



Canada Nickel Company Inc.

Management's Discussion & Analysis

**For the Year Ended October 31, 2025**

(Expressed in Canadian Dollars, unless otherwise noted)

February 10, 2026

**Canada Nickel Company Inc.  
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**Introduction**

The following management's discussion and analysis (MD&A) of the financial condition and results of the operations of Canada Nickel Company Inc. (the "Company" or "Canada Nickel") constitutes management's review of the factors that affected the Company's financial and operating performance as at and for the year ended October 31, 2025. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended October 31, 2025, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's 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). This MD&A has been prepared as of February 10, 2026.

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 MD&A has been prepared by 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](http://www.canadanickel.com) or through the Company's SEDAR+ profile available at [www.sedarplus.ca](http://www.sedarplus.ca), which also includes the Company's Annual Information Form for the year ended October 31, 2022.

**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

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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.Geol.), 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 Resources Inc. ("Noble") whereby Canada Nickel and Noble contributed certain mining properties, including the existing Mann joint venture, into East Timmins Nickel to consolidate their respective interests in the portfolio of nickel projects northeast of Timmins.

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**Key Developments – Year ended October 31, 2025 and up to February 10, 2026**

**Advancing Crawford to a Construction Decision**

Strong Recognition from Canadian Government

Canada Nickel has established some critical milestones with the Canadian government which should establish a clear path to responsibly accelerate development of Crawford. In November 2025 Crawford was referred to the Major Projects Office by the Government of Canada and in January 2026 Crawford was named as the second project to be advanced under the Ontario Province's new One Project, One Process ("1P1P") framework. Crawford is the only mining project in Canada to secure this type of endorsement from both federal and provincial governments.

The Company is working with the government and the Major Projects Office to unlock the financing and permitting necessary to break ground and begin construction on the project by the end of 2026. 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.

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 Nickel 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. Crawford is already advancing at the forefront of Canada's modernized regulatory framework, having become the first mining project in the country to submit an Impact Statement under the amended Impact Assessment Act, 2019, in November 2024.

Crawford is purpose-built to anchor a new low-carbon mining and clean metals manufacturing corridor in Northeastern Ontario - driving long-term economic growth, creating high-quality jobs, and ensuring that value generation remains within the province. On October 15, the Company announced the results from an economic impact study completed for Crawford. The study, prepared by Mansfield Consulting, estimates that Crawford will generate a total economic contribution of over \$70 billion to Canada's Gross Domestic Product ("GDP"), over the project's projected 40+ year life of the mine, with \$67 billion of that impact in Ontario alone. Crawford is also expected to support approximately 1,000 direct and 3,000 indirect and induced jobs, totaling approximately 185,000 person-years of employment and delivering approximately \$16 billion in labour income. In addition, under the study, Crawford is projected to generate \$7.7 billion in federal tax revenues and \$8.3 billion in provincial tax revenues. More details can be found in the Company's news release dated October 15, 2025.

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Updated Engineering and Project Metrics

In November 2023, the Company filed the bankable feasibility study ("BFS") for Crawford. The Technical Report supporting the positive BFS can be found on the company's website and summary results of the BFS can be found in its news release dated October 12, 2023.

Through 2024 and the start of 2025 the Company completed the next phase of project development - the Front-End Engineering Design (FEED) study; a major milestone to advance Crawford towards a construction decision.

Engineering activities focused on the initial capital cost utilizing data collected from a winter geotechnical program, a test piling program and updated quotes. The mine plan was also re-sequenced to accelerate delivery of higher value ore from the East Zone and reduce pre-stripping by 30%.

The following table compares key metrics from FEED design with the key metrics from the Crawford BFS.

<b>Metric</b>	<b>Units</b>	<b>FEED</b>	<b>BFS</b>	<b>Change</b>
Net Present Value (at 8%)	US\$ millions	2,810	2,475	<b>335</b>
Internal Rate of Return	%	17.6	17.1	<b>0.5</b>
Initial Capital Cost	US\$ millions	2,047	1,943	<b>104</b>
Total Capital Cost	US\$ millions	5,724	5,157	<b>567</b>
Net Smelter Return	US\$/tonne	28.86	28.08	<b>0.78</b>
Operating Cost	US\$/tonne	10.60	10.88	<b>(0.28)</b>

Note - To maintain comparability, all key economic assumptions are unchanged since the BFS, such as the exclusion of the Carbon Capture, Utilization and Storage Investment Tax Credits ("CCUS credits") for which the Company believes it would qualify. Inclusion of CCUS credits would increase NPV<sub>8%</sub> to \$2.9 billion and IRR to 18.9%. BFS capital estimates were based on 2022 values.

The primary focus of FEED was to update the initial capital cost estimate. The associated engineering has progressed to approximately 30% and is sufficient for preparation of long-lead orders. Since the completion of the BFS, there has been significant inflationary pressure on capital items. However, the increase in overall capital cost has been held to 5% through optimization of the mining schedule and simplification to designs. Further details can be found in the news release dated March 3, 2025.

The other key change from the BFS was to flip the timing sequence for mining East Zone and Main Zone. The FEED incorporates mining and processing from the East Zone commencing at the start of mine production, bringing East Zone production forward on average, 12 years compared to the BFS. Ore from the Main Zone has correspondingly been deferred. With the reduced depth of overburden overlying the East Zone, the resequencing allows the pre-strip tonnage to be reduced by 30%.

Since there will be significantly more material being mined from the East Zone during the payback period, additional metallurgical testing was performed in 2024. The East Zone metallurgical test results were interpreted and recovery equations were updated. The resultant update to modelled recoveries for East Zone ore has led to an estimated net smelter return of US\$31.18 per tonne for that zone; a 7.4% increase in the average value of East Zone ore relative to the BFS. Recovery forecasts for Main Zone ore remain unchanged relative to the BFS.

