

Report Date: December 23, 2025

The following discussion is management's assessment and analysis of the results and financial condition of operations of Fort St. James Nickel Corp. ("the Company") and should be read in conjunction with the accompanying unaudited financial statements for the period ended October 31, 2025, and the audited financial statements for the year ended April 30, 2025, and related notes. These financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

All monetary amounts are in Canadian dollars unless otherwise specified. Additional information relating to the Company is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## **NATURE OF OPERATIONS AND OVERALL PERFORMANCE**

### **Description of the Business and Summary of Activities**

Fort St. James Nickel Corp. is incorporated under the Canada Business Corporations Act and its common shares are listed on the TSX Venture Exchange under the symbol FTJ.V. The Company is a junior mineral exploration company engaged in the acquisition, evaluation and exploration, if warranted, of mineral properties in North America.

As at October 31, 2025, the Company has a net working capital deficit of \$2,024,798, has an accumulated deficit of \$16,614,722, and has incurred a loss of \$134,626. The Company has no source of operating cash flows and expects to incur further losses in the exploration and development of its mineral properties. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors and generating profitable operations in the future.

### *Shares Issued*

There were no shares issued during the year period ended October 31, 2025.

### **Resource Properties**

Cumulative acquisition and exploration costs incurred and expensed by the Company to date on its mineral properties are summarized below.

	Kilometer 26 \$	Porcupine \$	Nepisiguit \$	General \$	Total \$
Balance, April 30, 2024	2,029,376	611,233	451,208	80,422	3,172,239
Exploration Costs	-	29,721	20,148	-	49,869
Balance, October 31, 2024	2,029,376	640,955	471,356	80,422	3,222,108
Balance, April 30, 2025	2,029,376	643,297	535,454	80,422	3,288,549
Exploration Costs	-	30,305	-	273	30,578
Balance, October 31, 2025	2,029,376	673,602	535,454	80,695	3,319,127

Management has determined that due to uncertainty on future recoverability of its mineral exploration and evaluation assets, acquisition and exploration costs are expensed as incurred.

### ***Kilometer 26 – Central British Columbia***

On September 28, 2009, the Company entered into a three year Option Agreement with Eastfield Resources Ltd. ("Eastfield") to acquire a 60% interest in the Kilometer 26 Project, a group of mineral claims located approximately 50 kilometres northwest of Fort St. James in central British Columbia. On September 9, 2011, the Company entered into an agreement with Eastfield to acquire a 100% interest in the property and to terminate the Option Agreement in consideration for the issuance of 2,000,000 common shares. The fair value of the property was determined to be

\$775,000. On December 1, 2011 the Company issued 2,000,000 common shares, acquiring 100% interest in the property.

During the year ended April 30, 2015, after consideration of the continued depressed market for junior resource company securities and the Company's very low stock price, and their impact upon the Company's ability to raise funding for further exploration costs, management determined that uncertainty on future recoverability of its mineral property asset indicated that the exploration and evaluation assets were impaired. Therefore, an impairment charge of \$1,879,403 was recognized in respect of the Company's mineral property assets. Future expenditures will be regularly assessed for impairment based on conditions then existing.

The highlight of the 2018 rock sampling program is sample 116001. This sample was collected in an area that to the author's knowledge has not been previously documented. The sample was collected from two large boulders subangular to angular possible subcrop of serpentinite, next to an outcrop of limestone. The showing was made possible by recent logging activity. Sample 116001 returned assays of 2030ppm Ni. Another high Nickel value came from sample 116022 of serpentinite boulders/subcrop near a 2011 drill pad.

Approximately \$1,000,000 has been spent on exploring the property to date. Eastfield completed an initial rock sampling program in 2009 while the Company completed more extensive programs consisting of grid establishment, rock and soil geochemical surveying and ground based induced polarization and magnetometer surveying in 2010 and 2011 and a six hole (813 meter) diamond drilling program in 2011.

During the year ended April 30, 2024, the Company's 100% interest in the Kilometer 26 property was forfeited.

