Canada Nickel Company Inc.

Management's Discussion & Analysis

For the Three and Nine Months Ended July 31, 2026
(Expressed in Canadian Dollars, unless otherwise noted)

September 16, 2026

Introduction

The following interim management's discussion and analysis (Interim MD&A) of Canada Nickel Company Inc. (the "Company" or "Canada Nickel") for the three and nine months ended July 31, 2026 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management's discussion and analysis, being the management's discussion and analysis for the year ended October 31, 2025 (Annual MD&A). This Interim MD&A does not reflect any non-material events since the date of the Annual MD&A.

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

This discussion should be read in conjunction with the Company's Annual MD&A, audited annual consolidated financial statements for the years ended October 31, 2025 and 2024, together with the notes thereto, and unaudited condensed interim consolidated financial statements for the three and nine months ended July 31, 2026 and 2025, together with the notes thereto.

Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations of the IFRS Interpretations Committee (IFRIC). The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.

This Interim MD&A has been prepared with reference to the MD&A disclosure requirements established under National Instrument 51-102 Continuous Disclosure Obligations (NI 51-102) of the Canadian Securities Administrators. Additional information regarding Canada Nickel is available on its website at www.canadanickel.com or through the Company's SEDAR+ profile available at www.sedarplus.ca, which also includes the Company's Annual Information Form for the year ended October 31, 2022. This Interim MD&A has been prepared as of September 16, 2026.

Caution Regarding Forward-Looking Statements

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

Forward looking information includes, but is not limited to, the receipt and timing of all regulatory approvals, the construction of processing facilities, the ability of the Company to deliver nickel required to feed the high growth electric vehicle and stainless-steel markets, and the development of processes to allow the production of net zero carbon nickel, cobalt, and iron products. There are no assurances that Crawford will be placed into production. Factors that could affect the outcome include, among others: inability to repay the loan or convertible note; the actual results of development activities; project delays; inability to raise the funds necessary to complete development; general business, economic, competitive, political and social uncertainties; future prices of metals or project costs could differ substantially and make any commercialization uneconomic; availability of alternative nickel sources or substitutes; actual nickel recovery; conclusions of economic evaluations; changes in applicable laws; changes in project parameters as plans continue to be refined; accidents, labour disputes, the availability and productivity of skilled labour and other risks of the mining industry; political instability, terrorism, insurrection or war; delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities; mineral resource estimates relating to Crawford could prove to be inaccurate for any reason whatsoever; and if Crawford goes into production, there is no assurance that operations will be profitable.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also refer to those risk factors set out in ***Risk Factors***. Readers are cautioned that the list of risk factors that may affect the forward-looking statements is not exhaustive, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

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

Scientific and Technical Information

Stephen Balch, (P.Geo.), Vice President Exploration of Canada Nickel, a Qualified Person as defined by NI 43-101, has reviewed and approved the scientific and technical content contained in this MD&A.

Description of The Business

Canada Nickel 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".

Canada Nickel 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 and alloy markets. In 2020, the Company acquired 100 per cent of the Crawford Nickel Sulphide Project (Crawford or the Crawford Project), which is located adjacent to major infrastructure in the world class Timmins-Cochrane mining camp of northern Ontario, Canada. The Company also owns or holds options to own 25 additional nickel targets located near the Crawford 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 and alloy 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 Exploration 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.

Key Developments – Three Months ended July 31, 2026 and up to September 16, 2026

Advancing Crawford to a Construction Decision with Strong Support from Canadian Government

On July 31, 2026, the Company received a positive Decision Statement from the Minister of Environment, Climate Change and Nature for Crawford. The Decision Statement represents a significant permitting milestone for the Project and marks the first mining project to complete the Impact Assessment process led by the Impact Assessment Agency of Canada and receive a Decision Statement under Canada's amended Impact Assessment Act, 2019. Canada's Impact Assessment Act came into force in 2019 with a significantly broader mandate than its predecessor legislation - requiring projects to demonstrate not just environmental responsibility, but positive outcomes across health, social, and economic dimensions, and for Indigenous peoples' rights. The achievement of the positive Decision Statement was brought to fruition as a result of the thorough and collaborative approach taken by the Impact Assessment Agency of Canada, the valuable contributions of federal and provincial authorities, Indigenous Nations, and the public throughout the process.

In parallel, work under Ontario's One Project, One Process (1P1P) framework has been formally initiated with the Province of Ontario for the Crawford Project, marking the beginning of a coordinated and integrated engagement process with provincial authorities. Through this framework, Canada Nickel is actively working with multiple ministries to align permitting timelines, streamline regulatory reviews, and improve cross-government information sharing.

The 1P1P framework is designed to better coordinate Ontario's permitting and review processes for major mining developments by aligning timelines, responsibilities and information sharing across provincial ministries. For Canada Nickel, this designation reflects the advanced state, scale, and strategic importance of the Crawford Project within Ontario's Critical Minerals Strategy. Canada Nickel has engaged in comprehensive consultations with the Province of Ontario and re-affirmed that the 1P1P framework will complement - not replace the Company's longstanding commitments to Indigenous Nations, environmental stewardship, or regulatory rigour. The framework is intended to enhance government coordination and efficiency, while maintaining the highest standards for project development and community engagement.

Additionally, the Company is working with the government and the Major Projects Office to unlock the financing and permitting necessary to be able to make a construction decision. The Government of Canada's leadership in advancing projects of national significance will help the Company continue to advance development of Crawford and unlock the Timmins Nickel District as an important secure, domestic supply of critical minerals – nickel, cobalt, and North America's only domestic source of chromium.