On January 26, 2026 the Company announced that it had awarded Ausenco Engineering Canada ULC ("Ausenco") the contract to commence detailed engineering for the Process Plant and supporting infrastructure for Crawford. Ausenco has partnered with the Company since the completion of the Preliminary Economic Assessment in 2020, the Feasibility Study in 2023 and FEED in 2025.

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Permitting, Indigenous Nations and Stakeholders' Engagement

The Company achieved a significant milestone with the submission of the Impact Statement for the Crawford Project with the Impact Assessment Agency of Canada (IAAC) on November 22, 2024. The Impact Statement was prepared by Stantec, a global leader in sustainable design and engineering. On December 10, 2024, the IAAC determined that the Impact Statement for the Crawford Project meets the necessary accessibility and formatting requirements and contains sufficient information to proceed into its next phase through a technical review and public comment period. The IAAC's decision marks a key milestone in the development of the Crawford Project, paving the way for further technical assessments and engagement. The 60-day public comment period on the summary of the Impact Statement began December 9, 2024 and closed on February 7, 2025. On May 30, 2025, the IAAC sent a series of comments on the Impact Statement aiming at filling information gaps or increasing clarity on some items required for them to conduct the impact assessment. Once the IAAC is satisfied that the Impact Statement contains all of the information and studies outlined in the Guidelines, a notice informing the public that the Impact Statement contains all the required information and studies will be posted on the Agency's registry, which will complete the second phase of the federal permitting process and initiate a review period of a maximum duration of 390 days.

Canada Nickel engaged early and often with Indigenous Nations, local communities, and stakeholders to ensure the Project reflects shared priorities and values. Highlights of Engagement Efforts:

- Funding the potentially impacted Indigenous Nations to ensure authentic and meaningful participation, such as funding the Nations own Traditional Land Use and Socioeconomic studies to guide project planning.
- Hosting technical working group sessions, community open houses, and site visits with Indigenous leadership, local leaders, and regional stakeholders.
- Working jointly with the potentially impacted Indigenous Nation's to include chapters specifically tailored to address each of the Nation's comments and concerns in the Impact Statement.
- Organizing Environmental and Socioeconomic Committees inclusive of local multi-disciplinary subject matter experts to inform project planning as well as the Impact Assessment Process.

The Company will continue its extensive engagement program with Indigenous Nations, stakeholders and the general public in order to increase the level of understanding of the proposed project impacts and benefits, properly address comments and concerns, and define innovative collaboration pathways. This company led engagement program, coupled with consultation of the First Nations through a technical working group managed by the IAAC, supported the development of the Impact Statement and will continue to provide the Company with valuable feedback as it moves towards detailed engineering, construction and operations.

On March 3, 2025 the Company signed an agreement with Mattagami, Matachewan, and Flying Post First Nations, members of the Wabun Tribal Council, regarding the Crawford Project. This agreement represents a significant step forward in advancing the Crawford Project while fostering collaboration with First Nations. The agreement sets the framework for early business and employment opportunities, while the parties continue to work towards a comprehensive Impact Benefits Agreement (IBA). The agreement includes commitments for open-book negotiations on key contracting opportunities, including the construction of a 25.2-kilometre railway line, the relocation of Highway 655, and the construction of a temporary overpass on Highway 655. These initiatives aim to foster economic development while addressing the priorities of the three First Nations: prioritizing First Nations businesses and promoting own-source revenue, fostering partnerships, and supporting regional growth.

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Financing

The Company has been engaged in discussions with a number of strategic and industry participants over the past two years. Deutsche Bank Securities Inc ("Deutsche Bank") and Scotiabank were retained in December 2022 as financial advisors for the equity component of the project financing for the Crawford Project. Both banks are jointly assisting the Company with the evaluation of strategic and financial alternatives for the equity portion of the project financing and Cutfield Freeman & Co are advising on the debt portion of the project financing.

With the completion of FEED, the Company alongside its' financial advisors plans to complete the funding package for Crawford by year-end 2026 to be positioned to make a construction decision once permits are received. 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, engineering and regional exploration in 2025 was managed through a number of financing arrangements, including private placements and loans.

The Company received net proceeds of \$22.2 million from four equity raises:

	<b>\$</b>
December 2024 Flow-through Offering	<b>3,981,990</b>
June 2025 Brokered Offering	<b>11,834,713</b>
July 2025 Non-brokered Offering	<b>1,871,070</b>
July 2025 Flow-through Offering	<b>4,475,495</b>
	<b>22,163,268</b>

Refer to the Cash Flows section of this MD&A for specific details on each equity raise.

In addition, on May 9, 2025, the Company closed a US\$20 million bridge loan facilitated by Ber Tov Capital Corporation ("BT Capital"). The financing was used to repay the loan facility owing to Auramet International Inc. and for general working capital purposes. It matures on February 9, 2026, carries interest at 1.00% per month, and includes a 2.5% arrangement fee. As part of the transaction, BT Strategic Mineral Assets LP received 5,000,000 one-year warrants. Each warrant entitles BT Capital to acquire one common share of the Company at a price of \$0.94 per share until May 9, 2026.

On December 16, 2024, Taykwa Tagamou Nation ("TTN") and Canada Nickel announced an investment reflecting a shared commitment to advancing the Crawford Project while fostering economic empowerment and long-term collaboration. The Convertible Note (the "Note") was signed on December 13, 2024 and closed on May 27, 2025. TTN invested \$20 million of its own capital in the Note that will be convertible into 16.67 million Canada Nickel common shares at a price of \$1.20 per share (represented a 7.9% equity interest in the Company based on Canada Nickel's outstanding share capital on the closing date). The Note will have a five-year term from closing, a variable coupon equal to its cost of borrowing plus 1% per annum paid quarterly prior to conversion (the interest rate was adjusted from 4.75% as originally announced to the variable coupon to reflect a change to TTN's financing cost). TTN will also have a right to one seat on the Company's Board of Directors for so long as it holds the Note or, after conversion, at least 5% of the Company's shares.