#### ***Porcupine Property-New Brunswick, Canada***

In August 2017, the Company signed an option agreement with Great Atlantic Resources Corp. ("GR") to acquire GR's Porcupine property located in the province of New Brunswick. Under the terms of the option agreement, the Company is required to make the following cash and share payments to earn a 100% interest in the property:

- Pay \$15,000 in cash (paid) and issue 500,000 common shares (issued) within five days of the TSX Venture approval of the transaction (the "Approval Date");
- Pay \$20,000 in cash (paid) and issue \$75,000 in common shares on or before October 6, 2018. The Company issued 234,375 common shares with a fair value of \$43,359 on February 12, 2019.
- Pay \$20,000 in cash (paid) and issue \$75,000 in common shares on or before October 31, 2022. The Company issued 500,000 common shares with a fair value of \$50,000 on October 17, 2019;
- Pay \$20,000 in cash (paid) and issue \$75,000 in common shares on or before October 31, 2023. The Company issued 375,000 common shares with a fair value of \$93,750 on February 5, 2021.
- Pay \$75,000 in cash (paid) and issue \$200,000 in common shares on or before December 1, 2025.

The Company is also required to spend \$1,000,000 in exploration expenditures on the property by December 1, 2025.

#### ***Nepisiguit, New Brunswick, Canada***

In May 2021, the Company announced it has entered into a letter of intent agreement with a private company to acquire 100% interest in the Nepisiguit Base Metal – Precious Metal Property located within the Bathurst Mining Camp of northern New Brunswick. The term of the agreement grants the Company the exclusive right for 30 days to receive the results of the core assay from the 2020 drill program and to conduct due diligence on certain areas of the Nepisiguit Property. A definitive agreement is expected to be negotiated upon review of the results and due diligence.

The term of the original letter of intent has been extended and will expire on December 30, 2025. As of this report date, a definitive agreement has not yet been signed, however, the Company has spent exploration expenditures on this project.

During the period ended October 31, 2025, the Company incurred acquisition and exploration expenditures totaling \$Nil (2024 - \$Nil) with respect to its Kilometer 26 Property, \$30,305 (2024 - \$29,721) on the Porcupine Property, \$Nil (2024 - \$20,148) on the Nepisiguit Property and \$273 (2024 - \$Nil) in general.



**Loans Payable**

	October 31, 2025	April 30, 2025
	\$	\$
Beginning Balance	356,130	168,665
Loan Advances	437,100	147,420
Interest Expense, net	48,599	40,045
Repayments	(474)	-
	841,355	356,130

During the period ended October 31, 2025, the Company received \$437,100 (2024 - \$43,370) in new unsecured loans payable subject to an interest rate of 21% and repaid \$370 (2024 - \$Nil). The Company accrued \$48,599 (2024 - \$17,542) and repaid \$104 (2024 - \$Nil) in interest expenses relating to the loans.

**RESULTS OF OPERATIONS**

During the period ended October 31, 2025, and for the comparative period, the Company has pursued mining exploration, and acquisition of mining assets. For the period ended October 31, 2025, the Company had net losses of \$134,626 compared to \$121,732 in the same period of the previous year. The Company recorded a decrease in advertising and promotion, exploration, office and administration, professional fees, and transfer agent and regulatory fees in 2025 compared to prior year, while loan interest increased, and rent remained constant. The Company continues to explore the Nepisiguit Property as well as new opportunities as capital permits.

For the three-month period ended October 31, 2025, the Company incurred a net loss of \$75,551 compared to \$89,770 in the same period of the previous year. The Company saw the same increasing and decreasing expense trends as in its six-month period ended October 31, 2025.

Expenditures incurred during the year periods ended October 31, 2025 and 2024 include the following:

	Three Months Ended October 31,		Six Months Ended October 31,	
	2025	2024	2025	2024
	\$	\$	\$	\$
<b>EXPENSES</b>				
Advertising and Marketing	1,500	5,675	3,000	10,175
Exploration and Evaluation Assets Expenditures	15,329	17,642	30,578	49,869
Interest on Loans	32,795	11,091	52,010	18,964
Office and Administration	10,115	23,533	20,134	46,753
Professional Fees	4,750	8,000	9,500	12,000
Rent	7,500	7,500	15,000	15,000
Transfer Agent and Filing Fees	3,562	16,329	4,404	18,971
	(75,551)	(89,770)	(134,626)	(171,732)
<b>OTHER ITEMS</b>				
Grant Funding Received	-	-	-	50,000
<b>NET LOSS</b>	<b>(75,551)</b>	<b>(89,770)</b>	<b>(134,626)</b>	<b>(121,732)</b>

Expenses

- Advertising and Promotion – 2025: \$3,000 / 2024: \$10,175; was incurred for advertising and marketing of the Company.