Following receipt of the federal Decision Statement, the Company expects to continue advancing detailed engineering, advancing NetZero Metals, project financing and the remaining provincial and federal permits required ahead of planned construction targeted for late 2027. The Company will remain committed to working closely with all stakeholders and rightsholders as it enters the critical next stage of development.

The Company continues to advance Crawford in partnership with governments and Indigenous Nations. The Company has previously announced a $20 million equity investment by Taykwa Tagamou Nation and a major infrastructure contracting agreement with Wabun Tribal Council member First Nations to support long-term economic participation in the Project.

On September 14, 2026 the Company announced that it has selected Komatsu, and their largest Canadian dealer, SMS Equipment to supply load and haul and associated support mining fleet to Crawford. The Company received comprehensive proposals from four equipment vendors and, after careful consideration across a wide range of criteria, selected Komatsu for its proven technologies in automation and electrification, which are aligned with the Company's vision of safe, sustainable and low carbon production of critical minerals from Crawford. More than 300 machines with a current value of approximately $1.5 billion are expected to be purchased over the 40-year project life. The Company expects to complete negotiation of definitive agreements with SMS Equipment and Komatsu by the first quarter of 2027, along with fleet support agreements, and the previously announced fleet financing arrangements with Taykwa Tagamou Nation.

<u>Financing</u>

<u>Crawford Project</u>
The Company continues active dialogue with a number of strategic and industry participants to secure the funding package for Crawford. On June 24, 2026 the Company announced that it appointed SB1 Markets AS to arrange up to US$600 million of debt financing associated with the monetization of Investment Tax Credits expected to be generated by the construction of Crawford. This proposed facility remains subject to the completion of the financing process and is not currently a completed financing.

<u>NetZero Metals</u>
On July 6, 2026, the Company announced that it had entered into a memorandum of understanding ("MOU") with RWE Supply & Trading GmbH ("RWEST") to support the commercialization of low-carbon intermediate stainless and alloy steel products expected to be produced by the Company's wholly owned downstream subsidiary, NetZero Metals, using feed from Crawford.

The MOU is intended to provide NetZero Metals with access to RWEST's European and US customer base, carbon and Carbon Border Adjustment Mechanism ("CBAM") expertise, and structuring and trading capabilities, which is intended to position NetZero Metals' low carbon steel ahead of accelerating European Union carbon compliance costs. The MOU focuses on semi-finished steel, alloy and stainless products and contemplates potential long-term offtake structures. A definitive agreement is targeted by the end of 2026.

The MOU does not represent a completed offtake agreement or committed revenue stream. The Company will continue to evaluate the commercialization opportunities associated with NetZero Metals as the Crawford Project and downstream processing initiatives advance.

<u>Advancing to Construction</u>
The Company is also pursuing a number of non-equity financing initiatives – including government funding – to provide the funding to complete the remaining permitting and engineering activities in 2026 and order placement of long-lead items.

The continued advancement of permitting and engineering through the first half of the year were managed through a $15 million private placement in December 2025 and on February 9, 2026, the closing of a US$32 million bridge loan facility with Auramet International Inc. ("Auramet"), of which US$20 million was used to repay a previous loan. The Auramet bridge loan facility was originally due in May 2026 and was extended twice and is now due November 9, 2026, which will allow the Company the time to complete various financing initiatives.

On June 10, 2026, the Company closed a non-brokered private placement offering (the "June Flow-Through Offering"), which consisted of 3,000,000 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 "Tax Act")) (the "Flow-Through Shares"), at a price of $2.07 per Flow-Through Share for aggregate gross proceeds to the Company of $6,210,000. The gross proceeds from the June Flow-Through Offering will be used by the Company to incur (or be deemed to incur) eligible resource exploration expenses.

Refer to the Cash Flows section of this Interim MD&A for specific details on the equity raise and the bridge loan facility.

Further, on August 28, 2026, the Company completed a non-brokered private placement (the "August 2026 Private Placement") for the sale of 14,000,000 units of the Company that qualify as Units at a price of $1.50 per Unit for gross proceeds of $21,000,000. Each 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 will entitle the holder to purchase one common share of the Company at a price of $2.25 at any time for a period of 36 months following the issue date. The Company plans to use the net proceeds of the Unit Offering for the continued advancement of Crawford, partial repayment of the Auramet Inc. bridge facility, as well as for working capital and general corporate purposes.

Unlocking Timmins Nickel District Exploration Potential

The Company has properties surrounding the Crawford Nickel Project, which are segmented into three regional areas, defined as:

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

Canada Nickel's properties are all located within 100 kilometres of Timmins and represent what the Company believes is an emerging nickel district where Canada Nickel will become a leader in the next generation of nickel supply through large, scalable, and low-carbon footprint projects. Each target has had recent work completed by the Company as well as some historical work suggesting that these targets contain similar serpentinized dunite and/or peridotite that hosts the Crawford mineralization and have the potential to permanently sequester CO_2.

The Company has published mineral resource estimates for nine of its properties in the Timmins area, amounting to 4.36 billion tonnes of 0.24% nickel in Measured & Indicated resources, for a total of 10.3 million tonnes of nickel metal, and an Inferred Resource of 5.7 billion tonnes of 0.23% nickel, for a total of 13.2 million tonnes of contained nickel metal.