On December 11, 2025, the Company closed a private placement (the "December Brokered Offering") for gross proceeds of \$15,000,000. Under the December Brokered Offering, the Company sold 12,500,000 units of the Company (the "December Brokered Units") at a price of \$1.20 per December Brokered Unit.

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Each December Brokered Unit consists of one common share of the Company and one-half of one common share purchase warrant (each whole warrant, a "December Warrant"). Each December Warrant entitles the holder to purchase one common share of the Company at a price of \$1.80 at any time on or before December 11, 2028.

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

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

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

### Governance

On May 28, 2025, the Company held its Annual and Special Meeting of Shareholders where the current slate of the Company's Board of Directors was re-elected along with one new member – Ms. Jackie Przybylowski. Her long career as an accomplished metals and mining analyst, her extensive institutional investor and industry network, and her experience as a metallurgical engineer and early career in the steel industry bring a wealth of sectoral knowledge and an experienced perspective.

On August 5, 2025, the Company released its 2024 Environmental, Social and Governance (ESG) Report, showcasing continued progress across carbon storage innovation, Indigenous partnerships, local economic development, health and safety, and environmental stewardship. The report underscores Canada Nickel's growing role in Ontario's Critical Minerals Corridor and outlines the Company's strategy to responsibly supply the materials essential to Canada's clean energy transition and defense resilience. The report can be found on the Company's website.

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**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 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<sub>2</sub>.

The Company has published mineral resource estimates for eight of its properties in the Timmins area, amounting to 4.30 billion tonnes of 0.24% nickel in Measured & Indicated resources, for a total of 10.13 million tonnes of nickel metal, and an Inferred Resource of 5.41 billion tonnes of 0.23% nickel, for a total of 12.46 million tonnes of contained nickel metal. The Company will publish one additional mineral resource estimate for its Nesbitt property in the first part of 2026.

Regional Properties

Formation of East Timmins Nickel Ltd and consolidation of nickel properties

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 a new company – East Timmins Nickel Ltd. ("East Timmins") to consolidate their respective interests in the portfolio of nickel projects northeast of Timmins, Ontario.

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

Mann

The Mann Property is located 22 kilometres east of Crawford, 20 kilometres south of Cochrane, and 45 kilometres northeast of Timmins, covering Mann Township. The property hosts a series of ultramafic bodies that are thought to be folded and faulted along a near-continuous 21-kilometre strike length. The ultramafics continue to the southeast into Newmarket Township.

On July 28, 2025, the Company filed on its SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) company profile an independent technical report prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") supporting the initial mineral resource estimate for its Mann Nickel Sulphide Project (the "Mann Project") which consists of the Mann West and Mann Central Properties and which contain the Mann West Ni-Co-Pd-Pt Deposit and the Mann Central Ni-Co-Pd-Pt Deposit – together the "Mann Deposits".

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Canada Nickel currently owns 80% of the Mann Project after successfully completing an earlier earn-in agreement with Noble. This property is included in the Eastern Timmins Nickel Ltd. subsidiary with Noble.

**Mann West:**

Mann West is approximately 3.5 kilometres long by up to 1.1 kilometres wide (covering 3.4 square kilometres). The drill program completed focused on the southern half of the target with drilling completed over a strike length of 1.7 kilometres and a width of at least 600 metres. All drillholes intersected long sections of well-serpentinized peridotite and minor dunite with disseminated and visible nickel sulphide mineralization consisting primarily of pentlandite and heazlewoodite. The Company has drilled a total of 39 holes to date of this Interim MD&A at Mann West, with 31 holes drilled during the 2024 program. The Company completed an initial resource estimate identifying 400 million tonnes at 0.23% nickel in the Indicated class and an additional 594 million tonnes at 0.22% nickel in the Inferred class. (refer to Canada Nickel news release dated June 9, 2025 for additional details).

**Mann Central:**

The target is approximately 4.5 kilometres long by up to 1.0 kilometres wide, with an overall area of 3.1 square kilometres. The company's drill program completed 32 drillholes on the eastern half of the target, focusing over a strike length of 1.9 kilometres and a width of approximately 600 metres. The ultramafic rocks intersected show varying degrees of mineralized peridotite and minor dunite. Assay results were presented in the news releases dated October 23, 2024, and December 11, 2024.

In the Company's news release dated July 17, 2025, an initial resource was announced for Mann Central showing similar scale to the initial Crawford Nickel Project Resource. The Company identified an Indicated Mineral Resource of 236.7 million tonnes grading 0.22% nickel containing 0.52 million tonnes of nickel, an Inferred Mineral Resource of 543.2 million tonnes grading 0.21% nickel containing 1.15 million tonnes of nickel and an Exploration Target of an additional 0.6-2.0 billion tonnes grading 0.19 – 0.21% nickel. The potential quantity and grade of the Exploration Target is conceptual in nature; there has been insufficient exploration to define a mineral resource; it is uncertain if further exploration will result in the target being delineated as a mineral resource.

**Mann South:**

This target is approximately 5.9 kilometres long by up to 1.2 kilometres wide, having an arcuate and irregular shape, with an overall area of 4.1 square kilometres. The Company's drill program focused on the southern half of the target and is now completed over a strike length of 1.7 kilometres and a width of at least 600 metres. Assay results for 11 drillholes were provided in the Canada Nickel news release dated December 11, 2024, assay results for three additional holes were presented in the news release dated March 12, 2025.

