractual cash flows, the long-dated nature of the instrument, the Company’s credit risk and marketability.

(Expressed in Canadian Dollars)

7. Convertible note (continued)

At initial recognition, the net proceeds of $20 million from the issuance of the Note were allocated into the debt and equity components as follows:

Debt: the fair value of the debt was determined to be $11,200,820 using a discounted cashflow model with an expected life of five years and an effective interest rate of 22%. The debt component is subsequently measured at amortized cost and amortized over the five-year term using the effective interest method.

Equity: the conversion option held by TTN is classified as equity at a fair value of $8,799,180 representing the residual amount of the proceeds after evaluating the fair value of the liability. The equity will not be remeasured after the initial recognition. The balance recognized in equity will be transferred to capital if the conversion is exercised.

The following table reflects the continuity of the Note for year ended October 31, 2025:

	2025
	$
Balance, beginning of year	**-**
Gross proceeds received from convertible note	**20,000,000**
Portion of convertible note allocated to equity reserves	**(8,799,180)**
Accretion expense recorded in transaction costs and interest expense	**1,009,137**
Coupon interest paid	**(232,521)**
Interest included in accounts payable and accrued liabilities	**(305,604)**
Balance, end of year	**11,671,832**

(Expressed in Canadian Dollars)

8. Share capital

Authorized share capital

The authorized share capital consisted of an unlimited number of common shares without par value. All issued shares have been fully paid.

Common shares issued

			2024		**2025**
	Note	Number of Common Shares	Share Capital	**Number of Common Shares**	**Share Capital**
		#	$	**#**	**$**
Balance, beginning of year		141,822,144	169,878,160	181,225,453	218,465,478
Share issuance – equity financings, net	8(a)	-	-	3,480,000	3,981,990
Share issuance – equity financings, net	8(b)	-	-	15,295,000	9,791,027
Share issuance – equity financings, net	8(c)	-	-	2,201,259	1,615,127
Share issuance – equity financings, net	8(d)	-	-	4,245,750	4,475,495
Tax effect of share issuance costs		-	-	-	386,524
Share issuance – equity financings, net	8(e)	19,600,000	31,272,557	-	-
Share issuance – equity financings, net	8(f)	15,593,802	23,490,594	-	-
Flow-through share premium	8(a,d,e)	-	(12,348,000)	-	(1,495,035)
Tax effect of flow-through share premium		-	-	-	396,184
Share issuance – acquisitions	4	874,936	1,193,622	6,442,000	6,614,100
Share issuance – warrants exercised	9	550,000	851,180	1,750,000	1,940,225
Share issuance – stock options exercised	10	296,667	129,504	950,834	415,414
Share issuance – RSUs exercised	11	2,187,814	3,591,794	546,333	855,436
Shares issued to settle accounts payable		300,090	280,000	123,529	45,500
Shares issued to settle bridge facility	6	-	-	1,050,909	1,040,000
Shares to be issued to settle accounts payable		-	126,067	-	220,306
Balance, end of year		181,225,453	218,465,478	**217,311,067**	**248,747,771**

(a) On December 30, 2024, Canada Nickel completed a non-brokered private placement of an aggregate of 3,480,000 common shares of the Company that will qualify as "flow-through shares" (as defined in subsection 66(15) of the Income Tax Act (Canada)) (the "FT Shares"), at an issue price of $1.15 per FT Share, for aggregate proceeds of $4,002,000 (the "December 2024 Flow-Through Offering"). The gross proceeds from the December 2024 Flow-Through Offering will be used by the Company to incur (or be deemed to incur) eligible resource exploration expenses that will qualify as (i) "Canadian Exploration expenses" (as defined in the Income Tax Act (Canada)), (ii) "flow-through critical mineral mining expenditures" (as defined in subsection 127(9) of the Income Tax Act (Canada)), and (iii) "eligible Ontario critical mineral exploration expenditures" within the meaning of subsection 103(4.1) of the Taxation Act, 2007 (Ontario) (collectively, the "Qualifying Expenditures"). Qualifying Expenditures in an aggregate amount not less than the gross proceeds raised from the issuance of the FT Shares will be incurred (or deemed to be incurred) by the Company on or before December 31, 2025, and were renounced by the Company to the initial purchasers of the FT Shares with an effective date of December 31, 2024.