- Exploration and Evaluation Assets Expenditures – 2025: \$30,578 / 2024: \$49,869; was incurred on exploration expenditures on Porcupine and Nepisiguit properties.
- Interest Expense – 2025: \$52,010 / 2024: \$18,964; was accrued on loans subject to interest rates of 10% and 21%.
- Office and Administration – 2025: \$20,134 / 2024: \$46,753; O&A costs in the current year are comprised of administration, accounting, telephone and office supplies. The decrease in spending is due to reduced monthly office service fees. Rent expense for office space was \$15,000 (2024 - \$15,000).
- Professional Fees – 2025: \$9,500 / 2024: \$12,000; in the current year are comprised of accrued audit fees.
- Transfer Agent and Filing Fees – 2025: \$4,404 / 2024: \$18,971; consisted of fees paid to regulatory bodies in Canada in connection with routine filings and transfer agent fees.

Other items

- For the period ended October 31, 2025, the Company received a \$Nil (2024 - \$50,000) Government exploration grant for the Nepisiguit property.

**SUMMARY OF QUARTERLY RESULTS**

The following quarterly operating results have been prepared using IFRS:

	October 31, 2025	July 31, 2025	April 30, 2025	January 31, 2025
	\$	\$	\$	\$
Total Revenue	-	-	-	-
Net Loss	(75,551)	(59,075)	(106,231)	(83,053)
Total comprehensive loss	(75,551)	(59,075)	(106,231)	(83,053)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

  

	October 31, 2024	July 31, 2024	April 30, 2024	January 31, 2024
	\$	\$	\$	\$
Total Revenue	-	-	-	-
Net Loss	(89,770)	(31,962)	(96,927)	(78,182)
Total comprehensive loss	(89,770)	(31,962)	(96,927)	(78,182)
Basic and diluted loss per share	(0.00)	(0.01)	(0.00)	(0.00)

**LIQUIDITY AND CAPITAL RESOURCES**

As at October 31, 2025, the Company had cash of \$255 and a working capital deficiency of \$2,024,798. All cash is deposited in interest-accruing accounts.

	October 31, 2025	April 30, 2025
	\$	\$
Current Assets	6,100	7,427
Exploration and Evaluation Assets	1	1
Total Assets	6,101	7,428
Total Liabilities	2,030,898	1,897,599
Shareholders' Deficiency	(2,024,797)	(1,890,171)



Working Capital Deficiency	(2,024,798)	(1,890,172)
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The Company does not generate sufficient cash flow from operations to fund its exploration activities, its acquisitions and its administration costs. The Company is reliant on equity financing to provide the necessary cash to continue its operations.

	October 31, 2025 \$	October 31, 2024 \$
Cash used in Operating Activities	(416,557)	(63,047)
Cash provided by Financing Activities	416,626	63,370
Change in Cash	69	323

During the period ended October 31, 2025:

- The Company received \$437,100 (2024 - \$43,370) in new loans of which \$Nil (2024 - \$20,000) were from a related party.
- The Company re-paid \$24,783 in related-party loans including \$4,783 in interest, and \$474 (2024 - \$Nil) in unrelated party loans.

The Company proposes to meet any additional financing requirements through equity financing. Raising additional capital may be difficult or not possible. The Company is in the business of exploring its mineral property interests and does not generate any cash from operations. Without the ability to attract additional equity funding the Company:

- Does not have the working capital necessary to fund current operations for the 2026 fiscal year;
- Will not have sufficient funds to complete all planned exploration activities;
- Has additional liquidity risks associated with financial instruments where trading volumes have declined; and
- Has a working capital deficiency, which may result in the Company's inability to meet obligations as they come due.

Future cash requirements will depend primarily on the extent of future exploration programs. Subsequent phases will depend, both on cost and duration, and on results from previous phases, and it is therefore extremely difficult to predict future cash requirements. In order to meet its option payment costs and expenditure requirements on its current properties the Company will need to raise additional financing, loans or proceeds from sale or joint venture of properties.

The Company is dependent on raising funds by the issuance of shares or disposing of interests in its unproven mineral interests (by options, joint ventures or outright sales) in order to finance further acquisitions, undertake exploration and development of mineral interests and meet general and administrative expenses beyond one year in the future. There can be no assurance that the Company will be successful in raising their required financing.