**Midlothian**

The Midlothian property is located 70 kilometres south-southeast of Timmins, 25 kilometres west of Matachewan and is directly accessible by road all year round. Midlothian is a joint-venture between Canada Nickel and Canadian Gold Miner Corp. and Laurion Mineral Exploration Inc. A final issue of 27,400 shares which will be made in early 2026 will earn Canada Nickel its 100% interest in the property. Six infill drillholes were completed during the summer of 2025. All six holes intersected long largely continuous intervals of mineralized dunite with the two holes collared on top of the mineralization intersecting it at shallow depths less than seven metres.

In the Company's news release dated December 18, 2025, an initial resource was announced for Midlothian. The Company identified an Inferred Mineral Resource of 595 million tonnes grading 0.28% nickel, for a total of 1.68 million tonnes of contained nickel. The approximate dimensions of the Midlothian mineral resource estimate are 2.5 kilometres long, up to 520 metres wide, extending to 500 metres deep, and remaining open to the east and at depth. An additional 434 to 980 million tonnes grading between 0.25% and 0.27% nickel remain as an Exploration Target, pending further drilling. This Exploration Target

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is based on core drilling by the Company, the geophysical survey on the Project, and the understanding and calculation of the current Midlothian mineral resource estimate.

A technical report with respect to the Midlothian mineral resource estimate will be filed at the start of February 2026. Infill drilling at the property will aim to increase and upgrade Inferred Resources to Indicated Resources in the next drilling campaign and mineralogical and metallurgical analysis will continue to better understand and estimate metal recoveries.

Reid

The Reid Property is located just 16 kilometres southwest of Crawford and contains a geophysical target of 3.9 square kilometres nearly 2.4 times larger than Crawford. Following an initial resource estimate announced in December 2024, the Company continued in 2025 with an infill drilling campaign in order to upgrade resources to Measured, Indicated, and Inferred categories. An updated Mineral Resource Estimate was announced on January 12, 2026. Reid's mineral resource stands out with nearly half the strip ratio, one-third less overburden, and 15% higher chromium grades than Crawford, with more than 40% of the geophysical target still to be explored and the deposit open in multiple directions. Reid is accessible year-round by an exploration road constructed by Canada Nickel during the fall of 2024.

For the updated Mineral Resource Estimate, 34 new drill holes totaling 24,629 metres were added to the previous mineral resource (see the Company's news release dated December 23, 2024) for a total of 51,137 metres of core drilling in 89 drill holes utilized to calculate the Reid mineral resources in three categories. Measured Mineral Resources now total 0.04 billion tonnes grading 0.27% nickel, for a total of 0.11 million tonnes of contained nickel metal. Indicated Mineral Resources now total 0.87 billion tonnes grading 0.23% nickel, for a total of 2.03 million tonnes of contained nickel. Inferred Mineral Resources now total 1.45 billion tonnes grading 0.22% nickel, for a total of 3.22 million tonnes of contained nickel. The Indicated and Inferred tonnage increased by 46% and 47% respectively, in comparison to the initial resource announced in December 2024. The approximate dimensions of the mineral resource estimate are about 2.3 kilometres long, 1.1 kilometres wide, extending to 720 metres deep, and remaining open to the northeast, southwest and at depth). An additional 0.5-1.4 billion tonnes grading between 0.21 and 0.22% nickel remain as a potential exploration target pending further drilling. Further details are found in the news release dated January 12, 2026.

Drilling at Reid was completed in 2022, 2024 and 2025. The 2025 campaign successfully completed the goal of infilling previous sections to increase and upgrade Inferred Mineral Resources. A technical report describing the Mineral Resource Estimate will be filed by the end of February 2026. Mineralogical studies and metallurgical testwork will continue through 2026, as well as infill drilling to better define higher grade horizons and further upgrade the mineral resource with the goal of producing a Preliminary Economic Assessment at a future date.

MacDiarmid

The MacDiarmid property is located 23 kilometres southwest of Crawford, 27 kilometres northwest of Timmins. The property hosts an arcuate ultramafic body that measures at least 3 kilometres in length and up to 600 metres in width (covering 1.1 square kilometres or similar in size to the Crawford Main Zone target). Drilling in the winter of 2025 focused on the central portion of the target, testing the width and length extension from the boundaries outlined in earlier exploration campaigns during 2021 and 2022. The drilling intersected predominantly long sections of serpentized dunite and minor peridotite with disseminated nickel sulphide mineralization consisting primarily of pentlandite and heazlewoodite. The Company has drilled a total of 12 holes at MacDiarmid, seven of which were drilled during the 2025 campaign. Assay results can be found in the press release dated July 7, 2025. The fault and electromagnetic anomalies at the property remain of interest to the Company.

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Bannockburn

The Bannockburn Property is located 100 kilometres south of Timmins and consists of 151 contiguous unpatented mining claims totaling 3,250 hectares. Bannockburn is situated near the Company's Sothman, Midlothian, Van Hise, properties (Timmins South) forming a southern cluster of highly prospective targets near established infrastructure in Matachewan, Ontario which is located approximately 75 kilometres southeast of Timmins.

