



Canada Nickel Company Inc.

Condensed Interim Consolidated Financial Statements

For the three months ended January 31, 2026 and 2025

(Expressed in Canadian Dollars, unless otherwise noted)

Notice of No Auditor Review of Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying condensed interim consolidated financial statements of the company have been prepared by and are the responsibility of the company's management. The company's independent auditor has not performed an audit or review of these condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants.

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

	Note	January 31 2026	October 31 2025
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		13,831,061	1,629,843
Harmonized sales tax receivable		364,746	283,108
Other accounts receivable and prepaid expenses		1,320,562	517,298
Total current assets		15,516,369	2,430,249
Non-current assets			
Exploration and evaluation assets	4	284,765,362	280,940,567
Equipment and right-of-use assets	5	805,440	862,748
Total assets		301,087,171	284,233,564
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	15,16	8,292,497	9,064,992
Bridge loan facilities	6	29,742,749	29,422,374
Flow-through share premium	8	286,237	319,711
Total current liabilities		38,321,483	38,807,077
Long-term portion of right-of-use lease liability	5	65,758	82,717
Deferred tax liabilities	18	7,144,552	8,117,588
Convertible note	7	11,980,147	11,671,832
Asset retirement obligation		1,625,832	1,625,832
Total liabilities		59,137,772	60,305,046
Shareholders' equity			
Share capital	8	275,474,104	248,747,771
Share-based compensation and warrant reserves	9,10,11	21,380,334	24,840,048
Equity portion of convertible note, net of tax		6,467,397	6,467,397
Non-controlling interest		2,520,887	2,520,887
Accumulated deficit		(63,893,323)	(58,647,585)
Total shareholders' equity		241,949,399	223,928,518
Total liabilities and shareholders' equity		301,087,171	284,233,564

The accompanying notes are an integral part of these interim 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.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

Unaudited

For the Three Months Ended January 31

	Note	2026	2025
		\$	\$
Expenses			
Salaries	15	502,657	671,983
Consulting and advisory		760,256	761,819
Professional fees		135,407	211,768
General and administrative costs		466,004	365,060
Promotion and communication		226,288	75,732
Investor relations and marketing		180,533	81,885
Incentive compensation	10,11,12,15	2,151,243	1,044,283
Travel and other		329,297	232,220
Foreign exchange gain and interest income		(28,292)	(25,334)
Transaction costs and interest expense	13	1,605,838	2,239,574
		6,329,231	5,658,990
Flow-through share premium	8	(33,475)	(1,194,626)
Net loss and comprehensive loss before tax		6,295,756	4,464,364
Income tax recovery	18	(1,050,018)	(925,227)
Net loss and comprehensive loss		5,245,738	3,539,137
Loss per share – basic and diluted	14	\$0.02	\$0.02
Weighted average number of shares outstanding		226,892,715	182,741,364

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

Canada Nickel Company Inc.

Condensed Interim Consolidated Statements of Cash Flow

(Expressed in Canadian Dollars)

Unaudited

For the Three Months Ended January 31

	Note	2026	2025
		\$	\$
Operating activities			
Net loss		(5,245,738)	(3,539,137)
Add – Transaction costs included in financing activities		286,857	-
Adjustments for non-cash items:			
Share-based compensation		2,133,421	970,783
Flow-through share premium		(33,475)	(1,194,626)
Income tax recovery		(1,050,018)	(925,227)
Accretion charges related to bridge loan facilities		610,873	2,153,773
Accretion charges related to convertible note		307,615	-
Expenses paid or payable in shares		-	45,500
Changes in non-cash working capital items:			
Harmonized sales tax receivable		(81,638)	6,928,832
Accounts receivable and prepaid expenses		(803,264)	(21,792)
Accounts payable and accrued liabilities		(2,132,664)	1,293,202
Net cash used in operating activities		(6,008,031)	5,711,308
Investing activities			
Exploration and evaluation expenditures	4	(3,230,320)	(11,538,380)
Purchase of equipment	5	-	(30,600)
Net cash used in investing activities		(3,230,320)	(11,568,980)
Financing activities			
Proceeds from share issuances, net of costs	8	13,888,855	3,981,990
Repayment of lease obligations and interest on note	5,7	(327,092)	(27,003)
Proceeds from exercise of warrants and stock options	9,10	7,877,806	237,199
Net cash provided from financing activities		21,439,569	4,192,186
Cash and cash equivalents, beginning of year		1,629,843	4,655,260
Net change in cash and cash equivalents		12,201,218	(1,665,486)
Cash and cash equivalents, end of year		13,831,061	2,989,774
Supplementary disclosure			
Value of shares issued for acquisitions	4	197,400	99,750
Value of shares issued for settlement of accounts payable and bridge loan facility		-	148,500