The FT shares were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers and as a result the Company recorded a share premium liability of $730,800 and had and met an obligation to incur $4,002,000 in eligible Canadian exploration expenditures (“CEE”) by December 31, 2025. The share capital value of $3,981,990 includes the gross proceeds net of costs related to the issuance.

8. Share capital (continued)

(b) On June 26, 2025, the Company closed a private placement (the "Brokered Offering") for gross proceeds of $13,000,750. Under the Brokered Offering, the Company sold 15,295,000 units of the Company (the "Brokered Units") at a price of $0.85 per Brokered Unit. Each Brokered Unit consists of one common share of the Company and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to purchase one common share of the Company at a price of $1.20 at any time on or before June 26, 2028.

The Warrants issued were assigned an aggregate fair value of $1,794,835 using the Black-Scholes valuation model with the following assumptions: dividend yield 0%, expected volatility 58%, risk-free rate of return 2.6% and expected three year life. The fair value of the Warrants and other transaction costs are shown as a reduction in the proceeds received on the Brokered Offering.

Red Cloud Securities Inc. and Scotiabank acted as co-lead agents and joint bookrunners, on behalf of a syndicate of agents that included Cormark Securities Inc. and Haywood Securities Inc. (collectively, the "Agents") in connection with the Brokered Offering. As consideration for their services in the Brokered Offering, the Agents received a cash commission of $649,527 and were issued 764,148 non-transferable common share purchase warrants (the "Broker Warrants"). Each Broker Warrant is exercisable into one common share of the Company at a price of $0.85 per at any time on or before June 26, 2028. The Company also paid a cash finders' fee of $22,193 and issued an aggregate of 26,109 non-transferrable finders' warrants (the "Finder Warrants") to certain other eligible parties who introduced subscribers to the Brokered Offering. Each Finder Warrant is exercisable into one common share of the Company at a price of $0.85 per at any time on or before June 26, 2028.

The Broker Warrants and the Finder Warrants issued were assigned an aggregate fair value of $248,852 using the Black-Scholes valuation model with the following assumptions: dividend yield 0%, expected volatility 58%, risk-free rate of return 2.6% and an expected two year life. The fair value of the Broker Warrants and Finder Warrants are shown as a reduction in the proceeds received on the Brokered Offering.

(c) Also on June 26, Agnico Eagle Mines Limited ("Agnico Eagle") notified the Company that it intended to exercise its pro rata equity participation right pursuant to the investor rights agreement between Agnico Eagle and the Company dated December 29, 2023 and purchase 2,201,259 units of the Company (the "Non-Brokered Units") at a price of $0.85 per Non-Brokered Unit under a non-brokered private placement (the "Non-Brokered Placement") for additional gross proceeds to the Company of $1,871,070. Each Non-Brokered Unit consists of one common share of the Company and one-half of one common share purchase warrant (each whole warrant, a "Non-Brokered Warrant"). The transaction was completed on July 7, 2025. Each Non-Brokered Warrant will entitle the holder to purchase one common share of the Company at a price of $1.20 at any time on or before July 7, 2028.

The Non-Brokered Warrants issued were assigned an aggregate fair value of $255,943 using the Black-Scholes valuation model with the following assumptions: dividend yield 0%, expected volatility 58%, risk-free rate of return 2.7% and expected three year life. The fair value of the Non-Brokered Warrants and other transaction costs are shown as a reduction in the proceeds received on the Non-Brokered Offering.

8. Share capital (continued)

(d) On July 7, 2025, the Company completed a non-brokered private placement (the "July 2025 Flow-Through Offering") for the sale of 4,245,750 common shares of the Company that qualify as FT Shares at a price of $1.06 per FT Share for gross proceeds of $4,500,495. The gross proceeds from the July 2025 Flow-Through Offering will be used by the Company to incur Qualifying Expenditures. Qualifying Expenditures in an aggregate amount not less than the gross proceeds raised from the issuance of the FT Shares will be incurred (or deemed to be incurred) by the Company on or before December 31, 2026, and will be renounced by the Company to the initial purchasers of the FT Shares with an effective date no later than December 31, 2025. The securities issued or to be issued pursuant to the Offerings to purchasers in Canada are or will be subject to a four-month hold period in Canada pursuant to applicable Canadian securities laws.