In the Company's news release dated December 18, 2025, an initial resource was announced for Bannockburn. For the initial mineral resource estimate, a total of 8,528 metres of core drilling from 25 drill holes were utilized to calculate the Bannockburn resources in two categories. Seventeen drill holes belong to the Canada Nickel 2023-2024 drilling campaigns, while the remaining 8 holes are from an inherited dataset from Grid Metals drilling in 2021. Indicated Resources total 63 million tonnes grading 0.28% nickel, for a total of 0.18 million tonnes of contained nickel and Inferred Resources total 129 million tonnes grading 0.27% nickel, for a total of 0.34 million tonnes of contained nickel. The approximate dimensions of the Bannockburn mineral resource estimate are 1.2 kilometres long, up to 330 metres wide, extending to 500 metres deep, and remaining open in all directions. Drilling at Bannockburn was conducted in 2023 and 2024. The 2024 campaign successfully completed the goal of infilling previous sections to allow for the definition of an initial mineral resource estimate, gain understanding on the geology of the deposit, as well as systematically collecting samples for mineralogical analysis. Further details on the mineral resource estimate are found in the Company's news release dated December 18, 2025

A technical report with respect to the Bannockburn mineral resource estimate was filed on February 2, 2026 on SEDAR+. Exploration drilling at the property will include an extension into the peridotite bodies adjacent to the main dunite body. The increase in volume and better morphology of the deposit could increase resources significantly. Mineralogical and metallurgical analysis will continue to better understand and estimate metal recoveries.

Texmont

The Texmont Project, located about 36 kilometres south of Timmins, Ontario, is wholly owned by Canada Nickel through its wholly owned subsidiary, Central Timmins Nickel Ltd.

In the Company's news release dated July 17, 2025, an initial resource was announced for Texmont which identified a Measured & Indicated Mineral Resource of 37.8 million tonnes grading 0.29% nickel containing higher grade resource of 1.69 million tonnes at 0.71% nickel including 248,000 tonnes at 1.03% nickel. The NI 43-101 Technical Report was filed on the Company's profile at SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) on September 2, 2025.

**2026 Outlook**

- Advancing Crawford to year-end 2026 construction start with receipt of federal permits and full financing package in 2026
- Demonstrating scale of Timmins Nickel District – potential to be world's largest nickel sulphide district

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**Review of Operations for the Year Ended October 31, 2025 and 2024**

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

<i>(Canadian dollars)</i>	<b>For the years ended October 31</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<b>Expenses</b>		
Salaries	<b>2,580,744</b>	2,232,644
Consulting and advisory	<b>3,495,193</b>	2,595,459
Professional fees	<b>945,259</b>	1,308,041
General and administrative costs	<b>1,458,302</b>	1,513,548
Promotion and communication	<b>642,673</b>	393,250
Investor relations and marketing	<b>625,489</b>	546,279
Incentive compensation	<b>4,662,353</b>	4,736,080
Travel and other	<b>516,736</b>	1,194,714
Foreign exchange gain and interest income	<b>(97,490)</b>	(1,091,951)
Transaction costs and interest expense	<b>8,873,745</b>	3,442,090
	<b>23,703,004</b>	16,870,154
Flow-through share premium	<b>(2,136,351)</b>	(11,386,972)
Net loss before tax	<b>21,566,653</b>	5,483,182
Income tax expense (recovery)	<b>4,648,016</b>	(2,265,598)
<b>Net loss</b>	<b>26,214,669</b>	3,217,584
Weighted average shares outstanding	<b>197,318,272</b>	170,817,393
<b>Loss per share</b>	<b>\$0.13</b>	\$0.02

*Salaries*

Salaries have increased between periods, reflecting an increase that commenced in the second half of 2024 to support significantly increased financing, permitting, engineering and community activities.

*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. Costs in 2025 increased from the previous year as the Company required more advisory in the areas of government relations, advancement of the Company's downstream projects and commencement of the Crawford project debt financing process.

*Professional fees*

Professional fees include legal, accounting and audit-related fees, and subscriptions. In the prior year additional fees were required to expand complementary businesses, but these levelled off in 2025. Other professional fees have been consistent between periods.

*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.

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Promotion and communication

Promotion and communication include costs related to website design and maintenance, advertising campaigns, social media and communication with shareholders. These costs have increased in 2025 in large part due to the additional costs associated with the equity raises through the year.

Investor relations and marketing

Investor relations and marketing costs are for attendance at investor conferences, meetings and tradeshows, and were consistent between periods.

Incentive compensation

Incentive compensation includes cash-based incentive compensation related to short-term bonus and RSUs and DSUs linked to the Company's share price, as well as non-cash stock-based compensation related to stock options and RSUs.

Travel and other

Travel activities are mostly for financing purposes and investor relations and marketing. The spending was lower in 2025 due to a reduction in corporate development traveling. As well, in 2024, there was increased travel activity with the work required to complete the front-end engineering activities.

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, however, foreign exchange changes related to US dollar cash received from short-term loan facilities have been classified in transaction costs and interest expense as an offset to foreign exchange gains on the US dollar short-term loan. In addition, excess cash in 2024 was invested in guaranteed investment certificates accumulating interest at approximately 5%. Interest income in 2025 was \$0.1 million compared to \$0.9 million in 2024 largely due to the interest income on higher cash balances.

Transaction costs and interest expense

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

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

Refer to *Cash provided from (used for) financing activities* for costs associated with the bridge loan facilities and convertible note. In 2024 part XII.6 relates to penalty interest charges incurred on the unspent funds received from flow-through share offerings and in 2025 includes interest charges from vendors on overdue accounts.

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.

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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 expenses resulting from the renunciation of flow through expenditures and tax recoveries related to operating losses.

When the Company files its tax returns to renunciate its flow through expenditures it results in a tax expense being recognized amounting to the tax effect of the renunciated amount. In 2025, the renunciation amount of \$34.692 million resulted in a deferred tax expense and liability of \$9.2 million. (2024 – the deferred tax expense and liability were \$1.3 million). Tax recoveries from operating losses reduce the amount of tax expense recorded, which were higher in 2025 than 2024.