Latest update on Regional Properties

Nesbitt

On July 23, 2026, the Company announced an initial mineral resource (the "Mineral Resource Estimate" or "MRE") for its 100% owned Nesbitt Nickel Sulphide Project ("Nesbitt"). Nesbitt is located less than 3 kilometres northwest of Crawford's mine footprint and is accessible year-round by the permanent Camp 40 road. For the initial MRE, a total of 10,031 metres of core drilling in 28 drill holes were utilized to calculate the MRE in two categories. The MRE is contained within two open pits, the West Pit and the East Pit.

Inferred Resources total 152.1 million tonnes grading 0.23% Nickel, for a total of 351,000 tonnes of contained nickel, and Indicated Resources total 24.5 million tonnes grading 0.23% Nickel, for a total of 57,500 tonnes of contained nickel. A cut-off grade of 0.10% Nickel was used. Refer to news release dated July 23, 2026 for additional information.

The full technical report, issued September 8, 2026 and with Mineral Resource Estimates having an effective date of July 23, 2026, is titled "National Instrument 43-101 Initial Mineral Resource Estimate and Technical Report for the Nesbitt Ni-Co-Pd-Pt Deposit, Nesbitt Nickel Sulphide Project". The report was prepared for Canada Nickel by Caracle Creek International Consulting Inc. and can be found under the Company's issuer profile at SEDAR+ (www.sedarplus.com).

Deloro
On July 23, 2026, the Company announced an updated MRE for its 100% owned Deloro Nickel Sulphide Project ("Deloro"). Deloro is located in the heart of the prolific Timmins Nickel District, adjacent to well-established, major infrastructure associated with over 100 years of regional mining activity. Deloro is accessible year-round by road, is located just 8 kilometres south of Timmins, 7 kilometres southwest of the Dome Mine-Mill Complex, and less than 2 kilometres from existing powerlines.

For the updated MRE, 21 new drill holes totaling 8,468 metres were added to the previous resource (see news release July 18, 2024) for a total of 16,710 metres of core drilling in 43 drill holes utilized to calculate the updated Deloro Mineral Resources in two categories. Indicated Resources now total 119 million tonnes grading 0.25% Nickel, for a total of 300,000 tonnes of contained nickel. Inferred Resources now total 498 million tonnes grading 0.25% Nickel, for a total of 1.25 million tonnes of contained nickel. The Indicated and Inferred resources increased by 46% and 39% respectively, in comparison to the initial resource announced in July 2024. Refer to news release dated July 23, 2026 for additional information on the updated MRE.

The full technical report, issued September 8, 2026 and with Mineral Resource Estimates having an effective date of July 23, 2026, is titled "National Instrument 43-101 Mineral Resource Estimate and Technical Report for the Deloro Ni-Co-Pd-Pt Deposit, Deloro Nickel Sulphide Project". The report was prepared for Canada Nickel by Caracle Creek International Consulting Inc. and can be found under the Company's issuer profile at SEDAR+ (www.sedarplus.com).

Reid
The Reid Property is located just 16 kilometres southwest of Crawford and contains a geophysical target of 3.9 square kilometres nearly 2.5 times larger than Crawford. Reid is a serpentinized ultramafic consisting mainly of dunite and minor peridotite with multiple intervals of higher-grade nickel mineralization. A drill program of 9 holes was completed with the purpose of infilling previous drill sections and to bring previously potential zones into inferred and indicated mineral resource categories. Results from two drill holes are included in the Company's news release dated August 6, 2026 where more information can be found on the results which include the highest grade interval to date from Reid: 1.01% nickel over 4.5 metres within 0.54% nickel over 43.5 metres within overall 0.29% nickel over 576.6 metres.

2026 Outlook

- Advancing Crawford to 2027 construction decision with receipt of the main federal authorization and full financing package
- Demonstrating scale of Timmins Nickel District – potential to be world's largest nickel sulphide district
- Working with both the federal and the province on detailed permitting plans
- Finalize the long-term agreements (IBA, MSA) with the potentially impacted Indigenous groups

Review of Operations for the Three and Nine Months Ended July 31, 2026 and 2025

The following is a summary of Canada Nickel's statement of loss:

	For the three months ended July 31		For the nine months ended July 31	
	2026	2025	**2026**	2025
	$	$	**$**	$
Expenses				
Salaries	**543,717**	557,012	**1,696,195**	1,945,493
Consulting and advisory	**539,216**	684,723	**1,842,139**	2,148,083
Professional fees	**127,038**	378,596	**448,176**	913,373
General and administrative costs	**314,437**	439,180	**933,090**	1,162,994
Promotion and communication	**214,635**	278,927	**620,079**	428,362
Investor relations and marketing	**89,126**	353,604	**356,865**	500,160
Incentive compensation	**1,306,003**	632,704	**5,345,787**	2,343,961
Travel and other	**166,901**	83,423	**431,447**	563,467
Foreign exchange gain and interest income	**32,356**	34,677	**(78,801)**	(66,929)
Transaction costs and interest expense	**5,566,122**	3,252,092	**10,923,775**	6,388,670
	8,899,551	6,694,938	**22,518,752**	16,327,634
Flow-through share premium	**(375,592)**	(102,329)	**(695,303)**	(1,794,157)
Net loss and comprehensive loss before tax	**8,523,959**	6,592,609	**21,823,449**	14,533,477
Income tax expense (recovery)	**(1,855,000)**	(1,759,654)	**(1,274,299)**	5,579,178
Net loss and comprehensive loss	**6,668,959**	4,832,955	**20,549,150**	20,112,655
Loss per share – basic and diluted	**$ 0.03**	$ 0.02	**$ 0.09**	$ 0.11
Weighted average number of shares outstanding	**242,299,319**	201,492,786	**236,494,912**	191,047,606

Salaries
Salaries have decreased between periods, reflecting a temporary reduction in headcount.