The FT shares were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers and as a result the Company recorded a share premium liability of $764,235 and has an obligation to incur $4,500,495 in eligible CEE by December 31, 2026. The share capital value of $4,475,495 includes the gross proceeds net of costs related to the issuance.

(e) On December 29, 2023 the Company completed a brokered private placement consisting of 19,600,000 units of the Company (the "Flow-Through Units") at a price of $1.77 per Flow-Through Unit, with each unit consisting of one flow-through common share of the Company and 0.35 of one flow-through common share purchase Warrant (the “December 2023 Warrant”), as more particularly described below, for aggregate gross proceeds of $34,692,000 (the "December 2023 Flow-Through Offering"). Following closing of the December 2023 Flow-Through Offering, Agnico Eagle acquired the units from the initial purchasers.

Pursuant to the December 2023 Flow-Through Offering, each Flow-Through Unit consists of (i) one common share of the Company, each of which will qualify as a FT share, and (ii) 0.35 of one purchase Warrant. Each whole December 2023 Warrant shall entitle the holder thereof to acquire one Common Share of the Company (each, a "Warrant Share") at a price of $1.77 per Warrant Share until the date that is 36 months from the closing date of the December Flow-Through Offering, subject to acceleration in certain circumstances. Beginning six months from the closing date of the December 2023 Flow-Through Offering, if the trading price of the common shares on the TSX Venture Exchange equals or exceeds $2.65 per common share for at least 20 consecutive trading days, Canada Nickel shall have the right to accelerate, by notice to the holders of the December 2023 Warrants, the expiry date of the December 2023 Warrants to 30 calendar days after the date of such notice (such that the holder may either exercise all or a portion of the December 2023 Warrants in such 30 day period, or failing such exercise, any unexercised December 2023 Warrants would expire).

The FT Shares were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers and as a result the Company recorded a share premium liability of $12,348,000 and has an obligation to incur $34,692,000 in eligible CEE by December 31, 2024. The Warrants issued were assigned an aggregate fair value of $2,172,505 using the Black-Scholes valuation model with the following assumptions: dividend yield 0%, expected volatility 59%, risk-free rate of return 3.9% and expected 36 month life. The share capital value of $31,746,143 includes the gross proceeds net of the warrant fair value and costs related to the issuance.

In addition, the Company entered into an investor rights agreement with Agnico Eagle. Under the Investor Rights Agreement, Agnico Eagle is entitled to certain rights, provided Agnico Eagle maintains certain ownership thresholds in Canada Nickel, including: (a) the right to participate in future issuance of Common Shares (or any securities that are or may become convertible, exchangeable or exercisable into Common Shares) in order to maintain its pro rata ownership interest in Canada Nickel or acquire up to a 15.6% ownership interest, on a partially diluted basis, in Canada Nickel; and (b) the right (which Agnico Eagle has no present intention of exercising) to nominate one person to the Canada Nickel Board of Directors.

(Expressed in Canadian Dollars)

8. Share capital (continued)

(f) On February 6, 2024, the Company completed the equity investment it entered related to the Subscription Agreement with Samsung SDI Co., Ltd. ("Samsung SDI") in the amount of US$18.5 million investment in Canada Nickel at a price of $1.57 per Common Share. On closing of the private placement contemplated in the Subscription Agreement, Samsung SDI owned approximately 15.6 million shares of the common shares of Canada Nickel, representing approximately 8.7% of the Company's issued and outstanding shares on a non-diluted basis and Canada Nickel granted to Samsung SDI the right to purchase a 10% equity interest in the Crawford Project for US$100.5 million, exercisable upon a final construction decision. The share capital value of $24,021,111 includes the gross proceeds net of costs related to the issuance.