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 years ended October 31, 2025 and 2024 are as follows:

	<b>For the years ended October 31</b>	
<i>(Canadian dollars)</i>	<b>2025</b>	<b>2024</b>
	\$	\$
Cash used in operating activities:		
Before working capital changes	<b>(13,046,833)</b>	(10,400,282)
Working capital changes	<b>8,058,643</b>	(4,440,148)
	<b>(4,988,190)</b>	(14,840,430)
Cash used in investing activities:		
Exploration and evaluation expenditures	<b>(45,393,669)</b>	(56,671,463)
Purchase of equipment	<b>(140,558)</b>	(238,794)
	<b>(45,534,227)</b>	(56,910,257)
Cash provided from (used for) financing activities:		
Proceeds from share issuance, net of transaction costs	<b>22,163,268</b>	58,735,385
Proceeds from loan, net of issuance costs	<b>26,960,768</b>	(17,335,860)
Repayment of loan plus related interest	<b>(23,195,746)</b>	19,901,859
Proceeds from issue of convertible note	<b>20,000,000</b>	-
Repayment of lease obligations and interest on note	<b>(348,993)</b>	(85,540)
Proceeds from exercise of warrants and stock options	<b>1,917,703</b>	756,167
	<b>47,497,000</b>	61,972,011
Change in cash and cash equivalents	<b>(3,025,417)</b>	(9,778,676)
Opening cash and cash equivalents	<b>4,655,260</b>	14,433,936
<b>Closing cash and cash equivalents</b>	<b>1,629,843</b>	4,655,260

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***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 December 2024.

***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 project advancement (feasibility study, FEED engineering) and permitting. Approximately \$23 million was spent in relation to advanced engineering work and permitting for the year ended October 31, 2025 compared to \$23 million spent for the same period in 2024. Approximately \$22 million was spent on regional exploration for the year ended October 31, 2025 and \$33 million for the same period in 2024.

*Acquisition of properties*

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

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

***Cash provided from (used for) financing activities***

*Equity Financings 2025:*

On December 30, 2024, Canada Nickel completed a non-brokered private placement of an aggregate of 3,480,000 common shares of the Company that will qualify as "flow-through shares" (as defined in subsection 66(15) of the Income Tax Act (Canada)) (the "FT Shares"), at an issue price of \$1.15 per FT Share, for aggregate proceeds of \$4,002,000 (\$3,981,990 after deducting costs related to the issuance) (the "December 2024 Flow-Through Offering"). The gross proceeds from the December 2024 Flow-Through Offering will be used by the Company to incur (or be deemed to incur) eligible resource exploration expenses that will qualify as (i) "Canadian Exploration expenses" (as defined in the Income Tax Act (Canada)), (ii) "flow-through critical mineral mining expenditures" (as defined in subsection 127(9) of the Income Tax Act (Canada)), and (iii) "eligible Ontario critical mineral exploration expenditures" within the meaning of subsection 103(4.1) of the Taxation Act, 2007 (Ontario) (collectively, the "Qualifying Expenditures"). Qualifying Expenditures in an aggregate amount not less than the gross proceeds raised from the issuance of the FT Shares will be incurred (or deemed to be incurred) by the Company on or before December 31, 2025, and will be renounced by the Company to the initial purchasers of the FT Shares with an effective date no later than December 31, 2024.

The FT shares were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers and as a result the Company recorded a share premium liability of \$730,800 and has an obligation to incur \$4,002,000 in eligible CEE by December 31, 2025.

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On June 26, 2025, the Company closed a private placement (the "Brokered Offering") for gross proceeds of \$13,000,750 (\$11,834,713 after deducting cash costs related to the issuance). Under the Brokered Offering, the Company sold 15,295,000 units of the Company (the "Brokered Units") at a price of \$0.85 per Brokered Unit. Each Brokered Unit consists of one common share of the Company and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to purchase one common share of the Company at a price of \$1.20 at any time on or before June 26, 2028.

The Warrants issued were assigned an aggregate fair value of \$1,794,835 using the Black-Scholes valuation model with the following assumptions: dividend yield 0%, expected volatility 58%, risk-free rate of return 2.6% and expected three year life.

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

The Broker Warrants and the Finder Warrants issued were assigned an aggregate fair value of \$248,852 using the Black-Scholes valuation model with the following assumptions: dividend yield 0%, expected volatility 58%, risk-free rate of return 2.6% and an expected two year life.

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

The Non-Brokered Warrants issued were assigned an aggregate fair value of \$255,943 using the Black-Scholes valuation model with the following assumptions: dividend yield 0%, expected volatility 58%, risk-free rate of return 2.7% and expected three year life.

On July 7, 2025, the Company completed a non-brokered private placement (the "July 2025 Flow-Through Offering") for the sale of 4,245,750 common shares of the Company that qualify as FT Shares at a price of \$1.06 per FT Share for gross proceeds of \$4,500,495 (\$4,475,495 after deducting costs related to the issuance). The gross proceeds from the July 2025 Flow-Through Offering will be used by the Company to incur Qualifying Expenditures. Qualifying Expenditures in an aggregate amount not less than the gross proceeds raised from the issuance of the FT Shares will be incurred (or deemed to be incurred) by the Company on or before December 31, 2026, and will be renounced by the Company to the initial purchasers of the FT Shares with an effective date no later than December 31, 2025.

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

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Equity Financings 2024:

On December 29, 2023 the Company completed a brokered private placement consisting of 19,600,000 units of the Company (the "Flow-Through Units") at a price of \$1.77 per Flow-Through Unit, with each unit consisting of one flow-through common share of the Company and 0.35 of one flow-through common share purchase Warrant (the "Warrant"), as more particularly described below, for aggregate gross proceeds of \$34,692,000 (the "December 2023 Flow-Through Offering"). Following closing of the December 2023 Flow-Through Offering, Agnico Eagle acquired the units from the initial purchasers and as a result Agnico Eagle, on that date, held approximately 12% of the Company's outstanding common shares.