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

Canada Nickel Company Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

Unaudited

	Note	Number of common shares	Share capital	Share-based compensation reserve	Warrants reserve	Non- controlling interest	Equity portion of convertible note, net of tax	Accumulated deficit	Total
		#	\$	\$	\$	\$	\$	\$	\$
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	3,480,000	3,981,990	-	-	-	-	-	3,981,990
Flow through share premium reserve	8	-	(730,800)	-	-	-	-	-	(730,800)
Share issuance - stock options exercised	10	498,794	414,910	(177,711)	-	-	-	-	237,199
Share issuance - acquisitions	4	105,000	99,750	-	-	-	-	-	99,750
Fair value of share-based compensation	10,11	-	-	1,328,179	-	-	-	-	1,328,179
Fair value of warrants issued	6	-	-	-	95,560	-	-	-	95,560
Shares issued to settle accounts payable		123,529	45,500	-	-	-	-	-	45,500
Net loss for the year		-	-	-	-	-	-	(3,539,137)	(3,539,137)
Balance, January 31, 2025		185,432,776	222,276,828	17,642,528	2,947,981	-	-	(35,972,053)	206,895,284
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
Share issuance - equity offering	8	12,500,000	12,746,005	-	1,142,850	-	-	-	13,888,855
Share issuance - stock options exercised	10	431,912	1,164,477	(454,015)	-	-	-	-	710,462
Share issuance – restricted share units exercised	11	1,927,347	4,301,490	(4,301,490)	-	-	-	-	-
Share issuance – acquisitions	4	140,000	197,400	-	-	-	-	-	197,400
Share issuance – warrant exercised	9	6,370,346	8,336,152	-	(1,168,808)	-	-	-	7,167,344
Fair value of share-based compensation	10,11	-	-	1,108,234	-	-	-	-	1,108,234
Fair value of warrants issued, net of tax	6	-	-	-	213,515	-	-	-	213,515
Shares issued to settle accounts payable	8	333,120	(19,191)	-	-	-	-	-	(19,191)
Net loss for the year		-	-	-	-	-	-	(5,245,738)	(5,245,738)
Balance, January 31, 2026		239,013,792	275,474,104	15,687,427	5,692,907	2,520,887	6,467,397	(63,893,323)	241,949,399

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

Canada Nickel Company Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months ended January 31, 2026 and 2025

(Expressed in Canadian Dollars)

Unaudited

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 interim 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 \$22,805,114 at January 31, 2026, and has incurred losses and negative cashflows from operations and has an accumulated deficit of \$63,893,323. 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. 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 interim consolidated financial statements were approved by the Board of Directors ("Directors") on March 23, 2026.

Canada Nickel Company Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months ended January 31, 2026 and 2025

(Expressed in Canadian Dollars)

Unaudited

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”). These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, and do not include all of the information required for annual consolidated financial statements. Accordingly, certain information and disclosures normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed. These condensed interim consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended October 31, 2025, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

Basis of presentation

These interim 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 interim 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.

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.

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 January 31, 2026 is \$241,949,399 (October 31, 2025 - \$223,928,518).