Consulting and advisory
Fees incurred are with respect to strategic consulting in the areas of feasibility study support, financing, business development, government relations and media. Fees were lower in 2026 largely due to reduced spending on financing initiatives. In 2025, the Company commenced the process for project debt financing and incurred costs in relation to independent reviews of the Crawford Project.

Professional fees
Professional fees include legal, accounting and audit-related fees, and subscriptions. Professional fees are lower between periods, largely a function of lower legal spending.

General and administrative costs
General and administrative costs include general office expenses plus costs in relation to corporate governance requirements, filing and listing fees, and insurance. Costs are consistent between periods.

Promotion and communication
Promotion and communication include costs related to website design and maintenance, advertising campaigns, social media and communication with shareholders. Additional costs related to US campaigns occurred in the first part of 2026.

Investor relations and marketing
Investor relations and marketing costs are for attendance at investor conferences, meetings and tradeshows, and were lower in the third quarter of 2026 due to decreased conference attendance.

Incentive compensation
Incentive compensation includes cash-based incentive compensation related to short-term bonus and Restricted Share Units ("RSUs") and Deferred Share Units ("DSUs") linked to the Company's share price, as well as non-cash stock-based compensation related to stock options and RSUs. A summary of incentive compensation for the three and nine months ended July 31, 2026 and 2025 are as follows:

	For the three months ended July 31		For the nine months ended July 31	
	2026	2025	**2026**	2025
	$	$	**$**	$
Non-cash based:				
Stock options	**303,841**	323,647	**1,164,983**	1,534,634
RSUs	**422,212**	266,517	**1,199,190**	693,287
Bonus	**-**	-	**-**	73,500
Cash based:				
RSUs	**300,971**	31,288	**1,560,505**	31,288
DSUs	**278,979**	11,252	**1,399,373**	11,252
Bonus	**-**	-	**21,736**	-
	1,306,003	632,704	**5,345,787**	2,343,961

The fair value of the cash based RSUs and DSUs reflect the period end share price, which leads to mark to market adjustment on a quarterly basis. Cash based RSUs and DSUs were first granted in July 2025.

Travel and other
Travel activities are mostly for financing purposes and investor relations and marketing. Less traveling was experienced in 2026.

Foreign exchange gain and interest income
The foreign exchange gain is primarily due to the revaluation of US dollar cash balances to the Canadian dollar reporting currency and interest income results from excess cash on hand.

Transaction costs and interest expense
A summary of the transaction costs and interest expense for the three and nine months ended July 31, 2026 and 2025 are as follows:

	For the three months ended July 31		For the nine months ended July 31	
	2026	2025	**2026**	2025
	$	$	**$**	$
Costs related to bridge facilities	**4,352,783**	2,499,968	**7,274,966**	4,682,349
Amortization on bridge facility related warrants	**612,119**	-	**1,358,669**	418,397
Accretion and interest on convertible note	**597,195**	665,954	**1,782,112**	665,954
Part XII.6 tax	**-**	-	**-**	85,801
Costs related to financing facilities	**-**	-	**73,063**	-
Penalties and other interest charges	**4,025**	84,990	**434,965**	536,619
	5,566,122	3,252,092	**10,923,775**	6,388,670

Refer to *Cash provided from (used for) financing activities* for costs associated with the bridge loan facilities and convertible note. Part XII.6 relates to penalty interest charges incurred on the unspent funds received from flow-through share offerings.

Flow-through share premium
This amount represents the extinguishment of the flow-through share premium liability from the flow-through share financings. As the Company incurs eligible expenditures as required under the flow-through share agreements, the proportionate amount of liability is recognized as income.

Income tax expense
These are deferred income taxes (non-cash) resulting from the timing differences between tax and accounting for the Company's resource pools and costs related to share issuances. For tax purposes the Company has less resource pools available to offset future income taxes because the tax benefits of the pools have been transferred to the owner of the shares. Share issuances are capitalized for accounting and amortized for tax purposes, resulting in a timing difference. Included in deferred income taxes are tax recoveries related to operating losses.

Spending in relation to exploration and advancement of Crawford and regional exploration are included as *Exploration and evaluation assets* capitalized on the consolidated statements of financial position.

Liquidity and Financial Condition

Cash flows

A summary of the Company's cash flow for the three and nine months ended July 31, 2026 and 2025 are as follows:

	For the three months ended July 31		**For the nine months ended July 31**	
(Canadian dollars)	**2026**	2025	**2026**	2025
	$	$	**$**	$
Cash provided from (used in) operating activities:				
Before working capital changes	**(2,837,503)**	(4,199,698)	**(7,600,406)**	(9,548,360)
Working capital changes	**384,214**	(2,726,426)	**(3,129,494)**	7,764,463
	(2,453,289)	(6,926,124)	**(10,729,900)**	(1,783,897)
Cash used in investing activities:				
Exploration and evaluation expenditures	**(10,334,994)**	(28,364,376)	**(24,809,738)**	(41,705,127)
Purchase of equipment	**(8,536)**	(30,014)	**(38,733)**	(131,557)
	(10,343,530)	(28,394,390)	**(24,848,471)**	(41,836,684)
Cash provided from (used for) financing activities:				
Proceeds from share issuance, net of transaction costs	**6,140,295**	18,446,745	**20,029,150**	22,428,735
Proceeds from loan, net of issuance costs	**-**	26,960,768	**42,216,972**	26,960,768
Repayment of loan plus related interest	**-**	(23,195,746)	**(29,704,368)**	(23,195,746)
Proceeds from issue of convertible note	**-**	20,000,000		20,000,000
Repayment of lease obligations and interest on note	**(329,175)**	(29,250)	**(955,550)**	(93,721)
Proceeds from exercise of warrants and stock options	**842,278**	-	**10,428,776**	237,703
	6,653,398	42,812,517	**42,014,980**	46,337,739
Change in cash and cash equivalents	**(6,143,421)**	6,862,003	**6,436,609**	2,717,158
Opening cash and cash equivalents	**14,209,873**	510,415	**1,629,843**	4,655,260
Closing cash and cash equivalents	**8,066,452**	7,372,418	**8,066,452**	7,372,418