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

The 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 \$12,348,000 and had an obligation to incur \$34,692,000 in eligible CEE by December 31, 2024. The Warrant Shares issued were assigned an aggregate fair value of \$2,172,505 using the Black-Scholes valuation model with the following assumptions: dividend yield 0%, expected volatility 59%, risk-free rate of return 3.9% and expected 36 month life.

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

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

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

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

Convertible note:

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

Bridge loan facilities:

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

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

On July 9, 2024 the Company closed a secured loan facility with Auramet International Inc. ("Auramet Inc.") for US\$15 million ("Auramet Inc. July 2024"). The loan was secured and matured on January 9, 2025. Interest expense accrued on the unpaid principal amount at a rate of 12% per annum monthly in arrears. 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 maturity in transaction costs and interest expense in the consolidated statements of loss and comprehensive loss.

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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 was to be paid by March 14, 2025 and 1,750,000 warrants with a strike price of \$0.96 per share were issued with a 9 month expiry (the "Auramet Inc. January 2025 extension warrants"). The Auramet Inc. July 2024 warrants were cancelled. The loan will carry an interest rate of 1.25% per month for the extension period. The interest payable on the original loan amount was deferred to March 14, 2025.

The Auramet Inc. January 2025 extension 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 are being amortized over the 64-day maturity in transaction costs and interest expense in the consolidated statements of loss and comprehensive loss.

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 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 of the loan repayment was settled through the issuance of 1,050,909 Canada Nickel common shares.

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

The Company paid an arrangement fee equal to 2.3 percent of the loan amount (\$371,995) and issued 550,000 common share purchase warrants ("Auramet Inc. September 2023 warrants"). Each of the Auramet Inc. September 2023 warrants entitles Auramet Inc. to acquire one common share of the Company at a price of \$1.24 per share until September 18, 2024. The Auramet Inc. September 2023 warrants issued were assigned an aggregate fair value of \$169,180 using the Black-Scholes valuation model with the following assumptions: dividend yield 0%, expected volatility 61%, risk-free rate of return 4.74% and expected one year life. The fair value of the warrants as well as the arrangement fee and other transaction costs were amortized over the three-month maturity in transaction costs and interest expense in the condensed consolidated statements of loss and comprehensive loss. On January 23, 2024 the Auramet Inc. September 2023 warrants were exercised with proceeds of \$682,000 received by the Company.

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

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

### Prior Years' Share Issuances:

In February 2024, the Company received proceeds of \$24.2 million related to Samsung SDI's investment in Canada Nickel. The funds were fully spent by October 31, 2024 and were used to partially repay the Auramet Inc. September 2023 loan facility and for the advancement of engineering and permitting.

### Prior equity raises included:

- In February 2023, the Company raised \$44.6 million, of which the Company spent \$16 million to complete the BFS and continue permitting activities, \$6 million for regional exploration, \$14.5 million to repay a short-term loan facility and the remaining funds for general corporate purposes.
- In February 2022, the Company received net proceeds of \$48.2 million, of which \$19 million was for exploration, \$13 million to repay a short-term facility and the remaining funds for general corporate purposes and resource definition and other activities associated with the advancement of the Crawford Project.
- Since the Company was incorporated it has received all its funding through a series of private and brokered equity placements. From November 2019 to July 2021, the Company received \$24.9 million in net proceeds from the sale of flow-through shares and \$10.6 million from the sale of common shares of Canada Nickel. The proceeds have been used to advance the Crawford Project, including Canadian exploration expenses, such as drilling and resource definition, completion of the preliminary economic analysis, the start of the feasibility study and for general corporate purposes.

### **Commitments and Contingencies**

At October 31, 2025, the Company has \$3.7 million (October 31, 2024 - \$28.7 million) in payables owing with respect to exploration and evaluation assets, has approximately \$2 million remaining to spend on its July 2025 Flow-Through Offering and has lease obligations of \$138,225 related to 2025 and \$82,717 for fiscal years 2026 to 2028. Option payments of \$860,000 in cash obligations and share obligations of 172,400 Canada Nickel shares are due in fiscal year 2026 to maintain the acquisition or earn-in on two properties.

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.

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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 \$36,376,828 at October 31, 2025, and has incurred losses and negative cashflows from operations and has an accumulated deficit of \$59,578,747. The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or generate operating profitability and positive cash flow. In December 2025, the Company raised \$15 million through a brokered offering and since October 31, 2025 to February 10, 2026 has received over \$8 million in cash proceeds from the exercise of warrants. On February 9, 2026 the Company repaid its US\$20 million loan facilitated by BT Capital with proceeds from a US\$32 million bridge facility from Auramet Inc.

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**.

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**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.