Canada Nickel Company Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months ended January 31, 2026 and 2025

(Expressed in Canadian Dollars)

Unaudited

4. Exploration and evaluation assets

	Balance October 31 2024	Additions for the three months ended January 31 2025	Balance January 31 2025	Balance October 31 2025	Additions for the three months ended January 31 31 2026	Balance January 31 2026
	\$	\$	\$	\$	\$	\$
Acquisition costs:						
Cash paid/payable	9,601,915	150,000	9,751,915	10,051,665	400,000	10,451,665
Shares issued	39,108,856	99,750	39,208,606	45,782,956	197,400	45,980,356
Surface rights acquisition	-	-	-	2,520,887	-	2,520,887
Texmont fair value increase	1,530,000	-	1,530,000	1,530,000	-	1,530,000
Drilling	72,303,240	3,184,885	75,488,125	78,745,168	30,000	78,775,168
Assays	11,917,732	2,342,561	14,260,293	15,520,213	-	15,516,192
Geological	6,472,974	14,275	6,487,249	6,487,249	-	6,487,249
Consulting	54,839,967	(1,092,122)	53,747,845	56,785,337	1,434,652	58,219,989
Mineralogy	9,091,702	456,751	9,548,443	9,743,124	882	9,744,006
Access road	4,535,203	1,088,641	5,623,844	5,623,844	-	5,623,844
Obligations to stakeholders	20,275,306	411,957	20,687,263	23,194,917	644,698	23,839,615
Support costs	20,125,856	1,882,902	21,996,001	24,955,207	1,117,163	26,076,391
	249,802,751	8,539,590⁽¹⁾	258,342,341⁽¹⁾	280,940,567	3,824,795	284,765,362

(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 in 2025.

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).

Canada Nickel Company Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months ended January 31, 2026 and 2025

(Expressed in Canadian Dollars)

Unaudited

4. Exploration and evaluation assets (continued)

Option payments of \$460,000 in cash obligations and share obligations of 32,400 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. The Company has completed the exploration program commitment having a cumulative value of \$2.5 million, paid cash obligations of \$1,050,000 and share payments of 450,000 common shares. 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 and the 27,400 common shares were issued in February 2026. The Company now owns this property. 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.

Canada Nickel Company Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months ended January 31, 2026 and 2025

(Expressed in Canadian Dollars)

Unaudited

4. Exploration and evaluation assets (continued)

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, 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	(23,466)	(33,842)	(57,308)
Balance, January 31, 2026	177,595	627,845	805,440

Depreciation for equipment and right-of-use assets is recorded in Exploration and evaluation assets on the consolidated statements of financial position. At January 31, 2026, a lease liability of \$131,437 (October 31, 2025 - \$138,225) related to the right-of-use assets is recorded in accounts payable and accrued liabilities and \$65,758 recorded as a long-term liability (October 31, 2025 - \$82,717).

Canada Nickel Company Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months ended January 31, 2026 and 2025

(Expressed in Canadian Dollars)

Unaudited

6. Bridge loan facilities

The following table reflects the continuity of the short-term loans for the three months ended January 31:

	2026	2025
	\$	\$
Balance, October 31	29,422,374	21,465,335
Interest expense and accretion on arrangement fee	1,231,990	1,167,489
Foreign exchange	(911,615)	890,724
Balance, January 31	29,742,749	23,523,548

BT Capital

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 January 31, 2026, 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. In the three months ended January 31, 2026, BT Capital exercised 4,000,000 of the BT Capital warrants generating \$3,760,000 in cash proceeds for the Company. The remaining 1,000,000 BT Capital warrants were exercised in February 2026 with the Company receiving a further \$940,000.

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.

Canada Nickel Company Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months ended January 31, 2026 and 2025

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Unaudited

6. Bridge loan facilities (continued)

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.

A summary of the transaction costs and interest expense for the three months ended January 31:

	2026	2025
	\$	\$
<u>BT Capital</u>		
Interest expense	927,617	-
Amortization of arrangement fee	304,373	-
Amortization of warrant value	290,498	-
Foreign exchange	(911,615)	-
	<u>610,873</u>	<u>-</u>
<u>Auramet Inc. July 2024</u>		
Interest expense	-	732,636
Amortization of arrangement and other fees	-	434,853
Amortization of warrant value	-	95,560
Foreign exchange	-	890,724
	<u>-</u>	<u>2,153,773</u>
Transaction costs and interest expense	610,873	2,153,773

Canada Nickel Company Inc.