Cash used in operating activities

Cash used in operating activities before working capital changes mainly includes cash used for expenses of the business as shown in the consolidated statements of loss, except for non-cash related items such as share-based compensation, flow-through share premium, income tax expense and accretion charges. Transaction and interest costs related to the short-term loan facilities are included in financing activities when paid. The changes in working capital largely reflect the timing of harmonized sales tax (HST) refunds and the timing of expense payments. The Company had $8.0 million owing in HST refunds at October 31, 2024 representing six months of HST claims that were delayed being refunded while the tax authorities completed their audit. The Company received the refunds in the first quarter of 2025.

Cash used in investing activities

Exploration and evaluation expenditures
Exploration and evaluation expenditures include costs related to exploration at the Company's regional properties, Crawford and NetZero Metals project advancement (feasibility study, engineering) and permitting. Approximately $8 million and $20 million were spent in relation to engineering work and permitting for the three and nine months ended July 31, 2026, respectively compared to $16 million and $23 million were spent for the same periods in 2025, respectively. Approximately $2.5 million and $5 million were spent on regional exploration for the three and nine months ended July 31, 2026, respectively and $12 million and $19 million for the same periods in 2025, respectively.

Acquisition of properties

The regional properties were mostly 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).

Option payments of $460,000 in cash obligations and share obligations of 5,000 Canada Nickel shares are due in fiscal year 2027 to maintain the earn-in on one property.

Cash provided from (used for) financing activities

Auramet Inc. loan 2026

On February 9, 2026, the Company closed a US$32 million bridge loan facility with Auramet International Inc. ("Auramet Inc."). Proceeds from the loan will provide additional funding to advance the Crawford Project and were used to repay the loan facilitated by Ber Tov Capital Corporation ("BT Capital"). The bridge loan facility was due May 9, 2026, carried an interest rate of 1.00% per month, and was subject to a 2.5% arrangement fee ($1.1 million). Auramet Inc. also received 1,750,000 warrants ("Auramet Inc. February 2026 warrants"). The loan is subject to such terms and conditions, including certain specified positive and negative covenants that are customary for a transaction of this nature.

Each of the Auramet Inc. February 2026 warrants entitled Auramet Inc. to acquire one common share of the Company at a price of $2.03 per share until February 9, 2027. The Auramet Inc. February 2026 warrants issued were assigned an aggregate fair value of $829,500 using the Black-Scholes valuation model with the following assumptions: dividend yield 0%, expected volatility 66%, risk-free rate of return 2.54% 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 loan maturity in transaction costs and interest expense in the condensed interim consolidated statements of loss and comprehensive loss.

On May 7, 2026, the Company extended the repayment date of the Auramet Inc. February 2026 loan facility from May 9, 2026 to August 9, 2026. In return for the extension the Company paid an extension fee of US$824,257, increased the interest rate to 1.25% per month and granted 3,500,000 common share purchase warrants (the "Auramet Inc. May 2026 Extension Warrants") to Auramet Inc. Each Auramet Inc. May 2026 Extension Warrant is exercisable to acquire one common share of the Company at an exercise price of $1.81 per share. The 1,750,000 Auramet Inc. February 2026 warrants with an exercise price of $2.03 per share previously issued in connection with the initial loan advance were cancelled and rendered ineffective.

Each of the Auramet Inc. May 2026 Extension Warrants entitled Auramet Inc. to acquire one common share of the Company at a price of $1.81 per share until May 9, 2027. The Auramet Inc.May 2026 Extension Warrants issued were assigned an aggregate fair value of $1,418,550 using the Black-Scholes valuation model with the following assumptions: dividend yield 0%, expected volatility 73%, risk-free rate of return 2.9% and expected one year life. The fair value of the warrants are being amortized over the six-month loan maturity in transaction costs and interest expense in the condensed interim consolidated statements of loss and comprehensive loss.

On July 28, 2026, the Company announced that it had extended the repayment date of its Auramet Inc. February 2026 loan from August 9, 2026 to November 9, 2026. In connection with the extension, the Company paid an extension fee of US$856,288 and issued 5,500,000 common share purchase warrants to Auramet Inc. Each warrant is exercisable for one common share of the Company for a period of one year at an exercise price of $1.52 per share. The 3,500,000 Auramet Inc. May 2026 Extension Warrants with an exercise price of $1.81 per share were cancelled and rendered ineffective in connection with the new extension. The loan facility continues to bear interest at a rate of 1.25% per month.

BT Capital loan

On May 9, 2025, the Company closed a US$20 million bridge loan facilitated by BT Capital. The financing was used to repay a 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 matured on February 9, 2026, carried interest at 1.00% per month, and included a 2.5% arrangement fee. The loan was repaid on February 9, 2026 with proceeds from the Auramet Inc. US$32 million bridge facility.