The Subscription Agreement and the Investor Rights Agreement contain certain customary terms and conditions. Samsung SDI will have a pro rata right in any future issuance of Common Shares or any securities that are or may become convertible, exchangeable or exercisable into Common Shares to maintain its shareholding as long as it holds 7.5% or more of the issued and outstanding Common Shares of the Company.

Samsung SDI's right to purchase a 10% equity interest in the Crawford project for US$100.5 million is exercisable upon a final construction decision. By exercising this right, Samsung SDI will have the right to 10% of the nickel-cobalt production from the Crawford project over the life of mine and the right to an additional 20% of Crawford's nickel-cobalt production for 15 years extendable by mutual agreement. The offtake rights will be based on mutually agreed terms.

9. Warrants

The following table reflects the continuity of warrants for years ended October 31:

	Note	2025	2024
		#	#
Balance, beginning of year		**7,610,000**	750,000
Issued to Auramet Inc.	6	**1,750,000**	1,100,000
Issued to Agnico Eagle	8(e)	**-**	6,860,000
Issued to BT Capital	6	**5,000,000**	-
Issued to Subscriber on Brokered Deal	8(b)	**7,647,498**	-
Issued to Brokers and Finders	8(b)	**790,257**	-
Issued to Subscriber on Non-brokered deal	8(c)	**1,100,629**	-
Exercised by Auramet Inc.	6	**(1,750,000)**	(550,000)
Cancelled	6	**(750,000)**	-
Expired		**-**	(550,000)
Balance, end of year		**21,398,384**	7,610,000

(Expressed in Canadian Dollars)

9. Warrants (continued)

The following table reflects the warrants outstanding for the year ended October 31:

Grants	Exercise Price $	Outstanding 2024	Outstanding 2025	Expiry Date	Remaning Life (years)
Agnico Eagle warrants	1.77	6,860,000	**6,860,000**	29-Dec-26	1.2
Auramet Inc. July 2024 warrants	1.42	750,000	**-**	-	-
BT Capital warrants	0.94	-	**5,000,000**	9-May-26	0.5
Warrants	1.20	-	**7,647,498**	26-Jun-28	2.7
Non brokered warrants	1.20	-	**1,100,629**	7-Jul-28	2.7
Broker and Finder warrants	0.85	-	**790,257**	26-Jun-28	2.7
	1.31	7,610,000	**21,398,384**		1.7

10. Stock options

The following table reflects the continuity of stock options for the years ended October 31:

	2025	2024
	#	#
Balance, beginning of year	**11,703,234**	7,033,901
Stock options granted	**2,753,000**	5,376,000
Exercised	**(950,834)**	(296,667)
Expired unexercised	**(377,500)**	-
Forfeited	**(502,000)**	(410,000)
Balance, end of year	**12,625,900**	11,703,234

(Expressed in Canadian Dollars)

10. Stock options (continued)

The following table reflects stock options outstanding for the year ended October 31:

Grant Date	Exercise Price	Outstanding 2024	Outstanding 2025	Vested and Outstanding 2025	Expiry Date	Remaining Life (years)
	$	#	#			
January 13, 2020	0.25	950,834	-	-	13-Jan-25	0.0
August 12, 2020	1.87	40,000	-	-	12-Aug-25	0.0
October 27, 2020	1.62	337,500	-	-	27-Oct-25	0.0
November 1, 2020	1.62	360,000	360,000	360,000	1-Nov-25	0.1
December 8, 2020	1.88	100,000	100,000	100,000	8-Dec-25	0.1
February 22, 2021	3.63	514,000	514,000	514,000	22-Feb-26	0.3
June 16, 2021	3.57	15,000	15,000	15,000	16-June-26	0.6
November 15, 2021	2.95	50,000	50,000	50,000	15-Nov-26	1.1
December 22, 2021	3.49	80,000	80,000	80,000	22-Dec-26	1.1
January 24, 2022	3.51	100,000	100,000	100,000	24-Jan-27	1.2
February 21, 2022	3.51	70,000	70,000	70,000	21-Feb-27	1.2
March 14, 2022	3.14	790,000	790,000	790,000	14-Mar-27	1.4
April 18, 2022	2.60	100,000	100,000	100,000	18-Apr-27	1.5
May 12, 2022	2.06	70,000	70,000	70,000	12-May-27	1.5
May 16, 2022	2.03	45,000	45,000	30,000	16-May-27	1.5
July 11, 2022	1.75	20,000	10,000	10,000	11-July-27	1.7
September 14, 2022	1.59	60,000	10,000	10,000	14-Sept-27	1.9
December 23, 2022	1.78	430,900	425,900	283,934	23-Dec-27	2.1
February 13, 2023	1.78	1,700,000	1,700,000	1,133,336	13-Feb-28	2.3
June 21, 2023	1.30	140,000	140,000	93,333	21-Jun-28	2.6
July 10, 2023	1.25	24,000	24,000	16,000	10-Jul-28	2.7
September 4, 2023	1.16	180,000	180,000	120,000	4-Sep-28	2.8
October 10, 2023	1.16	150,000	50,000	50,000	5-Dec-25	0.1
January 18, 2024	1.69	706,000	669,000	223,000	18-Jan-29	3.2
March 11, 2024	1.47	3,900,000	3,800,000	1,299,999	11-Mar-29	3.4
June 20, 2024	1.22	80,000	80,000	26,667	20-Jun-29	3.6
September 18, 2024	1.13	500,000	500,000	166,666	18-Sep-29	3.9
October 21, 2024	1.08	190,000	190,000	63,333	21-Oct-29	4.0
March 19, 2025	1.09	-	588,000	-	19-Mar-29	4.4
July 17, 2025	0.86	-	1,965,000	-	17-Jul-29	4.7
		11,703,234	**12,625,900**	5,775,268		3.0
Weighted average exercise price		$1.70	**$1.66**			

(Expressed in Canadian Dollars)

10. Stock options (continued)

The options vest at a rate of one third on the anniversary date of the grant, and a further one third each year thereafter. Each stock option converts into one common share of the Company upon exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither right to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. The Company, at its discretion, may settle stock options exercised through the issuance of common shares from treasury or cash.

The Company recorded share-based compensation expense related to stock options of $1,852,358 and $2,410,956 for years ended October 31, 2025 and 2024 respectively, to the consolidated statements of loss and comprehensive loss and recorded $623,277 for the year ended October 31, 2025 of share-based compensation expense as an increase to exploration and evaluation asset on the consolidated statements of financial position ($712,992 as at October 31, 2024).

The following table summarizes the average assumptions used in the Black-Scholes valuation model for the determination of the cost of stock options issued during the years ended October 31:

	2025	2024
Risk free interest rate	**2.75%**	3.7%
Expected life (years)	**4**	3.9
Volatility	**57%**	82%
Expected dividends	**0.00%**	0.00%
Fair value of options issued	**$0.42**	$0.89

11. Restricted share units ("RSUs")

The following table reflects the continuity of RSUs for the years ended October 31:

	2025	2024
	#	#
Balance, beginning of year	**4,681,477**	4,399,161
RSUs granted	**4,918,000**	2,470,130
Redeemed	**(546,333)**	(2,187,814)
Forfeited	**(450,000)**	-
Balance, end of year	**8,603,144**	4,681,477

(Expressed in Canadian Dollars)

11. Restricted share units ("RSUs") (continued)

The following table reflects the continuity of RSUs for the years ended October 31:

Grant Date	Grant Date Price and Fair Value	Outstanding 2024	Outstanding 2025	Vested 2025
	$	#	#	#
July 1, 2021	3.54	50,000	**-**	**-**
March 14, 2022	3.14	640,303	**640,303**	**640,303**
February 13, 2023	1.78	1,287,044	**1,287,044**	**1,287,044**
June 21, 2023	1.30	47,000	**47,000**	**47,000**
July 10, 2023	1.25	22,000	**22,000**	**22,000**
September 4, 2023	1.16	90,000	**90,000**	**90,000**
October 10, 2023	1.16	75,000	**-**	**-**
January 18, 2024	1.69	353,000	**-**	**-**
March 11, 2024	1.47	2,035,130	**1,925,130**	**666,710**
June 20, 2024	1.22	25,000	**16,667**	**16,667**
October 21, 2024	1.08	57,000	**57,000**	**57,000**
March 19, 2025	1.09	-	**588,000**	-
July 17, 2025	0.86	-	**755,000**	-
July 17, 2025 (milestone based)	0.86	-	**3,175,000**	-
	1.32	4,681,477	**8,603,144**	**2,826,724**