<i>(Canadian dollars)</i>	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Expenses</b>								
Salaries	590,022	524,312	479,536	<b>638,774</b>	671,983	716,498	557,012	<b>635,251</b>
Consulting and advisory	541,881	494,389	689,973	<b>869,216</b>	761,819	701,541	684,723	<b>1,347,110</b>
Professional fees	380,483	279,667	311,132	<b>336,759</b>	211,768	323,009	378,596	<b>31,886</b>
General and administrative costs	398,899	437,950	226,549	<b>450,150</b>	365,060	358,754	439,180	<b>295,308</b>
Promotion and communication	78,955	74,260	150,009	<b>90,026</b>	75,732	73,703	278,927	<b>214,311</b>
Investor relations and marketing	113,486	145,130	185,600	<b>102,063</b>	81,885	64,671	353,604	<b>125,329</b>
Incentive compensation	1,904,818	1,058,190	1,026,375	<b>746,697</b>	1,044,283	666,974	632,704	<b>2,318,392</b>
Travel and other	264,858	325,960	348,917	<b>254,979</b>	232,220	247,824	83,423	<b>(46,731)</b>
Foreign exchange gain and interest income	(85,250)	(733,838)	(162,276)	<b>(110,587)</b>	(25,334)	(76,272)	34,677	<b>(30,561)</b>
Transaction costs and interest expense	953,703	96,829	1,079,150	<b>1,312,408</b>	2,239,574	897,004	3,252,092	<b>2,485,075</b>
	5,141,855	2,702,849	4,334,965	<b>4,690,485</b>	5,658,990	3,973,706	6,694,938	<b>7,375,370</b>
Flow-through share premium	(257,024)	(1,865,267)	(3,013,555)	<b>(6,251,126)</b>	(1,194,626)	(497,202)	(102,329)	<b>(342,194)</b>
Net loss (income) before tax	4,884,831	837,582	1,321,410	<b>(1,560,641)</b>	4,464,364	3,476,504	6,592,609	<b>7,033,176</b>
Income tax expense (recovery)	(167,033)	(592,857)	(844,798)	<b>(660,910)</b>	(925,227)	8,264,059	(1,759,654)	<b>(931,162)</b>
<b>Net loss (income)</b>	<b>4,717,798</b>	<b>244,725</b>	<b>476,612</b>	<b>(2,221,551)</b>	<b>3,539,137</b>	<b>11,740,563</b>	<b>4,832,955</b>	<b>6,102,014</b>
Weighted average shares outstanding	148,711,210	172,163,324	181,209,453	<b>181,214,844</b>	182,741,364	188,836,568	201,492,786	215,925,792
<b>Net loss (income) per share</b>	<b>\$0.03</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$(0.02)</b>	<b>\$0.02</b>	<b>\$0.06</b>	<b>\$0.02</b>	<b>\$0.03</b>

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.

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*Consulting and advisory* - costs 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.

*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 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. 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.

*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.

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**Fourth Quarter Cash Flows**

A summary of the Company's cash flow for the quarters ended October 31, 2025 and 2024 are as follows:

<i>(Canadian dollars)</i>	<b>For the quarters ended October 31</b>	
	<b>2025</b>	<b>2024</b>
	\$	\$
Cash used in operating activities:		
Before working capital changes	<b>(3,498,473)</b>	(2,506,311)
Working capital changes	<b>294,180</b>	(2,641,466)
	<b>(3,204,293)</b>	(5,147,777)
Cash used in investing activities:		
Exploration and evaluation expenditures	<b>(3,688,542)</b>	(15,496,598)
Purchase of equipment	<b>(9,001)</b>	(106,366)
	<b>(3,697,543)</b>	(15,602,964)
Cash provided from (used for) financing activities:		
Proceeds from exercise of warrants	<b>1,680,000</b>	-
Other	<b>(520,379)</b>	(21,942)
	<b>1,159,261</b>	(21,942)
Change in cash and cash equivalents	<b>(5,742,575)</b>	(20,772,683)
Opening cash and cash equivalents	<b>7,372,418</b>	25,427,943
<b>Closing cash and cash equivalents</b>	<b>1,629,843</b>	4,655,260

Working capital changes in the fourth quarter of 2024 largely are due to a \$3.6 million increase in HST receivable. In the fourth quarter of 2025 the Company spent \$1 million on advanced engineering and permitting related work and \$2 million on exploration. In the fourth quarter of 2024, the Company spent \$2 million on the feasibility study and \$13 million on exploration activities.

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**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:

	<b>For the years ended October 31</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Salaries, consulting and directors' fees	<b>2,472,279</b>	<b>2,437,861</b>
Incentive compensation	<b>4,446,833</b>	<b>4,498,954</b>

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

**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 \$223,928,518 as at October 31, 2025.

**Critical Accounting Estimates**

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically and adjustments are made as appropriate in the period they become known. Items for which actual results may differ significantly from these estimates are described in the following section.

*Share-based compensation, warrants and compensation options*

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

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Exploration and evaluation assets

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

Functional and presentation currency

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

Going concern

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

Impairment of non-current assets

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

Decommissioning liability

The Company's accounting policy for the recognition of accrued site closure costs requires significant estimates and assumptions such as the requirements of the relevant legal and regulatory framework, the magnitude of possible disturbance and the timing, extent and costs of required closure, rehabilitation activity and applicable discount rates. Changes to these estimates and assumptions may result in actual expenditures in the future differing from the amounts currently provided. The decommissioning liability is periodically reviewed and updated based on the available facts and circumstances. Management's assumption is that there are currently no decommissioning liabilities at its sites, nor subject to known additional environmental liabilities or mitigation measures.

Convertible note

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

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

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Income taxes

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

Deferred taxes

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

## **Financial Instruments**

### **Fair values**

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

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

### **Fair value hierarchy**

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

- 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

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**Credit risk**

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

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations with cash and from time to time with equity. As at October 31, 2025, the Company's financial liabilities consist of accounts payable and accrued liabilities and short-term 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 October 31, 2025, the estimated impact of a 5% US dollar change against the Canadian dollar would be \$1.5 million on pre-tax losses.

**Off-Balance-Sheet Arrangements**

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

**Share Capital**

As at the date of this MD&A, February 10, 2026, the Company had 240,041,192 common shares issued and outstanding, 21,006,768 warrants outstanding, 14,443,988 stock options outstanding and 6,210,797 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

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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.

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**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.

The BFS results are estimates only and are based on a number of assumptions, any of which, if incorrect, could materially change the projected outcome. There are no assurances that Crawford will be placed into production. Factors that could affect the outcome include, among others: 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 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; additional but currently unforeseen work may be required to advance to the feasibility stage; and even if Crawford goes into production, there is no assurance that operations will be profitable.

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](http://www.sedarplus.ca).