As part of the transaction, BT Strategic Mineral Assets LP received 5,000,000 one-year warrants ("BT Capital warrants"). Each BT Capital warrant entitled 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 were amortized over the nine-month loan maturity in transaction costs and interest expense in the condensed interim consolidated statements of loss and comprehensive loss. During the nine months ended July 31, 2026, BT Capital exercised 5,000,000 of the BT Capital warrants generating $4,700,000 in cash proceeds for the Company.

Auramet Inc. loan 2025

On July 9, 2024 the Company closed a secured loan facility with 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 condensed interim 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.

A summary of the transaction costs and interest expense related to the bridge facilities for the three and nine months ended July 31:

	For the three months ended July 31		**For the nine months ended July 31**	
	2026	2025	**2026**	2025
	$	$	**$**	$
BT Capital				
Interest expense	**-**	756,454	**1,016,464**	756,454
Amortization of arrangement fee	**-**	273,829	**333,669**	273,829
Amortization of warrant value	**-**	261,330	**318,834**	261,330
Foreign exchange	**-**	(162,591)	**(1,068,138)**	(162,591)
	-	1,129,022	**600,829**	1,129,022
Auramet Inc.				
Interest expense	**1,755,084**	86,563	**2,951,639**	1,712,619
Amortization of arrangement and other fees	**1,240,016**	1,044,245	**2,290,180**	2,136,581
Amortization of warrant value	**612,119**	-	**1,358,669**	157,067
Foreign exchange	**1,357,683**	240,138	**1,432,318**	(34,543)
	4,964,902	1,370,946	**8,032,806**	3,971,724
Transaction costs and interest expense	**4,964,902**	2,499,968	**8,633,635**	5,100,746

Equity Financings 2026:

December 2025 Brokered Offering
On December 11, 2025, the Company closed a private placement (the "December 2025 Brokered Offering") for gross proceeds of $15,000,000. Under the December 2025 Brokered Offering, the Company sold 12,500,000 units of the Company (the "December 2025 Brokered Units") at a price of $1.20 per December 2025 Brokered Unit. Each December 2025 Brokered Unit consists of one common share of the Company and one-half of one common share purchase warrant (each whole warrant, a "December 2025 Warrant"). Each December 2025 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 2025 Warrants issued were assigned an aggregate fair value of $933,600 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.

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 "December 2025 Underwriter Warrants"). Each December 2025 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 2025 Finder Warrants") to certain other eligible parties who introduced subscribers to the December 2025 Brokered Offering. Each December 2025 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 December 2025 Underwriter and Finder Warrants issued were assigned an aggregate fair value of $249,590 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 share capital value of the warrants and other transaction costs are shown net of proceeds received on the December 2025 Brokered Offering.

June 2026 Flow-Through Offering
On June 10, 2026, the Company closed a non-brokered private placement offering (the "June 2026 Flow-Through Offering"), which consisted of 3,000,000 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 "Tax Act")) (the "June 2026 Flow-Through Shares"), at a price of $2.07 per June 2026 Flow-Through Share for aggregate gross proceeds to the Company of $6,210,000.

The gross proceeds from the June 2026 Flow-Through Offering will be used by the Company to incur (or be deemed to incur) eligible resource exploration expenses which will qualify as (i) "Canadian exploration expenses" (as defined in the Tax Act), (ii) either (a) "flow-through critical mineral mining expenditures" (as defined in subsection 127(9) of the Tax Act) (which expenditures shall comprise at least 90.34% of such gross proceeds) or (b) "flow-through mining expenditures" (as defined in subsection 127(9) of the Tax Act) (which expenditures shall comprise at most 9.66% of such gross proceeds), and (iii) either (a) "eligible Ontario critical mineral exploration expenditures" within the meaning of subsection 103(4.1) of the Taxation Act, 2007 (Ontario) or (b) "eligible Ontario exploration expenditures" within the meaning of subsection 103(4) of the Taxation Act, 2007 (Ontario) (collectively, the "June 2026 Flow-Through Offering Qualifying Expenditures"). June 2026 Flow-Through Offering Qualifying Expenditures in an aggregate amount not less than the gross proceeds raised from the issue of the June 2026 Flow-Through Shares will be incurred (or deemed to be incurred) by the Company on or before December 31, 2027, and will be renounced by the Company to the initial purchasers of the June 2026 Flow-Through Shares with an effective date no later than December 31, 2026. The June 2026 Flow-Through Shares are subject to a hold period expiring four months and one day from the issue date in accordance with applicable Canadian securities laws.

The June 2026 Flow-Through 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 $1,830,000 and has an obligation to incur $6,210,000 in eligible resource expenditures by December 31, 2027. The share capital value of $6,145,000 includes the gross proceeds net of costs related to the issuance.

Equity Financings 2025:

December 2024 Flow-Through Offering
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 "December 2024 Flow-Through Shares"), at an issue price of $1.15 per December 2024 Flow-Through Share, for aggregate proceeds of $4,002,000 (the "December 2024 Flow-Through Offering"). The gross proceeds from the December 2024 Flow-Through Offering were 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 December 2024 Flow-Through Shares were incurred by the Company on or before December 31, 2025, and were renounced by the Company to the initial purchasers of the December 2024 Flow-Through Shares effective December 31, 2024.

The December 2024 Flow-Through 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 resource expenditures by December 31, 2025. The share capital value of $3,981,990 includes the gross proceeds net of costs related to the issuance.