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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 January 31, 2026 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.

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 the three months ended January 31:

	2026	2025
	\$	\$
Balance, October 31	11,671,832	-
Accretion expense recorded in transaction costs and interest expense	594,902	-
Coupon interest paid	-	-
Interest included in accounts payable and accrued liabilities	(286,587)	-
Balance, January 31	11,980,147	-

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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

			2026	2025	
	Note	Number of Common Shares	Share Capital	Number of Common Shares	Share Capital
		#	\$	#	\$
Balance, October 31		217,311,067	248,747,771	181,225,453	218,465,478
Share issuance – equity financings, net	8(a)	12,500,000	12,746,005	-	-
Share issuance – equity financings, net	8(b)	-	-	3,480,000	3,981,990
Flow-through share premium	8(b)	-	-	-	(730,800)
Share issuance – acquisitions		140,000	197,400	105,000	99,750
Share issuance – warrants exercised	9	6,370,346	8,336,152	-	-
Share issuance – stock options exercised	10	431,912	1,164,477	498,794	414,910
Share issuance – RSUs exercised	11	1,927,347	4,301,490	-	-
Shares issued to settle accounts payable		333,120	(19,191)	123,529	45,500
Balance, January 31		239,013,792	275,474,104	185,432,776	222,276,828

- (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.

The December Warrants issued were assigned an aggregate fair value of \$919,713 using the Black-Scholes valuation model with the following assumptions: dividend yield 0%, expected volatility 59%, risk-free rate of return 2.6% and expected three year life. The fair value of the December Warrants and other transaction costs are shown net of proceeds received on the December Brokered Offering.

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 December 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 Underwriter Warrants and the December Finder Warrants issued were assigned an aggregate fair value of \$223,136 using the Black-Scholes valuation model with the following assumptions: dividend yield 0%, expected volatility 59%, risk-free rate of return 2.6% and an expected two year life. The fair value of the Underwriter Warrants and December Finder Warrants are shown net of proceeds received on the December Brokered Offering.

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8. Share capital (continued)

(b) 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 were incurred by the Company on or before December 31, 2025, and were renounced by the Company to the initial purchasers of the FT Shares effective 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.

9. Warrants

The following table reflects the continuity of warrants for three months ended January 31:

	Note	2026	2025
		#	#
Balance, October 31		21,398,384	7,610,000
Issued to Auramet Inc.	6	-	1,750,000
Issued with December Brokered Offering	8(a)	6,978,730	-
Exercised by BT Capital	6	(4,000,000)	-
Exercised		(2,370,346)	-
Cancelled	6	-	(750,000)
Balance, January 31		22,006,768	8,610,000

Cash proceeds of \$7,167,344 were received from the exercise of warrants in the three months ended January 31, 2026.

The following table reflects the warrants outstanding as at January 31, 2026 and October 31, 2025:

Grants	Exercise Price \$	Outstanding October 31 2025	Outstanding January 31 2026	Expiry Date	Remaining Life (years)
Agnico Eagle warrants	1.77	6,860,000	6,860,000	29-Dec-26	0.9
BT Capital warrants	0.94	5,000,000	1,000,000	9-May-26	0.3
June 2025 Brokered Offering	1.20	7,647,498	6,321,998	26-Jun-28	2.4
Broker and finder warrants from June 2025 Brokered Offering	0.85	790,257	722,911	26-Jun-28	2.4
Non brokered warrants	1.20	1,100,629	1,100,629	7-Jul-28	2.4
December Brokered Offering	1.80	-	5,272,500	11-Dec-28	2.8
Broker and finder warrants from December Brokered Offering	1.20	-	728,730	11-Dec-28	2.8
	1.50	21,398,384	22,006,768		2.0

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10. Stock options

The following table reflects the continuity of stock options for the three months ended January 31:

	2026	2025
	#	#
Balance, October 31	12,625,900	11,703,234
Stock options granted	2,710,000	-
Exercised	(431,912)	(950,834)
Expired unexercised	(460,000)	-
Balance, January 31	14,443,988	10,752,400