The Company has limited financial resources and there is no assurance that additional funding will be available to allow the Company to fully explore its existing properties. Failure to obtain financing could result in delays or indefinite postponement of further exploration and the possible, partial or total loss of the Company's interest in certain properties. The Company may, in the future, be unable to meet its obligations under agreements to which it is a party and the Company may consequently have its interest in the properties subject to such agreements jeopardized. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the costs required to complete recommended programs.

**TRANSACTIONS WITH RELATED PARTIES**

At the Report Date, key management consists of Barry Brown (CEO, President and a Director of the Company), Scott Kent (CFO and a Director of the Company); Quinn Field-Dyte (Independent Director of the Company).



The related party transactions are in the normal course of operations and are measured at their exchange amount. Details of transactions and balances between the Company and related parties, in addition to those transactions disclosed elsewhere in these financial statements, are described below.

	October 31, 2025	April 30, 2025
	\$	\$
Due to the Company’s Director and Officer	-	21,370
	-	21,370

During the year ended April 30, 2025, the Company received loan proceeds of \$20,000 from a director and officer subject to a simple interest rate of 10% per 3-month term with interest payable at the end of each term. The loan is for a 3-month term, renewable under mutual agreement for continued 3-month terms and is unsecured.

During the period ended October 31, 2025, the Company repaid \$20,000 in loan principal, accrued \$3,412 (2024 – \$Nil) in interest expense and paid \$4,783 (2024 - \$Nil) in loan interest. As at October 31, 2025, \$Nil (April 30, 2025 - \$21,370) was payable.

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company had no off-balance sheet arrangements.

**CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

The details of the Company’s accounting policies are presented in Note 2 of the financial statements ended April 30, 2025. These policies are considered by management to be essential to understanding the processes and reasoning that go into the preparation of the Company’s financial statements and the uncertainties that could have a bearing on its financial results.

**CHANGES IN ACCOUNTING POLICIES**

In preparing these interim financial statements as at October 31, 2025, the significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended April 30, 2025.

**RISK AND UNCERTAINTIES**

There are no significant changes relating to the risk factors since the filing of the annual MD&A of April 30, 2025.

**CAPITAL RISK MANAGEMENT**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration, and development of resource properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company’s management to sustain future development of the business.

The Company manages its share capital as capital, which as at October 31, 2025 was \$14,157,882 (April 30, 2025 – \$14,157,882). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company’s approach to capital management during the period ended October 31, 2025.

**MANAGEMENT FINANCIAL RISKS**

The fair value of the Company’s loan receivable, accounts payable and accrued liabilities, convertible debentures, and amounts due to related parties approximate their carrying value, which is the amount recorded on the consolidated statement of financial position. The Company’s other financial instruments, cash and marketable securities under the

fair value hierarchy is recorded at fair value based on level one quoted prices in active markets for identical assets or liabilities.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

*a) Credit Risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Management believes that its credit risk is not significant.

*b) Liquidity Risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at October 31, 2025, the Company had a cash balance of 255 to settle current liabilities of \$2,030,898. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. Management expects to fund those liabilities through equity financing and loans from related parties over the coming year.

*c) Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest on the Company's debentures payable are based on fixed rates, and as such, the Company is not exposed to significant interest rate risk.

*d) Foreign Currency Risk*

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents and accounts payable and accrued liabilities that are denominated in U.S. Dollars. The Company's financial instruments denoted in U.S. Dollars are insignificant and any fluctuation in foreign currency exchange rates would have an insignificant impact on net loss for the year.

*e) Price Risk*

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

## **FORWARD-LOOKING INFORMATION**

This MD&A, which contains certain forward-looking statements, are intended to provide readers with a reasonable basis for assessing the financial performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

## **MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.



**ADDITIONAL INFORMATION**

Additional information relating to the Company is available:

- (a) On SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).
- (b) On the Company's website at [www.fortstjamesnickel.com](http://www.fortstjamesnickel.com)
- (c) In the Company's annual audited financial statements for the year ended April 30, 2025.

**OUTSTANDING SHARES**

	Number	Exercise Price	Expiry Date
Common Shares (December 4, 2025)	26,248,262	n/a	n/a
Warrants	1,500,000	0.05	October 3, 2027
Warrants	2,000,000	0.08	October 4, 2028