RSUs granted prior to March 11, 2024 vest on the anniversary date of the grant unless the holder agrees to extend their anniversary date by one year. RSUs granted post March 11, 2024 vest equally over a three year period from date of grant. The July 17, 2025 (milestone based) RSUs granted are cash-settled and vest in their entirety upon the board of directors' approval to commence construction of the Crawford Project. If a construction decision on the Crawford Project is not made within one year from date of grant, the cash-settled RSUs may vest annually in equal thirds beginning on the first anniversary of the date of grant depending on certain market parameters established by the board.

Each non-milestone based RSU converts into one common share of the Company upon exercise. Upon vesting, the Company, at its discretion, may settle non-milestone based RSUs through the issuance of common shares from treasury or cash. The milestone based RSUs settle in cash and are recognized as a liability and expensed over the estimated service period, remeasuring its fair value at the end of each reporting period. No amounts are paid or payable by the recipient on receipt of the RSU. The RSUs carry neither right to dividends nor voting rights.

The Company recorded share-based compensation expense related to non-milestone based RSUs of $1,006,209 and $1,448,424 for years ended October 31, 2025 and 2024 respectively to the consolidated statements of loss and comprehensive loss and recorded $393,942 of share-based compensation expense as an increase to exploration and evaluation asset on the consolidated statements of financial position ($780,023 as at October 31, 2024). In addition, the Company recorded share-based compensation expense related to milestone based RSUs of $294,777 and nil for years ended October 31, 2025 and 2024 respectively to the consolidated statements of loss and comprehensive loss and recorded $74,421 of share-based compensation expense as an increase to exploration and evaluation asset on the consolidated statements of financial position (nil as at October 31, 2024).

(Expressed in Canadian Dollars)

12. Deferred share units ("DSUs")

The Company adopted a new deferred share unit plan (the "DSU Plan"), which was approved by its shareholders at the Company's annual and special meeting of shareholders held on May 28, 2025. The Company granted to certain directors a total of 563,889 cash-settled deferred share units, which vest over a one-year period from date of grant. The cash-settled DSUs are recognized as a liability and expensed over the service period, remeasuring its fair value at the end of each reporting period. The Company recorded share-based compensation expense related to DSUs of $288,634 for the year ended October 31, 2025 to the consolidated statements of loss and comprehensive loss. The following table shows the outstanding DSUs for the years ended October 31:

Grant Date	Grant Date Price and Fair Value	Outstanding 2024	Outstanding 2025	Vested 2025
	$	#	#	#
May 28, 2025	0.92	-	**138,889**	**-**
July 17, 2025	0.86	-	**425,000**	**-**
Balance, end of year	0.88	**-**	**563,889**	**-**

13. Transaction costs and interest expense

A summary of transaction costs and interest expense for the years ended October 31:

	Note	2025	2024
		$	$
Costs related to bridge facilities	**6**	**5,939,250**	2,625,790
Accretion and interest on convertible note	**7**	**1,009,137**	-
Part XII.6 tax		**-**	816,300
Costs related to financing facilities		**1,044,243**	-
Penalties and other interest charges		**881,115**	-
		8,873,745	3,442,090

(Expressed in Canadian Dollars)

14. Loss per share

	For the years ended October 31	
	2025	2024
Net loss	**$26,214,669**	$3,217,584
Weighted average number of common shares outstanding - basic	**197,318,272**	170,817,393
Effect of dilutive securities	-	-
Weighted average number of common shares outstanding - dilutive	**197,318,272**	170,817,393
Loss per share – basic and diluted	**$0.13**	$0.02

Diluted loss per share does not include the effect of stock options, RSUs, convertible note and warrants as they are anti-dilutive.