June 2025 Brokered Offering
On June 26, 2025, the Company closed a private placement (the "June 2025 Brokered Offering") for gross proceeds of $13,000,750. Under the June 2025 Brokered Offering, the Company sold 15,295,000 units of the Company (the "June 2025 Brokered Units") at a price of $0.85 per June 2025 Brokered Unit. Each June 2025 Brokered Unit consists of one common share of the Company and one-half of one common share purchase warrant (each whole warrant, a " June 2025 Warrant"). Each June 2025 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 June 2025 Warrants and other transaction costs are shown as a reduction in the proceeds received on the June 2025 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 " June 2025 Broker Warrants"). Each June 2025 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 " June 2025 Finder Warrants") to certain other eligible parties who introduced subscribers to the June 2025 Brokered Offering. Each June 2025 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 June 2025 Broker Warrants and the June 2025 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 share capital value of the warrants and other transaction costs are shown net of proceeds received on the June 2025 Brokered Offering.

July 2025 Non-Brokered Offering

On June 26, 2025 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 "July 2025 Non-Brokered Units") at a price of $0.85 per July 2025 Non-Brokered Unit under a non-brokered private placement (the " July 2025 Non-Brokered Placement") for additional gross proceeds to the Company of $1,871,070. Each July 2025 Non-Brokered Unit consists of one common share of the Company and one-half of one common share purchase warrant (each whole warrant, a " July 2025 Non-Brokered Warrant"). The transaction was completed on July 7, 2025. Each July 2025 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 July 2025 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.

July 2025 Flow-Through Offering

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 flow-through shares at a price of $1.06 per flow-through share for gross proceeds of $4,500,495 (the "July 2025 Flow-Through Shares"). 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 July 2025 Flow-Through Shares will be incurred (or deemed to be incurred) by the Company on or before December 31, 2026, and were renounced by the Company to the initial purchasers of the July 2025 Flow-Through Shares with an effective date no later than December 31, 2025.

The July 2025 Flow-Through 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 resource expenditures by December 31, 2026. The share capital value of $4,475,495 includes the gross proceeds net of costs related to the issuance.

Commitments and Contingencies

At July 31, 2026, the Company has $7.6 million (October 31, 2025 - $3.7 million) in accounts payables and accrued liabilities owing with respect to exploration and evaluation assets and has lease obligations of $117,665 related to 2026 and $48,390 for fiscal years 2027 to 2028. Option payments of $460,000 in cash obligations and share obligations of 5,000 Canada Nickel shares are due in fiscal year 2027 to maintain the earn-in on one property.

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.

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 2025. 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 and transferred mining rights (not required for any exploration target) of 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.

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.

Financial Condition

The application of the going concern concept assumes that the Company will continue in operation for at least the next twelve months and will be able to realize its assets and discharge its liabilities in the normal course of operations. 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 balance deficit of $47,418,350 at July 31, 2026, and has incurred losses and negative cashflows from operations and has an accumulated deficit of $79,196,735. 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.

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 has demonstrated a strong track record by growing exponentially over the last five years using funds raised in the market to successfully advance the Crawford Project and significantly expand its regional exploration base around Crawford.

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

See ***Caution Regarding Forward-Looking Statements*** and ***Risk Factors***.

Review of Last Eight Quarters

The following is a summary of Canada Nickel's statement of loss (income) on a quarterly basis for the last eight quarters.

(Canadian dollars)	Q4 2024	Q1 2025	Q2 2025	**Q3 2025**	Q4 2025	Q1 2026	Q2 2026	**Q3 2026**
	$	$	$	**$**	$	$	$	**$**
Expenses								
Salaries	638,774	671,983	716,498	**557,012**	635,251	502,657	649,821	**543,717**
Consulting and advisory	869,216	761,819	701,541	**684,723**	1,347,110	760,256	542,667	**539,216**
Professional fees	336,759	211,768	323,009	**378,596**	31,886	135,407	185,731	**127,038**
General and administrative costs	450,150	365,060	358,754	**439,180**	295,308	466,004	152,649	**314,437**
Promotion and communication	90,026	75,732	73,703	**278,927**	214,311	226,288	179,156	**214,635**
Investor relations and marketing	102,063	81,885	64,671	**353,604**	125,329	180,533	87,206	**89,126**
Incentive compensation	746,697	1,044,283	666,974	**632,704**	2,318,392	2,151,243	1,888,541	**1,306,003**
Travel and other	254,979	232,220	247,824	**83,423**	(46,731)	329,297	(64,751)	**166,901**
Foreign exchange gain and interest income	(110,587)	(25,334)	(76,272)	**34,677**	(30,561)	(28,292)	(82,865)	**32,356**
Transaction costs and interest expense	1,312,408	2,239,574	897,004	**3,252,092**	2,485,075	1,605,838	3,751,815	**5,566,122**
	4,690,485	5,658,990	3,973,706	**6,694,938**	7,375,370	6,329,231	7,289,970	**8,899,551**
Flow-through share premium	(6,251,126)	(1,194,626)	(497,202)	**(102,329)**	(342,194)	(33,475)	(286,236)	**(375,592)**
Net loss (income) before tax	(1,560,641)	4,464,364	3,476,504	**6,592,609**	7,033,176	6,295,756	7,003,734	**8,523,959**
Income tax expense (recovery)	(660,910)	(925,227)	8,264,059	**(1,759,654)**	(931,162)	(1,050,018)	1,630,719	**(1,855,000)**
Net loss (income)	(2,221,551)	3,539,137	11,740,563	**4,832,955**	6,102,014	5,245,738	8,634,453	**6,668,959**
Weighted average shares outstanding	181,214,844	182,741,364	188,836,568	**201,492,786**	215,925,792	226,892,715	240,420,718	**242,299,319**
Net loss (income) per share	$(0.02)	$0.02	$0.06	**$0.02**	$0.03	$0.02	$0.04	**$0.03**

Financial information is presented for the last eight quarters to demonstrate the trends. Accounting principles have been applied consistently amongst the periods. Certain comparative amounts have been reclassified to conform with the current quarter presentation.