The following table reflects stock options outstanding as at January 31, 2026 and October 31, 2025:

Grant Date	Exercise Price	Outstanding as at October 31 2025	Outstanding as at January 31 2026	Vested and Outstanding as at January 31 2026	Expiry Date	Remaining Life (years)
	\$	#	#			
November 1, 2020	1.62	360,000	-	-	1-Nov-25	-
December 8, 2020	1.88	100,000	-	-	8-Dec-25	-
February 22, 2021	3.63	514,000	514,000	514,000	22-Feb-26	0.1
June 16, 2021	3.57	15,000	15,000	15,000	16-June-26	0.4
November 15, 2021	2.95	50,000	50,000	50,000	15-Nov-26	0.8
December 22, 2021	3.49	80,000	80,000	80,000	22-Dec-26	0.9
January 24, 2022	3.51	100,000	100,000	100,000	24-Jan-27	1.0
February 21, 2022	3.51	70,000	70,000	70,000	21-Feb-27	1.1
March 14, 2022	3.14	790,000	790,000	790,000	14-Mar-27	1.1
April 18, 2022	2.60	100,000	100,000	100,000	18-Apr-27	1.2
May 12, 2022	2.06	70,000	70,000	70,000	12-May-27	1.3
May 16, 2022	2.03	45,000	-	-	16-May-27	-
July 11, 2022	1.75	10,000	-	-	11-July-27	-
September 14, 2022	1.59	10,000	-	-	14-Sept-27	-
December 23, 2022	1.78	425,900	275,500	275,500	23-Dec-27	1.9
February 13, 2023	1.78	1,700,000	1,700,000	1,133,336	13-Feb-28	2.0
June 21, 2023	1.30	140,000	113,320	66,666	21-Jun-28	2.4
July 10, 2023	1.25	24,000	24,000	16,000	10-Jul-28	2.4
September 4, 2023	1.16	180,000	180,000	120,000	4-Sep-28	2.6
October 10, 2023	1.16	50,000	-	-	5-Dec-25	-
January 18, 2024	1.69	669,000	579,168	356,164	18-Jan-29	3.0
March 11, 2024	1.47	3,800,000	3,750,000	1,249,999	11-Mar-29	3.1
June 20, 2024	1.22	80,000	80,000	26,667	20-Jun-29	3.4
September 18, 2024	1.13	500,000	500,000	166,666	18-Sep-29	3.6
October 21, 2024	1.08	190,000	190,000	63,333	21-Oct-29	3.7
March 19, 2025	1.09	588,000	588,000	-	19-Mar-30	4.1
July 17, 2025	0.86	1,965,000	1,965,000	-	17-Jul-30	4.5
December 19, 2025	1.16	-	2,710,000	-	19-Dec-30	4.9
		12,625,900	14,443,988	5,263,331		3.2
Weighted average exercise price	\$1.66		\$1.56			

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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 \$455,270 and \$720,293 for the three months ended January 31, 2026 and 2025 respectively, to the consolidated statements of loss and comprehensive loss and recorded \$172,742 for the three months ended January 31, 2026 of share-based compensation expense as an increase to exploration and evaluation asset on the consolidated statements of financial position (\$214,301 as at January 31, 2025).

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 three months ended January 31:

	2026	2025
Risk free interest rate	2.60%	-
Expected life (years)	4	-
Volatility	61%	-
Expected dividends	0.00%	-
Fair value of options issued	\$0.56	-

11. Restricted share units ("RSUs")

The following table reflects the continuity of RSUs for the three months ended January 31:

	2026	2025
	#	#
Balance, beginning of year	8,603,144	4,681,477
RSUs granted	4,830,000	-
Redeemed	(1,927,347)	-
Forfeited	-	-
Balance, end of year	11,505,797	4,681,477

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11. Restricted share units (“RSUs”) (continued)

The following table reflects the continuity of RSUs at January 31, 2026 and October 31, 2025:

Grant Date	Grant Date Price	Outstanding as at October 31 2025	Outstanding as at January 31 2026	Vested at January 31 2026
	\$	#	#	#
March 14, 2022	3.14	640,303	-	-
February 13, 2023	1.78	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
March 11, 2024	1.47	1,925,130	1,925,130	666,710
June 20, 2024	1.22	16,667	16,667	16,667
October 21, 2024	1.08	57,000	57,000	57,000
March 19, 2025	1.09	588,000	588,000	-
July 17, 2025	0.86	755,000	755,000	-
July 17, 2025 (milestone based)	0.86	3,175,000	3,175,000	-
December 19, 2025	1.16	-	2,710,000	-
December 19, 2025 (milestone based)	1.16	-	2,120,000	-
	1.10	8,603,144	11,505,797	899,377

RSUs granted prior to March 11, 2024 vest on the anniversary date of the grant and RSUs granted from March 11, 2024 vest equally over a three year period from date of grant. The July 17, 2025 and December 19, 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 \$345,792 and \$250,490 for the three months ended January 31, 2026 and 2025 respectively to the consolidated statements of loss and comprehensive loss and recorded \$134,429 of share-based compensation expense as an increase to exploration and evaluation asset on the consolidated statements of financial position (\$143,095 as at January 31, 2025). In addition, the Company recorded share-based compensation expense related to milestone based RSUs of \$756,811 and nil for the three months ended January 31, 2026 and 2025 respectively to the consolidated statements of loss and comprehensive loss and recorded \$198,382 of share-based compensation expense as an increase to exploration and evaluation asset on the consolidated statements of financial position (nil as at January 31, 2025).

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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 and an additional 875,000 were granted on December 19, 2025 which also 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 \$575,248 for the three months ended January 31, 2026 to the consolidated statements of loss and comprehensive loss. The following table shows the outstanding DSUs at January 31, 2026 and October 31, 2025:

Grant Date	Grant Date Price	Outstanding as at October 31 2025	Outstanding As at January 31 2026	Vested 2026
	\$	#	#	#
May 28, 2025	0.92	138,889	138,889	-
July 17, 2025	0.86	425,000	425,000	-
Dec 19, 2025	1.16	-	875,000	-
	1.04	563,889	1,438,889	-

13. Transaction costs and interest expense

A summary of transaction costs and interest expenses for the three months ended January 31:

	Note	2026	2025
		\$	\$
Costs related to bridge facilities	6	610,873	2,153,773
Accretion and interest on convertible note	7	594,902	-
Part XII.6 tax		-	85,801
Costs related to financing facilities		73,063	-
Penalties and other interest charges		327,000	-
		1,605,838	2,239,574

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14. Loss per share

	For the three months ended January 31	
	2026	2025
Net loss	\$5,245,738	\$3,539,137
Weighted average number of common shares outstanding - basic	226,892,715	182,741,364
Effect of dilutive securities	-	-
Weighted average number of common shares outstanding - dilutive	226,892,715	182,741,364
Loss per share – basic and diluted	\$0.02	\$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 three months ended January 31:

	2026	2025
Salaries, consulting and directors' fees	649,875	614,365
Incentive compensation	2,066,550	915,876

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 January 31, 2026 and 2025.

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16. Commitments and contingencies

At January 31, 2026, the Company has \$3.5 million (October 31, 2025 - \$3.7 million) in payables owing with respect to exploration and evaluation assets, has approximately \$1.7 million remaining to spend on its July 2025 Flow-Through Offering, and has lease obligations of \$131,437 related to 2026 and \$65,758 for fiscal years 2027 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 January 31, 2026, 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.

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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 January 31, 2026, 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 January 31, 2026, the estimated impact of a 5% US dollar change against the Canadian dollar would be \$1.5 million on pre-tax losses.

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18. Income taxes

The following table reflects the continuity of the deferred tax liability as at January 31:

	2026	2025
	\$	\$
Balance, October 31	8,117,588	1,826,789
Recognized in Shareholders' equity	76,982	-
Recognized in consolidated statements of loss and comprehensive loss	(1,050,018)	(925,227)
Balance, January 31	7,144,552	901,562

19. Subsequent events

- (a) 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.