15. Related party transactions and balances

Related parties and related party transactions impacting the consolidated financial statements are summarized below and include transactions with key management personnel, which includes those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. Key management personnel include the Board of Directors and senior officers of the Company.

A summary of the related party transactions for the years ended October 31:

	2025	2024
Salaries, consulting and directors' fees	**2,472,279**	2,437,861
Incentive compensation	**4,446,833**	4,498,954

These transactions are in the normal course of operations and have been valued in these consolidated financial statements at the amount of consideration established and agreed to by the related parties. No amounts were receivable to or payable from related parties at October 31, 2025 and 2024.

16. Commitments and contingencies

At October 31, 2025, the Company has $3.7 million (October 31, 2024 - $28.7 million) in payables owing with respect to exploration and evaluation assets, has approximately $2 million remaining to spend on its July 2025 Flow-Through Offering, and has lease obligations of $138,225 related to 2025 and $82,717 for fiscal years 2026 to 2028. Commitments on option properties are described in Note 4.

Canada Nickel entered into agreements with the Matachewan and Mattagami First Nations,Taykwa Tagamou Nation and Apitipi Anicinapek Nation in relation to exploration and development operations at Crawford. The agreements establish a commitment by Canada Nickel to engage in ongoing consultation and establish a mutually beneficial cooperative and productive relationship with the First Nations located in the Crawford Project area. The agreement also provides the communities with an opportunity to participate in the benefits of the Crawford Project through business opportunities, employment and training, financial compensation and consultation on environmental matters. Financial compensation includes a commitment to pay a specified percentage of the annual expenses related to the Company's exploration program and a three-year commitment of approximately $1.6 million for specific impact assessment programs.

In the ordinary course of operating, the Company may from time to time be subject to various legal claims or possible legal claims. Management believes that there are no legal claims or possible legal claims that if resolved would either individually or collectively result in a material adverse impact on the Company's financial position, results of operations, or cash flows. These matters are inherently uncertain, and management's view of these matters may change in the future.

17. Financial instruments

Fair values

At October 31, 2025, the Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, bridge loan facilities and convertible note. Except for the convertible note, the fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

The carrying value of the convertible note was determined using a discounted cash flow model method using a discount rate that equates to the risk-free rate plus an unobservable credit spread that approximates the Company's credit risk. Therefore, the convertible note fair value approximates its carrying value.

Fair value hierarchy

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

a. Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
b. Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
c. Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

During the period, there were no transfer of amounts between levels.

17. Financial instruments (continued)

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

Level 1 – cash and cash equivalents
Level 2 – none
Level 3 – none

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Currency risk

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfil its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and cash equivalents, and accounts receivable. All of the Company's cash is held at a Canadian bank, or funds held in trust with legal counsel in which management believes that the risk of loss is minimal, but the Company is subject to concentration of credit risk. Harmonized sales tax receivable and accounts receivable consist of receivables created in the course of normal business.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations with cash and from time to time with equity. As at October 31, 2025, the Company's financial liabilities consist of accounts payable and accrued liabilities and short-term loans, which have contractual maturity dates within one year and a convertible note, which is due in May 2030 unless the holder converts the note to common shares. The Company manages its liquidity risk by reviewing its capital requirements on an ongoing basis. There have been no changes in the Company's strategy with respect to credit/liquidity risk in the period (Note 1).

Currency risk

The Company is exposed to foreign exchange risk arising from its bridge loan facility. At October 31, 2025, the estimated impact of a 5% US dollar change against the Canadian dollar would be $1.5 million on pre-tax losses.