Salaries - have been trending higher as the Company significantly increased its activities in financing, permitting and engineering to prepare for the construction of Crawford. The expenses in the third quarter of 2025 are lower than previous quarters reflecting a re-allocation of certain salaries to exploration and evaluation assets. The reduction in 2026 is due to a temporary reduction in head count.

*Consulting and advisory - c*osts throughout 2024 and 2025 include additional advisory in the areas of government relations, government assistance and project debt financing in order to advance its financing strategy for Crawford construction. The fourth quarter of 2025 reflects additional costs incurred with the commencement of the project debt financing activities and other costs incurred related to financing initiatives.

Professional fees – Fees have remained similar between quarters even as the Crawford project advanced. Fluctuations in quarters typically is a result of external legal requirements.

Promotion and Communication, and Investor Relations and Marketing – The third quarter of 2025 is higher than previous quarters due to additional efforts required with the financings in that same quarter.

General and administrative costs - Variations in costs between quarters tend to be based on timing of payments for annual filing and listing requirements. Costs in the fourth quarter of 2024 include additional fees in relation to the short-term loan facility and costs in the third quarter of 2025 and first quarter of 2026 include additional technology related fees.

Incentive compensation – Incentive compensation includes cash-based incentive compensation and non-cash share-based compensation. Share-based compensation tends to fluctuate depending on timing and vesting of grants and variations in the share price as it relates to cash based RSUs and DSUs. The first quarter of 2024 includes an expense related to incentive bonuses paid in the second quarter of 2024 and the fourth quarter of 2025 reflects the approval by the board of directors for incentive bonuses related to the fiscal 2025 year. The higher expenses in the first quarter of 2026 are due to mark-to-market adjustment of the cash based RSUs and DSUs to reflect the period end share price, which has almost doubled from the fourth quarter of 2025.

Travel and other –Largely includes costs related to travel for conferences, investor meetings and other development opportunities. Spending is dependent on timing of the travel.

Foreign exchange gain and interest income - The foreign exchange gain is primarily due to the revaluation of US dollar cash balances to the Canadian dollar reporting currency. In addition, excess cash in 2024 was invested in guaranteed investment certificates accumulating interest at approximately 5%.

Transaction costs and interest expense – These costs are associated with the bridge loan facilities (refer to *Cash provided by financing activities)* and in the third and fourth quarter of 2024 include $0.6 million and $0.4 million, respectively, in penalty charges incurred on the unspent funds received from the December 2023 flow-through share offering. In the second quarter and third quarters of 2025 there are also interest expense charges from overdue vendor invoices and advisory specifically related to third quarter financing transactions.

Flow-through share premium – the revenue recorded correlates with the proportionate amount of spending of the eligible expenditures in each of the quarters as required under the flow-through share agreements.

Income tax expense - refer to year over year description above.

Transactions with Related Parties

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 are as follows:

	For the three months ended July 31		**For the nine months ended July 31**	
	2026	2025	**2026**	2025
	$	$	**$**	$
Salaries, consulting and directors' fees	**649,875**	614,365	**1,949,625**	1,843,096
Incentive compensation	**1,239,997**	593,791	**5,070,865**	2,169,561

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 July 31, 2026 and 2025.

Management of Capital

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 was $237,072,035 as at July 31, 2026.

Financial Instruments

Fair values

At July 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:

- Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- 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).
- 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.

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

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 July 31, 2026, the Company's financial liabilities consist of accounts payable and accrued liabilities and short-term loan facilities, 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.

Currency risk

The Company is exposed to foreign exchange risk arising from its bridge loan facility. At July 31, 2026, the estimated impact of a 5% US dollar change against the Canadian dollar would be $1.5 million on pre-tax losses.

Off-Balance-Sheet Arrangements

The Company does not have any off-balance-sheet arrangements.

Share Capital

As at the date of this MD&A, September 16, 2026, the Company had 258,799,171 common shares issued and outstanding, 32,344,132 warrants outstanding, 13,516,134 stock options outstanding and 5,861,053 restricted share units outstanding. Each warrant, stock option and restricted share unit is exercisable or exchangeable for common shares of the Company on a one for one basis.

Internal Controls Over Financial Reporting

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the unaudited condensed consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed consolidated financial statements; and (ii) the unaudited condensed consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of: i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of unaudited condensed consolidated financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of and annual filings and other reports provided under securities legislation.

Risk Factors

The Company's business contains significant risk due to the nature of exploration and development activities. The Company is a junior resource company focused primarily on the exploration and development of mineral properties located in North America. The Company's properties have no established mineral reserves and there is no assurance that any of the Company's projects can be mined profitably. The Company is also exploring and developing other opportunities and is subject to risks and challenges similar to companies in a comparable stage. These risks include, but are not limited to, the challenges of securing adequate capital in view of exploration, development and operational risks inherent in the mining industry as well as global economic and base mineral price volatility.

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the Risk section in the Company's Annual Information for the fiscal year ended October 31, 2022, available on SEDAR+ at www.sedarplus.ca.