(Expressed in Canadian Dollars)

18. Income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2024 – 26.5%) to the effective tax rate is as follows:

	For the years ended October 31	
	2025	2024
	$	$
Net loss and comprehensive loss before income taxes	**21,566,653**	5,483,182
Expected income tax recovery	**(5,715,163)**	(1,453,043)
Effect of flow-through renunciation	**9,193,380**	1,325,037
Share based compensation and non-deductible expenses	**1,310,092**	733,855
Flow-through share premium	**-**	(3,017,548)
Share issuance costs booked to balance sheet	**(477,005)**	-
Change in tax benefits not recognized	**336,712**	146,101
Income tax expense (recovery)	**4,648,016**	(2,265,598)

The Company's income tax expense is allocated as follows:

Current tax expense	**-**	-
Deferred tax expense (recovery)	**4,648,016**	(2,265,598)
	4,648,016	(2,265,598)

Deferred tax

The following table summarizes the components of deferred tax:

	As at October 31	
	2025	2024
	$	$
Deferred tax assets:		
Equipment and right-of-use assets	**88,322**	22,998
Short-term loan facility	**12,233**	30,126
Asset retirement obligation	**430,845**	427,131
Capital lease obligation	**58,550**	57,600
Share issuance costs	**1,824,453**	1,768,224
Operating tax losses carried forward	**35,644,684**	30,514,644
	38,059,087	32,820,723
Deferred tax liabilities:		
Equity portion of convertible note	**(2,064,361)**	-
Resource pools – mineral properties	**(44,112,314)**	(34,647,512)
	(46,176,675)	(34,647,512)
Net deferred tax liability	**(8,117,588)**	(1,826,789)

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

(Expressed in Canadian Dollars)

18. Income taxes (continued)

Movement in net deferred tax liabilities:

		As at October 31
	2025	2024
	$	$
Balance, beginning of the year	**(1,826,789)**	(4,092,387)
Recognized in Shareholders' equity	**(1,642,783)**	-
Recognized in consolidated statements of loss and comprehensive loss	**(4,648,016)**	2,265,598
Balance, end of the year	**(8,117,588)**	(1,826,789)

19. Subsequent events

(a) On December 11, 2025, the Company closed a private placement (the "December Brokered Offering") for gross proceeds of $15,000,000. Under the December Brokered Offering, the Company sold 12,500,000 units of the Company (the "December Brokered Units") at a price of $1.20 per December Brokered Unit. Each December Brokered Unit consists of one common share of the Company and one-half of one common share purchase warrant (each whole warrant, a "December Warrant"). Each December Warrant entitles the holder to purchase one common share of the Company at a price of $1.80 at any time on or before December 11, 2028.

Red Cloud Securities Inc. acted as lead underwriter on behalf of a syndicate of agents that included Scotia Capital Inc., Cormark Securities Inc. and Haywood Securities Inc. (collectively, the "Underwriters") in connection with the December Brokered Offering. As consideration for their services the Underwriters received a cash commission of $845,892 and were issued 704,910 non-transferable common share purchase warrants (the "Underwriter Warrants"). Each Underwriter Warrant is exercisable into one common share of the Company at a price of $1.20 per at any time on or before December 11, 2028. The Company also paid a cash finders' fee of $28,584 and issued an aggregate of 23,820 non-transferrable finders' warrants (the "December Finder Warrants") to certain other eligible parties who introduced subscribers to the Brokered Offering. Each Finder Warrant is exercisable into one common share of the Company at a price of $1.20 per at any time on or December 11, 2028.

The Company plans to use the net proceeds of the December Brokered Offering for the advancement of the Crawford Project as well as for working capital and general corporate purposes. The closing of the Offering remains subject to the final approval of the TSX Venture Exchange. The securities issued or to be issued pursuant to the Offering to purchasers in Canada are or will be subject to a four-month hold period in Canada pursuant to applicable Canadian securities laws.

(b) On February 9, 2026, the Company closed a US$32 million bridge loan facility with Auramet Inc.. Proceeds from the loan will provide additional funding to advance the Crawford Project and were used to repay the loan facilitated by BT Capital (Note 6). The bridge loan facility is due May 9, 2026, carries an interest rate of 1.00% per month, and is subject to a 2.5% arrangement fee. Auramet Inc. also received 1,750,000 warrants entitling them to acquire one common share of the Company at a price of $2.03 per share until February 9, 2027. The loan will be subject to such terms and conditions including certain specified positive and negative covenants that are customary for a transaction of this nature. The warrants and the underlying shares will be subject to a four-month hold period under applicable Canadian securities laws.